



LINWOOD
PUBLIC SCHOOLS

Excellence in Teaching and Learning

Annual Comprehensive Financial Report

of the

Linwood Board of Education
Linwood, New Jersey

for the Fiscal Year ended June 30, 2023

Prepared by:

Linwood Board of Education Finance Department

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Introductory Section



LINWOOD

PUBLIC SCHOOLS

Excellence in Teaching and Learning
Belhaven Middle School
Seaview Elementary School

51 Belhaven Avenue
Linwood, NJ 08221
www.linwoodschoools.org
609.926.6700

January 31, 2024

Honorable President and
Members of the Board of Education
Linwood School District
Atlantic County, NJ 08221

Dear Members of the Board:

The annual comprehensive financial report of the Linwood School District for the fiscal year ended June 30, 2023 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 Linwood Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of the principal officials. The financial section includes the basic financial statements and schedules, management's discussion and analysis, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, OMB Circular Uniform Guidance and NJ OMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section report.

1) REPORTING ENTITY AND ITS SERVICES:

Linwood School District is a Type II district which is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14 as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Linwood Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Preschool Handicapped and Inclusion through grade 8. These include regular as well as special education for handicapped

youngsters. The District completed the 2022-2023 fiscal year with an average daily enrollment of 804.0 students, which is a 1.64% decrease from the previous year's enrollment.

The following details the changes in the student enrollment of the District over the last five years.

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percentage Change</u> |
|--------------------|---------------------------|--------------------------|
| 2022-2023 | 804.0 | 1.64% |
| 2021-2022 | 791.0 | -2.44% |
| 2020-2021 | 810.8 | -2.28% |
| 2019-2020 | 829.7 | 2.03% |
| 2018-2019 | 813.2 | -0.83% |

2) ECONOMIC OUTLOOK

Economic demands placed on the district remain significant and continue to be driven by the challenge of meeting individual needs. While enrollment has remained stable, the demand for these unique and important programs continues to grow. Our economic outlook reflects the support we receive from local taxpayers who fund over eighty percent of our general operating budget, excluding on-behalf payments. During difficult economic times such as those we continue to experience, such support will most certainly be tested.

3) MAJOR INITIATIVES

The Linwood Public Schools continues its commitment to offering excellence in programs and services for the Linwood School Community. The District staff provides instructional programming that meets the needs of individual students and meets the requirements of state mandates, regulations, and the expectations of the New Jersey Student Learning Standards. The Board, administration, and staff are committed to offering educational experiences where students are challenged, thrive, and develop a lifelong love of learning that extends beyond the walls of our schools.

The District has implemented its new Strategic Plan for 2019-2024. The goals and action plans in the areas of Curriculum and Instruction, Reading and Writing, Professional Development, Safety and Security, Communication, Fiscal and Human Resources, and Master Schedule Innovation drive decision making for our District. These goals encompass the feedback from stakeholders throughout our design process that included school staff, District staff, administration, Board of Education members, and community members. As part of the goal development process, each District goal has sub-goals included that focus more attention to the specific needs of students and the District staff and schools.

District staff will engage in further development of Professional Learning Communities and vertical and horizontal articulation reviewing students' data. Our data warehouse – LinkIt! – serves as one basis for analysis of student performance while our certified staff examines instructional best practices. Instructional progress and the further development of specific identified skills for students remains our focus within grade levels, teams, and cohort PLC meetings. Professional development opportunities focus on data-driven instruction and benchmarking systems. Teachers will focus on LinkIt data, ELA benchmarking data, and Math student performance benchmarks to align our PD to our Strategic Plan and District goals. The District has embraced a growth mindset that is still taking hold, and our staff will recommend professional development, fine-tune district instructional plans, and collaboratively meet and review data as we support student performance across the curriculum.

As instruction is a main goal and focus, so is student and staff well-being. Our schools are implementing SEL activities throughout our programming including a PBIS system of support at Seaview School and a reenergizing of the Renaissance program at Belhaven. Staff wellness through professional development day and other events enhances the climate and culture of our buildings. District curriculums have been updated as well to meet the needs of our students with expanded options for students that will pave the way for more social and emotional learning experiences. We are working to provide further augmentation of technology-based instruction with untethered devices. We support student learning across the curriculum in a one-to-one environment of Chromebooks at almost all grade levels in middle school. Students continue to cultivate their skills through the Google platform, which is heavily used throughout the District.

While we continue our efforts to develop our programming, the District has remained focused on the facilities and campus upgrades for the school community as well. Safety and security measures and projects to support the lifespan of the buildings are always prioritized. Once again, classroom furniture upgrades, continued retrofits of HVAC systems, additions to Long Range Facilities Plans for both schools, and improving space usage are priorities as well. The District will research energy efficiencies through exploring green energy solutions during the upcoming year. The entire school community takes pride in the appearance and functionality of our buildings and campuses. The District remains committed to offering excellent programs and services in facilities that support students, staff, and community safety and security, as well as school pride.

The experiences of the health emergency and ongoing pandemic have impacted our plans as well. This is true through all facets of our programming and planning. Increased need for resources, personnel, PPE, facilities changes and integration of all measures for health and safety have and will continue to impact or initiatives moving forward. This will include services for students and staff as we handle the continued pandemic and into the future to support the academic growth and social and emotional wellness of our school community.

Ultimately, the Linwood School District continues to move forward while confronting the challenges of school funding changes. It is important to note, however, that our District staff, administration, and Board remain committed to educational experiences that offer excellence in all areas – teaching, learning, co-curricular activities, facilities, technology, and social growth.

4) INTERNAL ACCOUNTING CONTROLS:

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

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

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

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the Linwood 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 Linwood City Board of School Estimates. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Debt service is handled through the City of Linwood. Project length budgets are approved for the capital improvements and accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) DEBT ADMINISTRATION:

The Linwood School District was a Type I School District. Effective November 9, 2016, the District became a Type II School District. In the State of New Jersey, all Type I school debt is borne by the municipality rather than the school district. The District acquired debt previously held by the City of Linwood authorized pursuant to School Board Ordinance 10-2013 for school projects completed by the District June 2016. Title 18A:24-63 provides that Board of Education shall assume and pay any notes and other obligations, other than permanent bonds, therefore duly issued or incurred by the municipality pursuant to said ordinance. The temporary note in the amount of \$2,560,000 was transferred to the school district effective July 3, 2018. The School District held the bond sale June 19, 2018. The bond has a twelve year maturity schedule with a Net Interest Cost of 2.970632%.

8) CASH MANAGEMENT:

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

9) RISK MANAGEMENT:

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

10) OTHER INFORMATION:

A) *Independent Audit* - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, L.L.C., CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendment of 1996 and the related State Treasury Circular Letter NJ OMB 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

The City of Linwood (the City) is a suburban community located in Atlantic County. The City comprises an area of four square miles lying approximately nine miles to the west of Atlantic City and bounded by the municipalities of Northfield, Egg Harbor Township and Somers Point.

Somers Point forms the southwestern boundary with the Patcong Creek providing much of the northwesterly boundary. The City of Northfield lies to the northeast, and Scull's Creek and Scull's Bay make up much of the boundary to the east and southeast. The Patcong Creek enlarges to form Mill Pond at the northern corner of the City.

The City of Linwood provides educational facilities for Preschool handicap and kindergarten through the eighth grade at two separate schools. The Seaview Elementary School accommodates Preschool handicapped and Kindergarten through grade four. Grades five through eight attend the Belhaven Middle School.

High School students, grades nine through twelve, attend Mainland Regional High School, located centrally in the City of Linwood.

The original portion of the Seaview School was opened in 1961. Seaview School was renovated, and new construction added to it with its completion in September 1995. Major renovations were completed to the pipe insulation, fire alarm and security systems for 2005. It contains 25 classrooms, LRC's, Gymnasium, Library/Media Center, Computer Lab, Art and Music Rooms and a Cafetorium. It occupies a thirteen-acre site.

The Belhaven School occupies a 4.4 acre site at Belhaven and Wabash Avenue. This facility was constructed in five stages. The original two-story, plus basement, built in 1908, was expanded in 1926. A one-story unit was added in 1957 and in 1970 a two-story classroom wing was provided along with a gymnasium, industrial education area, home economics room and a large music room. The latest addition was completed in 1997 providing a new library, media center, ITV room, computer lab, art room, gymnasium, cafetorium, office areas and other building renovations.

The school system is governed by a nine-member Board of Education who are elected to serve staggered three-year terms. As of June 30, 2023, the District employed 93.5 full time equivalent of instructional staff and 42.3 full time equivalent support services staff. Enrollment as of September 2023 was 804 students, including preschool inclusion.

11) ACKNOWLEDGMENTS:

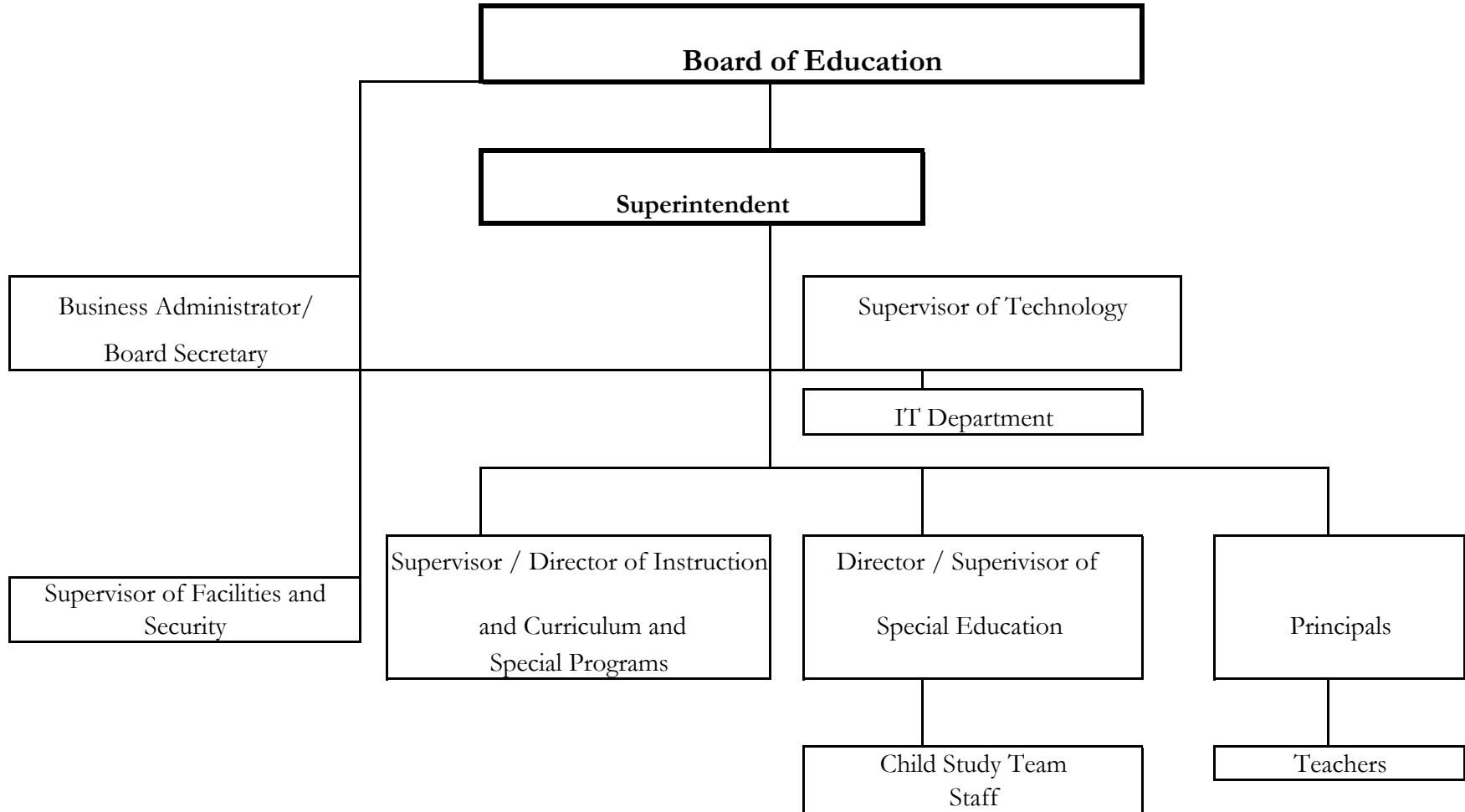
We would like to express our appreciation to the members of the Linwood School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,

