

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**

Lumberton, New Jersey  
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**

**LUMBERTON, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Prepared by**

**Lumberton Township School District  
Finance Department**

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## TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	7
Roster of Officials	9
Consultants and Advisors	11
FINANCIAL SECTION	
Independent Auditor’s Report	15
REQUIRED SUPPLEMENTARY INFORMATION – PART I	
Management’s Discussion and Analysis	21
BASIC FINANCIAL STATEMENTS	
A. Government-wide Financial Statements:	
A-1 Statement of Net Position	33
A-2 Statement of Activities	34
B. Fund Financial Statements:	
B-1 Balance Sheet	37
B-2 Statement of Revenues, Expenditures & Changes in Fund Balances	38
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balances of Governmental Funds to the Statement of Activities	39
Proprietary Funds:	
B-4 Statement of Net Position	40
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	41
B-6 Statement of Cash Flows	42
Notes to Financial Statements	43
REQUIRED SUPPLEMENTARY INFORMATION – PART II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	87
C-2 Budgetary Comparison Schedule – Special Revenue Fund	93
Notes to the Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	94
REQUIRED SUPPLEMENTARY INFORMATION – PART III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	99
L-2 Schedule of the District's Contributions	100
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	101
M. Schedules Related to Accounting and Reporting for Other Post Employment Benefits (GASB 75)	
M-1 Schedule of Changes in the Net OPEB Liability and Related Ratios Associated with the District	105
Notes to the Required Supplementary Information - Part III	106

## TABLE OF CONTENTS

	PAGE
OTHER SUPPLEMENTARY INFORMATION	
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures Special Revenue Fund – Budgetary Basis	111
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	112
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	115
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	116
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Lumberton - Solar Project	117
F-2b Schedule of Revenues, Expenditures Project Balance & Project Status – Projected Status - Budgetary Basis Ashbrook Elementary School Various Capital Improvements	118
F-2c Schedule of Revenues, Expenditures Project Balance & Project Status – Project Status - Budgetary Basis Bobby's Run Elementary School - Various Capital Improvements	119
F-2d Schedule of Revenues, Expenditures Project Balance & Project Status – Project Status - Budgetary Basis Florence L. Walther Elementary School - Various Capital Improvements	120
F-2e Schedule of Revenues, Expenditures Project Balance & Project Status – Project Status - Budgetary Basis Lumberton Middle School - Various Capital Improvements	121
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	125
G-2 Combining Schedule of Revenues, Expenses & Changes in in Fund Net Position	126
G-3 Combining Schedule of Cash Flows	127
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	131
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	132

## TABLE OF CONTENTS

	PAGE
<b>STATISTICAL SECTION</b>	
Financial Trends:	
J-1 Net Position by Component	137
J-2 Changes in Net Position	138
J-3 Fund Balances – Governmental Funds	140
J-4 Changes in Fund Balances – Governmental Funds	141
J-5 General Fund Other Local Revenue by Source	142
Revenue Capacity:	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	145
J-7 Direct & Overlapping Property Tax Rates	146
J-8 Principal Property Taxpayers	147
J-9 Property Tax Levies & Collections	148
J-10 Ratios of Outstanding Debt by Type	148
Debt Capacity:	
J-11 Ratios of General Bonded Debt Outstanding	151
J-12 Direct & Overlapping Governmental Activities Debt	151
J-13 Legal Debt Margin Information	152
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	155
J-15 Principal Employers	155
J-16 Full-Time Equivalent District Employees by Function/Program	155
Operating Information:	
J-17 Operating Statistics	159
J-18 School Building Information	160
J-19 Schedule of Required Maintenance	161
J-20 Insurance Schedule	162
<b>SINGLE AUDIT SECTION</b>	
K-1 Independent Auditors Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	165
K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance as Required By the Uniform Guidance and New Jersey OMB Circular Letter 15-08	167
K-3 Schedule of Expenditures of Federal Awards, Schedule A	171
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	172
K-5 Notes to Schedules of Awards and Financial Assistance	173
K-6 Schedule of Findings and Questioned Costs Section I	
Section I - Summary of Auditor's Results	175
Section II - Financial Statement Findings	177
Section III - Federal Awards and State Financial Assistance Findings & Questioned Costs	179
K-7 Summary Schedule of Prior Audit Findings	180

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**INTRODUCTORY SECTION**

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

**Joseph Langowski  
Superintendent**

**Mark Leung  
Business Administrator**

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March 2, 2022

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, 2021, 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, 2021, 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>
2020-2021	1,105	-5.72%
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%

## **ECONOMIC CONDITION AND OUTLOOK**

Lumberton Township has experienced slowdown to the development and expansion of the township. There are a few developments that will 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 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.

The district was successful in obtaining a preschool grant in 2020 through the competitive NJDOE process. In 2021-22 we have state funded four general education preschool classes in the Ashbrook School. This has been a huge positive for the community. Preschool enrollment has helped the district 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, was reopened in the 2020-21 school year for preschool through second grade students. The Board of Education is leasing 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**

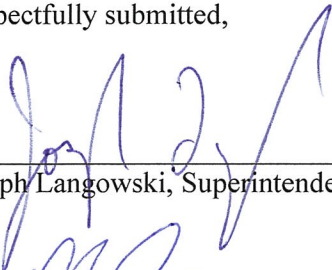
### *INDEPENDENT AUDIT*

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**

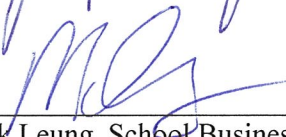
We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation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

Respectfully submitted,



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Joseph Langowski, Superintendent



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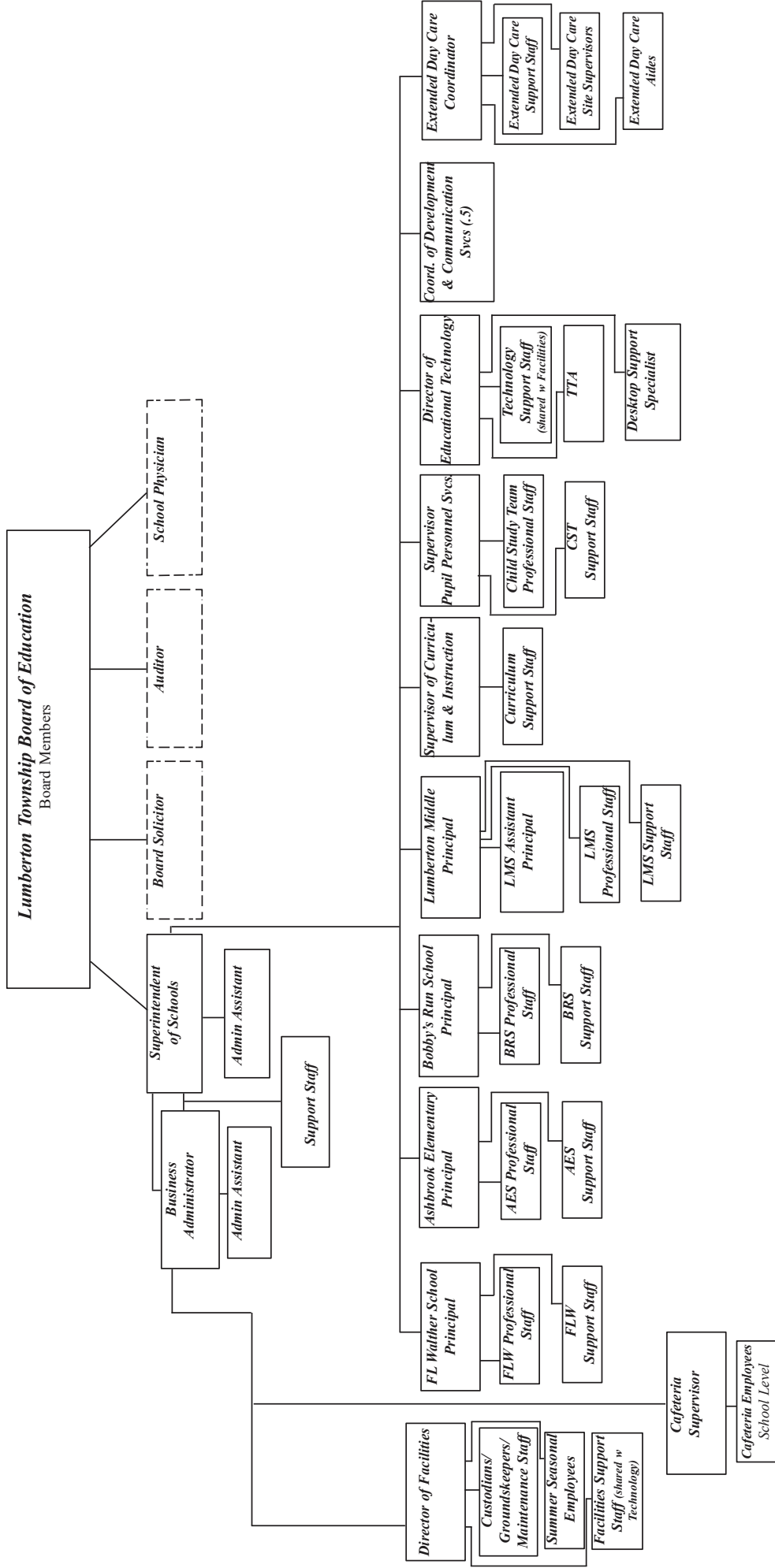
Mark Leung, School Business Administrator/Board Secretary

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# Lumberton Township Board of Education

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Lumberton, NJ 08048  
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**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Lumberton, New Jersey**

**ROSTER OF OFFICIALS**

**JUNE 30, 2021**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Margaret Bupp, President	2022
Kevin Leahan, Vice President	2022
Bruce Ciallella	2022
Melissa Ciri	2023
Jill Clevenger	2022
Thomas J. Colling	2022
Frank Pallante	2022
Rachel Paulin	2023
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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Certified Public Accountants & Advisors

## 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, 2021, 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.

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

618 Stokes Road, Medford, NJ 08055

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

## **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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021 the District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### *Prior Period Restatement*

Due to the implementation of GASB Statement No. 84, fund balance as of June 30, 2020 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 22 to the financial statements. Our opinion is not modified with respect to this matter.

Due to a correction for capital assets, fund balance as of June 30, 2020, on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 22 to the financial statements. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lumberton Township School District's basic financial statements. The introductory section, combining 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 March 2, 2022 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.**

*Certified Public Accountants & Advisors*

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

Medford, New Jersey  
March 2, 2022

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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, 2021**  
**(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, 2021. 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 two categories: *governmental funds* and *proprietary funds*.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(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

**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**

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government’s financial position.

The School District’s financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt and other long-term liabilities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As described in Note 1 to the financial statements “Adopted Accounting Pronouncements”, the district has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2021. As discussed in Note 5, the School District also underwent a revaluation of its capital assets. These resulted in a restatement of the School District’s opening net position as of July 1, 2020 in the amount of \$1,291,432, as indicated in Note 22 to the Financial Statements. Prior years’ balances reflected in the MD&A have been updated to reflect this change.



**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited) (Continued)**

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

Table 1 provides a summary of the School Districts net position for the fiscal years 2021 compared to fiscal year 2020.

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

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 9,888,204	\$ 9,547,013	\$ 341,191	3.6%
Capital Assets, Net	<u>23,141,765</u>	<u>21,249,519</u>	<u>1,892,246</u>	8.9%
Total Assets	<u>33,029,969</u>	<u>30,796,532</u>	<u>2,233,437</u>	7.3%
Deferred Outflow of Resources	<u>691,673</u>	<u>978,053</u>	<u>(286,380)</u>	-29.3%
Current and Other Liabilities	1,064,328	1,311,345	(247,017)	-18.8%
Noncurrent Liabilities	<u>12,524,338</u>	<u>13,150,204</u>	<u>(625,866)</u>	-4.8%
Total Liabilities	<u>13,588,666</u>	<u>14,461,549</u>	<u>(872,883)</u>	-6.0%
Deferred Inflow of Resources	<u>2,607,035</u>	<u>2,639,279</u>	<u>(32,244)</u>	-1.2%
Net Position:				
Net Investment in Capital Assets	16,468,270	13,163,519	3,304,751	25.1%
Restricted	8,096,065	9,077,553	(981,488)	-10.8%
Unrestricted (Deficit)	<u>(7,038,394)</u>	<u>(7,567,315)</u>	<u>528,921</u>	-7.0%
Total Net Position	<u>\$ 17,525,941</u>	<u>\$ 14,673,757</u>	<u>\$ 2,852,184</u>	19.4%

Table 2 shows the changes in net position for fiscal year 2021 compared to fiscal year 2020.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited) (Continued)**

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

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

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ 75,781	\$ 510,784	\$ (435,003)	-85.2%
Operating Grants & Contributions	9,174,059	5,901,858	3,272,201	55.4%
General Revenues:				
Property Taxes	15,345,615	15,315,689	29,926	0.2%
Federal & State Aid	7,674,233	8,439,471	(765,238)	-9.1%
Other General Revenues	378,641	392,408	(13,767)	-3.5%
<b>Total Revenues</b>	<b>32,648,329</b>	<b>30,560,210</b>	<b>2,088,119</b>	<b>6.8%</b>
<b>Function/Program Expenditures:</b>				
Regular Instruction	5,801,083	5,895,289	(94,206)	-1.6%
Special Education Instruction	3,133,491	2,777,557	355,934	12.8%
Other Instruction	533,013	644,349	(111,336)	-17.3%
Tuition	1,354,604	1,044,618	309,986	29.7%
Student & Instruction Related Services	2,344,152	2,519,429	(175,277)	-7.0%
General Administrative	512,556	483,744	28,812	6.0%
School Administrative Services	532,492	534,210	(1,718)	-0.3%
Central Services	389,132	382,949	6,183	1.6%
Administrative Info. Technology	329,007	340,871	(11,864)	-3.5%
Plant Operations & Maintenance	2,271,292	1,980,855	290,437	14.7%
Pupil Transportation	803,030	782,211	20,819	2.7%
Unallocated Benefits	6,319,751	4,961,950	1,357,801	27.4%
On Behalf TPAF Pension and Social Security Contributions	4,475,910	4,203,987	271,923	6.5%
Interest & Other Charges	298,172	249,271	48,901	19.6%
Unallocated Depreciation	1,150,764	1,223,498	(72,734)	-5.9%
Food Service	561,331	557,527	3,804	0.7%
Extended Daycare	277,797	405,850	(128,053)	-31.6%
<b>Total Expenditures</b>	<b>31,087,577</b>	<b>28,988,165</b>	<b>2,099,412</b>	<b>7.2%</b>
Change In Net Position	1,560,752	1,572,045	(11,293)	-0.7%
Net Position - Beginning, as restated	15,965,189	13,101,712	2,863,477	21.9%
Net Position - Ending	\$ 17,525,941	\$ 14,673,757	\$ 2,852,184	19.4%

**Governmental Activities**

During the fiscal year 2021, the net position of governmental activities increased by \$1,647,831 or 11.71%. The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$17,006,432, with an unrestricted deficit balance of \$7,289,482. 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:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited) (Continued)**

**Governmental Activities (continued)**

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

Unrestricted Net Position (With GASB 68)	\$	(7,289,482)
Add back: PERS Pension Liability		4,263,117
Less: Deferred Outflows related to pensions		(681,885)
Add back: Deferred Inflows related to pensions		<u>2,607,035</u>
Unrestricted Net Position (Without GASB 68)	<u>\$</u>	<u>(1,101,215)</u>

**Business-type Activities**

During the fiscal year 2021, the net position of business-type activities decreased by \$87,079 or (14.36%).

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$519,509.