Brian Pruitt

Brian Pruitt
Superintendent of Schools

CITY OF LINWOOD BOARD OF EDUCATION
CHART OF ORGANIZATION



LINWOOD BOARD OF EDUCATION

LINWOOD, NEW JERSEY

Roster of Officials

June 30, 2023

Members of the Board of Education

Term Expires

Steven Evinski, President

2024

Casey Lowry, Vice President

2024

Lisa Bonanno

2024

Craig Kahn

2023

Holly DiLeo

2023

Steven Pecora

2024

Emily Ryan

2024

Chris Schneider

2024

Other Officials

Brian Pruitt, Superintendent

Kevin Byrnes, School Business Administrator/Board Secretary - through June 30, 2023

Patricia Swanson, School Business Administrator/Board Secretary - effective July 1, 2023

Kelly A Batz, Treasurer

Will Donio, Esq., Solicitor

LINWOOD BOARD OF EDUCATION

Consultants and Advisors

Audit Firm

Ford Scott and Associates
Ocean City, New Jersey

Attorney

William Donio, Esq.
Atlantic City, New Jersey

Architect of Record

Remington & Vernick
Pleasantville, New Jersey

Official Depositories

Ocean First Bank
New Road, Linwood, NJ 08221

Republic Bank
New Road, Linwood, NJ 08244

Financial Section



F O R D - S C O T T

& A S S O C I A T E S , L . L . C .

C E R T I F I E D P U B L I C A C C O U N T A N T S

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

Independent Auditor's Report

Honorable President and
Members of the Board of Education
City of Linwood School District
County of Atlantic, New Jersey

Report on the Audit of Financial Statements

Opinions

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 City of Linwood School District, in the County of Atlantic, New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 City of Linwood School District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the City of Linwood School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Linwood School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether in our judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charge with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control – related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information identified 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Linwood School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises of the introductory and statistical sections and have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2024 on our consideration of the City of Linwood School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 City of Linwood School District's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

January 31, 2024

REQUIRED SUPPLEMENTARY INFORMATION
PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Linwood City School District's ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- The net position of the District increased \$594,603 from FY 22 to FY 23 which represents a 4.80% increase from the prior year.
- The State of New Jersey reimbursed the District \$522,846 during the fiscal year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, which is not budgeted, is included as both a revenue and appropriation in the financial statements.
- The State of New Jersey contributed on behalf of the District \$3,060,793 during the fiscal year ended June 30, 2023 for the employer's share of pension and post retirement medical contributions for TPAF members. This amount, which is not budgeted, is included as both a revenue and appropriation in the financial statements.
- As required by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to the greater of 4% of the total general fund expenditures or \$250,000. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2023, the District had a total excess surplus of \$1,073,184.
- During the fiscal year ended June 30, 2023, the District's General Fund revenue realized was \$353,558 more than General Fund expenditures. During the prior fiscal year, revenue was more than expenses by \$588,931.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the basic *financial statements*, *required supplementary information*, and an optional section that presents *combining statements for special revenue, capital projects, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting on the District's operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
 - The *proprietary fund statements* provide information on activities in which the District operates similar to *private business*.

- *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District’s financial statements, including the portion of the District’s government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

**Major Features of Linwood City School District’s
Government-Wide and Fund Financial Statements
(Figure A-1)**

| Scope | Government wide Statements | Fund Statements | | |
|--|---|--|---|--|
| | | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| | Entire District (except fiduciary funds) | The activities of the District that are not proprietary or fiduciary, such as food service and student activities | Activities the District operates similar to private businesses; N/A | Instances in which the District is the trustee or agent for someone else’s resources, such as payroll agency and student activities. |
| Required financial statements | Statement of net position Statement of activities | Balance sheet Statement of revenues, expenditures, and changes in fund balances | Statement of net position Statement of revenues, expenses, and changes in net assets Statement of cash flows | Statement of fiduciary net position Statement of changes in fiduciary net position |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, and short-term and long-term. | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included. | All assets and liabilities, both financial and capital, and short- term and long- term. | All assets and liabilities, both short-term and long- term. |

| | | | | |
|------------------------------------|---|--|---|---|
| Type of inflow/outflow information | All revenues and expenses during the year, regardless of when cash is received or paid. | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses, regardless of when cash is received or paid. | All revenues and expenses during year, regardless of when cash is received or paid. |
|------------------------------------|---|--|---|---|

Government-Wide Statements

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

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

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

The government-wide financial statements of the District are included in one category:

- *Governmental Activities* – most of the District’s basic services are included here, such as instruction, administration, and plant operations. Property taxes and state and federal grants finance most of these activities.
- *Business-Type Activities* – this service is provided on a charge for services basis to recover expenses of the program. The Before and After School Program is reported as a business activity.

Fund Financial Statements

The fund financial statements provide more detailed information about the District’s most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental Funds* – Most of the District’s basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more

or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.

- *Enterprise Funds* – The District is responsible for activities of the Before and After School Program. A fee is charged to users of the program that covers the cost of services provided by the District. The fund is operated in a manner similar to the private sector.
- *Fiduciary Funds* – The District is responsible for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The District’s fiduciary activities are reported through the Governmental funds.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. Net position of the District increased due to an excess of revenues over expenditures, while depreciation expense exceeded capital outlay additions.

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | |
|----------------------------|--------------------------------|----------------------|---------------------------------|------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Current and other assets | \$ 4,927,005 | \$ 4,471,246 | \$ 33,444 | \$ 37,095 |
| Capital assets | 13,694,704 | 13,905,846 | | |
| Deferred Outflows | 187,647 | 149,206 | | |
| Total assets | <u>18,809,356</u> | <u>18,526,298</u> | <u>33,444</u> | <u>37,095</u> |
| Long-term liabilities | 4,781,617 | 2,537,102 | | |
| Other liabilities | 358,574 | 139,379 | - | 7,487 |
| Deferred Inflows | 731,525 | 1,356,775 | | |
| Total liabilities | <u>5,871,716</u> | <u>4,033,256</u> | <u>-</u> | <u>7,487</u> |
| Net assets | | | | |
| Invested in capital assets | 13,694,704 | 13,905,846 | | |
| Restricted | 4,199,652 | 3,544,104 | | |
| Unrestricted | (4,956,716) | (2,956,908) | 33,444 | 29,608 |
| Total net position | <u>\$ 12,937,640</u> | <u>\$ 14,493,042</u> | <u>\$ 33,444</u> | <u>\$ 29,608</u> |

As required by New Jersey Statutes, the unassigned fund balance of the District is not permitted to exceed the greater of 4% of total general fund expenditures, after reductions for On-behalf TPAF pension and social security and assets acquired under capital leases or \$250,000. Any excess must be appropriated as budgeted fund balance in the subsequent years’ budget. As of June 30, 2023, the District did have \$1,073,184 excess fund balance, of which \$554,007 is designated for use in the 2023-2024 district budget.

Changes in Net Position. The total net position of the District increased approximately \$594,603 predominately due to the decrease in expenses and increase in general revenues.

Governmental Activities

The following schedule summarizes the governmental activities of the District during the 2023 fiscal year.

| | Governmental Activities | | Business-type Activities | | Total | |
|-----------------------------------|-------------------------|----------------------|--------------------------|------------------|----------------------|----------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Revenues | | | | | | |
| Program revenue | | | | | | |
| Charges for services | \$ - | \$ - | \$ 121,966 | \$ 100,984 | \$ 121,966 | \$ 100,984 |
| Federal grants | 922,667 | 549,661 | | | 922,667 | 549,661 |
| State grants and entitlements | 2,557,613 | 6,042,625 | | | 2,557,613 | 6,042,625 |
| Local Grants | 347,770 | 133,334 | | | 347,770 | 133,334 |
| General revenues | | | | | | |
| Property taxes | 13,312,536 | 13,060,033 | | | 13,312,536 | 13,060,033 |
| State aid entitlements | 1,231,257 | 1,387,912 | | | 1,231,257 | 1,387,912 |
| Other | 555,611 | 410,791 | 222 | 28 | 555,833 | 410,819 |
| Total revenues | <u>18,927,454</u> | <u>21,584,356</u> | <u>122,188</u> | <u>101,012</u> | <u>19,049,642</u> | <u>21,685,368</u> |
| Expenses | | | | | | |
| Instruction: | | | | | | |
| Regular | 6,989,114 | 8,813,684 | | | 6,989,114 | 8,813,684 |
| Special Education | 2,874,504 | 3,057,704 | | | 2,874,504 | 3,057,704 |
| Other special instruction | 52,121 | 322,581 | | | 52,121 | 322,581 |
| Other instruction | 197,759 | 276,815 | | | 197,759 | 276,815 |
| Support services: | | | | | | |
| Student & instruction related | 3,434,280 | 3,527,927 | | | 3,434,280 | 3,527,927 |
| Tuition | 148,561 | 91,819 | | | 148,561 | 91,819 |
| School administration services | 681,734 | 653,206 | | | 681,734 | 653,206 |
| General & business admin services | 1,274,501 | 1,205,115 | | | 1,274,501 | 1,205,115 |
| Plant operations & maintenance | 2,311,901 | 2,393,970 | | | 2,311,901 | 2,393,970 |
| Pupil transportation | 266,036 | 257,934 | | | 266,036 | 257,934 |
| Principal and Interest Payments | 106,176 | 243,922 | | | 106,176 | 243,922 |
| Business-type activities | | | 118,352 | 86,286 | 118,352 | 86,286 |
| Total expenses | <u>\$ 18,336,687</u> | <u>\$ 20,844,677</u> | <u>\$ 118,352</u> | <u>\$ 86,286</u> | <u>\$ 18,455,039</u> | <u>\$ 20,930,963</u> |

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$4,595,221 which is \$299,523 more than the beginning of the year. The increase in fund balance was the result of more revenue in the 2022-2023 compared to prior year. Overall, the financial position of the District remains sound.

Any projects or debt prior to November 9, 2016, was approved by the City of Linwood and would be a direct obligation of the City, unless held as a temporary note. The City authorized a bond ordinance in the amount of \$4,250,000 to fund projects beginning July 1, 2013. The District finished the projects by June 2016. The city held the debt as temporary notes due to the favorable temporary finance market. The temporary notes upon maturity were transferred to the District. The District held a bond sale June 19, 2018, for the sale date of July 3, 2018. The bonds have a twelve - year maturity schedule with a 2.970632% net interest cost.

General Fund Budgetary Highlights

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and, as a Type II School District, are approved by voters. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Contribution, which are not budgeted, the District's actual revenues were more than the budget by approximately \$178,320. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Contribution, actual expenditures were less than the budget by \$1,597,086. Audit exhibit C-1 does not include current year depreciation expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the District had invested \$13,694,704 in a broad range of capital assets, including land, construction in progress, buildings, vehicles and machinery. This amount represents a net decrease (including additions and deductions) of approximately \$211,142, or 1.52% over last year.

| | Governmental Activities | |
|----------------------------|----------------------------|----------------------|
| | 2023 | 2022 |
| Land | \$ 903,250 | \$ 903,250 |
| Construction in Progress | 591,101 | 298,560 |
| Buildings and Improvements | 11,645,720 | 12,047,708 |
| Machinery & Equipment | 554,633 | 656,328 |
| | <u>\$ 13,694,704</u> | <u>\$ 13,905,846</u> |

More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

New Jersey State Statutes governing Type I School Districts require the bonded debt be assumed by the City and provision for amortization of principal and interest on the outstanding debt is included in the City budget. The district was Type I prior to November 9, 2016. When the District became a Type II school district effective 2016 the City of Linwood held temporary notes authorized pursuant to School Board Ordinance 10-2013 for school projects completed by the District June 2016. Title 18A:24-63 provides that Board of Education shall assume and pay any notes and other obligations, other than permanent bonds, therefore duly issued or incurred by the municipality pursuant to said ordinance. The temporary note in the amount of \$2,560,000 was transferred to the school district effective July 3, 2018. The School District held the bond sale June 19, 2018. The bond has a twelve-year maturity schedule with a Net Interest Cost of 2.970632%.

FOR THE FUTURE

The Linwood School District is in good financial condition presently.

In conclusion, the Linwood School District has committed itself to financial excellence for many years. In addition, the District's system for financial planning, budgeting, and internal financial controls are well regarded. The District plans to continue to identify operational efficiencies which allow it to meet the challenges of declining State aid.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's Business Administrator at 51 Belhaven Avenue, Linwood, New Jersey 08221.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business - type activities of the District.

City of Linwood School District
Statement of Net Position
June 30, 2023

| | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 4,161,786 | \$ 33,444 | \$ 4,195,230 |
| Receivable - State | 202,548 | | 202,548 |
| Receivable - Federal | 485,020 | | 485,020 |
| Other Accounts Receivable | 77,651 | | 77,651 |
| Right to Use Leased Assets | 27,777 | | 27,777 |
| Capital assets: | | | |
| Land | 903,250 | | 903,250 |
| Construction in Progress | 591,101 | | 591,101 |
| Depreciable capital assets, net of depreciation | 12,172,576 | | 12,172,576 |
| Total Assets | <u>18,621,709</u> | <u>33,444</u> | <u>18,655,153</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Outflows Related to Pensions | <u>187,647</u> | | <u>187,647</u> |
| LIABILITIES | | | |
| Accounts payable | 250,546 | | 250,546 |
| Advances | 81,238 | | 81,238 |
| Accrued Interest | 26,790 | | 26,790 |
| Noncurrent liabilities: | | | |
| Due within one year | 188,392 | | 188,392 |
| Due beyond one year | 2,342,434 | | 2,342,434 |
| Net Pension Liability | 2,250,791 | | 2,250,791 |
| Total liabilities | <u>5,140,191</u> | <u>-</u> | <u>5,140,191</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Inflows Related to Pensions | <u>731,525</u> | | <u>731,525</u> |
| NET POSITION | | | |
| Invested in capital assets, net of related debt | 13,694,704 | | 13,694,704 |
| Restricted for: | | | |
| Other Purposes | 456,038 | | 456,038 |
| Capital Reserve | 1,249,939 | | 1,249,939 |
| Maintenance Reserve | 1,147,186 | | 1,147,186 |
| Excess Surplus - Undesignated | 519,177 | | 519,177 |
| Excess Surplus - Designated | 554,007 | | 554,007 |
| Subsequent Year's Expenditures | 273,305 | | 273,305 |
| Unrestricted | (4,956,716) | 33,444 | (4,923,272) |
| Total net position | <u>\$ 12,937,640</u> | <u>\$ 33,444</u> | <u>\$ 12,971,084</u> |

See accompanying Notes to Financial Statements

**City of Linwood School District
Statement of Activities
For the Year Ended June 30, 2023**

| Functions/Programs | Expenses | Indirect Expenses Allocation | Program Revenues | | Governmental Activities | Business - type Activities | Total |
|---|----------------------|------------------------------|----------------------|------------------------------------|-------------------------|----------------------------|------------------------|
| | | | Charges for Services | Operating Grants and Contributions | | | |
| Governmental activities: | | | | | | | |
| Instruction: | | | | | | | |
| Regular | \$ 4,104,098 | \$ 2,885,016 | | \$ 657,268 | \$ (6,331,846) | \$ - | \$ (6,331,846) |
| Special education | 1,579,127 | 1,295,377 | | 894,963 | (1,979,541) | | (1,979,541) |
| Other special instruction | 30,606 | 21,515 | | 4,902 | (47,219) | | (47,219) |
| Other instruction | 122,980 | 74,779 | | 17,037 | (180,722) | | (180,722) |
| Support services: | | | | | | | |
| Tuition | 148,561 | | | 37,158 | (111,403) | | (111,403) |
| Student & instruction related services | 2,009,800 | 1,424,480 | | 1,058,681 | (2,375,599) | | (2,375,599) |
| School administrative services | 406,856 | 274,878 | | 143,945 | (537,789) | | (537,789) |
| Central Services | 430,956 | 291,161 | | 152,473 | (569,644) | | (569,644) |
| General Administrative services | 329,661 | 222,723 | | 116,634 | (435,750) | | (435,750) |
| Plant operations and maintenance | 1,376,349 | 935,552 | | 688,818 | (1,623,083) | | (1,623,083) |
| Pupil transportation | 158,768 | 107,268 | | 56,171 | (209,865) | | (209,865) |
| Unallocated benefits | 6,743,142 | (6,743,142) | | | - | | - |
| Depreciation | 789,607 | (789,607) | | | (0) | | (0) |
| Interest | 106,176 | | | | (106,176) | | (106,176) |
| Total governmental activities | <u>18,336,687</u> | <u>-</u> | <u>-</u> | <u>3,828,050</u> | <u>(14,508,637)</u> | <u>-</u> | <u>(14,508,637)</u> |
| Business Type Activities | | | | | | | |
| Child Care | <u>118,352</u> | | <u>121,966</u> | | | <u>3,614</u> | <u>3,614</u> |
| Total government | <u>\$ 18,455,039</u> | <u>\$ -</u> | <u>\$ 121,966</u> | <u>\$ 3,828,050</u> | <u>\$ (14,508,637)</u> | <u>\$ 3,614</u> | <u>\$ (14,505,023)</u> |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| | | | | | \$ 13,312,536 | | \$ 13,312,536 |
| | | | | | 1,231,257 | | 1,231,257 |
| | | | | | 555,611 | 222 | 555,833 |
| Total general revenues, special items and transfers | | | | | <u>15,099,404</u> | <u>222</u> | <u>15,099,626</u> |
| Change in Net Position | | | | | 590,767 | 3,836 | 594,603 |
| Net Position—beginning, as restated | | | | | 12,346,873 | 29,608 | 12,376,481 |
| Net Position—ending | | | | | <u>\$ 12,937,640</u> | <u>\$ 33,444</u> | <u>\$ 12,971,084</u> |

See accompanying Notes to Financial Statements

FUND FINANCIAL STATEMENTS

The individual Fund statements and schedules present more detailed information for the individual fund in a format the segregates information by fund type.

City of Linwood School District
Balance Sheet
Governmental Funds
June 30, 2023

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|-------------------------------------|----------------------------------|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 1,698,867 | \$ 65,794 | \$ - | \$ 1,764,661 |
| Capital Reserve Account cash | 1,249,939 | | | 1,249,939 |
| Maintenance Reserve Account cash | 1,147,186 | | | 1,147,186 |
| Receivable - Federal | | 485,020 | | 485,020 |
| Receivable - State | 202,548 | | | 202,548 |
| Receivable - Other | 10,657 | 66,994 | | 77,651 |
| Due from other funds | 398,392 | | | 398,392 |
| Total assets | <u>\$ 4,707,589</u> | <u>\$ 617,808</u> | <u>\$ -</u> | <u>\$ 5,325,397</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | 121,824 | 124,575 | | 246,399 |
| Due to State of NJ | | 4,147 | | 4,147 |
| Interfund Accounts Payable | | 398,392 | | 398,392 |
| Unearned revenue | 5,121 | 76,117 | | 81,238 |
| Total liabilities | <u>126,945</u> | <u>603,231</u> | <u>-</u> | <u>730,176</u> |
| Fund Balances: | | | | |
| Restricted for: | | | | |
| Excess surplus Undesignated | 519,177 | | | 519,177 |
| Excess surplus Designated | 554,007 | | | 554,007 |
| Committed to: | | | | |
| Capital Reserve | 1,249,939 | | | 1,249,939 |
| Maintenance Reserve | 1,147,186 | | | 1,147,186 |
| Assigned to: | | | | |
| Designated for subsequent year's expenditures | 273,305 | | - | 273,305 |
| Other purposes | 456,038 | | | 456,038 |
| Unreserved, reported in: | | | | |
| General fund | 380,992 | | | 380,992 |
| Special Revenue Fund | | 14,577 | | 14,577 |
| Total Fund balances | <u>4,580,644</u> | <u>14,577</u> | <u>-</u> | <u>4,595,221</u> |
| Total liabilities and fund balances | <u>\$ 4,707,589</u> | <u>\$ 617,808</u> | <u>\$ -</u> | |
| Amounts reported for governmental activities in the statement of net position (A-1) are different because: | | | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | | | 13,694,704 |
| Pension Liabilities Net of Deferred Outflows & Inflows | | | | (2,794,669) |
| Bonds & Leases Payable | | | | (1,967,777) |
| Accrued Interest on Bonds & Leases Payable | | | | (26,791) |
| Some liabilities, such as compensated absences are not due and payable in the current period and therefore are not reported in the funds. | | | | (563,049) |
| See accompanying Notes to Financial Statements | | | | |
| Net position of governmental activities | | | | <u>\$ 12,937,639</u> |

City of Linwood School District
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------------------|----------------------------------|---|
| REVENUES | | | | |
| Local tax levy | \$ 13,081,998 | \$ - | \$ 230,538 | \$ 13,312,536 |
| Miscellaneous | 555,611 | | | 555,611 |
| State sources | 4,814,896 | 341,840 | | 5,156,736 |
| Federal sources | | 922,667 | | 922,667 |
| Local sources | | 347,770 | | 347,770 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total revenues | 18,452,505 | 1,612,277 | 230,538 | 20,295,320 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Regular instruction | 4,820,345 | | | 4,820,345 |
| Special education instruction | 1,212,648 | 642,067 | | 1,854,715 |
| Other special instruction | 35,948 | | | 35,948 |
| Other instruction | 124,942 | | | 124,942 |
| Support services and undistributed costs: | | | | |
| Tuition - Special Education | 111,403 | 37,158 | | 148,561 |
| Student & instruction related services | 1,777,174 | 602,875 | | 2,380,049 |
| School administrative services | 459,273 | | | 459,273 |
| Other administrative services | 372,131 | | | 372,131 |
| Central Services | 486,478 | | | 486,478 |
| Plant operations and maintenance | 1,563,139 | | | 1,563,139 |
| Pupil transportation | 179,224 | | | 179,224 |
| Unallocated Benefits | 6,557,827 | 185,315 | | 6,743,142 |
| Capital Outlay | 398,415 | 198,897 | | 597,312 |
| Principal and Interest on Bonds | | | 230,538 | 230,538 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenditures | 18,098,947 | 1,666,312 | 230,538 | 19,995,797 |
| Excess (Deficiency) of revenues over expenditures | 353,558 | (54,035) | - | 299,523 |
| Net change in fund balances | 353,558 | (54,035) | - | 299,523 |
| Fund balance—July 1 | 4,227,086 | 68,612 | - | 4,295,698 |
| Fund balance—June 30 | <u>\$ 4,580,644</u> | <u>\$ 14,577</u> | <u>\$ -</u> | <u>\$ 4,595,221</u> |

See accompanying Notes to Financial Statements

**City of Linwood School District
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2023**

Total net change in fund balances - governmental funds (from B-2) \$ 299,523

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 exceeded capital outlays in the period.

| | | | |
|----------------------|----|-----------|--|
| Depreciation expense | \$ | (789,607) | |
| Capital outlays | | 578,465 | |
| | | (211,142) | |

Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

| | | | |
|---|--|---------|--|
| District pension contributions-PERS | | 188,078 | |
| Cost of benefits earned net of employee contributions | | 248,339 | |
| | | 436,417 | |

Repayment of bond and Lease principal is an expenditure in the governmental funds, but the repayment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities.

| | | | |
|---|--|---------|--|
| Total bond and Lease principal payments | | 178,392 | |
| | | 178,392 | |

| | | | |
|------------------|--|----------|--|
| Accrued Interest | | (26,791) | |
| | | (26,791) | |

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 (+).

| | | | |
|--|--|----------|--|
| | | (85,633) | |
| | | (85,633) | |

Change in net position of governmental activities \$ 590,766

**City of Linwood School District
Statement of Net Position
Proprietary Funds
June 30, 2023**

| | Business-Type Activities - Enterprise Funds | |
|------------------------------|--|---------------|
| | Before and After School Program | Totals |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 33,444 | \$ 33,444 |
| Other receivables | - | - |
| Total current assets | 33,444 | 33,444 |
| Total assets | \$ 33,444 | \$ 33,444 |
| LIABILITIES | | |
| Current liabilities: | | |
| None | \$ - | \$ - |
| Total current liabilities | - | - |
| Noncurrent Liabilities: | | |
| None | | |
| Total noncurrent liabilities | - | - |
| Total liabilities | - | - |
| NET POSITION | | |
| Unrestricted | 33,444 | 33,444 |
| Total net position | \$ 33,444 | \$ 33,444 |

See accompanying Notes to Financial Statements

City of Linwood School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

| | Business-Type Activities - Enterprise Funds | |
|---|--|------------------------------|
| | Before and After School Program | Total Proprietary |
| Operating revenues: | | |
| Charges for services: | | |
| Tuition - net of discounts | \$ 121,966 | \$ 121,966 |
| | | - |
| Total operating revenues | 121,966 | 121,966 |
| Operating expenses: | | |
| Salaries | 62,820 | 62,820 |
| Rent | 13,000 | 13,000 |
| Services | 35,964 | 35,964 |
| Transportation | 1,899 | 1,899 |
| General supplies | 4,669 | 4,669 |
| Total Operating Expenses | 118,352 | 118,352 |
| Operating income | 3,614 | 3,614 |
| Nonoperating revenues (expenses): | | |
| Interest | 222 | 222 |
| Total nonoperating revenues (expenses) | 222 | 222 |
| Capital Assest | | |
| Equipment | | - |
| Net Capital | - | - |
| Income before contributions & transfers | 3,836 | 3,836 |
| Transfers in (out) | | |
| Change in net position | 3,836 | 3,836 |
| Total net position—beginning | 29,608 | 29,608 |
| Total net position—ending | \$ 33,444 | \$ 33,444 |

See accompanying Notes to Financial Statements

**City of Linwood School District
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023**

| | Business-Type Activities - Enterprise Funds | |
|---|--|------------------------------|
| | Before and After School Program | Total Proprietary |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 115,157 | \$ 115,157 |
| Payments for salaries and benefits | (62,820) | (62,820) |
| Services | (35,964) | (35,964) |
| Transportation | (1,899) | (1,899) |
| Supplies | (4,819) | (4,819) |
| Net cash provided by operating activities | (3,345) | (3,345) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Operating subsidies and transfers (to)/from other funds | | - |
| Net cash provided by non-capital financing activities | - | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| None | | |
| Net cash (used for) capital and related financing activities | - | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest | 222 | 222 |
| Net cash provided by investing activities | 222 | 222 |
| Net increase in cash and cash equivalents | (3,123) | (3,123) |
| Balances—beginning of year | 36,567 | 36,567 |
| Balances—end of year | \$ 33,444 | \$ 33,444 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ 3,614 | \$ 3,614 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | |
| Increase/(Decrease) in Accounts Payable | (152) | (152) |
| Increase/(Decrease) in Deferred Revenues | (7,336) | (7,336) |
| (Increase)/Decrease in accounts receivable, net | 529 | 529 |
| Total adjustments | (6,959) | (6,959) |
| Net cash provided by operating activities | \$ (3,345) | \$ (3,345) |

See accompanying Notes to Financial Statements

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Linwood School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board became a Type II school district effective November 9, 2016, and currently consists of appointed and elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education (Board) of the City of Linwood School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher's Pension and Annuity Fund (TPAF) and Public Employee Retirement System (PERS) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the TPAF and PERS. 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.

A. REPORTING ENTITY

The City of Linwood School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II district, the Board of Education members are elected. The Board is comprised of nine members appointed or elected to three-year terms. The purpose of the district is to educate students in grades PreK -8. The City of Linwood School District had an approximate enrollment on June 30, 2023 of 804 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

Based on the aforementioned criteria, the District has no component units.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

In the governmental-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. The government-wide statements do not include fiduciary activity.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The following fund types are used by the District:

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose.
- c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds.
- d. **Debt Service** funds are 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.

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Non-spendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District.

3. Enterprise Funds

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District's enterprise funds consist of an after school program.

4. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net Position. They are reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Both governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. FINANCIAL STATEMENT AMOUNTS

1. 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. All other investments are stated at fair value.

For the purposes of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

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

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

NJSA 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.

2. Investments

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate).

3. Inventories

Inventories in the general fund consist of expendable supplies held for the District’s use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2023, the District did not have inventory in the general fund or the enterprise fund.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

| | |
|-------------------------|-------------|
| Buildings | 20-50 years |
| Machinery and equipment | 5-10 years |
| Improvements | 10-20 years |

GASBS No. 34 requires the District to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, parking lots, underground pipe, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The District has included all infrastructure assets in the current fiscal year.

5. Revenues

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

6. Expenditures

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

7. 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.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

8. Interfund Activity

Interfund activity is reported as either: loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

9. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office for approval and are approved by the board of school estimates. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). The Board of Education did not make any material supplementary appropriations during the fiscal year. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. The following material transfers were made to/(from) budgetary line items:

| <u>Account Description</u> | <u>Account Number</u> | <u>Amount</u> |
|--|-----------------------|---------------|
| Reguar Programs - Instruction | 11-120-100-101 | \$ 115,253.00 |
| Resource Room/Resource Center | 11-213-100-xxx | 50,613.00 |
| Basic Skills/Remedial-Instruction | 11-230-100-101 | (72,954.00) |
| Speech, OT, PT & Related Services | 11-000-215-100 | 40,226.00 |
| Support Services - General Administration | 11-000-230-xxx | 55,368.00 |
| Health Benefits | 11-000-291-270 | (242,216.00) |
| Facilities Acquisition & Construction Services | 12-xxx-xxx-xxx | 521,419.00 |

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid 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.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

10. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The Board of Education began charging tuition to district students for Preschool Regular Education services for a set rate approved by the Board annually, beginning September 1, 2008. The district also began an expanded day kindergarten program with tuition set annually by the Board of Education. Students participating in the 2022-2023 school year in the Preschool program pay a fee of \$2,750 and Expanded Day Kindergarten Program pay a fee of \$3,000 annually. Students eligible for free or reduced meals receive the programs at a reduced rate set annually by the Board.

The district also receives student in regular education grades 1-8 in a parent paid program with tuition fees set annually by the Board of Education. These fees are based on 50% certified cost per pupil fees from the most recent certification.

The district receives students from other public school districts. Tuition charges were established by the Board of Education. The charges are subject to adjustment when final costs have been determined. The district had no tuition receivable from other public school districts.

11. Tuition Payable

Tuition charges for the fiscal years 2022-2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

13. Allocation of Costs

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the budgetary expenditures by program.

F. ACCOUNTING CHANGES

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 99, "Omnibus 2022". This statement, which is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter, may have an effect on the District's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections (an amendment of GASB Statement No. 62)". This statement, which is effective for fiscal years beginning after June 15, 2023, may have an effect on the District's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement, which is effective for fiscal years beginning after December 15, 2023, may have an effect on the District's financial reporting.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

NOTE 2. CASH

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The district’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2023, \$0 of the government’s bank balance of \$4,684,685.84 was exposed to custodial credit risk.

NOTE 3. INVESTMENTS

As of June 30, 2023, the district did not have any investments.

Interest Rate Risk. The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 18A:20-37 limits district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the district or the local units in which the district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The district places no limit on the amount the district may invest in any one issuer.

NOTE 4. FIXED ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

| | <u>Beginning Balance</u> | <u>Transfers/Adj. Additions</u> | <u>Transfers/Adj. Deletions</u> | <u>Ending Balance</u> |
|---|------------------------------|-------------------------------------|-------------------------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 903,250 | \$ | \$ | \$ 903,250 |
| Construction in Progress | 298,560 | 292,541 | | 591,101 |
| Total capital assets not being depreciated | <u>1,201,810</u> | <u>292,541</u> | <u>-</u> | <u>1,494,351</u> |
| Capital assets being depreciated: | | | | |
| Buildings and building improvements | 27,093,078 | 145,039 | | 27,238,117 |
| Machinery & Equipment | 2,116,737 | 140,885 | | 2,257,622 |
| Total capital assets being depreciated at historical cost | <u>29,209,815</u> | <u>285,924</u> | <u>-</u> | <u>29,495,739</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (15,045,370) | (547,027) | | (15,592,397) |
| Equipment | (1,460,409) | (242,580) | | (1,702,989) |
| Total Accumulated Depreciation | <u>(16,505,779)</u> | <u>(789,607)</u> | <u>-</u> | <u>(17,295,386)</u> |
| Total capital assets being depreciated, net of accumulated depreciation | <u>12,704,036</u> | <u>(503,683)</u> | <u>-</u> | <u>12,200,353</u> |
| Governmental activity capital assets, net | <u>\$ 13,905,846</u> | <u>\$ (211,142)</u> | <u>\$ -</u> | <u>\$ 13,694,704</u> |

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Depreciation expense as charged to governmental functions as follows:

| | | |
|-------------------------------------|----|------------|
| Regular Instruction | \$ | 460,578 |
| Direct Expense of Various Functions | | 329,029 |
| | | \$ 789,607 |

NOTE 5. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2023, was as follows:

| | | <u>Balance</u> <u>June 30, 2022</u> | | <u>Issued</u> | | <u>Retired/ Adjustment</u> | | <u>Balance</u> <u>June 30, 2023</u> | | <u>Due in</u> <u>One Year</u> |
|------------------------------|----|--|----|---------------|----|--------------------------------|----|--|----|----------------------------------|
| Compensated Absences Payable | \$ | 477,416 | \$ | | \$ | | \$ | 477,416 | \$ | - |
| Lease Liability | | 36,169 | | 8,392 | | | | 44,561 | | |
| | \$ | 513,585 | \$ | 8,392 | \$ | - | \$ | 521,977 | \$ | - |

A. Bonds Payable – The City of Linwood School District was a Type I School District. When the District became a Type II school district, effective 2016, the City of Linwood held temporary notes authorized pursuant to School Board Ordinance 10-2013 for school projects completed by the District June 2016. Title 18A:24-63 provides that Board of Education shall assume and pay any notes and other obligations, other than permanent bonds, therefore duly issued or incurred by the municipality pursuant to said ordinance. The temporary note in the amount of \$2,560,000 was transferred to the school district effective July 3, 2018. The School District held the bond sale on June 19, 2018. The bond has a twelve-year maturity schedule with a Net Interest Cost of 2.970632%. The balance remaining at June 30, 2023 is \$1,940,000.

B. Bonds Authorized But Not Issued - As of June 30, 2023, the District did not have any outstanding authorized bonds.

NOTE 6. OPERATING LEASES

The District is leasing various copy machines and multifunction printers for the schools and administrative office. The lease terms is 60 months. The following are minimum lease payments due for the lease on an annual basis.