**General Fund Budgeting Highlights**

Final budgeted revenues was \$21,785,956, unchanged from the original budget. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$465,685.

Final budgeted appropriations was \$25,627,206, which was an increase of \$141,554 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 \$3,361,851.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$8,903,644 at June 30, 2021, an increase of \$41,814 from the prior year.

**Governmental Funds**

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$8,934,057, a decrease of \$139,523 from the prior year.

*General fund* - During the current fiscal year, the fund balance of the School District’s general fund increased by \$80,297 to \$8,227,860 at June 30, 2021. The primary factor(s) affecting the change in fund balance of the general fund compared to the prior year is as follows:

- Increase of miscellaneous revenue from the prior year due to the sale of SREC’S.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited) (Continued)**

**Governmental Funds (continued)**

*Special revenue fund* – During the current fiscal year, the fund balance of the School District's special revenue fund increased by \$32,336 to \$32,336 at June 30, 2021. The primary factor(s) affecting the change in fund balance of the special revenue fund compared to the prior year is as follows:

- Implementation of GASB 84 in the current year.

*Capital projects fund* – During the current fiscal year, the fund balance of the School District's capital projects fund decreased by \$254,697 to \$663,313 at June 30, 2021. The primary factor(s) affecting the change in fund balance of the capital projects fund compared to the prior year is as follows:

- Bond issuance in July of 2019 and an increase in project expenditures in the current year.

*Debt service fund* - During the current fiscal year, the fund balance of the School District's debt service fund increased by \$2,541 to \$10,548 at June 30, 2021.

**Proprietary Funds**

*Food service fund* - During the current fiscal year, the net position of the School District's food service fund increased by \$117,524 to \$381,267 at June 30, 2021. The net position decreased in the prior year by \$21,960. 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, all students received free lunch due to COVID-19, increasing operating revenue.

*Extended Day Program* - During the current fiscal year, the net position of the School District's Extended Day Program decreased by \$204,603 to \$138,242 at June 30, 2021. The net position decreased in the prior by \$101,107. 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.

**Capital Assets**

The School District's capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$23,141,765 (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 \$1,892,246. Table 4 shows fiscal 2021 balances compared to 2020.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited) (Continued)**

**Capital Assets (continued)**

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

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 1,236,485	\$ 1,236,485	\$ -	0.0%
Construction in Progress	5,315,543	3,861,626	1,453,917	100.0%
Land Improvements	2,838,313	3,043,806	(205,493)	-6.8%
Building and Improvements	12,825,173	12,320,076	505,097	4.1%
Equipment	926,251	787,526	138,725	17.6%
	<u>\$ 23,141,765</u>	<u>\$ 21,249,519</u>	<u>\$ 1,892,246</u>	8.9%

Depreciation expense for the year was \$1,178,831. 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 \$7,115,000 which is a decrease of \$971,000 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, 2021.

**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.

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**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, 2021**

	GOVERNMENTAL <u>ACTIVITIES</u>	BUSINESS-TYPE <u>ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS:</b>			
Cash & Cash Equivalents	\$ 6,430,374	\$ 258,414	\$ 6,688,788
Receivables, Net (Note 4)	561,449	37,222	598,671
Internal Balances	40,673	(40,673)	-
Inventory	-	11,252	11,252
Restricted Cash & Cash Equivalents	2,589,493	-	2,589,493
Capital Assets, Net (Note 5)			
Non-depreciable	6,552,028	-	6,552,028
Depreciable	16,321,316	268,421	16,589,737
	<hr/>	<hr/>	<hr/>
Total Assets	32,495,333	534,636	33,029,969
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	681,885	-	681,885
Related to Loss on Debt Refunding	9,788	-	9,788
	<hr/>	<hr/>	<hr/>
Total Deferred Outflow of Resources	691,673	-	691,673
<b>LIABILITIES:</b>			
Accounts Payable	536,242	15,127	551,369
Due to Other Governments	286,211	-	286,211
Accrued Interest	75,058	-	75,058
Unearned Revenue	151,690	-	151,690
Noncurrent Liabilities (Note 7):			
Due within one year	924,628	-	924,628
Due in more than one year	11,599,710	-	11,599,710
	<hr/>	<hr/>	<hr/>
Total Liabilities	13,573,539	15,127	13,588,666
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	2,607,035	-	2,607,035
	<hr/>	<hr/>	<hr/>
Total Deferred Inflow of Resources	2,607,035	-	2,607,035
<b>NET POSITION:</b>			
Net Investment in Capital Assets	16,199,849	268,421	16,468,270
Restricted for:			
Maintenance Reserve	367,660	-	367,660
Debt Service	10,548	-	10,548
Capital Projects	2,788,606	-	2,788,606
Unemployment	73,320	-	73,320
Student Activities	64,086	-	64,086
Scholarships	2,757	-	2,757
Excess Surplus	4,789,088	-	4,789,088
Unrestricted (Deficit)	(7,289,482)	251,088	(7,038,394)
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 17,006,432	\$ 519,509	\$ 17,525,941

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, 2021

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	\$ 5,801,083	\$ -	\$ -	\$ -	\$ (5,801,083)	\$ -	\$ (5,801,083)
Special Education Instruction	3,133,491	-	690,849	-	(2,442,642)	-	(2,442,642)
Other Special Instruction	464,467	-	-	-	(464,467)	-	(464,467)
Other Instruction	68,546	-	-	-	(68,546)	-	(68,546)
Support Services:							
Tuition	1,354,604	-	-	-	(1,354,604)	-	(1,354,604)
Health Services	214,615	-	-	-	(214,615)	-	(214,615)
Student & Instruction Related Services	2,005,509	-	304,677	-	(1,700,832)	-	(1,700,832)
Educational Media Services / School Library	124,028	-	-	-	(124,028)	-	(124,028)
General Administrative	512,556	-	-	-	(512,556)	-	(512,556)
School Administrative Services	532,492	-	-	-	(532,492)	-	(532,492)
Central Services	389,132	-	-	-	(389,132)	-	(389,132)
Administrative Info. Technology	329,007	-	-	-	(329,007)	-	(329,007)
Plant Operations & Maintenance	2,271,292	-	-	-	(2,271,292)	-	(2,271,292)
Pupil Transportation	803,030	-	-	-	(803,030)	-	(803,030)
Unallocated Benefits	6,319,751	-	3,070,239	-	(3,249,512)	-	(3,249,512)
On Behalf TPAF Pension and Social Security Contributions	4,475,910	-	4,475,910	-	-	-	-
Interest & Other Charges	298,172	-	-	-	(298,172)	-	(298,172)
Unallocated Depreciation	1,150,764	-	-	-	(1,150,764)	-	(1,150,764)
Total Governmental Activities	30,248,449	-	8,541,675	-	(21,706,774)	-	(21,706,774)
Business-Type Activities:							
Food Service	561,331	2,796	632,384	-	-	73,849	73,849
Extended Day Care	277,797	72,985	-	-	-	(204,812)	(204,812)
Total Business-Type Activities	839,128	75,781	632,384	-	-	(130,963)	(130,963)
Total Primary Government	\$ 31,087,577	\$ 75,781	\$ 9,174,059	\$ -	(21,706,774)	(130,963)	(21,837,737)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					14,651,051	-	14,651,051
Property Taxes, Levied for Debt Service					694,564	-	694,564
Federal & State Aid Restricted					367,376	-	367,376
Federal & State Aid Not Restricted					7,306,857	-	7,306,857
Tuition Charges					89,082	-	89,082
Miscellaneous					245,675	271	245,946
Adjustment to Capital Assets					-	43,613	43,613
Total General Revenues and Special Items					23,354,605	43,884	23,398,489
Change in Net Position					1,647,831	(87,079)	1,560,752
Net Position - Beginning, as restated (Note 22)					15,358,601	606,588	15,965,189
Net Position - Ending					\$ 17,006,432	\$ 519,509	\$ 17,525,941

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

## B. Fund Financial Statements

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>					
Cash & Cash Equivalents	\$ 5,097,689	\$ 231,936	\$ 1,075,371	\$ 25,378	\$ 6,430,374
Receivables, Net:					
Interfund Receivable	562,808	-	-	10,547	573,355
Due from Other Governments:					
State	276,240	-	-	-	276,240
Federal	-	170,614	-	-	170,614
Other Receivables	110,924	3,671	-	-	114,595
Restricted Cash & Cash Equivalents	2,589,493	-	-	-	2,589,493
Total Assets	<u>\$ 8,637,154</u>	<u>\$ 406,221</u>	<u>\$ 1,075,371</u>	<u>\$ 35,925</u>	<u>\$ 10,154,671</u>
<b>LIABILITIES &amp; FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 382,664	\$ 126,948	\$ -	\$ -	\$ 509,612
Payroll Deductions and Withholdings Payable	26,630	-	-	-	26,630
Interfund Payable	-	95,247	412,058	25,377	532,682
Unearned Revenue	-	151,690	-	-	151,690
Total Liabilities	<u>409,294</u>	<u>373,885</u>	<u>412,058</u>	<u>25,377</u>	<u>1,220,614</u>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve	2,148,513	-	-	-	2,148,513
Maintenance Reserve	367,660	-	-	-	367,660
Excess Surplus - Current year	2,190,554	-	-	-	2,190,554
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	2,598,534	-	-	-	2,598,534
Capital Projects	-	-	640,093	-	640,093
Debt Service	-	-	-	10,548	10,548
Unemployment Compensation	73,320	-	-	-	73,320
Student Activities	-	64,086	-	-	64,086
Scholarships	-	2,757	-	-	2,757
<b>Assigned to:</b>					
Designated for Subsequent Year's Expenditures	88,427	-	-	-	88,427
Other Purposes	252,927	-	23,220	-	276,147
Unassigned	507,925	(34,507)	-	-	473,418
Total Fund Balances	<u>8,227,860</u>	<u>32,336</u>	<u>663,313</u>	<u>10,548</u>	<u>8,934,057</u>
Total Liabilities & Fund Balances	<u>\$ 8,637,154</u>	<u>\$ 406,221</u>	<u>\$ 1,075,371</u>	<u>\$ 35,925</u>	
Amounts reported for <i>governmental activities</i> 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 \$48,090,371 and the accumulated depreciation is \$25,217,027.					
					22,873,344
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.					
					681,885
					(2,607,035)
					9,788
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.					
					(75,058)
Accrued pension contributions for the June 30, 2021 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.					
					(286,211)
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>(12,524,338)</u>
Net Position of Governmental Activities					<u>\$ 17,006,432</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, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 14,651,051	\$ -	\$ -	\$ 694,564	\$ 15,345,615
Tuition Charges	89,082	-	-	-	89,082
Miscellaneous	243,134	11,196	2,541	-	256,871
Total Local Sources	14,983,267	11,196	2,541	694,564	15,691,568
State Sources	11,389,801	173,815	-	367,376	11,930,992
Federal Sources	43,725	855,546	-	-	899,271
Total Revenues	26,416,793	1,040,557	2,541	1,061,940	28,521,831
Expenditures:					
Instruction:					
Regular Instruction	5,801,083	-	-	-	5,801,083
Special Education Instruction	2,442,642	690,849	-	-	3,133,491
Other Special Instruction	464,467	-	-	-	464,467
Other Instruction	68,546	-	-	-	68,546
Support Services:					
Tuition	1,354,604	-	-	-	1,354,604
Health Services	214,615	-	-	-	214,615
Student & Instruction Related Services	1,769,509	236,000	-	-	2,005,509
Educational Media Services / School Library	124,028	-	-	-	124,028
General Administrative	512,556	-	-	-	512,556
School Administrative Services	532,492	-	-	-	532,492
Central Services	389,132	-	-	-	389,132
Administrative Info. Technology	329,007	-	-	-	329,007
Plant Operations & Maintenance	2,271,292	-	-	-	2,271,292
Pupil Transportation	803,030	-	-	-	803,030
Unallocated Benefits	3,682,822	45,031	-	-	3,727,853
On Behalf TPAF Pension and Social Security Contributions	4,126,669	-	-	-	4,126,669
Capital Outlay	1,459,741	95,248	254,697	-	1,809,686
Debt Service:					
Principal	-	-	-	811,000	811,000
Interest & Other Charges	45,789	-	-	328,591	374,380
Total Expenditures	26,392,024	1,067,128	254,697	1,139,591	28,853,440
Excess/(Deficiency) of Revenues over Expenditures	24,769	(26,571)	(252,156)	(77,651)	(331,609)
Other Financing Sources (Uses):					
Transfers in	-	-	-	2,541	2,541
Transfers out	-	-	(2,541)	-	(2,541)
Proceeds of Refunding Bonds	-	-	-	2,803,139	2,803,139
Deposit to Refunding Escrow	-	-	-	(2,725,488)	(2,725,488)
Total Other Financing Sources (Uses)	-	-	(2,541)	80,192	77,651
Net changes in fund balances	24,769	(26,571)	(254,697)	2,541	(253,958)
Fund Balance, July 1	8,147,563	-	918,010	8,007	9,073,580
Prior Period Adjustments	55,528	58,907	-	-	114,435
Fund Balance, July (Restated)	8,203,091	58,907	918,010	8,007	9,188,015
Fund Balance, June 30	\$ 8,227,860	\$ 32,336	\$ 663,313	\$ 10,548	\$ 8,934,057

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, 2021**

Total Net Changes in Fund Balances - Governmental Funds (B-2)		\$ (253,958)
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	\$ (1,150,764)
	Capital Outlays	<u>1,809,686</u>
		658,922
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.		
		414,458
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.		
		811,000
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.		
	Bond Proceeds	(2,555,000)
	Bonds Refunded	<u>2,715,000</u>
		160,000
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:		
	Amorization of premium on bonds	9,788
	Amorization of loss on Bond Refunding	<u>(231,596)</u>
		(221,808)
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 (+).		
		60,365
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>18,852</u>
Change in Net Position of Governmental Activities		<u>\$ 1,647,831</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTAL
	EXTENDED DAY CARE	FOOD SERVICE	
Current Assets:			
Cash & Cash Equivalents	\$ 55,452	\$ 202,962	\$ 258,414
Accounts Receivable:			
State	-	1,557	1,557
Federal	-	35,665	35,665
Inventories	-	11,252	11,252
Total Current Assets	55,452	251,436	306,888
Noncurrent Assets:			
Equipment	286,124	729,961	1,016,085
Less: Accumulated Depreciation	(203,334)	(544,330)	(747,664)
Total Noncurrent Assets	82,790	185,631	268,421
Total Assets	138,242	437,067	575,309
LIABILITIES			
Current Liabilities:			
Interfund Payables	-	40,673	40,673
Accounts Payable	-	15,127	15,127
Total Current Liabilities	-	55,800	55,800
Total Liabilities	-	55,800	55,800
NET POSITION			
Investment in Capital Assets	82,790	185,631	268,421
Unrestricted	55,452	195,636	251,088
Total Net Position	\$ 138,242	\$ 381,267	\$ 519,509

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, 2021**

	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:			
Special Functions	\$ -	\$ 1,407	\$ 1,407
Enrollment Fees	72,985	-	72,985
Miscellaneous	-	1,389	1,389
	<hr/>		
Total Operating Revenue	72,985	2,796	75,781
	<hr/>		
Operating Expenses:			
Cost of Sales - Reimbursable Programs	-	259,129	259,129
Salaries	223,246	135,626	358,872
Employee Benefits	19,000	28,520	47,520
Supplies and Materials	13,592	38,285	51,877
Management Fee	-	64,872	64,872
Miscellaneous	9,706	19,085	28,791
Depreciation	12,253	15,814	28,067
	<hr/>		
Total Operating Expenses	277,797	561,331	839,128
	<hr/>		
Operating Income/(Loss)	(204,812)	(558,535)	(763,347)
	<hr/>		
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	-	14,598	14,598
Federal Sources:			
National School Lunch Program	-	336,307	336,307
School Breakfast Program	-	216,540	216,540
Healthy Hungry Kids Act	-	6,707	6,707
Food Distribution Program	-	58,232	58,232
Interest and Investment Revenue	209	62	271
Gain on Adjustment to Capital Assets	-	43,613	43,613
	<hr/>		
Total Nonoperating Revenues/(Expenses)	209	676,059	676,268
	<hr/>		
Change in Net Position	(204,603)	117,524	(87,079)
Total Net Position - July 1	342,845	263,743	606,588
	<hr/>		
Total Net Position - June 30	\$ 138,242	\$ 381,267	\$ 519,509
	<hr/>		