Future minimum lease payments are as follows:

| | | <u>Year Ending</u> <u>June 30,</u> | | <u>Payments</u> |
|------------------------------------|----|---------------------------------------|----|-----------------|
| | | 2024 | \$ | 10,200 |
| | | 2025 | | 10,200 |
| | | 2026 | | 10,200 |
| Total minimum lease payments | | | | 30,600 |
| Less: amount representing interest | | | | (2,823) |
| Present value of lease payments | \$ | | | 27,777 |

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 7. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The School District's contributions to TPAF for the years ending June 30, 2023, 2022, and 2021, were \$2,423,492, \$2,435,940, and \$1,668,558, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2023, 2022, and 2021, were \$188,078, \$200,040, and \$183,062, respectively, equal to the required contributions for each year.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 7. PENSION PLANS - CONTINUED

During the fiscal years ended June 30, 2023, 2021, and 2020, the State of New Jersey contributed \$636,646, \$569,134, and \$522,900, respectively, to the TPAF for post-retirement medical benefits and life insurance premiums on behalf of the Board. The State of New Jersey contributed \$655 to TPAF for long-term disability insurance. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed, the Board \$522,846, \$518,752, and \$ 479,420, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.

NOTE 7. PENSION PLANS - CONTINUED

- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made several changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 8: PENSION LIABILITIES – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the District's pension liabilities. The following information describes the District's proportionate share of the statewide pension system's liabilities and expenses.

The following represents the District's pension liabilities as June 30, 2022:

Public Employees' Retirement System

The District has a liability of \$2,250,791 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 that was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion is 0.01491442010%, which is a decrease of 12.68% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized negative pension expense of \$248,338. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected & actual experience | \$ 16,245 | \$ (14,326) |
| Changes of assumptions | 6,974 | (337,033) |
| Net difference between projected and actual earnings on pension plan investments | 93,158 | - |
| Changes in proportion | 71,270 | (380,166) |
| Total | \$ 187,647 | \$ (731,525) |

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

| Year ended June 30, | | |
|------------------------|--------|---------------|
| 2024 | \$ | (497,134) |
| 2025 | | (183,092) |
| 2026 | | (12,865) |
| 2027 | | 150,381 |
| 2028 | | (1,169) |
| Total | \$ | (543,878) |

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

| | |
|----------------------------|---|
| Inflation rate | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary increases: | 2.75% – 6.55% (based on years of service) |
| Investment rate of return: | 7.00% |

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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 disable 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 generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------------|----------------------|--|
| US equity | 27.00% | 8.12% |
| Non-U.S. developed markets equity | 13.50% | 8.38% |
| Emerging markets equity | 5.50% | 10.33% |
| Private equity | 13.00% | 11.80% |
| Real estate | 8.00% | 11.19% |
| Real assets | 3.00% | 7.60% |
| High yield | 4.00% | 4.95% |
| Private Credit | 8.00% | 8.10% |
| Investment grade credit | 7.00% | 3.38% |
| Cash equivalents | 4.00% | 1.75% |
| U.S. Treasuries | 4.00% | 1.75% |
| Risk mitigation strategies | 3.00% | 4.91% |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

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

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|---------------------------|-------------------------------------|---------------------------|
| Municipality's proportionate share of the net pension liability | \$ 2,699,160 | \$ 2,250,791 | \$ 1,869,635 |

Pension plan fiduciary net position.

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

NOTE 9 – PENSION LIABILITIES - TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2022, the District liability for its proportionate share of the net pension liability which is considered a Special Funding Situation with the State of New Jersey is reported below.

The employer contributions for local participating employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 18:66-33. Therefore, local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan, there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

| | |
|--|------------------|
| District's proportionate share of the net pension liability | \$ - |
| State's proportionate share of the net position liability associated with the District | 30,105,109.00 |
| Total | \$ 30,105,109.00 |

The net pension liability was measured as of June 30, 2022 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2021.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

For the year ended June 30, 2022, the District recognized pension expense of \$810,213 and revenue of \$810,213 for support provided by the State.

Actuarial assumptions. The total pension liability in the June 30, 2022 actuarial valuation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

| | |
|---------------------------|---|
| Inflation Rate | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary increases | 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-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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, 2022 are summarized in the following table:

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return. |
|-----------------------------------|----------------------|---|
| US Equity | 27.00% | 8.12% |
| Non-U.S. Developed Markets Equity | 13.50% | 8.38% |
| Emerging Markets Equity | 5.50% | 10.33% |
| Private Equity | 13.00% | 11.80% |
| Real Estate | 8.00% | 11.19% |
| Real Assets | 3.00% | 7.60% |
| High Yield | 2.00% | 4.95% |
| Private Credit | 8.00% | 8.10% |
| Investment Grade Credit | 8.00% | 3.38% |
| Cash Equivalents | 4.00% | 1.75% |
| U.S. Treasuries | 5.00% | 1.75% |
| Risk Mitigation Strategies | 3.00% | 4.91% |

Discount rate.

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

| | 1% Decrease (6.0%) | Current Discount Rate (7.0%) | 1% Increase (8.0%) |
|--|--------------------------|------------------------------------|--------------------------|
| District's proportionate share of the net pension liability | \$ - | \$ - | \$ - |
| State's proportionate share of the net position liability associated with the District | \$ 35,298,880.05 | \$ 30,105,109.00 | \$ 25,730,009.51 |

Pension plan fiduciary net position.

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

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Additional Information

Collective balances of the local group at June 30, 2022 are as follows:

| | | |
|--------------------------------|----|----------------|
| Deferred outflows of resources | \$ | 5,004,259,312 |
| Deferred inflows of resources | | 19,682,774,794 |
| Net pension liability | | 51,676,587,303 |

Collective pension expense for the plan for the measurement period ended June 30, 2022, is \$1,390,761,344.

NOTE 10. OTHER POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan:

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State’s contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State’s contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans’ net pension liability. The State’s share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be reported on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contributions. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State’s contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASBE Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent, from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Total OPEB Liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in June 30, 2023 III-3.8 the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: [NJ OMB - Financial Publications](#)

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2022, actuarial valuation reported by the State in the State’s most recently issued ACFR was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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 and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases

| TPAF/ABP | PERS | PFRS |
|--|--|---|
| 2.75% to 4.25% based on service years | 2.75% to 6.55% based on service years | 3.25% to 16.25% based on service years |

Mortality Rates

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-2021. 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-2021. 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-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2020 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the TPAF, PERS, and PFRS experience studies for the period July 1, 2018 to June 30, 2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026, and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026, and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability reported by the State of New Jersey

| | | |
|--|----|---------------------------------|
| Balance at 6/30/22 (Based on 6/30/2021 measurement date) | \$ | 60,007,650,970.00 |
| Changes for the year: | | |
| Service cost | | 2,770,618,025.00 |
| Interest | | 1,342,187,139.00 |
| Changes in Benefit Terms | | - |
| Differences between Expected & Actual Experiences | | 1,399,200,736.00 |
| Changes in assumptions or other inputs | | (13,586,368,097.00) |
| Contributions: Member | | 42,650,252.00 |
| Benefit payments | | <u>(1,329,476,059.00)</u> |
| Net changes | | <u>(9,361,188,004.00)</u> |
| Balance at 6/30/23 (Based on 6/30/2022 measurement date) | \$ | <u><u>50,646,462,966.00</u></u> |

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability as of June 20, 2022, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

| | 1% Decrease <u>(2.54%)</u> | Discount Rate <u>(3.54%)</u> | 1% Increase <u>(4.54%)</u> |
|----------------------|-------------------------------|---------------------------------|-------------------------------|
| Total OPEB Liability | \$ 59,529,589,697.00 | \$ 50,646,462,966.00 | \$ 43,527,080,995.00 |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

| | 1% Decrease <u></u> | Healthcare Cost Trend Rates <u></u> | 1% Increase <u></u> |
|---|------------------------|---|------------------------|
| Total OPEB Liability (School Retirees) | \$ 41,862,397,291.00 | \$ 50,646,462,966.00 | \$ 62,184,866,635.00 |

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

For the year ended June 30, 2022, the board of education recognized OPEB expense of \$263,996.00 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

In accordance with GASB 75, the board of education’s proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees’ OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 9,042,402,619.00 | \$ (15,462,950,679.00) |
| Changes in assumptions | 8,765,620,577.00 | (17,237,289,230.00) |
| | \$ 17,808,023,196.00 | \$ (32,700,239,909.00) |

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

| Year Ended June 30, | | |
|------------------------|----|---------------------|
| 2023 | \$ | (2,517,151,602.00) |
| 2024 | | (2,517,151,602.00) |
| 2025 | | (2,517,151,602.00) |
| 2026 | | (2,175,449,761.00) |
| 2027 | | (1,243,951,140.00) |
| Thereafter | | (3,921,361,006.00) |
| | \$ | (14,892,216,713.00) |

(Contributions made after June 30 are reported as deferred outflow of resources but are not amortized in the expense.)

Detailed information about the plan’s fiduciary net position is available in the separately issued OPEB financial report.

NOTE 11. COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District’s personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

The liability for vested compensated absences of the governmental fund types is recorded in the entity wide statement of financial position. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by Great American Plan Administrators, Cincinnati, Ohio include 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 available plans are as follows:

Lincoln Investment Planning, Inc.
Syracusa
Equitable
Vanguard

NOTE 13. 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 joined the SPELL Joint Insurance Fund (JIF) effective July 1, 2017 for commercial insurance coverage for property, liability and surety bonds. The JIF is an established Self-Funded program. Premiums are paid into the fund and are available to pay claims, claim reserves and administrative costs of the program. The trust was established to pay legitimate claims against the Board, which the Board has the obligation to pay such claims. During the fiscal year ended June 30, 2023 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

Worker's Compensation Fund Joint Insurance Fund – The District is retaining risk by the established self-funded workers' compensation fund through SPELL JIF. Premiums are paid into the fund and are available to pay claims, claim reserves and administrative costs of the program. The trust was established to pay legitimate claims against the Board, for which the Board has the obligation to pay such claims. As of June 30, 2023, the amounts of any claims or settlements did not exceed insurance coverage.

New Jersey Unemployment Compensation Insurance – The District has been included in the State of New Jersey plan since January 1996.

NOTE 14. COMMITMENTS

The District has adopted an encumbrance policy for the fiscal year June 30, 2023 to consider significant encumbrances. All encumbrances are classified as either Assigned Fund Balance in the General Fund and Special Revenue Fund. There were no significant encumbrances outstanding at year end.

NOTE 15. CONTINGENT LIABILITIES

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 16. ECONOMIC DEPENDENCY

The District receives support from the federal government and from the state government in the form of aid and specific grants. A significant reduction in the level of support is expected within the State of New Jersey's funding formula. The district expects this to have an effect on programs and activities.

NOTE 17. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2023:

| Fund | Inter-fund Receivable | Inter-fund Payable |
|-----------------|--------------------------|-----------------------|
| General | \$ 398,392 | \$ |
| Special Revenue | | 398,392 |
| | \$ 398,392 | \$ 398,392 |
| | \$ 398,392 | \$ 398,392 |

Inter-funds were created throughout the year due to short term borrowings to cover cash flow needs in the various funds. The fund financial inter-funds were eliminated in the governmental-wide statements.

NOTE 18. RECEIVABLES

Receivables at June 30, 2023, consisted of accounts (other), interfund, and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

| | Governmental Fund Financial Statements | Government Wide Financial Statements |
|------------------------------------|--|--|
| State Aid | \$ 202,548 | \$ 202,548 |
| Federal Aid | 485,020 | 485,020 |
| Interfunds | 398,392 | - |
| Other | 77,651 | 77,651 |
| Gross Receivables | 1,163,611 | 765,219 |
| Less: Allowance for Uncollectibles | | |
| Total Receivables, Net | \$ 1,163,611 | \$ 765,219 |

NOTE 19. FUND BALANCE APPROPRIATED

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Regular Public School Districts (N.J.S.A. 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 4% of the general fund budget or \$250,000, whichever is greater may be maintained.

Specific classifications of fund balance are summarized below;

Non-Spendable Fund Balance – The District had no non-spendable fund balance at June 30, 2023.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Restricted Fund Balance

Excess Surplus – At June 30, 2023, excess surplus created in FY22 of \$554,007 will be utilized for expenditures in the 2023-2024 budget, while excess surplus created in FY23 of \$519,177 restricted and will be utilized for budget expenditures in 2024-2025.

Committed Fund Balance

Capital Reserve Account – Of the \$1,249,939 balance in the capital reserve account at June 30, 2023, \$0 has been designated for utilization in the 2023-24 budget. These funds are restricted for future capital outlay expenditures for projects in the School District’s long-range facilities plan (LRFP).

Maintenance Reserve Account – Of the \$1,147,186 balance in the maintenance reserve account at June 30, 2023, \$0 has been designated for utilization in the 2023-23 budget. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Assigned Fund Balance – At June 30, 2023, the School District assigned \$273,305 of general fund balances to expenditures in the 2023-24 budget, and \$456,038 was assigned for other purposes as of year-end. This represents encumbrances resulting from issuing purchase orders because of normal purchasing activities approved by District officials.

Unassigned Fund Balance – At June 30, 2023, the District has \$468,626 of unassigned fund balance in the general fund.

NOTE 20. EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004m c73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance calculated for the year ended June 30, 2023 is \$519,177.

NOTE 21. LITIGATION

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District’s management, the outcome of any legal proceedings will not have any adverse effect on the accompanying financial statements.

NOTE 22. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Linwood Board of Education by inclusion of \$250,000, June 2005 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.

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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 Board of School Estimates has been obtained either by a separate proposal at budget time or by a special question authorized pursuant to *N.J.S.A.* 19:60-2. Pursuant to *N.J.A.C.* 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

| | | |
|---------------------------------|----|-----------|
| Beginning Balance, July 1, 2022 | \$ | 756,553 |
| Interest earnings | | 532 |
| Deposits | | |
| Board Resolution Transfer | | 400,000 |
| Contractor Reimbursements | | 450,000 |
| SDA Reimbursement | | 18,854 |
| Withdrawals | | |
| Board Resolution Withdrawal | | |
| 12/14/2022 - Security Vestibule | | (49,000) |
| 4/26/2023 - Security Vestibule | | (327,000) |
| Ending Balance, June 30, 2022 | \$ | 1,249,939 |

NOTE 23. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Linwood Board of Education by inclusion of \$50,000, June 2008 for the accumulation of funds for use as required 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, 2022 to June 30, 2023 fiscal year is as follows:

| | | |
|----------------------------------|----|-----------|
| Beginning Balance, July 1, 2022 | \$ | 1,042,112 |
| Interest earnings | | 113 |
| Deposits | | |
| Board Resolution Transfer | | 450,000 |
| Withdrawals | | |
| 2022/2023 Budget | | (200,000) |
| Board Resolution Withdrawal | | |
| 12/14/2022 - Chiller Replacement | | (145,039) |
| Ending Balance, June 30, 2022 | \$ | 1,147,186 |

**CITY OF LINWOOD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 24. RIGHT TO USE ASSETS

The district has recorded right to use assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability, plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place to lease into service. The District has determined the other charges and amortization to be immaterial to the government-wide financial statements and has elected to record the Right to Use Assets at their remaining liability payments.

| | <u>Beginning</u> <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending</u> <u>Balance</u> |
|--------------------------|------------------------------------|------------------|------------------|---------------------------------|
| Copiers | \$ 36,169 | \$ | \$ 8,392 | \$ 27,777 |
| Right to use assets, net | \$ 36,169 | \$ - | \$ 8,392 | \$ 27,777 |

NOTE 25. SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and January 31, 2024, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure that have not been accounted for in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

Budgetary Comparison Schedules

**City of Linwood School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|--|----------------------|---------------------|----------------------|----------------------|---------------------------------------|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 13,081,998 | \$ - | \$ 13,081,998 | \$ 13,081,998 | \$ - |
| Tuition from Individuals | 56,250 | | 56,250 | 29,547 | (26,703) |
| Rentals | 13,000 | | 13,000 | 13,960 | 960 |
| Miscellaneous | 6,250 | | 6,250 | 512,104 | 505,854 |
| Total - Local Sources | <u>13,157,498</u> | <u>-</u> | <u>13,157,498</u> | <u>13,637,609</u> | <u>480,111</u> |
| State Sources: | | | | | |
| Transportation Aid | 111,744 | | 111,744 | 111,744 | - |
| Special Education Aid | 607,272 | | 607,272 | 607,272 | - |
| Equalization Aid | 128,197 | | 128,197 | 128,197 | - |
| Security Aid | 64,088 | | 64,088 | 64,088 | - |
| Adjustment Aid | 131,119 | | 131,119 | 131,119 | - |
| - Non-Public Transportation | | | - | 9,895 | 9,895 |
| - Extraordinary | | | - | 168,425 | 168,425 |
| On-Behalf TPAF Pension Contributions (non-budgeted) | | | - | 3,060,793 | 3,060,793 |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | - | 522,846 | 522,846 |
| Total - State Sources | <u>1,042,420</u> | <u>-</u> | <u>1,042,420</u> | <u>4,804,379</u> | <u>3,761,959</u> |
| Total Revenues | <u>\$ 14,199,918</u> | <u>\$ -</u> | <u>\$ 14,199,918</u> | <u>\$ 18,441,988</u> | <u>\$ 4,242,070</u> |

**City of Linwood School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|---|--------------------|---------------------|------------------|------------------|---------------------------------------|
| EXPENDITURES: | | | | | |
| Current Expense: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Salaries of Teachers: | | | | | |
| Preschool | \$ 68,528 | \$ 979 | \$ 69,507 | \$ 30,931 | \$ 38,576 |
| Kindergarten | 288,625 | 31,065 | 319,690 | 316,991 | 2,699 |
| Grades 1-5 | 2,304,017 | 115,253 | 2,419,270 | 2,398,705 | 20,565 |
| Grades 6-8 | 1,879,885 | (32,691) | 1,847,194 | 1,815,702 | 31,492 |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 4,000 | | 4,000 | | 4,000 |
| Purchased Professional - Educational Services | 1,000 | | 1,000 | 550 | 450 |
| Regular Programs - Undistributed Instruction: | | | | | |
| Other Purchased Services | 142,122 | (1,659) | 140,463 | 116,409 | 24,054 |
| General Supplies | 185,477 | 2,755 | 188,232 | 130,856 | 57,376 |
| Textbooks | 19,500 | (1,096) | 18,404 | 10,201 | 8,203 |
| Total Regular Programs | 4,893,154 | 114,606 | 5,007,760 | 4,820,345 | 187,415 |
| Multiple Disabilities | | | | | |
| Salaries of Teachers | 147,153 | 3,407 | 150,560 | 134,663 | 15,897 |
| Other Salaries for Instruction | 1,000 | | 1,000 | | 1,000 |
| Other Purchased Services | 1,900 | (250) | 1,650 | | 1,650 |
| General Supplies | 6,500 | | 6,500 | 3,997 | 2,503 |
| Textbooks | 1,000 | (314) | 686 | | 686 |
| Total Multiple Disabilities | 157,553 | 2,843 | 160,396 | 138,660 | 21,736 |

**City of Linwood School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|--|--------------------|---------------------|------------------|------------------|---------------------------------------|
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | 755,020 | 50,613 | 805,633 | 801,148 | 4,485 |
| Other Salaries for Instruction | 75,693 | (2,838) | 72,855 | 62,128 | 10,727 |
| Other Purchased Services | 7,000 | | 7,000 | | 7,000 |
| General Supplies | 12,600 | | 12,600 | 3,691 | 8,909 |
| Textbooks | 8,000 | | 8,000 | 2,719 | 5,281 |
| Total Resource Room/Resource Center | <u>858,313</u> | <u>47,775</u> | <u>906,088</u> | <u>869,686</u> | <u>36,402</u> |
| Preschool Disabilities - Part Time: | | | | | |
| Salaries of Teachers | 87,161 | 1,888 | 89,049 | 45,886 | 43,163 |
| Other Salaries for Instruction | 56,975 | 5,369 | 62,344 | 47,749 | 14,595 |
| General Supplies | 2,500 | (935) | 1,565 | 880 | 685 |
| Total Preschool Disabilities - Part Time | <u>146,636</u> | <u>6,322</u> | <u>152,958</u> | <u>94,515</u> | <u>58,443</u> |
| Preschool Disabilities - Full Time | | | | | |
| Salaries of Teachers | 77,159 | 14,423 | 91,582 | 89,024 | 2,558 |
| Other Salaries for Instruction | 7,147 | 5,780 | 12,927 | 12,925 | 2 |
| Supplies | 3,500 | 2,423 | 5,923 | 5,392 | 531 |
| Total Preschool Disabilities -Full Time | <u>87,806</u> | <u>22,626</u> | <u>110,432</u> | <u>107,341</u> | <u>3,091</u> |
| Special Education - Home Instruction | | | | | |
| Salaries of Teachers | 5,000 | | 5,000 | 946 | 4,054 |
| Purchased Educational Services | 2,000 | (500) | 1,500 | 1,500 | - |
| Total Special Education - Home Instruction | <u>7,000</u> | <u>(500)</u> | <u>6,500</u> | <u>2,446</u> | <u>4,054</u> |
| Total Special Education - Instruction | <u>1,257,308</u> | <u>79,066</u> | <u>1,336,374</u> | <u>1,212,648</u> | <u>123,726</u> |

**City of Linwood School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|---|--------------------|---------------------|-----------------|---------------|---------------------------------------|
| Basic Skills/Remedial- Instruction | | | | | |
| Salaries of Teachers | 159,979 | (72,954) | 87,025 | 24,705 | 62,320 |
| Other Salaries for Instruction | 11,363 | (762) | 10,601 | | 10,601 |
| Other Purchased Services | 4,200 | | 4,200 | | 4,200 |
| General Supplies | 2,400 | | 2,400 | 123 | 2,277 |
| Textbooks | 4,260 | | 4,260 | | 4,260 |
| Total Basic Skills/Remedial - Instruction | 182,202 | (73,716) | 108,486 | 24,828 | 83,658 |
| Bilingual Education - Instruction: | | | | | |
| Salaries of Teachers | 8,672 | 323 | 8,995 | 8,995 | - |
| Other Purchased Services | 1,000 | (213) | 787 | | 787 |
| Supplies | 2,500 | | 2,500 | 2,125 | 375 |
| Total Bilingual Education - Instruction | 12,172 | 110 | 12,282 | 11,120 | 1,162 |
| School Sponsored Cocurricular Activities - Instruction: | | | | | |
| Salaries | 54,641 | 477 | 55,118 | 54,002 | 1,116 |
| Purchased Services | 1,000 | (477) | 523 | 300 | 223 |
| Supplies | 4,000 | 1,093 | 5,093 | 4,841 | 252 |
| Total School Sponsored Cocurricular Activities - Instruction | 59,641 | 1,093 | 60,734 | 59,143 | 1,591 |
| School Sponsored Athletics - Instruction | | | | | |
| Salaries | 56,435 | | 56,435 | 47,792 | 8,643 |
| Purchased Services | 6,000 | | 6,000 | 5,892 | 108 |
| Supplies and Materials | 6,500 | (1,093) | 5,407 | 3,312 | 2,095 |
| Total School Sponsored Athletics - Instruction | 68,935 | (1,093) | 67,842 | 56,996 | 10,846 |