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, 2021**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	EXTENDED	FOOD	TOTAL
	<u>DAY CARE</u>	<u>SERVICE</u>	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 72,985	\$ 2,796	\$ 75,781
Payments to Employees	(223,246)	(135,626)	(358,872)
Payment to Employee Benefits	(19,000)	(28,520)	(47,520)
Payments to Suppliers	(24,201)	(371,277)	(395,478)
Net Cash Provided/(Used) by Operating Activities	<u>(193,462)</u>	<u>(532,627)</u>	<u>(726,089)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	-	14,616	14,616
Federal Sources	-	615,315	615,315
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>629,931</u>	<u>629,931</u>
Cash Flows From Investing Activities:			
Purchase of Capital Assets	-	(40,781)	(40,781)
Interest on Investments	209	62	271
Net Cash Provided by Investing Activities	<u>209</u>	<u>(40,719)</u>	<u>(40,510)</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(193,253)	56,585	(136,668)
Cash & Cash Equivalents, July 1	<u>248,705</u>	<u>146,377</u>	<u>395,082</u>
Cash & Cash Equivalents, June 30	<u>\$ 55,452</u>	<u>\$ 202,962</u>	<u>\$ 258,414</u>

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

Operating Income/(Loss)	\$ (204,812)	\$ (558,535)	\$ (763,347)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	12,253	15,814	28,067
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	-	(5,033)	(5,033)
(Decrease)/Increase in Accounts Payable	(903)	15,127	14,224
Net Cash Provided/(Used) by Operating Activities	<u>\$ (193,462)</u>	<u>\$ (532,627)</u>	<u>\$ (726,089)</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, 2021**

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**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**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, 2021 of 1,105 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*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2021.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**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.

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, 2021**

**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.

**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 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 and proprietary funds.

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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

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.

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.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

**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.

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, 2021**

**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, 2021**

**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, 2021 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.

**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, 2021**

**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, 2021**

**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, 2021.
- 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, 2021**

**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 component 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, 2021:

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019.



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

Recently Issued Accounting Pronouncements

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

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

**Bond Premiums, Discounts and Issuance Costs**

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

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

**Deferred Loss on Refunding Debt**

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

**Deferred Outflows and Deferred Inflows of Resources**

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

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.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2021**

**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, 2021, the District’s bank balance of \$8,105,214 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	7,881,071
Uninsured and Uncollateralized		224,143
	\$	8,105,214

**Investments**

The School District has no investments at June 30, 2021.

**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, 2020 to June 30, 2021 fiscal year is as follows:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

Beginning Balance, July 1, 2020	\$	2,596,321
Increased by:		
Deposits Approved by Board		600,000
Interest Earnings		2,618
Return of Unspent Funds		90,000
		3,288,939
Decreased by:		
Budget Withdrawals		(1,140,426)
Ending Balance, June 30, 2021	\$	2,148,513

The June 30, 2021 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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$	500,211
Increased by:		
Interest Earnings		249
		500,460
Decreased by:		
Budget Withdrawals		(102,800)
Transfers to Budget		(30,000)
Ending Balance, June 30, 2021	\$	367,660

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2021 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 funds, in the aggregate, are as follows:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 4. Accounts Receivable (continued):**

<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	\$ -	\$ 170,614	\$ 170,614	\$ 35,665	\$ 35,665
State Awards	276,240	-	276,240	1,557	1,557
Tuition	110,924	3,671	114,595	-	-
<b>Total</b>	<b>\$ 387,164</b>	<b>\$ 174,285</b>	<b>\$ 561,449</b>	<b>\$ 37,222</b>	<b>\$ 37,222</b>

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2021 was as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2021</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,236,485	\$ -	\$ -	\$ 1,236,485
Construction in Progress	3,861,626	1,453,917	-	5,315,543
<b>Total Capital Assets not being depreciated</b>	<b>5,098,111</b>	<b>1,453,917</b>	<b>-</b>	<b>6,552,028</b>
Capital Assets being depreciated:				
Land Improvements	6,422,605	-	-	6,422,605
Buildings and Improvements	32,237,312	84,389	-	32,321,701
Equipment	2,522,657	271,380	-	2,794,037
<b>Total Capital Assets being depreciated</b>	<b>39,989,640</b>	<b>355,769</b>	<b>-</b>	<b>41,538,343</b>
Less: Accumulated Depreciation:				
Land Improvements	(3,292,881)	(291,411)	-	(3,584,292)
Buildings and Improvements	(18,854,857)	(708,230)	-	(19,563,087)
Equipment	(1,918,525)	(151,123)	-	(2,069,648)
<b>Total Accumulated Depreciation</b>	<b>(24,050,326)</b>	<b>(1,150,764)</b>	<b>-</b>	<b>(25,217,027)</b>
<b>Total Capital Assets being depreciated, net</b>	<b>15,939,314</b>	<b>(794,995)</b>	<b>-</b>	<b>16,321,316</b>
<b>Total Governmental Activities Capital Assets, net</b>	<b>\$ 21,037,425</b>	<b>\$ 658,922</b>	<b>\$ -</b>	<b>\$ 22,873,344</b>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

	Balance July 1, <u>2020</u>	<u>Additions</u>	Retirements and Transfers	<u>Adjustments</u>	Balance June 30, <u>2021</u>
<b>Business-Type Activities:</b>					
Buildings and Improvements	\$ 269,039	\$ -	\$ -	\$ -	\$ 269,039
Equipment	665,152	40,781	-	41,114	747,047
	<u>934,191</u>	<u>40,781</u>	<u>-</u>	<u>41,114</u>	<u>1,016,086</u>
Less: Accumulated Depreciation:					
Buildings and Improvements	(191,081)	(11,399)	-	-	(202,480)
Equipment	(531,016)	(16,668)	-	2,499	(545,185)
	<u>(722,097)</u>	<u>(28,067)</u>	<u>-</u>	<u>2,499</u>	<u>(747,665)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 212,094</u>	<u>\$ 12,714</u>	<u>\$ -</u>	<u>\$ 43,613</u>	<u>\$ 268,421</u>

Depreciation expense was not allocated among the various functions/programs of the School District.

On October 13, 2021 the School District's appraisal company performed a valuation of the School District's capital assets as of June 30, 2021. The beginning balances in the table above reflect the prior period adjustments needed to bring the balance in agreement with the value provided by the appraisal company.

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

Individual fund receivables/payables balances at June 30, 2021 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 562,808	\$ -
Special Revenue Fund	-	95,247
Capital Projects Fund	-	412,058
Debt Service Fund	10,547	25,377
Food Service Fund	-	40,673
	<u>\$ 573,355</u>	<u>\$ 573,355</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	\$ -	\$ 2,541
Debt Service Fund	2,541	-
	<u>\$ 2,541</u>	<u>\$ 2,541</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 7. Long-Term Obligations**

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations:

	Balance <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2021</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 8,086,000	\$ 2,555,000	\$ 3,526,000	\$ 7,115,000	\$ 875,000
Unamortized Bond Premiums	-	248,138	16,542	231,596	49,628
Compensated Absences	933,477	-	18,852	914,625	-
Net Pension Liability	4,941,727	-	678,610	4,263,117	-
	<u>\$ 13,961,204</u>	<u>\$ 2,803,138</u>	<u>\$ 4,240,004</u>	<u>\$ 12,524,338</u>	<u>\$ 924,628</u>

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

**A. Bonds Payable:**

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. At June 30, 2021, bonds payable consisted of the following individual issues:

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.

On February 25, 2021 the School District issued \$2,555,000 of Refunding Bonds to refund the callable portion of the outstanding 2010 Bond Issue. The Refunding Bonds were issued at interest rates varying from 3.000% to 4.000% and mature on February 15, 2026.

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>
2022	\$ 875,000	\$ 177,208	\$ 1,052,208
2023	895,000	157,387	1,052,387
2024	915,000	134,438	1,049,438
2025	940,000	110,778	1,050,778
2026	1,000,000	80,641	1,080,641
2027-2030	<u>2,490,000</u>	<u>109,900</u>	<u>2,599,900</u>
	<u>\$ 7,115,000</u>	<u>\$ 770,352</u>	<u>\$ 7,885,352</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

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

As of June 30, 2021, the District had no bonds authorized but not issued.

**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 annual financial statements, which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.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.

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 2020, 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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

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

payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2021, the School District reported a liability of \$4,263,117 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020. 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, 2020. The School District's proportion measured as of June 30, 2020, was 0.02614%, which was a decrease of 0.00128% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of (\$128,476) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 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	\$ 77,624	\$ 15,076
Changes of Assumptions	138,300	1,785,007
Net Difference between Projected and Actual Earnings on Pension Plan Investments	145,717	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	34,033	806,952
School District Contributions Subsequent to Measurement Date	286,211	-
	<u>\$ 681,885</u>	<u>\$ 2,607,035</u>



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

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

\$286,211 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, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending</b>	
<b><u>Dec 31,</u></b>	<b><u>Amount</u></b>
2021	\$ (852,072)
2022	(814,394)
2023	(479,136)
2024	(170,625)
2025	<u>104,866</u>
	<u>\$ (2,211,361)</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:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

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

	<b>Deferred Outflow of <u>Resources</u></b>	<b>Deferred Inflow of <u>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	-
June 30, 2020	5.16	-
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
June 30, 2020	-	5.16
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	-
June 30, 2020	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
June 30, 2020	5.16	5.16

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

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

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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-2020
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-2020.

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, 2020) 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, 2020 are summarized in the following table:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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, 2020, calculated using the discount rate of 7.00% 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 (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
District's Proportionate Share of the Net Pension Liability	<u>\$ 5,408,752</u>	<u>\$ 4,263,117</u>	<u>\$ 3,352,981</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**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, 2021 and 2020:

**Balances at June 30, 2021 and June 30, 2020**

	<u>6/30/2021</u>	<u>6/29/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability	16,435,616,426	18,143,832,135
District's portion of the Plan's total Net Pension Liability	0.02614%	0.02743%

**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, 2021**

**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 2020, 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, 2020 was \$61,012,873. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.09266%, which was a decrease of .00454% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the School District recognized \$3,794,040 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, 2020 measurement date.

**Actuarial Assumptions** – The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2021**

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

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

Inflation		
Price		2.75%
Wage		3.25%
Salary Increases:		
Through 2026	1.55 - 4.45%	Based on Years of Service
Thereafter	2.75 - 5.65%	Based on Years of Service
Investment Rate of Return		7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 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-2020.

The actuarial assumptions used in the July 1, 2019 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, 2020) 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, 2020 are summarized in the following table:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%

**Discount Rate** - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020, 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 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 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 5.40% 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, 2021**

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

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

	<b>1% Decrease <u>(4.40%)</u></b>	<b>Current Discount Rate <u>(5.40%)</u></b>	<b>1% Increase <u>(6.40%)</u></b>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	<u>71,666,756</u>	<u>61,012,873</u>	<u>52,166,604</u>
	<u>\$ 71,666,756</u>	<u>\$ 61,012,873</u>	<u>\$ 52,166,604</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, 2021 and 2020:

**Balances at June 30, 2021 and June 30, 2020**

	<u>6/30/2020</u>	<u>6/30/2019</u>
Collective Deferred Outflows of Resources	\$ 9,626,548,228	\$ 10,129,162,237
Collective Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Collective Net Pension Liability	65,993,498,688	61,519,112,443
District's portion of the Plan's total Net Pension Liability	0.09266%	0.09720%

**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, 2021**

**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 2021 is \$8,3400 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, 2021, employee contributions totaled \$42,202, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$23,019.

**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, 2021**

**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, 2020, was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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.

Total Nonemployer OPEB Liability:                   \$     67,809,962,608

**Inflation Rate:**   2.5%

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary Increases:			
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 4.45% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

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-2020. 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-2020.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

The actuarial assumptions used in the June 30, 2019 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.

**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, 2020 was \$70,579,158. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.10408%, which was a decrease of 0.00149% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$3,024,624 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, 2020 measurement date.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**Discount Rate**

The discount rate for June 30, 2020 was 2.21%. 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.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

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

The following presents the total nonemployer OPEB liability as of June 30, 2020, 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, 2020</b>		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 85,086,818	\$ 70,579,158	\$ 59,235,565
State of New Jersey's Total Non- employer Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**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, 2020, 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:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 56,973,876	\$ 70,579,158	\$ 86,780,024
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

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

**Additional Information**

Collective balances of the Local Group at June 30, 2020 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Change in Assumptions	-	-
Change in Assumptions	11,534,251,250	(7,737,500,827)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	\$ 21,829,570,000	\$ (16,908,204,442)

\*\* Employer Contributions made after June 30, 2020 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, 2021**

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

Fiscal Year Ending June 30,	
2021	\$ 43,440,417
2022	43,440,417
2023	43,440,417
2024	43,440,417
2025	43,440,417
Thereafter	<u>4,704,163,473</u>
	<u>\$ 4,921,365,558</u>

**Plan Membership**

At June 30, 2019, the Program membership consisted of the following:

	<u>June 30, 2019</u>
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	<u>149,304</u>
	<u>366,108</u>

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

**Total OPEB Liability**

Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Difference Between Expected & Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	<u>(1,180,515,618)</u>
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	<u>41,729,084,045</u>
Total OPEB Liability (Ending)	<u>\$ 67,809,965,608</u>
Total Covered Employee Payroll	\$ 14,267,738,658
Net OPEB Liability as a Percentage of Payroll	475%

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**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, 2021, the on-behalf payments for normal costs, social security costs, post-retirement medical costs, and long-term disability were \$2,622,397, \$681,870, \$821,818 and \$584, 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>
2020-2021	\$ 28,442	\$ 2	\$ -	\$ 73,320
2019-2020	20,384	-	40,652	44,876
2018-2019	21,591	189	43,230	65,144

**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, 2021 may 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.



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

**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, 2021, the School District had operating lease agreements in effect for copiers. Total operating lease payments made during the year ended June 30, 2021 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>	
2022	\$ 43,272
2023	43,272
2024	<u>21,636</u>
Total Minimum Lease Payments	<u>\$ 108,180</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

**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.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 16. Compensated Absences (continued):**

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, 2021, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$914,625 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, 2021 was \$2,190,554.

**Note 19. Fund Balance**

**General Fund** – Of the \$8,227,860 General Fund fund balance at June 30, 2021, \$2,148,513 has been reserved in the Capital Reserve Account; \$367,660 has been reserved in the maintenance reserve account; \$2,190,554 is restricted for current year excess surplus; \$2,598,534 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$88,427 has been assigned as designated for subsequent year's expenditures; \$73,320 is restricted for New Jersey Unemployment Compensation; \$252,927 has been assigned to other purposes; and \$507,925 is unassigned.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 19. Fund Balance (continued):**

**Special Revenue Fund** – Of the \$32,336 Special Revenue Fund fund balance at June 30, 2021, \$64,086 is restricted for student activities; \$2,757 is restricted for scholarships and \$(34,507) is unassigned.

**Capital Projects Fund** – Of the \$663,313 Capital Projects Fund fund balance at June 30, 2021, \$663,313 is restricted for future capital project payments.

**Debt Service Fund** – Of the \$10,548 Debt Service Fund fund balance at June 30, 2021, \$10,548 is restricted for future debt service payments.

**Note 20. Deficit Fund Balances**

The School District has a deficit fund balance of \$(34,507) in the Special Revenue Fund as of June 30, 2021 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 Special Revenue 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 \$34,507 is the last state aid payment.

**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 \$7,289,482. 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, 2021. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

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

During the year ended June 30, 2021 the School District adopted GASB Statement No. 84, *Fiduciary Activities* (See Note 1). The School District adjusted its beginning balances to reflect all newly adopted standards for its Restricted Net Position and Restricted Fund Balance for New Jersey Unemployment Trust Fund, Scholarships and Student Activities. Additionally, as discussed in Note 5, the School District also underwent a revaluation of its capital assets. As a result, net position and fund balances as of July 1, 2020 have been restated as follows:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 22. Prior Period Adjustment/Restatement of Net Position and Fund Balance (continued):**

**Prior Period Adjustment to Net Position (Exhibit A-2)**

Balance, July 1, 2020 prior to Adjustment	\$ 14,067,169
Add:	
Capital Assets	1,176,997
New Jersey Unemployment Trust	55,528
Scholarships	2,995
Student Activities	<u>55,912</u>
Balance, July 1, 2020 Restated	<u><u>\$ 15,358,601</u></u>

**Prior Period Adjustment to Fund Balance (General Fund) (Exhibit B-2)**

Balance, July 1, 2020 prior to Adjustment	\$ 8,147,563
Add:	
New Jersey Unemployment Trust	<u>55,528</u>
Balance, July 1, 2020 Restated	<u><u>\$ 8,203,091</u></u>

**Prior Period Adjustment to Fund Balance (Special Revenue Fund) (Exhibit B-2)**

Balance, July 1, 2020 prior to Adjustment	\$ -
Add:	
Scholarships	2,995
Student Activities	<u>55,912</u>
Balance, July 1, 2020 Restated	<u><u>\$ 58,907</u></u>

**Note 23. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and March 2, 2022, 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.

The COVID-19 pandemic is ongoing. Because of the evolving nature of the outbreak and federal, state and local responses, it cannot be predicted how the outbreak will impact the financial condition or operations of the District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. To date the School District has not been materially and adversely affected financially due to the virus.

**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, 2021**

	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	\$ 14,651,051	\$ -	\$ 14,651,051	\$ 14,651,051	\$ -
Tuition - Other LEA's Within State	10-1300	-	-	-	89,082	89,082
Interest on Maintenance Reserve	10-1000	50	-	50	249	199
Interest on Capital Reserve	10-1000	200	-	200	2,618	2,418
Miscellaneous	10-1000	170,000	-	170,000	240,267	70,267
<b>Total Local Sources</b>		<b>14,821,301</b>	<b>-</b>	<b>14,821,301</b>	<b>14,983,267</b>	<b>161,966</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	5,774,121	-	5,774,121	5,774,121	-
Categorical Security Aid	10-3177	176,844	-	176,844	176,844	-
Non Public School Transportation Aid	10-3000	-	-	-	29,282	29,282
Extraordinary Aid	10-3131	-	-	-	263,812	263,812
<b>Nonbudgeted:</b>						
<b>On-Behalf TPAF:</b>						
Post-Retirement Medical Contributions		-	-	-	821,818	821,818
Normal Pension Contributions		-	-	-	2,622,397	2,622,397
Long Term Disability Insurance		-	-	-	584	584
Reimbursed TPAF Social Security		-	-	-	681,870	681,870
<b>Total State Sources</b>		<b>6,931,555</b>	<b>-</b>	<b>6,931,555</b>	<b>11,351,318</b>	<b>4,419,763</b>
<b>Federal Sources:</b>						
Special Education Medicaid Initiative (SEMI)	10-4200-000-000	33,100	-	33,100	43,725	10,625
<b>Total Federal Sources</b>		<b>33,100</b>	<b>-</b>	<b>33,100</b>	<b>43,725</b>	<b>10,625</b>
<b>Total Revenues</b>		<b>21,785,956</b>	<b>-</b>	<b>21,785,956</b>	<b>26,378,310</b>	<b>4,592,354</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
Preschool/Kindergarten	11-110-100-101	354,696	(6,031)	348,665	328,018	20,647
Grades 1 - 5	11-120-100-101	2,636,437	35,398	2,671,835	2,647,984	23,851
Grades 6 - 8	11-130-100-101	2,324,506	(159,831)	2,164,675	2,164,192	483
<b>Home Instruction - Regular Programs:</b>						
Salaries of Teachers	11-150-100-101	19,250	8,346	27,596	27,592	4
Purchased Professional - Educational Services	11-150-100-320	12,500	(5,965)	6,535	3,868	2,667
<b>Regular Programs - Undistributed Instruction:</b>						
Other Salaries for Instruction	11-190-100-106	59,600	(59,600)	-	-	-
Purchased Professional - Educational Services	11-190-100-320	324,000	(138,235)	185,765	185,765	-
Purchased Technical Services	11-190-100-340	2,250	-	2,250	-	2,250
General Supplies	11-190-100-610	456,296	86,328	542,624	442,998	99,626
Textbooks	11-190-100-640	1,125	-	1,125	666	459
Other Objects	11-190-100-890	1,200	3,910	5,110	-	5,110
<b>Total Regular Programs</b>		<b>6,191,860</b>	<b>(235,680)</b>	<b>5,956,180</b>	<b>5,801,083</b>	<b>155,097</b>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	126,599	60,110	186,709	158,799	27,910
Other Salaries for Instruction	11-204-100-106	132,594	(33,125)	99,469	87,200	12,269
General Supplies	11-204-100-610	10,200	(2,900)	7,300	5,686	1,614
<b>Total Learning &amp;/or Language Disabilities</b>		<b>269,393</b>	<b>24,085</b>	<b>293,478</b>	<b>251,685</b>	<b>41,793</b>
Behavioral Disabilities						
Salaries of Teachers	11-209-100-101	64,038	938	64,976	62,253	2,723
Other Salaries for Instruction	11-209-100-106	20,501	(2,012)	18,489	18,319	170
General Supplies	11-209-100-610	5,000	300	5,300	5,284	16
<b>Total Behavioral Disabilities</b>		<b>89,539</b>	<b>(774)</b>	<b>88,765</b>	<b>85,856</b>	<b>2,909</b>
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	36,830	53,562	90,392	90,391	1
Other Salaries for Instruction	11-212-100-106	18,418	985	19,403	19,403	-
General Supplies	11-212-100-610	4,200	(1,900)	2,300	2,263	37
<b>Total Multiple Disabilities</b>		<b>59,448</b>	<b>52,647</b>	<b>112,095</b>	<b>112,057</b>	<b>38</b>
Resource Room / Resource Center:						
Salaries of Teachers	11-213-100-101	1,396,652	191,838	1,588,490	1,585,415	3,075
Other Salaries for Instruction	11-213-100-106	250,615	(3,861)	246,754	233,529	13,225
General Supplies	11-213-100-610	17,812	(11,300)	6,512	5,162	1,350
<b>Total Resource Room/Resource Center</b>		<b>1,665,079</b>	<b>176,677</b>	<b>1,841,756</b>	<b>1,824,106</b>	<b>17,650</b>
Preschool Disabilities - Part-Time:						
Salaries of Teachers	11-215-100-101	118,884	(55,347)	63,537	63,537	-
Other Salaries for Instruction	11-215-100-106	63,119	(44,508)	18,611	16,002	2,609
General Supplies	11-215-100-610	1,100	(550)	550	-	550
<b>Total Preschool Disabilities - Part-Time</b>		<b>183,103</b>	<b>(100,405)</b>	<b>82,698</b>	<b>79,539</b>	<b>3,159</b>
Preschool Disabilities - Full-Time:						
Salaries of Teachers	11-216-100-101	-	63,537	63,537	63,537	-
Other Salaries for Instruction	11-216-100-106	-	18,611	18,611	16,003	2,608
General Supplies	11-216-100-610	-	550	550	-	550
<b>Total Preschool Disabilities - Full-Time</b>		<b>-</b>	<b>82,698</b>	<b>82,698</b>	<b>79,540</b>	<b>3,158</b>
Home Instruction						
Purchased Prof.- Ed Services	11-219-100-320	20,000	-	20,000	9,859	10,141
<b>Total Home Instruction</b>		<b>20,000</b>	<b>-</b>	<b>20,000</b>	<b>9,859</b>	<b>10,141</b>
<b>Total Special Education</b>		<b>2,286,562</b>	<b>234,928</b>	<b>2,521,490</b>	<b>2,442,642</b>	<b>78,848</b>
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-230-100-101	206,243	95,815	302,058	188,106	113,952
Other Salaries for Instruction	11-230-100-106	216,461	(29,363)	187,098	185,628	1,470
General Supplies	11-230-100-610	11,574	-	11,574	4,939	6,635
<b>Total Basic Skills/Remedial - Instruction</b>		<b>434,278</b>	<b>66,452</b>	<b>500,730</b>	<b>378,673</b>	<b>122,057</b>
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	84,952	476	85,428	85,426	2
General Supplies	11-240-100-610	1,550	-	1,550	368	1,182
Textbooks	11-240-100-640	761	-	761	-	761
<b>Total Bilingual Education - Instruction</b>		<b>87,263</b>	<b>476</b>	<b>87,739</b>	<b>85,794</b>	<b>1,945</b>
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	100,329	(13,995)	86,334	14,393	71,941
General Supplies	11-401-100-610	6,577	-	6,577	1,355	5,222
<b>Total School Sponsored Cocurricular - Activities</b>		<b>106,906</b>	<b>(13,995)</b>	<b>92,911</b>	<b>15,748</b>	<b>77,163</b>
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	33,659	(1,500)	32,159	10,156	22,003
General Supplies	11-402-100-610	3,670	-	3,670	1,675	1,995
Other Objects	11-402-100-800	4,600	-	4,600	62	4,538
<b>Total School Sponsored Athletics - Instruction</b>		<b>41,929</b>	<b>(1,500)</b>	<b>40,429</b>	<b>11,893</b>	<b>28,536</b>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Instructional Programs - Instruction:						
Salaries - Teacher Tutors	11-403-100-100	4,500	-	4,500	4,500	-
Total Other Instructional Programs- Instruction:		4,500	-	4,500	4,500	-
Summer School - Instruction:						
Salaries - Teacher Tutors	11-421-100-178	-	19,333	19,333	19,333	-
Total Before/After School Programs- Instruction:		-	19,333	19,333	19,333	-
Salaries - Teacher	11-422-100-101	11,900	2,200	14,100	13,999	101
Other Objects	11-422-100-106	6,300	(2,542)	3,758	3,073	685
Total Summer School - Instruction		18,200	(342)	17,858	17,072	786
Total - Instruction		9,171,498	69,672	9,241,170	8,776,738	464,432
Undistributed Expenditures						
Instruction:						
Tuition to Other LEAs Within State Special	11-000-100-562	174,000	264,357	438,357	438,357	-
Tuition to CSSD & Regional Day School	11-000-100-565	858,957	(183,117)	675,840	496,501	179,339
Tuition to Private Schools for Disabled Within the State	11-000-100-566	946,388	(258,357)	688,031	419,746	268,285
Tuition Other	11-000-100-569	10,000	-	10,000	-	10,000
Total Undistributed Expenditures - Instruction		1,989,345	(177,117)	1,812,228	1,354,604	457,624
Attendance and Social Work Services:						
Purchased Technical Services	11-000-211-340	7,500	-	7,500	985	6,515
Total Attendance and Social Work Services		7,500	-	7,500	985	6,515
Health Services:						
Salaries	11-000-213-100	205,320	2,403	207,723	207,723	-
Purchased Professional & Technical Services	11-000-213-300	14,200	-	14,200	600	13,600
Supplies and Materials	11-000-213-600	6,510	149	6,659	6,292	367
Total Health Services		226,030	2,552	228,582	214,615	13,967
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	423,225	12,264	435,489	417,002	18,487
Purchased Professional - Educational Services	11-000-216-320	114,000	45,080	159,080	159,080	-
Supplies and Materials	11-000-216-600	23,500	(7,448)	16,052	10,249	5,803
Total Other Support Services - Students - Related Services		560,725	49,896	610,621	586,331	24,290
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	259,741	4,130	263,871	263,539	332
Salaries of Secretarial & Clerical Assistants	11-000-218-105	29,121	6	29,127	29,127	-
Total Other Support Services - Students - Regular		288,862	4,136	292,998	292,666	332
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	628,373	(43,852)	584,521	580,855	3,666
Salaries of Secretarial & Clerical Assistants	11-000-219-105	50,865	-	50,865	43,955	6,910
Purchased Professional - Educational Services	11-000-219-320	15,000	-	15,000	14,831	169
Supplies and Materials	11-000-219-600	8,700	761	9,461	9,461	-
Other Objects	11-000-219-800	1,200	-	1,200	845	355
Total Other Support Services - Students - Special Services		704,138	(43,091)	661,047	649,947	11,100
Improvement of Instruction Services:						
Salaries of Supervisors of Instruction	11-000-221-102	113,025	-	113,025	113,025	-
Salaries of Other Professional Staff	11-000-221-104	61,744	-	61,744	33,820	27,924
Total Improvement of Instruction Services		174,769	-	174,769	146,845	27,924
Educational Media Services/School Library:						
Salaries	11-000-222-100	124,413	(81,219)	43,194	42,817	377
Purchased Professional & Technical Services	11-000-222-300	21,200	-	21,200	14,359	6,841
Other Purchase Services	11-000-222-500	76,700	(27,200)	49,500	44,725	4,775
Supplies and Materials	11-000-222-600	31,605	(3,000)	28,605	22,127	6,478
Total Educational Media Services/School Library		253,918	(111,419)	142,499	124,028	18,471