**City of Linwood School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|---|--------------------|---------------------|-----------------|-----------|---------------------------------------|
| Before/After School Programs/Instruction | | | | | |
| Salaries | 3,800 | | 3,800 | | 3,800 |
| Supplies | 250 | | 250 | | 250 |
| Total Before/After School Programs | 4,050 | - | 4,050 | - | 4,050 |
| Other Supplemental Instruction | | | | | |
| Salaries | 16,543 | | 16,543 | 8,803 | 7,740 |
| Total Other Supplemental | 16,543 | - | 16,543 | 8,803 | 7,740 |
| Total Instruction | 6,494,005 | 120,066 | 6,614,071 | 6,193,883 | 420,188 |
| Undistributed Expenditures - Instruction: | | | | | |
| Tuition to CSSD & Regional Day Schools | 95,602 | 7,160 | 102,762 | 96,235 | 6,527 |
| Tuition - Private School for the Handicapped | 6,001 | 9,167 | 15,168 | 15,168 | - |
| Total Undistributed Expenditures - Instruction | 101,603 | 16,327 | 117,930 | 111,403 | 6,527 |
| Undistributed Expenditures - Attendance and Social Work: | | | | | |
| Salaries | 49,448 | 1,593 | 51,041 | 51,040 | 1 |
| Other Purchased Services | 3,500 | (321) | 3,179 | | 3,179 |
| Total Undistributed Expenditures - Attendance and Social Work | 52,948 | 1,272 | 54,220 | 51,040 | 3,180 |
| Undistributed Expenditures - Health Services: | | | | | |
| Salaries | 154,605 | (35,569) | 119,036 | 115,198 | 3,838 |
| Other Purchased Services | 10,600 | 3,506 | 14,106 | 7,510 | 6,596 |
| Supplies and Materials | 10,500 | (1,577) | 8,923 | 6,819 | 2,104 |
| Other Objects | 320 | | 320 | | 320 |
| Total Undistributed Expenditures - Health Services | 176,025 | (33,640) | 142,385 | 129,527 | 12,858 |

**City of Linwood School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|--|--------------------|---------------------|-----------------|----------------|---------------------------------------|
| Undistributed Expenditures - Speech, OT, PT & Related Services | | | | | |
| Salaries | 340,570 | 40,226 | 380,796 | 363,123 | 17,673 |
| Purchased Professional Educational Services | 43,000 | 18,491 | 61,491 | 61,491 | - |
| Supplies and Materials | 5,000 | (390) | 4,610 | 4,321 | 289 |
| Total Undistributed Expenditures - Other Support Services - Students - Related Services | <u>388,570</u> | <u>58,327</u> | <u>446,897</u> | <u>428,935</u> | <u>17,962</u> |
| Undistributed Expenditures - Other Support Services - Students - Extra Services | | | | | |
| Salaries | 385,829 | (18,275) | 367,554 | 356,135 | 11,419 |
| Purchased Professional Educational Services | 76,612 | 4,038 | 80,650 | 63,110 | 17,540 |
| Supplies and Materials | 2,000 | (1,750) | 250 | 250 | - |
| Total Undistributed Expenditures - Other Support Services - Students - Extra Services | <u>464,441</u> | <u>(15,987)</u> | <u>448,454</u> | <u>419,495</u> | <u>28,959</u> |
| Undistributed Expenditures - Other Support Services - Guidance | | | | | |
| Salaries of Other Professional Staff | 149,703 | 3,377 | 153,080 | 152,072 | 1,008 |
| Other Salaries | 13,100 | (4,748) | 8,352 | 7,276 | 1,076 |
| Other Purchased Prof & Technical Services | 1,000 | (470) | 530 | | 530 |
| Other Purchased Services | 2,700 | | 2,700 | | 2,700 |
| Supplies and Materials | 6,000 | | 6,000 | 416 | 5,584 |
| Other Objects | 450 | | 450 | 129 | 321 |
| Total Undistributed Expenditures - Other Support Services - Guidance | <u>172,953</u> | <u>(1,841)</u> | <u>171,112</u> | <u>159,893</u> | <u>11,219</u> |

**City of Linwood School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|---|--------------------|---------------------|-----------------|----------------|---------------------------------------|
| Undistributed Expenditures - Other Support Services - | | | | | |
| Child Study Team | | | | | |
| Salaries of Other Professional Staff | 290,484 | 33,176 | 323,660 | 321,027 | 2,633 |
| Salaries of Secretarial and Clerical Assistants | 20,132 | 565 | 20,697 | 20,696 | 1 |
| Other Salaries | 8,000 | (1,860) | 6,140 | 3,067 | 3,073 |
| Unused Vacation Payment | 2,067 | | 2,067 | 2,012 | 55 |
| Purchased Professional - Educational Services | 26,750 | (7,500) | 19,250 | 14,184 | 5,066 |
| Misc. Purchased Services | 6,246 | (1,095) | 5,151 | 2,026 | 3,125 |
| Supplies and Materials | 6,000 | 1,095 | 7,095 | 5,223 | 1,872 |
| Other Objects | 2,000 | | 2,000 | 1,095 | 905 |
| Total Undistributed Expenditures - Other Support Services - | | | | | |
| Child Study Team | <u>361,679</u> | <u>24,381</u> | <u>386,060</u> | <u>369,330</u> | <u>16,730</u> |
| Undistributed Expenditures - Improvement of Instruction Services: | | | | | |
| Salaries of Supervisor of Instruction | 91,757 | 154 | 91,911 | 91,911 | - |
| Salaries of Other Professional Staff | 28,200 | (5,467) | 22,733 | 16,718 | 6,015 |
| Salaries of Secretarial & Clerical | 20,132 | 565 | 20,697 | 20,695 | 2 |
| Unused Vacation Payment | 1,765 | | 1,765 | | 1,765 |
| Purchased Professional - Educational Services | 11,000 | | 11,000 | 5,350 | 5,650 |
| Other Purchased Services | 6,500 | | 6,500 | 2,767 | 3,733 |
| Supplies and Materials | 8,500 | | 8,500 | 2,554 | 5,946 |
| Other Objects | 2,000 | | 2,000 | 846 | 1,154 |
| Total Undistributed Expenditures - Improv. of Instr. Services | <u>169,854</u> | <u>(4,748)</u> | <u>165,106</u> | <u>140,841</u> | <u>24,265</u> |

**City of Linwood School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|---|--------------------|---------------------|-----------------|----------------|---------------------------------------|
| Undistributed Expenditures - Educational Media Services - School Library | | | | | |
| Salaries - Technology Coordinators | 55,009 | | 55,009 | 55,009 | - |
| Other Purchased Services | 5,500 | (367) | 5,133 | 1,188 | 3,945 |
| Supplies and Materials | 7,500 | 3,814 | 11,314 | 11,289 | 25 |
| Other Objects | 200 | | 200 | | 200 |
| Total Undistributed Expenditures - Educational Media Services - School Library | 68,209 | 3,447 | 71,656 | 67,486 | 4,170 |
| Undistributed Expenditures - Instructional Staff Training | | | | | |
| Salaries of Other Professional Staff | 7,760 | | 7,760 | | 7,760 |
| Other Purchased Professional and Technical Services | 16,100 | (3,447) | 12,653 | 7,094 | 5,559 |
| Other Purchased Services | 5,350 | | 5,350 | 3,533 | 1,817 |
| Supplies and Materials | 1,000 | | 1,000 | | 1,000 |
| Total Undistributed Expenditures - Instructional Staff Training | 30,210 | (3,447) | 26,763 | 10,627 | 16,136 |
| Undistributed Expenditures - Support Services - Gen. Admin.: | | | | | |
| Salaries | 213,502 | 907 | 214,409 | 209,702 | 4,707 |
| Legal Services | 81,270 | (18,047) | 63,223 | 56,623 | 6,600 |
| Audit Fees | 20,343 | | 20,343 | 20,200 | 143 |
| Other Purchased Professional Services | 11,500 | 55,368 | 66,868 | 65,368 | 1,500 |
| Purchased Technical Services | 5,500 | (943) | 4,557 | 4,530 | 27 |
| Communications/Telephone | 51,706 | (5,107) | 46,599 | 38,462 | 8,137 |
| Other Purchased Services | 66,647 | (700) | 65,947 | 51,123 | 14,824 |
| Other Purchased Service - Board Expense | 1,500 | 700 | 2,200 | 2,200 | - |
| General Supplies | 6,100 | | 6,100 | 2,430 | 3,670 |
| Board Memberships | 7,500 | (178) | 7,322 | 6,703 | 619 |
| Miscellaneous Expenditures | 2,500 | | 2,500 | 1,932 | 568 |
| Total Undistributed Expenditures - Support Services - Gen. Admin. | 468,068 | 32,000 | 500,068 | 459,273 | 40,795 |

**City of Linwood School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|--|--------------------|---------------------|-----------------|----------------|---------------------------------------|
| Undistributed Expenditures - Support Serv. - School Admin.: | | | | | |
| Salaries of Principals/Assistant Principals | 236,409 | (876) | 235,533 | 229,223 | 6,310 |
| Salaries of Other Professional Staff | 104,963 | 4,368 | 109,331 | 105,928 | 3,403 |
| Unused Vacation Payment | 4,550 | 4,415 | 8,965 | 8,965 | - |
| Other Purchased Services | 33,982 | | 33,982 | 23,153 | 10,829 |
| Supplies and Materials | 20,500 | (621) | 19,879 | 2,797 | 17,082 |
| Other Objects | 3,000 | | 3,000 | 2,065 | 935 |
| Total Undistributed Expenditures - Support Serv. - School Admin. | 403,404 | 7,286 | 410,690 | 372,131 | 38,559 |
| Undistributed Expenditures - Central Services | | | | | |
| Salary | 209,245 | 4,069 | 213,314 | 213,313 | 1 |
| Purchased Professional Services | 6,500 | (2,994) | 3,506 | 3,100 | 406 |
| Miscellaneous Purchased Services | 37,000 | (438) | 36,562 | 34,799 | 1,763 |
| Supplies and Materials | 6,750 | (332) | 6,418 | 6,411 | 7 |
| Miscellaneous Expense | 2,500 | (140) | 2,360 | 1,783 | 577 |
| Total Undistributed Expenditures - Support Serv. - Central Services | 261,995 | 165 | 262,160 | 259,406 | 2,754 |
| Undistributed Expenditures - Technical Services | | | | | |
| Salary | 107,796 | 2,412 | 110,208 | 110,207 | 1 |
| Unused Vacation Payment | 2,116 | (1,878) | 238 | | 238 |
| Other Purchased Services | 110,800 | (321) | 110,479 | 105,989 | 4,490 |
| Supplies and Materials | 13,145 | | 13,145 | 10,876 | 2,269 |
| Total Undistributed Expenditures - Support Serv. - Technical Services | 233,857 | 213 | 234,070 | 227,072 | 6,998 |