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021**

	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	30,261	(1,500)	28,761	4,978	23,783
Salaries of Secretarial & Clerical Assistants	11-000-223-105	57,357	-	57,357	57,355	2
Purchased Professional - Educational Services	11-000-223-320	83,902	(13,648)	70,254	20,805	49,449
Purchased Professional & Technical Services	11-000-223-390	16,567	(520)	16,047	4,733	11,314
Other Purchased Services	11-000-223-500	14,215	(925)	13,290	1,935	11,355
Supplies and Materials	11-000-223-600	495	1,567	2,062	1,920	142
Other Objects	11-000-223-800	2,403	-	2,403	1,009	1,394
<b>Total Instructional Staff Training Services</b>		<b>205,200</b>	<b>(15,026)</b>	<b>190,174</b>	<b>92,735</b>	<b>97,439</b>
<b>Support Services General Administration:</b>						
Salaries	11-000-230-100	245,858	-	245,858	244,020	1,838
Legal Services	11-000-230-331	75,500	10,000	85,500	58,622	26,878
Audit Services	11-000-230-332	31,000	8,530	39,530	37,780	1,750
Other Purchased Professional Services	11-000-230-339	2,500	6,470	8,970	8,764	206
Purchased Technical Services	11-000-230-340	32,039	27,319	59,358	59,358	-
Communications/Telephone	11-000-230-530	99,650	(6,299)	93,351	74,354	18,997
BOE Other Purchased Services	11-000-230-585	11,500	(50)	11,450	-	11,450
Other Purchased Services (400-500Series)	11-000-230-590	8,000	-	8,000	1,310	6,690
General Supplies	11-000-230-610	23,000	28,140	51,140	6,902	44,238
Miscellaneous Expenditures	11-000-230-890	2,850	-	2,850	2,757	93
BOE Membership Dues & Fees	11-000-230-895	18,220	469	18,689	18,689	-
<b>Total Support Services General Administration</b>		<b>550,117</b>	<b>74,579</b>	<b>624,696</b>	<b>512,556</b>	<b>112,140</b>
<b>Support Services School Administration:</b>						
Salaries of Principals & Assistant Principals	11-000-240-103	327,916	-	327,916	323,470	4,446
Salaries of Secretarial & Clerical Assistants	11-000-240-105	194,344	116	194,460	194,460	-
Supplies and Materials	11-000-240-600	8,200	2,783	10,983	10,983	-
Other Objects	11-000-240-800	5,300	7,045	12,345	3,579	8,766
<b>Total Support Services School Administration</b>		<b>535,760</b>	<b>9,944</b>	<b>545,704</b>	<b>532,492</b>	<b>13,212</b>
<b>Central Services:</b>						
Salaries	11-000-251-100	361,075	(961)	360,114	358,776	1,338
Purchased Professional Services	11-000-251-330	28,000	248	28,248	23,602	4,646
Other Purchased Services	11-000-251-592	3,200	(248)	2,952	175	2,777
Supplies and Materials	11-000-251-600	4,050	37,250	41,300	4,549	36,751
Interest for Lease Purchase Agreement	11-000-251-832	2,500	-	2,500	-	2,500
Miscellaneous Expenditures	11-000-251-890	3,500	-	3,500	2,030	1,470
<b>Total Central Services</b>		<b>402,325</b>	<b>36,289</b>	<b>438,614</b>	<b>389,132</b>	<b>49,482</b>
<b>Administration Information Technology:</b>						
Salaries	11-000-252-100	177,825	247	178,072	174,212	3,860
Purchased Technical Services	11-000-252-340	101,350	-	101,350	88,286	13,064
Supplies and Materials	11-000-252-600	77,800	(7,500)	70,300	66,509	3,791
Miscellaneous Expenditures	11-000-252-800	1,100	-	1,100	-	1,100
<b>Total Administration Information Technology</b>		<b>358,075</b>	<b>(7,253)</b>	<b>350,822</b>	<b>329,007</b>	<b>21,815</b>
<b>Allowable Maintenance for School Facilities:</b>						
Salaries	11-000-261-100	5,000	-	5,000	468	4,532
Cleaning, Repair & Maintenance Services	11-000-261-420	364,600	178,342	542,942	493,217	49,725
General Supplies	11-000-261-610	118,500	67,687	186,187	147,486	38,701
Other Objects	11-000-261-800	11,450	-	11,450	1,082	10,368
<b>Total Allowable Maintenance for School Facilities</b>		<b>499,550</b>	<b>246,029</b>	<b>745,579</b>	<b>642,253</b>	<b>103,326</b>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021**

	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	768,694	24,370	793,064	709,968	83,096
Purchased Professional & Technical Services	11-000-262-300	22,500	168,670	191,170	178,716	12,454
Cleaning, Repair & Maintenance Services	11-000-262-420	173,125	-	173,125	110,776	62,349
Rental of Land & Building	11-000-262-441	2,000	4,200	6,200	3,701	2,499
Other Purchased Property Services	11-000-262-490	185,000	(51,374)	133,626	33,877	99,749
Insurance	11-000-262-520	92,250	-	92,250	92,250	-
General Supplies	11-000-262-610	90,000	15,149	105,149	91,558	13,591
Energy (Natural Gas)	11-000-262-621	102,000	21,065	123,065	103,684	19,381
Energy (Electricity)	11-000-262-622	500,000	(17,663)	482,337	183,137	299,200
Energy (Gasoline)	11-000-262-626	7,500	553	8,053	5,552	2,501
Other Objects	11-000-262-800	2,500	-	2,500	1,270	1,230
<b>Total Other Operation &amp; Maintenance of Plant</b>		<b>1,945,569</b>	<b>164,970</b>	<b>2,110,539</b>	<b>1,514,489</b>	<b>596,050</b>
<b>Care &amp; Upkeep of Grounds:</b>						
Other Purchased Professional Salaries	11-000-263-100	94,961	39	95,000	95,000	-
Technical Services	11-000-263-300	6,500	-	6,500	-	6,500
General Supplies	11-000-263-610	25,000	-	25,000	19,550	5,450
<b>Total Care &amp; Upkeep of Grounds</b>		<b>126,461</b>	<b>39</b>	<b>126,500</b>	<b>114,550</b>	<b>11,950</b>
<b>Student Transportation Services:</b>						
Contracted Services (Aid in Lieu of Payments)	11-000-270-503	58,000	24,090	82,090	76,456	5,634
Contracted Services (Between Home & School) - Vendors	11-000-270-511	461,453	4,270	465,723	421,781	43,942
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	14,220	-	14,220	-	14,220
Contracted Services (Between Home & School) - Joint	11-000-270-513	20,400	-	20,400	-	20,400
Contracted Services (Special Education Students) - Vendors	11-000-270-514	86,750	-	86,750	2,222	84,528
Contracted Services (Special Education Students) - Joint	11-000-270-515	30,600	-	30,600	4,602	25,998
Contracted Services (Regular Students) - ESC's	11-000-270-517	97,000	22,088	119,088	81,738	37,350
Contracted Services (Special Education Students) - ESC's	11-000-270-518	400,000	(163,789)	236,211	216,231	19,980
<b>Total Student Transportation Services</b>		<b>1,168,423</b>	<b>(113,341)</b>	<b>1,055,082</b>	<b>803,030</b>	<b>252,052</b>
<b>Unallocated Benefits - Employee Benefits:</b>						
Group Insurance	11-000-291-210	15,000	-	15,000	2,937	12,063
Social Security	11-000-291-220	275,000	755	275,755	214,800	60,955
Other Retirement Contributions- PERS	11-000-291-241	335,000	-	335,000	285,983	49,017
Other Retirement Contributions - Regular	11-000-291-249	20,500	2,572	23,072	23,072	-
Unemployment Compensation	11-000-291-250	20,000	-	20,000	5,057	14,943
Workmen's Compensation	11-000-291-260	100,000	-	100,000	93,168	6,832
Health Benefits	11-000-291-270	4,150,422	(562,386)	3,588,036	2,989,497	598,539
Tuition Reimbursements	11-000-291-280	34,000	-	34,000	2,350	31,650
Other Employee Benefits	11-000-291-290	5,000	20,141	25,141	25,141	-
Unused Vacation Payment to Term/Ret. Staff	11-000-291-299	70,000	-	70,000	40,817	29,183
<b>Total Unallocated Benefits</b>		<b>5,024,922</b>	<b>(538,918)</b>	<b>4,486,004</b>	<b>3,682,822</b>	<b>803,182</b>
<b>Nonbudgeted:</b>						
<b>On-Behalf TPAF:</b>						
Post-Retirement Medical Contributions		-	-	-	821,818	(821,818)
Normal Pension Contributions		-	-	-	2,622,397	(2,622,397)
Long Term Disability Insurance		-	-	-	584	(584)
Reimbursed TPAF Social Security		-	-	-	681,870	(681,870)
<b>Total Undistributed Expenditures</b>		<b>15,021,689</b>	<b>(417,731)</b>	<b>14,603,958</b>	<b>16,109,756</b>	<b>(1,505,798)</b>
Interest Earned on Maintenance Reserve	10-606-000-000	50	-	50	-	50
<b>Total Expenditures - Current Expense</b>		<b>24,193,237</b>	<b>(348,059)</b>	<b>23,845,178</b>	<b>24,886,494</b>	<b>(1,041,316)</b>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021**

	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	200	-	200	-	200
Total Increase in Capital Reserve		200	-	200	-	200
Equipment:						
Regular Programs - Instruction:						
Administrative Info Technology	12-000-252-730	25,500	41,586	67,086	58,593	8,493
Custodial Services	12-000-262-730	40,500	9,932	50,432	38,182	12,250
Care and Upkeep of Grounds	12-000-263-730	35,000	83,851	118,851	79,357	39,494
Non-Instructional Services	12-000-300-730	5,000	(4,441)	559	-	559
Total Equipment		106,000	130,928	236,928	176,132	60,796
Facilities Acquisition & Construction Services:						
Other Professional Services	12-000-400-390	182,959	1,425	184,384	184,384	-
Construction Services	12-000-400-450	957,467	188,483	1,145,950	1,014,836	131,114
Infrastructure	12-000-400-780	-	168,777	168,777	84,389	84,388
Assessment for Debt Service	12-000-400-896	45,789	-	45,789	45,789	-
Total Facilities Acquisition & Construction Services		1,186,215	358,685	1,544,900	1,329,398	215,502
Total Capital Outlay		1,292,415	489,613	1,782,028	1,505,530	276,498
Total Expenditures		25,485,652	141,554	25,627,206	26,392,024	(764,818)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(3,699,696)	(141,554)	(3,841,250)	(13,714)	3,827,536
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(Uses)		(3,699,696)	(141,554)	(3,841,250)	(13,714)	3,827,536
Fund Balances, July 1		8,861,830	-	8,861,830	8,861,830	-
Prior Period Adjustment		55,528	-	55,528	55,528	-
Fund Balances, July (Restated)		8,917,358	-	8,917,358	8,917,358	-
Fund Balances, June 30		<u>\$ 5,217,662</u>	<u>\$ (141,554)</u>	<u>\$ 5,076,108</u>	<u>\$ 8,903,644</u>	<u>\$ 3,827,536</u>

**RECAPITULATION OF BUDGET TRANSFERS**

Prior Year Encumbrances	\$ 111,554
Transfer from Maintenance Reserve	30,000
Total	<u>\$ 141,554</u>

**RECAPITULATION OF FUND BALANCE**

<b>Restricted Fund Balance:</b>	
Reserved Excess Surplus Designated of Subsequent Year's Expenditures	\$ 2,598,534
Maintenance Reserve	367,660
Capital Reserve	2,148,513
Excess Surplus	2,190,554
Unemployment Compensation	73,320
<b>Assigned Fund Balance:</b>	
Year-End Encumbrances	252,927
Designated for Subsequent Year's Expenditures	88,427
<b>Unassigned Fund Balance</b>	<u>1,183,709</u>
Subtotal	8,903,644
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(675,784)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$ 8,227,860</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021**

REVENUES	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Local Sources	\$ -	\$ -	\$ -	\$ 11,196	\$ 11,196
State Sources	-	345,072	345,072	208,322	(136,750)
Federal Sources	484,900	385,824	870,724	870,024	(700)
<b>Total Revenues</b>	<b>484,900</b>	<b>730,896</b>	<b>1,215,796</b>	<b>1,089,542</b>	<b>(126,254)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	109,255	44,774	154,029	154,029	-
Tuition	300,000	65,299	365,299	365,299	-
Travel	-	5,885	5,885	5,814	71
General Supplies	-	177,761	177,761	177,388	373
Other Objects	-	2,797	2,797	2,797	-
<b>Total Instruction</b>	<b>409,255</b>	<b>296,516</b>	<b>705,771</b>	<b>705,327</b>	<b>444</b>
<b>Support Services:</b>					
Salaries	-	15,460	15,460	15,460	-
Personal Services - Employee Benefits	45,031	4,641	49,672	45,031	4,641
Purchased Professional Services	-	98,922	98,922	59,500	39,422
Other Purchased Services	19,000	-	19,000	19,000	-
Travel	2,189	(267)	1,922	1,922	-
Supplies & Materials	9,425	114,140	123,565	118,073	5,492
Other Objects	-	18,785	18,785	18,785	-
Student Activities	-	-	-	3,020	(3,020)
Scholarships	-	-	-	240	(240)
<b>Total Support Services</b>	<b>75,645</b>	<b>251,681</b>	<b>327,326</b>	<b>281,031</b>	<b>46,295</b>
<b>Facilities Acquisition &amp; Construction Services:</b>					
Non-Instructional Equipment	-	182,699	182,699	95,248	87,451
<b>Total Expenditures</b>	<b>484,900</b>	<b>730,896</b>	<b>1,215,796</b>	<b>1,081,606</b>	<b>134,190</b>
<b>Total Outflows</b>	<b>484,900</b>	<b>730,896</b>	<b>1,215,796</b>	<b>1,081,606</b>	<b>134,190</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	-	-	7,936	7,936
Fund Balance, July 1	-	-	-	-	-
Prior Period Adjustment	-	-	-	58,907	58,907
Fund Balance, July 1 (Restated)	-	-	-	58,907	58,907
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 66,843	\$ 66,843

**RECAPITULATION OF FUND BALANCE**

<b>Restricted Fund Balance:</b>	
Scholarships	\$ 2,757
Student Activities	64,086
	<u>\$ 66,843</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION - PART II  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI - PART II  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

**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)	\$ 26,378,310	\$ 1,089,542
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	205
Current Year	-	(14,683)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		
	714,267	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		
	(675,784)	(34,507)
<hr/>		
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 26,416,793</u>	<u>\$ 1,040,557</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	26,392,024	1,081,606
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.		
	-	(14,478)
<hr/>		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, & Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 26,392,024</u>	<u>\$ 1,067,128</u>



**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.02614%	0.02743%	0.02939%	0.03159%	0.03274%	0.03107%	0.03040%	0.03276%
School District's proportionate share of the net pension liability	\$ 4,263,117	\$ 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	\$ 1,753,009	\$ 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	243.19%	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	58.32%	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 EIGHT FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 285,983	\$ 266,773	\$ 292,339	\$ 292,693	\$ 290,873	\$ 267,096	\$ 250,611	\$ 246,866
Contributions in relation to the contractually required contribution	(285,983)	(266,773)	(292,339)	(292,693)	(290,873)	(267,096)	(250,611)	(246,866)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	N/A
Contributions as a percentage of covered payroll	15.81%	13.88%	15.21%	13.98%	14.11%	13.53%	12.18%	N/A

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 EIGHT FISCAL YEARS\***

	2021	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%	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	61,012,873	59,653,633	62,517,273	69,617,672	80,497,849	59,538,110	52,486,407	50,245,999
School District's covered payroll	\$ 9,695,437	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	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 FOUR FISCAL YEARS\*

	2021	2020	2019	2018
<b>Total OPEB Liability Associated with the School District</b>				
Service Cost	\$ 1,655,014	\$ 1,739,739	\$ 2,063,213	\$ 2,478,437
Interest Cost	1,579,130	1,943,759	2,125,872	1,828,460
Differences between Expected and Actual Experiences	11,590,501	(8,110,977)	(6,092,832)	-
Changes of Assumptions	12,892,387	656,843	(5,638,656)	(7,386,667)
Contributions: Member	37,243	40,086	45,410	49,423
Gross Benefit Payments	(1,228,725)	(1,352,314)	(1,313,892)	(1,342,184)
Net Change in Total OPEB Liability	26,525,550	(5,082,864)	(8,810,885)	(4,372,531)
Total OPEB Liability (Beginning)	44,053,608	49,136,472	57,947,357	62,319,888
Total OPEB Liability (Ending)	\$ 70,579,158	\$ 44,053,608	\$ 49,136,472	\$ 57,947,357
District's Covered Employee Payroll	\$ 11,448,446	\$ 11,606,584	\$ 11,681,483	\$ 11,995,967
District's Net OPEB Liability as a Percentage of Payroll	616%	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, 2021**

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020.

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020.

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

**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, 2021**

	TITLE I	TITLE II - PART A	TITLE III - IMMIGRANT	I.D.E.A. PART B BASIC	I.D.E.A. PART B PRESCHOOL	I.D.E.A. PART B EDUCATION AID	PRESCHOOL EDUCATION AID	CORONAVIRUS RELIEF FUND	DIGITAL DIVIDE	EDUCATION STABILIZATION FUND	SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES	STUDENT ACTIVITIES	SCHOLARSHIP ACCOUNTS	TOTAL
Revenues:														
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,194	\$ 2	\$ 11,196
State Sources	-	-	-	-	-	208,322	-	-	-	-	-	-	-	208,322
Federal Sources	159,677	33,924	2,019	336,190	29,109	-	71,403	-	32,182	125,788	79,732	-	-	870,024
<b>Total Revenues</b>	<b>159,677</b>	<b>33,924</b>	<b>2,019</b>	<b>336,190</b>	<b>29,109</b>	<b>208,322</b>	<b>71,403</b>	<b>-</b>	<b>32,182</b>	<b>125,788</b>	<b>79,732</b>	<b>11,194</b>	<b>2</b>	<b>1,089,542</b>
Expenditures:														
Instruction:														
Salaries of Teachers	112,326	-	-	-	-	-	-	-	-	-	41,703	-	-	154,029
Tuition	-	-	-	336,190	29,109	-	-	-	-	-	-	-	-	365,299
Travel	-	-	-	-	-	-	-	-	-	-	5,814	-	-	5,814
Supplies	-	-	-	-	-	-	-	32,182	32,182	115,788	29,418	-	-	177,388
Other Objects	-	-	-	-	-	-	-	-	-	-	2,797	-	-	2,797
<b>Total Instruction</b>	<b>112,326</b>	<b>-</b>	<b>-</b>	<b>336,190</b>	<b>29,109</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,182</b>	<b>115,788</b>	<b>79,732</b>	<b>-</b>	<b>-</b>	<b>705,327</b>
Support Services:														
Salaries	1,320	-	330	-	-	13,810	-	-	-	-	-	-	-	15,460
Employee Benefits	45,031	-	-	-	-	-	-	-	-	-	-	-	-	45,031
Other Purchased Professional Services	-	-	-	-	-	59,500	-	-	-	-	-	-	-	59,500
Other Purchased Services	-	19,000	-	-	-	-	-	-	-	-	-	-	-	19,000
Travel	-	1,922	-	-	-	-	-	-	-	-	-	-	-	1,922
Supplies	1,000	13,002	1,689	-	-	39,764	52,618	-	-	10,000	-	-	-	118,073
Other Objects	-	-	-	-	-	-	18,785	-	-	-	-	-	-	18,785
Student Activities	-	-	-	-	-	-	-	-	-	-	-	3,020	-	3,020
Scholarships	-	-	-	-	-	-	-	-	-	-	-	-	240	240
<b>Total Support Services</b>	<b>47,351</b>	<b>33,924</b>	<b>2,019</b>	<b>-</b>	<b>-</b>	<b>113,074</b>	<b>71,403</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>3,020</b>	<b>240</b>	<b>281,031</b>
Facilities Acquisition & Construction Services:														
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	95,248
<b>Total Expenditures</b>	<b>159,677</b>	<b>33,924</b>	<b>2,019</b>	<b>336,190</b>	<b>29,109</b>	<b>208,322</b>	<b>71,403</b>	<b>-</b>	<b>32,182</b>	<b>125,788</b>	<b>79,732</b>	<b>3,020</b>	<b>240</b>	<b>1,081,606</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	8,174	(238)	7,936
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	55,912	2,995	58,907
<b>Fund Balance, July 1 (Restated)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,912</b>	<b>2,995</b>	<b>58,907</b>
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 64,086</b>	<b>\$ 2,757</b>	<b>\$ 66,843</b>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION EXPANSION AID  
STATEMENT OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Support Services:			
Salaries	13,810	13,810	-
Employee Benefits	4,641	-	4,641
Other Purchased Professional Services	98,922	59,500	39,422
Supplies	45,000	39,764	5,236
	<hr/>		
Total Support Services	162,373	113,074	49,299
	<hr/>		
Facilities Acquisition & Construction Services:			
Non-instructional Equipment	182,699	95,248	87,451
	<hr/>		
Total Facilities Acquisition & Construction Services	182,699	95,248	87,451
	<hr/>		
Total Expenditures	\$ 345,072	\$ 208,322	\$ 136,750
	<hr/> <hr/>		

**CALCULATION OF BUDGET AND CARRYOVER**

Total Revised 2020-2021 Preschool Education Aid Allocation	\$ 345,072
Add: Actual Preschool Education Aid Carryover (June 30, 2020)	<hr/> -
Total Preschool Education Aid Funds Available for 2020-2021 Budget	345,072
Less: 2020-2021 Budgeted Preschool Education Aid (Prior Year Budget Carryover)	<hr/> (345,072)
Available & Unbudgeted Preschool Education Aid Funds June 30, 2021	-
Add: June 30, 2021 Unexpended Preschool Education Aid	<hr/> 136,750
Total Actual Preschool Education Aid Carryover	<hr/> <hr/> \$ 136,750
2020-2021 Preschool Education Aid Carryover Budgeted in 2021-2022	<hr/> <hr/> \$ 136,750

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, 2021**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		TRANSFER TO DEBT SERVICE FUND	UNEXPENDED BALANCE JUNE 30, 2021
			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	976,829	72,663	-	2,655
Bobby's Run Elementary School Various Improvements		652,552	560,761	81,335	-	10,456
Florence L. Walther Elementary School Various Improvements		746,737	613,958	1,316	-	131,463
Lumberton Middle School Various Improvements		2,429,564	1,885,653	99,383	-	444,528
<b>Total</b>		<b>\$ 11,881,000</b>	<b>\$ 10,174,048</b>	<b>\$ 254,697</b>	<b>\$ 788,942</b>	<b>\$ 663,313</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, 2021**

Revenues & Other Financing Sources:	
Miscellaneous	\$ 2,541
Total Revenues & Other Sources	<u>2,541</u>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	8,731
Construction Services	223,459
Other Objects	22,507
Transfer to Debt Service	<u>2,541</u>
Total Expenditures & Other Financing Uses	<u>257,238</u>
Excess/(Deficiency) of Revenues & Other Financing Sources	
Over/(Under) Expenditures & Other Financing Uses	(254,697)
Fund Balances, July 1	<u>918,010</u>
Fund Balances, June 30	<u><u>\$ 663,313</u></u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
LUMBERTON - SOLAR PROJECT  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

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

## Additional Project Information:

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
ASHBROOK ELEMENTARY SCHOOL  
VARIOUS CAPITAL IMPROVEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	<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	225,389	-	225,389	129,883
Construction Services	750,031	67,247	817,278	822,794
Supplies	1,409	-	1,409	734
Other Objects	-	5,416	5,416	98,736
Total Expenditures & Other Financing Uses	976,829	72,663	1,049,492	1,052,147
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 75,318	\$ (72,663)	\$ 2,655	\$ -

**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	100%
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, 2021**

	<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	71,274	5,298	76,572	69,424
Construction Services	478,705	68,903	547,608	520,050
Supplies	782	-	782	672
Other Objects	10,000	7,134	17,134	62,406
Total Expenditures & Other Financing Uses	560,761	81,335	642,096	652,552
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 91,791	\$ (81,335)	\$ 10,456	\$ -
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				98%
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, 2021**

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>Revenues &amp; Other Financing Sources:</b>				
Bond Proceeds	\$ 746,737	\$ -	\$ 746,737	\$ 746,737
Total Revenues	746,737	-	746,737	746,737
<b>Expenditures &amp; Other Financing Uses:</b>				
Purchased Professional & Technical Services	95,723	-	95,723	103,658
Construction Services	517,453	-	517,453	568,469
Supplies	782	-	782	672
Other Objects	-	1,316	1,316	73,938
Total Expenditures & Other Financing Uses	613,958	1,316	615,274	746,737
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 132,779	\$ (1,316)	\$ 131,463	\$ -
<b>Additional Project Information:</b>				
Bond Authorization Date				6/29/2019
Bonds Authorization				746,737
Bonds Issued				746,737
Original Authorized Cost				746,737
Additional Authorized Cost				-
Revised Authorized Cost				746,737
Percentage Increase Over Original Authorized Cost				0%
Percentage Completion				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, 2021**

	<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	124,940	3,433	128,373	210,330
Construction Services	1,759,930	87,309	1,847,239	1,966,809
Supplies	783	-	783	672
Other Objects	-	8,641	8,641	251,753
Total Expenditures & Other Financing Uses	1,885,653	99,383	1,985,036	2,429,564
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 543,911	\$ (99,383)	\$ 444,528	\$ -

## 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	82%
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, 2021**

ASSETS	EXTENDED DAY <u>CARE</u>	FOOD SERVICE <u>FUND</u>	<u>TOTAL</u>
Current Assets:			
Cash & Cash Equivalents	\$ 55,452	\$ 202,962	\$ 258,414
Accounts Receivable:			
State	-	1,557	1,557
Federal	-	35,665	35,665
Inventories	-	11,252	11,252
	<hr/>		
Total Current Assets	55,452	251,436	306,888
Noncurrent Assets:			
Equipment	286,124	729,961	1,016,085
Less: Accumulated Depreciation	(203,334)	(544,330)	(747,664)
	<hr/>		
Total Noncurrent Assets	82,790	185,631	268,421
	<hr/>		
Total Assets	138,242	437,067	575,309
<hr/>			
LIABILITIES			
Current Liabilities:			
Interfund Payable	-	40,673	40,673
Accounts Payable	-	15,127	15,127
	<hr/>		
Total Current Liabilities	-	55,800	55,800
<hr/>			
NET POSITION			
Investment in Capital Assets	82,790	185,631	268,421
Unrestricted	55,452	195,636	251,088
	<hr/>		
Total Net Position	\$ 138,242	\$ 381,267	\$ 519,509
	<hr/> <hr/>		

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION  
 AS OF JUNE 30, 2021**

	<u>EXTENDED DAY CARE</u>	<u>FOOD SERVICE FUND</u>	<u>TOTAL</u>
Operating Revenues:			
Local Sources:			
Special Functions	\$ -	\$ 1,407	\$ 1,407
Enrollment Fees	72,985	-	72,985
Miscellaneous	-	1,389	1,389
Total Operating Revenue	<u>72,985</u>	<u>2,796</u>	<u>75,781</u>
Operating Expenses:			
Salaries	223,246	135,626	358,872
Payroll Taxes & Benefits	19,000	28,520	47,520
Supplies and Materials	13,592	38,285	51,877
Management Fee	-	64,872	64,872
Depreciation	12,253	15,814	28,067
Miscellaneous	9,706	19,085	28,791
Cost of Sales - Reimbursable	-	259,129	259,129
Total Operating Expenses	<u>277,797</u>	<u>561,331</u>	<u>839,128</u>
Operating Income/(Loss)	<u>(204,812)</u>	<u>(558,535)</u>	<u>(763,347)</u>
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	-	14,598	14,598
Federal Sources:			
National School Lunch Program	-	336,307	336,307
National School Breakfast Program	-	216,540	216,540
Healthy Hunger-Free Kids Act	-	6,707	6,707
Food Distribution Program	-	58,232	58,232
Interest Revenue	209	62	271
Capital Asset Adjustment	-	43,613	43,613
Total Nonoperating Revenues/(Expenses)	<u>209</u>	<u>676,059</u>	<u>676,268</u>
Change in Net Position	(204,603)	117,524	(87,079)
Total Net Position - Beginning	<u>342,845</u>	<u>263,743</u>	<u>606,588</u>
Total Net Position - Ending	<u>\$ 138,242</u>	<u>\$ 381,267</u>	<u>\$ 519,509</u>



**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
PROPRIETARY FUNDS  
COMBINING SCHEDULE OF CASH FLOWS  
AS OF JUNE 30, 2021**

	EXTENDED DAY CARE	FOOD SERVICE FUND	<u>TOTAL</u>
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 72,985	\$ 2,796	\$ 75,781
Payments to Employees	(223,246)	(135,626)	(358,872)
Payment to Employee Benefits	(19,000)	(28,520)	(47,520)
Payments to Suppliers	(24,201)	(371,277)	(395,478)
	<hr/>	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	(193,462)	(532,627)	(726,089)
	<hr/>	<hr/>	<hr/>
Cash Flows From Noncapital Financing			
State Sources	-	14,616	14,616
Federal Sources	-	615,315	615,315
	<hr/>	<hr/>	<hr/>
Net Cash Provided by Noncapital Financing Activities	-	629,931	629,931
	<hr/>	<hr/>	<hr/>
Cash Flows From Investing Activities:			
Purchase of Capital Assets	-	(40,781)	(40,781)
Interest on Investments	209	62	271
	<hr/>	<hr/>	<hr/>
Net Cash Provided by Investing Activities	209	(40,719)	(40,510)
	<hr/>	<hr/>	<hr/>
Net Increase/(Decrease) in Cash & Cash Equivalents	(193,253)	56,585	(136,668)
Cash and Cash Equivalents, July 1	248,705	146,377	395,082
	<hr/>	<hr/>	<hr/>
Cash and Cash Equivalents, June 30	\$ 55,452	\$ 202,962	\$ 258,414
	<hr/>	<hr/>	<hr/>

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

Operating Income/(Loss)	\$ (204,812)	\$ (558,535)	\$ (763,347)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	12,253	15,814	28,067
(Increase)/Decrease in Inventory	-	(5,033)	(5,033)
(Decrease)/Increase in Accounts Payable	(903)	15,127	14,224
	<hr/>	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	\$ (193,462)	\$ (532,627)	\$ (726,089)
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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, 2021**

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES DATE</u>	<u>INTEREST RATE</u>	<u>AMOUNT</u>	<u>BALANCE JULY 1, 2020</u>			<u>BALANCE JUNE 30, 2021</u>
						<u>ISSUED</u>	<u>REFUNDED</u>	<u>RETIRED</u>	
2010 School Bonds	8/4/2010	\$ 7,000,000	N/A	N/A	N/A	\$ 3,205,000	\$ -	\$ 490,000	\$ -
2019 School Bonds	7/18/2019	4,881,000	7/15/21	2.000%	400,000	4,881,000	-	321,000	4,560,000
			7/15/22	2.000%	400,000				
			7/15/23	2.000%	410,000				
			7/15/24	2.125%	415,000				
			7/15/25	2.125%	445,000				
			7/15/26	2.125%	605,000				
			7/15/27	2.125%	615,000				
			7/15/28	2.125%	630,000				
			7/15/29	2.250%	640,000				
2021 Refund School Bonds	2/25/2021	2,555,000	2/15/2022	3.000%	475,000	-	2,555,000	-	2,555,000
			2/15/2023	3.000%	495,000				
			2/15/2024	3.000%	505,000				
			2/15/2025	4.000%	525,000				
			2/15/2026	4.000%	555,000				
<b>Total</b>						<b>\$ 8,086,000</b>	<b>\$ 2,555,000</b>	<b>\$ 811,000</b>	<b>\$ 7,115,000</b>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO <u>ACTUAL</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 694,564	\$ -	\$ 694,564	\$ 694,564	\$ -
State Sources:					
Debt Service Aid Type II	367,376	-	367,376	367,376	-
Total Revenues	<u>1,061,940</u>	<u>-</u>	<u>1,061,940</u>	<u>1,061,940</u>	<u>-</u>
Expenditures					
Regular Debt Service:					
Interest	250,940	-	250,940	250,940	-
Redemption of Principal	811,001	-	811,001	811,000	1
Expense of Refunding Bonds	-	-	-	77,651	(77,651)
Total Expenditures	<u>1,061,941</u>	<u>-</u>	<u>1,061,941</u>	<u>1,139,591</u>	<u>(77,650)</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources(Uses)					
	(1)	-	(1)	(77,651)	(77,650)
Other Financing Sources/(Uses):					
Operating Transfers In/(Out)	-	-	-	2,541	2,541
Proceeds of Refunding Bonds	-	-	-	2,803,139	2,803,139
Deposit to Refunding Escrow	-	-	-	(2,725,488)	(2,725,488)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,192</u>	<u>80,192</u>
Excess/(Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources/(Uses)					
	(1)	-	(1)	2,541	2,542
Fund Balance, July 1	8,007	-	8,007	8,007	-
Fund Balance, June 30	<u>\$ 8,006</u>	<u>\$ -</u>	<u>\$ 8,006</u>	<u>\$ 10,548</u>	<u>\$ 2,542</u>

**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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Governmental Activities:</b>										
<b>Net Investment in Capital Assets</b>	\$ 16,199,849	\$ 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
Restricted	8,096,065	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
Unrestricted	(7,289,482)	(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)
<b>Total Governmental Activities</b>	\$ 17,006,432	\$ 14,067,169	\$ 12,372,057	\$ 10,156,421	\$ 10,005,358	\$ 9,936,826	\$ 9,260,913	\$ 17,490,455	\$ 16,278,205	\$ 14,020,561
<b>Net Position</b>										
<b>Business-Type Activities:</b>										
<b>Investment in Capital Assets</b>	\$ 268,421	\$ 212,094	\$ 195,341	\$ 186,124	\$ 112,156	\$ 123,556	\$ 79,232	\$ 195,414	\$ 202,891	\$ -
Unrestricted	251,088	394,494	534,314	515,098	834,967	730,081	753,691	656,660	547,231	665,217
<b>Total Business-Type Activities</b>	\$ 519,509	\$ 606,588	\$ 729,655	\$ 701,222	\$ 947,123	\$ 853,637	\$ 832,923	\$ 852,074	\$ 750,122	\$ 665,217
<b>Net Position</b>										
<b>District-Wide:</b>										
<b>Net Investment in Capital Assets</b>	\$ 16,468,270	\$ 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
Restricted	8,096,065	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
Unrestricted	(7,038,394)	(7,567,315)	(7,143,509)	(7,949,381)	(7,081,067)	(5,956,302)	(6,093,344)	204,567	(722,860)	118,156
<b>Total District Net Position</b>	\$ 17,525,941	\$ 14,673,757	\$ 13,101,712	\$ 10,857,643	\$ 10,952,481	\$ 10,790,463	\$ 10,093,836	\$ 18,342,529	\$ 17,028,327	\$ 14,685,778

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 5,801,083	\$ 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
Special Education	3,133,491	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
Other Special Instruction	464,467	535,958	478,450	479,154	476,231	436,729	430,509	417,255	415,989	365,872
Other Instruction	68,546	108,391	107,447	101,545	105,862	110,522	104,256	104,264	89,957	87,157
Support Services & Undistributed Costs:										
Tuition	1,354,604	1,044,618	1,050,953	1,114,772	858,921	729,211	541,483	667,811	469,536	551,302
Health Services	214,615	212,047	261,821	254,277	247,904	249,208	247,986	252,321	237,883	226,704
Student & Instruction Related Services	2,005,509	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
Educational Media Services/School Library	124,028	222,368	268,562	249,332	301,528	239,574	280,741	227,599	228,077	197,283
School Administrative Services	532,492	534,210	636,360	728,300	704,436	898,050	967,348	975,756	912,921	926,003
Other Administrative Services	1,230,695	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
Plant Operations & Maintenance	2,271,292	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
Pupil Transportation	803,030	782,211	863,521	1,047,922	968,116	1,013,986	1,020,021	891,983	894,954	874,561
Employee Benefits	10,795,661	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
Transfers to Charter Schools							36,314	36,200	25,116	8,304
Interest & Other Charges	298,172	249,271	177,994	214,670	250,266	285,699	472,209	472,077	545,156	623,908
Reduction of Capital Leases	-	-	-	-	-	-	73,990	13,348	34,567	34,567
Amortization of Debt Costs	-	-	-	-	-	-	-	-	-	-
Increase in Compensated Absences - Unallocated	-	-	-	-	-	-	-	37,091	162,915	-
Reduction in Fixed Assets Unallocated	-	-	-	-	-	-	2,905,087	167,641	(41,788)	-
Unallocated Depreciation	1,150,764	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
Total Governmental Activities Expenses	30,248,449	28,204,788	29,832,334	33,284,512	27,217,494	29,217,644	30,639,867	24,824,740	24,005,785	22,699,289
Business-Type Activities:										
Food Service	561,331	557,527	532,124	575,076	479,717	484,972	502,815	477,165	489,951	564,696
Extended Day Care	277,797	405,850	362,132	695,479	426,504	414,856	425,550	406,180	441,588	413,671
Total Business-Type Activities Expense	839,128	963,377	894,256	1,270,555	906,221	899,828	928,365	883,345	931,539	978,367
Total District Expenses	\$ 31,087,577	\$ 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

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

	FISCAL YEAR ENDING JUNE 30.									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 8,541,675	\$ 5,574,027	\$ 7,025,671	\$ 9,622,852	\$ 3,413,890	\$ 5,962,745	\$ 4,948,577	\$ 626,525	\$ 583,190	\$ 600,087
Total Governmental Activities Program Revenues	\$ 8,541,675	\$ 5,574,027	\$ 7,025,671	\$ 9,622,852	\$ 3,413,890	\$ 5,962,745	\$ 4,948,577	\$ 626,525	\$ 583,190	\$ 600,087
Business-Type Activities:										
Charges for Services:										
Food Service	2,796	207,736	292,085	311,955	315,611	299,214	305,520	326,640	332,655	399,890
Extended Day Care	72,985	303,048	362,264	406,451	453,901	409,110	479,302	478,293	477,286	451,586
Operating Grants & Contributions	632,384	327,831	234,509	224,615	229,420	212,198	231,296	180,041	170,902	166,185
Adjustment to Fixed Assets	43,613	-	-	80,015	-	-	(107,501)	-	35,093	-
Total Business Type Activities Program Revenues	\$ 751,778	\$ 838,615	\$ 888,858	\$ 1,023,036	\$ 998,932	\$ 920,522	\$ 908,617	\$ 984,974	\$ 984,974	\$ 980,843
Total District Program Revenues	\$ 9,293,453	\$ 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
Net/(Expense)/Revenue:										
Governmental Activities	\$ (21,706,774)	\$ (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)
Business-Type Activities	(87,350)	(124,762)	(5,398)	(247,519)	92,711	20,694	(19,748)	101,629	53,435	2,476
Total District-Wide Net Expense	\$ (21,794,124)	\$ (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)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 14,651,051	\$ 14,258,226	\$ 14,075,765	\$ 13,799,770	\$ 13,305,006	\$ 12,856,287	\$ 12,338,726	\$ 12,096,791	\$ 11,926,593	\$ 11,692,738
Taxes Levied for Debt Service	694,564	957,463	837,556	887,854	904,126	1,310,472	1,488,731	2,043,080	2,018,353	2,018,353
Unrestricted/Restricted Grants & Contributions	7,674,233	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
Tuition Received	89,082	29,626	246,033	116,969	141,816	94,030	113,187	80,659	27,045	27,449
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	245,675	361,087	474,124	279,787	515,270	616,257	429,572	289,231	95,207	111,760
Unallocated Amortization	-	-	-	-	-	-	45,243	-	-	-
Reduction in Compensated Absences	-	-	-	-	-	57,614	81,182	-	-	7,601
Special Items	-	-	-	(199,706)	116,182	-	-	-	-	-
Total Governmental Activities	\$ 23,354,605	\$ 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
Business-Type Activities:										
Investment Earnings	271	1,695	1,553	1,618	775	20	597	323	508	2,437
Total Business-Type Activities	\$ 271	\$ 1,695	\$ 1,553	\$ 1,618	\$ 775	\$ 20	\$ 597	\$ 323	\$ 508	\$ 2,437
Total District-Wide	\$ 23,354,876	\$ 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
Change in Net Position:										
Governmental Activities	\$ 1,647,831	\$ 1,695,122	\$ 1,634,235	\$ 151,063	\$ 68,532	\$ 675,913	\$ (1,967,793)	\$ 1,297,959	\$ 2,257,644	\$ 3,006,462
Business-Type Activities	(87,079)	(123,067)	(3,845)	(245,901)	93,486	20,714	(19,151)	101,952	53,943	4,913
Total District	\$ 1,560,752	\$ 1,572,045	\$ 1,630,390	\$ 94,838	\$ 162,018	\$ 696,627	\$ (1,986,944)	\$ 1,399,911	\$ 2,311,587	\$ 3,011,375

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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Restricted	\$ 7,378,581	\$ 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
Committed									49,999	-
Assigned	341,354	111,554	634,957	481,168	918,454	472,999	370,526	-	-	-
Unassigned	507,925	(115,527)	(284,133)	(191,873)	(261,230)			(225,561)	(362,047)	418,021
<b>Total General Fund</b>	<b>\$ 8,227,860</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>
All Other Governmental Funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	-	-	-	390,786	383,237	-
Restricted, Reported in:										
Special Revenue Fund	32,336	-	-	-	-	353,194	772,605	-	-	-
Capital Projects Fund	663,313	918,010	(1,200,081)	139,211	204,211	-	-	210,888	450,057	1,133,906
Debt Service Fund	10,548	8,007	2	50,002	50,547	50,547	1	2	1	-
<b>Total All Other Governmental Funds</b>	<b>\$ 706,197</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>

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues:</b>										
Local Tax Levy	\$ 15,345,615	\$ 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
Tuition	89,082	29,626	246,033	116,969	141,816	94,030	113,187	80,659	27,045	27,449
Interest	-	-	-	-	-	-	-	-	-	26,443
Interest on Capital Reserve	-	-	-	-	-	-	-	-	-	885
Miscellaneous	256,871	361,087	474,124	279,787	515,270	616,257	429,572	289,231	95,207	111,760
State Sources	11,930,992	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
Federal Sources	899,271	565,696	604,841	611,325	609,282	686,738	630,619	646,929	604,991	937,549
<b>Total Revenue</b>	<b>28,521,831</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>Expenditures:</b>										
Instruction	9,467,587	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
Undistributed Instruction	16,390,787	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
Capital Outlay	1,809,686	2,863,236	1,295,032	134,388	186,770	533,693	1,258,052	621,910	375,845	860,597
Debt Service	1,185,380	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
<b>Total Expenditures</b>	<b>28,853,440</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>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>(331,609)</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>Other Financing Sources/(Uses):</b>										
Proceeds from Borrowing	2,803,139	4,881,000	-	-	-	-	-	-	-	-
Proceeds from Borrowing	(2,725,488)	-	-	-	-	-	-	-	-	-
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	2,541	8,006	65,000	65,000	65,000	185,992	-	-	407,950	349,750
Transfers Out	(2,541)	(8,006)	(65,000)	(65,000)	(65,000)	(185,992)	-	-	(407,950)	(349,750)
<b>Total Other Financing Sources/ (Uses)</b>	<b>77,651</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>Net Change in Fund Balances</b>	<b>\$ (253,958)</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>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>4.1%</b>	<b>5.3%</b>	<b>5.5%</b>	<b>5.8%</b>	<b>5.8%</b>	<b>7.4%</b>	<b>7.6%</b>	<b>11.1%</b>	<b>13.6%</b>	<b>14.0%</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>
2021	\$ 20,950	\$ 222,184	\$ 89,082	\$ 332,216
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
2020	4,701	611,556	94,030	710,287
2015	6,421	423,151	113,187	542,759
2014	7,907	268,305	80,659	356,871
2013	7,907	73,648	27,045	108,600
2012	27,328	111,760	27,449	166,537

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
2021	\$13,471,100	\$ 1,113,047,100	\$ 20,331,600	\$ 1,674,400	\$ 135,776,600	\$ 64,337,623	\$ 29,033,200	\$ 1,377,671,623	\$ 1,911,531	\$ 1,379,583,154	1.636	\$ 1,347,024,992
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
2020	13,099,100	1,126,496,400	19,155,300	1,898,170	132,408,200	66,027,623	29,091,200	1,388,175,993	1,903,008	1,390,079,001	1.442	1,325,005,976
2015	9,972,300	1,130,249,300	19,771,000	1,983,400	132,675,900	65,632,623	29,091,200	1,389,375,723	1,997,273	1,391,372,996	1.417	1,396,504,323
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

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		
2021	1.127	0.509	1.636	0.350	0.010	0.350	2.346	
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	

Source: Municipal Tax Collector

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

TAXPAYER	2021		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
CVS New York	\$ 31,950,000	1	2.32%
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	6,122,400	10	0.44%
Total	<u>\$ 137,470,800</u>		<u>9.98%</u>

2012		
TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% 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 <u>JUNE 30,</u>	TAXES LEVIED FOR THE FISCAL <u>YEAR</u>	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		<u>AMOUNT</u>	<u>PERCENTAGE OF LEVY</u>
2021	\$ 15,345,615	\$ 15,345,615	100.00%
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%
2020	14,166,759	14,166,759	100.00%
2015	13,827,457	13,827,457	100.00%
2014	14,139,871	14,139,871	100.00%
2013	13,944,946	13,944,946	100.00%
2012	13,711,091	13,711,091	100.00%

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 <u>JUNE 30,</u>	<u>GOVERNMENTAL ACTIVITIES</u>			TOTAL DISTRICT	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2021	\$ 7,115,000	\$ -	\$	7,115,000	N/A
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

### 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>		
2021	\$ 7,115,000	\$ -	\$ 7,115,000	0.52%	N/A
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
2015	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

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2020**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Lumberton Township	\$ 10,604,920	100.00%	\$ 10,604,920
Burlington County	202,410,342	3.111%	6,297,143
Rancocas Valley Regional High School	10,815,000	31.000%	3,352,650
Subtotal, Overlapping Debt			20,254,713
Lumberton Township Board of Education			7,115,000
Total Direct & Overlapping Debt			<u>\$ 27,369,713</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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 41,651,103	\$ 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
Total Net Debt Applicable to Limit	7,115,000	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
Legal Debt Margin	\$ 34,536,103	\$ 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
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.08%	19.51%	11.14%	14.47%	17.68%	20.00%	27.53%	33.38%	39.59%	45.03%

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

Equalized Valuation Basis	
2020	\$ 1,381,195,928
2019	1,404,217,815
2018	1,379,696,600
	<u>\$ 4,165,110,343</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,388,370,114</u>
Debt Limit (3 % of Average Equalization Value) Net Bonded School Debt	\$ 41,651,103 <u>7,115,000</u>
Legal Debt Margin	<u>\$ 34,536,103</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>
2021	12,195	N/A	7.70%
2020	12,227	44,399	6.60%
2019	12,192	44,820	3.30%
2018	12,205	34,444	4.00%
2017	12,219	59,659	4.60%
2010	12,257	57,469	5.00%
2015	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%

Source: NJ Dept of Labor and Workforce Development

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

	<u>2021</u>	<u>2012</u>
	<u>EMPLOYEES</u>	<u>EMPLOYEES</u>
CVS Corporation	1,269	N/A
Lumberton Township School District	196	N/A
<b>Total</b>	<b>1,465</b>	<b>N/A</b>

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
2021	1,105	\$ 25,858,374	\$ 23,401	9.27%	112	9.87/1	1,092	1,052	-7.06%	96.34%
2020	1,172	25,099,359	21,416	4.65%	120	10.33/1	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%

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<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	327	365	268	290	314	333	336	337	329	361
<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	400	335	239	226	217	256	302	293	316	359
<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	0	217	237	271	271	297	326	324	349
<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	378	476	505	507	532	514	566	537	561	572

Number of Schools at June 30, 2021:  
 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,									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Bobby's Run School	Required Maintenance	\$ 150,687	\$ 71,588	\$ 109,412	\$ 80,843	\$ 55,318	\$ 49,562	\$ 54,304	\$ 39,750	\$ 45,329	\$ 52,417
Lumberton Middle School	Required Maintenance	224,652	106,728	51,375	74,664	74,536	72,331	88,710	67,935	63,790	64,410
Florence L. Walther School	Required Maintenance	135,485	64,366	35,095	33,560	48,147	38,752	41,350	23,984	44,590	38,786
Ashbrook School	Required Maintenance	131,429	62,439	23,750	28,686	30,943	29,334	25,696	27,045	34,936	37,024
District-Wide Items	Required Maintenance	-	-	-	2,556	-	-	2,792	3,356	3,606	6,963
<b>Total</b>		<b>\$ 642,253</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>

\* 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, 2021**

	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	250,000	
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	10,000
<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	8,000,000	
General Liability / Auto Liability	14,750,000	
Educators' Legal Liability	14,750,000	
Boiler and Machinery	125,000,000	1,000
Pollution Liability	3,000,000	25,000
Cyber Liability	2,000,000	25,000
Violent Malicious Acts	1,000,000	10,000
Disaster Management Services	2,000,000	10,000
<b>Selective Insurance Company of America</b>		
Surety - Board Secretary	300,000	

Source: District Records

**SINGLE AUDIT SECTION**

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**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Lumberton Township School District (the "School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 2, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control that we consider to be material weaknesses, described in the accompanying comments and recommendation section as Finding No.'s 2021-001 and 2021-002.

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## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two 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 as Finding No.'s 2021-001 and 2021-002.

The Lumberton Township School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## 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.**

*Certified Public Accountants & Advisors*

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

Medford, New Jersey  
March 2, 2022



**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 (the "School District") 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, 2021. The School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

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

In our opinion, the 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, 2021.

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

Management of the 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.

**Purpose of this Report**

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.**  
*Certified Public Accountants & Advisors*

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

Medford, New Jersey  
March 2, 2022

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LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR/PASS THROUGH PROGRAM TITLE OR CLUSTER	ASSISTANCE LIVING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEAR BALANCES	ADJUSTMENTS	(ACCOUNTS RECEIVABLE)	BALANCE, JUNE 30, 2021	
													DUO TO GRANITOR	UNEARNED REVENUE
<b>U.S. Department of Health and Human Services</b> Passed Through New Jersey Department of Human Services: Medical Assistance Program (SEM) Total Medical Assistance Program (SEM)	93,778	2105N5MAP	100-034-5120-211	\$ 43,725	7/1/20-6/30/21	\$ -	43,725	(43,725)	-	-	-	-	-	\$ -
<b>Total U.S. Department of Health and Human Services</b>							43,725	(43,725)	-	-	-	-	-	-
<b>U.S. Department of Treasury</b> Passed Through New Jersey Department of Education: Covid-19 Coronavirus Relief Fund	21,019	SLT0007	100-034-5120-515	\$ 71,659	3/1/20-9/30/22	-	71,659	(71,403)	-	-	-	-	-	256
	21,019	SLT0007	100-034-5120-516	\$ 32,182	7/16/20-10/31/20	-	32,182	(32,182)	-	-	-	-	-	256
<b>Total U.S. Department of Treasury</b>							103,841	(103,585)	-	-	-	-	-	256
<b>U.S. Department of Agriculture</b> Passed Through New Jersey Department of Agriculture: Child Nutrition Cluster: COVID-19 School Breakfast Program COVID-19 School Breakfast Program	10,553 10,553	211N304N 099 201N304N 099	100-010-3350-100 100-010-3350-100	216,540 46,957	7/1/20-6/30/21 3/13/20-6/30/21	(12,857) (12,857)	202,738 215,595	(216,540) (216,540)	-	-	-	(13,802) (13,802)	-	-
	10,555	211N304N 099	100-010-3350-098	336,307	7/1/20-6/30/21	-	314,871	(336,307)	-	-	-	(21,436)	-	-
	10,555	201N304N 099	100-010-3350-098	72,783	3/13/20-6/30/21	(19,928)	19,928	-	-	-	-	(427)	-	-
	10,555	211N304N 099	100-010-3350-098	6,707	7/1/20-6/30/21	(409)	409	-	-	-	-	(427)	-	-
	10,555	201N304N 099	100-010-3350-098	1,494	3/13/20-6/30/21	(409)	409	-	-	-	-	(427)	-	-
	10,555	211N304N 099	Unavailable	58,232	7/1/20-6/30/21	(20,337)	399,720	(401,246)	-	-	-	(21,863)	-	-
<b>Total U.S. Department of Agriculture</b>							615,315	(617,786)	-	-	-	(35,665)	-	-
<b>Total U.S. Department of Agriculture</b>							615,315	(617,786)	-	-	-	(35,665)	-	-
<b>U.S. Department of Education</b> Passed Through New Jersey Department of Education: I.D.E.A. Part B (Special Education Cluster)	84,027 84,027	H027A1900100 H027A200100	100-034-5065-016 100-034-5065-016	325,162 336,190	7/1/19-9/30/20 7/1/20-9/30/21	(10,230) (10,230)	10,230 290,488	(336,190) (336,190)	-	-	(205) (205)	(45,907) (45,907)	-	-
	84,173	H173A200114	100-034-5065-020	29,109	7/1/20-9/30/21	-	45,116	(29,109)	-	-	(14,007)	-	-	-
<b>Total U.S. Department of Education</b>							343,834	(366,299)	-	-	(14,212)	(45,907)	-	-
<b>Total Special Education Cluster</b>							343,834	(366,299)	-	-	(14,212)	(45,907)	-	-
<b>Title I - Part A</b>	84,010	S010A190030	100-034-5064-194	156,339	7/1/19-9/30/20	(43,748)	43,748	-	-	-	-	-	-	-
<b>Title I - Part A</b>	84,010	S010A200030	100-034-5064-194	159,677	7/1/20-9/30/21	(43,748)	108,637	(159,677)	-	-	-	(51,040)	-	-
<b>Total Title I - Part A</b>							152,385	(159,677)	-	-	-	(51,040)	-	-
<b>Title II - Part A, Supporting Effective Instruction</b>	84,367	S367A190029	100-034-5063-290	33,042	7/1/19-9/30/20	(6,427)	6,427	-	-	-	-	-	-	-
<b>Title II - Part A, Supporting Effective Instruction</b>	84,367	S367A200029	100-034-5063-290	33,924	7/1/20-9/30/21	(6,427)	33,924	(33,924)	-	-	-	-	-	-
<b>Total Title II - Part A</b>							40,351	(33,924)	-	-	-	-	-	-
<b>Title III - English Language Acquisition</b>	84,365	S365A190030	100-034-5063-290	1,938	7/1/19-9/30/20	(245)	245	-	-	-	-	-	-	-
<b>Title III - English Language Acquisition</b>	84,365	S365A200030	100-034-5063-290	1,689	7/1/20-9/30/21	(245)	922	(2,019)	-	-	-	(1,097)	-	-
<b>Total Title III - English Language Acquisition</b>							1,167	(2,019)	-	-	-	(1,097)	-	-
<b>Covid-19 CARES Emergency Relief Grant</b>	84,425D	S425D200027	100-034-5120-513	119,272	3/13/20-9/30/22	-	119,272	(125,788)	-	-	-	(6,516)	-	-
							119,272	(125,788)	-	-	-	(6,516)	-	-
<b>Safe and Drug-Free Schools and Communities</b>	84,184	S184C200252	100-034-5120-513	79,732	10/1/20-9/30/21	-	13,678	(79,732)	-	-	-	(66,054)	-	-
							13,678	(79,732)	-	-	-	(66,054)	-	-
<b>Total U.S. Department of Education</b>							670,687	(766,459)	-	-	(14,212)	(170,614)	-	-
<b>Total Expenditures of Federal Awards</b>							1,433,568	(1,531,535)	-	-	(14,212)	(206,279)	-	256

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, 2021

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2020	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENT	BALANCE, JUNE 30, 2021		MEMO	
										ACCOUNTS RECEIVABLE	UNEARNED REVENUE	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>New Jersey Department of Education:</b>													
General Fund:													
State Aid Public:													
Equalization Aid	495-034-5120-078	\$ 5,774,121	7/1/20-6/30/21	-	-	\$ 5,774,121	\$ (5,774,121)	-	-	-	-	\$ 562,941	\$ 5,774,121
Security Aid	495-034-5120-084	176,844	7/1/20-6/30/21	-	-	176,844	(176,844)	-	-	-	-	17,241	176,844
Special Education Categorical Aid	495-034-5120-089	906,745	7/1/20-6/30/21	-	-	906,745	(906,745)	-	-	-	-	88,402	906,745
Total State Aid Public						6,857,710	(6,857,710)	-	-	-	-	668,584	6,857,710
Transportation Aid	495-034-5120-014	73,845	7/1/20-6/30/21	-	-	73,845	(73,845)	-	-	-	-	7,200	73,845
Additional Nonpublic School Transportation Aid	495-034-5120-014	29,282	7/1/20-6/30/21	(6,661)	-	-	(29,282)	-	-	(29,282)	-	-	29,282
Additional Nonpublic School Transportation Aid	495-034-5120-014	6,661	7/1/19-6/30/20	(6,661)	-	-	-	-	-	-	-	-	-
Extraordinary Aid	495-034-5120-044	246,958	7/1/20-6/30/21	-	-	-	(246,958)	-	-	(246,958)	-	-	246,958
Extraordinary Aid	495-034-5120-044	168,247	7/1/19-6/30/20	(168,247)	-	-	-	-	-	-	-	-	168,247
Reimbursed TPAF Social Security Contributions	100-034-5094-003	681,870	7/1/20-6/30/21	-	-	681,870	(681,870)	-	-	-	-	-	681,870
Reimbursed TPAF Social Security Contributions	100-034-5094-003	685,456	7/1/19-6/30/20	(31,862)	-	31,862	-	-	-	-	-	-	685,456
TPAF - Post Retirement													
Medical (Noncash Assistance)	495-034-5094-001	821,818	7/1/20-6/30/21	-	-	821,818	(821,818)	-	-	-	-	-	821,818
TPAF - Pension													
Contributions (Noncash Assistance)	495-034-5094-002	2,622,397	7/1/20-6/30/21	-	-	2,622,397	(2,622,397)	-	-	-	-	-	2,622,397
TPAF - Long-Term Disability													
Insurance (Noncash Assistance)	495-034-5094-004	584	7/1/20-6/30/21	-	-	584	(584)	-	-	-	-	-	584
Total General Fund				(206,770)	-	11,281,848	(11,351,318)	-	-	(276,240)	-	675,784	11,351,318
Special Revenue Fund:													
Preschool Education Aid	495-034-5120-086	345,072	7/1/20-6/30/21	-	-	345,072	(208,322)	-	-	-	136,750	34,507	208,322
Total Special Revenue Fund						345,072	(208,322)	-	-	-	136,750	34,507	208,322
Debt Service Fund:													
Debt Service Aid Type II	495-034-5120-075	367,376	7/1/20-6/30/21	-	-	367,376	(367,376)	-	-	-	-	-	367,376
Total Debt Service Fund						367,376	(367,376)	-	-	-	-	-	367,376
<b>New Jersey Department of Agriculture:</b>													
Enterprise Fund:													
National School Lunch Program	100-010-3350-023	14,598	7/1/20-6/30/21	(1,574)	-	13,041	(14,598)	-	-	(1,557)	-	-	14,598
National School Lunch Program	100-010-3350-023	5,931	7/1/19-6/30/20	(1,574)	-	1,574	-	-	-	-	-	-	5,931
Total Enterprise Fund				(1,574)	-	14,615	(14,598)	-	-	(1,557)	-	-	14,598
<b>Total State Financial Assistance</b>				<b>\$ (208,344)</b>	<b>\$ -</b>	<b>\$ 12,008,911</b>	<b>\$ (11,941,614)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (277,997)</b>	<b>\$ 136,750</b>	<b>\$ 710,291</b>	<b>\$ 11,941,614</b>
State Financial Assistance Programs not subject to Calculation for Major Program Determination:													
TPAF - Post Retirement													
Medical (Noncash Assistance)	495-034-5094-001	\$ 821,818	7/1/20-6/30/21	-	-	-	-	-	-	-	-	-	821,818
TPAF - Pension													
Contributions (Noncash Assistance)	495-034-5094-002	2,622,397	7/1/20-6/30/21	-	-	-	-	-	-	-	-	-	2,622,397
TPAF - Long-Term Disability													
Insurance (Noncash Assistance)	495-034-5094-004	584	7/1/20-6/30/21	-	-	-	-	-	-	-	-	-	584
<b>Total State Financial Assistance subject to Calculation for Major Program Determination</b>							<b>\$ (8,496,815)</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, 2021**

**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, 2021. 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, 2021.

**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, 2021**

**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 \$38,483 for the general fund and \$(48,985) 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	\$ 43,725	\$ 11,389,801	\$ 11,433,526
Special Revenue Fund	855,546	173,815	1,029,361
Debt Service Fund	-	367,376	367,376
Food Service Fund	<u>617,786</u>	<u>14,598</u>	<u>632,384</u>
Total Awards & Financial Assistance	<u>\$ 1,517,057</u>	<u>\$ 11,945,590</u>	<u>\$ 13,462,647</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, 2021.



LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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?  X  yes   no

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

Noncompliance material to financial statements noted?  X  yes   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:

<b><u>CFDA Number(s)</u></b>	<b><u>FAIN Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
<u>84.027A/84.173</u>	<u>H027A200100/H173A200114</u>	<u>Special Education Cluster</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee?  X  yes   no

LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021**

**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.

**Finding No. 2021-001:**

Criteria of Specific Requirement:

The maintenance of a general ledger accounting record is required by the State Department of Education. This record summarizes all account balances of the District. It should be reconciled monthly to subsidiary records.

Condition:

The District did not maintain an accurate general ledger that was reconciled monthly to other subsidiary records.

Context:

The general ledger was not reconciled to other District records and as a result material audit adjustments were required.

Cause:

The District was unable to maintain a general ledger due to personnel turnover.

Effect or Potential Effect:

By not maintaining an accurate general ledger, the District risks material misstatements within their records.

Recommendation:

That the District properly maintain a general ledger and reconcile the ledger monthly with other subsidiary records.

Management Response:

The responsible officials agree with the finding and also agree with the root cause being due to personnel turnover. A new employee is in place and monthly reconciliations and communication with the Treasurer are taking place as part of our corrective action.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Finding No. 2021-002:**

Criteria of Specific Requirement:

N.J.S.A 18A:17-9 requires the preparation of accurate and timely monthly reconciliations of all bank accounts.

Condition:

The District cash reconciliations for the food service and EDC account were not prepared accurately and the June 2021 reconciliations for all bank accounts were not prepared timely in accordance with N.J.S.A. 18A:17-9.

Context:

The food service and EDC account reconciliations contained various inaccurate reconciling items and the June 2021 bank reconciliations were not prepared timely.

Cause:

The District was unable to maintain records due to personnel turnover.

Effect or Potential Effect:

The District did not comply with N.J.S.A 18A:17-9 requirements.

Recommendation:

That the District accurately and timely reconcile all cash accounts on a monthly basis in accordance with N.J.S.A. 18A:17-9.

Management Response:

The responsible officials agree with the finding and will address the matter through consideration of employing a different Treasurer or a corrective action plan for the existing Treasurer as part of our own corrective action. Further, we agree that this is partly due to personnel turnover and a new employee is in place with frequent communication with the Treasurer during monthly reconciliations.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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, 2021**

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.