**City of Linwood School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|--|--------------------|---------------------|-----------------|----------------|---------------------------------------|
| Undistributed Expenditures - Required Maintenance for School Facilities | | | | | |
| Salaries | 152,555 | 5,769 | 158,324 | 158,323 | 1 |
| Cleaning Repairs and Maintenance Services | 239,270 | 27,925 | 267,195 | 219,128 | 48,067 |
| General Supplies | 37,793 | (1,188) | 36,605 | 35,655 | 950 |
| Other Objects | 525 | 100 | 625 | 625 | - |
| Total Undistributed Expenditures - Required Maintenance for School Facilities | 430,143 | 32,606 | 462,749 | 413,731 | 49,018 |
| Undistributed Expenditures - Operation and Maintenance of Plant Services: | | | | | |
| Salaries | 341,533 | (9,899) | 331,634 | 331,633 | 1 |
| Salaries of Non-Instructional | 23,472 | (5,625) | 17,847 | 11,279 | 6,568 |
| Cleaning, Repair and Maintenance Services | 42,200 | (31,959) | 10,241 | 8,157 | 2,084 |
| Other Purchased Property Services | 38,000 | (15,625) | 22,375 | 21,834 | 541 |
| Insurance | 50,519 | 9,576 | 60,095 | 60,095 | - |
| Miscellaneous Purchased Services | 29,000 | 5,000 | 34,000 | 30,605 | 3,395 |
| General Supplies | 72,300 | 9,057 | 81,357 | 76,012 | 5,345 |
| Energy (Heat) | 90,000 | (2,694) | 87,306 | 87,304 | 2 |
| Energy (Electricity) | 300,000 | 33,536 | 333,536 | 333,534 | 2 |
| Energy (Gas) | 2,000 | | 2,000 | 1,725 | 275 |
| Other Objects | 1,000 | | 1,000 | 849 | 151 |
| Total Undistributed Expenditures - Operation and Maintenance of Plant Services | 990,024 | (8,633) | 981,391 | 963,027 | 18,364 |
| Undistributed Expenditures - Grounds | | | | | |
| Salaries | 17,086 | 1,502 | 18,588 | 18,588 | - |
| Cleaning, Repairs & Maintenance Services | 24,000 | (12,996) | 11,004 | 5,771 | 5,233 |
| General Supplies | 5,000 | | 5,000 | 170 | 4,830 |
| Total Undistributed Expenditures - Grounds | 46,086 | (11,494) | 34,592 | 24,529 | 10,063 |

**City of Linwood School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|--|--------------------|---------------------|------------------|------------------|---------------------------------------|
| Undistributed Expenditures - Security | | | | | |
| Salaries | 55,486 | 2,525 | 58,011 | 58,010 | 1 |
| Cleaning, Repairs & Maintenance Services | 63,933 | (2,178) | 61,755 | 53,043 | 8,712 |
| Purchased Services | | 55,014 | 55,014 | 50,774 | 4,240 |
| General Supplies | 9,500 | | 9,500 | 25 | 9,475 |
| Total Undistributed Expenditures - Security | 128,919 | 55,361 | 184,280 | 161,852 | 22,428 |
| Undistributed Expenditures - Student Transportation Services: | | | | | |
| Contracted Services - (Between Home and School) - Vendors | | 2,937 | 2,937 | 2,937 | - |
| Contracted Services - (Other Than Between Home and School) - Vendors | 10,000 | 3,490 | 13,490 | 13,490 | - |
| Contracted Services - (Between Home and School) - Joint Agmnts | 87,400 | (16,559) | 70,841 | 63,398 | 7,443 |
| Contracted Services (Special Ed Students) - Joint Agreements | 133,896 | (20,277) | 113,619 | 77,932 | 35,687 |
| Contracted Services - Aid in Lieu of Payments | 22,000 | | 22,000 | 18,226 | 3,774 |
| Supplies | | 5,080 | 5,080 | 3,241 | 1,839 |
| Total Undistributed Expenditures - Student Transportation Serv. | 253,296 | (25,329) | 227,967 | 179,224 | 48,743 |
| Unallocated Benefits: | | | | | |
| Social Security Contributions | 182,000 | | 182,000 | 167,594 | 14,406 |
| Other Retirement - Regular | 204,990 | | 204,990 | 204,990 | - |
| Defined Contribution Retirement Program | 22,000 | | 22,000 | 10,978 | 11,022 |
| Unemployment Compensation | 40,000 | | 40,000 | 39,904 | 96 |
| Workmen's Compensation | 135,187 | (5,394) | 129,793 | 129,793 | - |
| Health Benefits | 2,823,604 | (242,216) | 2,581,388 | 2,390,969 | 190,419 |
| Tuition Reimbursements | 60,000 | - | 60,000 | 7,978 | 52,022 |
| Other Employee Benefits | 23,850 | 6,480 | 30,330 | 21,982 | 8,348 |
| Total Unallocated Benefits | 3,491,631 | (241,130) | 3,250,501 | 2,974,188 | 276,313 |

**City of Linwood School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|--|--------------------|---------------------|-----------------|------------|---------------------------------------|
| On-behalf TPAF Pension Contributions (non-budgeted) | | | | 3,060,793 | (3,060,793) |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | | 522,846 | (522,846) |
| Total On-behalf Contributions | - | - | - | 3,583,639 | (3,583,639) |
| Total Undistributed Expenditures | 8,693,915 | (114,864) | 8,579,051 | 11,506,649 | (2,927,598) |
| Total Current Expense | 15,187,920 | 5,202 | 15,193,122 | 17,700,532 | (2,507,410) |
| Capital Outlay: | | | | | |
| Equipment: | | | | | |
| Undistributed Expenditures: | | | | | |
| Administrative Technology | 30,000 | | 30,000 | 3,702 | 26,298 |
| Required Maintenance | 193,515 | (380) | 193,135 | 137,183 | 55,952 |
| Total Equipment | 223,515 | (380) | 223,135 | 140,885 | 82,250 |
| Facilities Acquisition and Construction Services | | | | | |
| Architectural and Engineering Services | 13,500 | 49,000 | 62,500 | 52,500 | 10,000 |
| Construction Services | 140,871 | 472,419 | 613,290 | 186,183 | 427,107 |
| Debt Service Assessment | 18,847 | | 18,847 | 18,847 | - |
| Increase in Capital Reserve | 1,000 | | 1,000 | | 1,000 |
| Increase in Maintenance Reserve | 500 | | 500 | | 500 |
| Total Facilities Acquisition and Construction Services | 174,718 | 521,419 | 696,137 | 257,530 | 438,607 |
| Total Capital Outlay | 398,233 | 521,039 | 919,272 | 398,415 | 520,857 |

**City of Linwood School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final Budget to Actual |
|---|--------------------|---------------------|-----------------|--------------|---------------------------------------|
| Total Expenditures | 15,586,153 | 526,241 | 16,112,394 | 18,098,947 | (1,986,553) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,386,235) | (526,241) | (1,912,476) | 343,041 | 2,255,517 |
| Fund Balances, July 1 | 4,325,237 | - | 4,325,237 | 4,325,237 | - |
| Fund Balances, June 30 | \$ 2,939,002 | \$ (526,241) | \$ 2,412,761 | \$ 4,668,278 | \$ 2,255,517 |

Recapitulation of Fund Balance

| | |
|--|--------------|
| Reserve for Encumbrances | \$ 456,038 |
| Excess Surplus - Undesignated | 519,177 |
| Capital Reserve | 1,249,939 |
| Maintenance Reserve | 1,147,186 |
| Excess Surplus Designated for Subsequent Year's Expendit | 554,007 |
| Unreserved Surplus Designated for Subsequent Year's Expe | 273,305 |
| Unrestricted Fund Balance | 468,626 |
| | 4,668,278 |
| Reconciliation to Governmental Funds Statements (GAAP): | |
| Last State Aid Payment Not Recognized | (87,635) |
| Fund Balance per Governmental Funds | \$ 4,580,643 |

**City of Linwood School District
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2023**

| | Original Budget | Budget Transfers/ Adjustments | Final Budget | Actual | Variance Final Budget to Actual |
|--|--------------------|-------------------------------------|------------------|------------------|---------------------------------------|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Revenue from Local Sources | \$ - | \$ 349,729 | \$ 349,729 | \$ 324,948 | \$ (24,781) |
| Total - Local Sources | - | 349,729 | 349,729 | 324,948 | (24,781) |
| State Sources: | | | | | |
| State Sources | | 483,226 | 483,226 | 405,706 | (77,520) |
| Total - State Sources | - | 483,226 | 483,226 | 405,706 | (77,520) |
| Federal Sources: | 350,964 | 866,180 | 1,217,144 | 963,814 | (253,330) |
| Total - Federal Sources | 350,964 | 866,180 | 1,217,144 | 963,814 | (253,330) |
| Total Revenues | 350,964 | 1,699,135 | 2,050,099 | 1,694,468 | (355,631) |
| EXPENDITURES: | | | | | |
| Instruction | | | | | |
| Salaries of Teachers | 215,879 | 407,607 | 623,486 | 492,107 | 131,379 |
| Other Salaries for Instruction | | 22,609 | 22,609 | 16,114 | 6,495 |
| Tuition | 37,158 | | 37,158 | 37,158 | - |
| Purchased professional educational service | 2,000 | 4,392 | 6,392 | 450 | 5,942 |
| General Supplies | 13,221 | 153,970 | 167,191 | 133,396 | 33,795 |
| Textbooks | | 858 | 858 | - | 858 |
| Total instruction | 268,258 | 589,436 | 857,694 | 679,225 | 178,469 |

**City of Linwood School District
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2023**

| | Original Budget | Budget Transfers/ Adjustments | Final Budget | Actual | Variance Final Budget to Actual |
|---|--------------------|-------------------------------------|------------------|--------------------|---------------------------------------|
| Support Services | | | | | |
| Salaries of Supervisors of Instruction | | 2,753 | 2,753 | 2,753 | - |
| Salaries of Other Professional Staff | 16,843 | 66,724 | 83,567 | 9,763 | 73,804 |
| Salaries of Secr. & Clerical Assistants | | 4,887 | 4,887 | 2,403 | 2,484 |
| Other Salaries | | 6,942 | 6,942 | 6,942 | - |
| Salaries of Other Professional Staff | | 19,179 | 19,179 | 19,179 | - |
| Personal Services - Employee Benefits | 17,802 | 195,309 | 213,111 | 185,315 | 27,796 |
| Purchased Professional - Educational Services | 40,045 | 281,988 | 322,033 | 273,985 | 48,048 |
| Purchased professional technical service | | 33,050 | 33,050 | 33,050 | - |
| Other Purchased Services | 7,000 | 14,609 | 21,609 | 15,009 | 6,600 |
| Supplies & Materials | 1,016 | 280,835 | 281,851 | 278,442 | 3,409 |
| Total support services | <u>82,706</u> | <u>906,276</u> | <u>988,982</u> | <u>826,841</u> | <u>162,141</u> |
| Capital Outlay: | | | | | |
| Instructional Equipment | | 500 | 500 | - | 500 |
| Non-Instructional Equipment | | 1,500 | 1,500 | | 1,500 |
| Facilities | | 201,423 | 201,423 | 198,897 | 2,526 |
| Total Capital Outlay | <u>-</u> | <u>203,423</u> | <u>203,423</u> | <u>198,897</u> | <u>4,526</u> |
| Total expenditures | <u>350,964</u> | <u>1,699,135</u> | <u>2,050,099</u> | <u>1,704,963</u> | <u>345,136</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (10,495)</u> | <u>\$ (10,495)</u> |

**NOTES TO THE
REQUIRED SUPPLEMENTARY INFORMATION**

**City of Linwood School District
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2023**

Note A - Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

| | General Fund | Special Revenue |
|--|------------------------|--------------------|
| Sources/inflows of resources | | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule | C-1; C-2 \$ 18,441,988 | \$ 1,694,468 |
| 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 | | 22,880 |
| Current Year | | (61,531) |
| State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 98,152 | |
| State Aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year. | (87,635) | (43,540) |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds | B-2 \$ 18,452,505 | \$ 1,612,277 |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | C-1; C-2 18,098,947 | 1,704,963 |
| Differences - budget to GAAP | | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes | | |
| Prior Year | | 22,880 |
| Current Year | | (61,531) |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | B-2 \$ 18,098,947 | \$ 1,666,312 |

REQUIRED SUPPLEMENTARY INFORMATION
PART III

City of Linwood School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Ten Fiscal Years

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| District's proportion of the net pension liability (asset) | 0.01491442010% | 0.01708113980% | 0.01673404390% | 0.01716963780% | 0.01669285740% | 0.01703984870% | 0.01736126520% | 0.01917167650% | 0.01926610610% | 0.01879825340% |
| District's proportionate of the net pension liability (asset) | \$ 2,250,791 | \$ 2,023,517 | \$ 2,728,885 | \$ 3,093,708 | \$ 3,286,740 | \$ 3,966,604 | \$ 5,141,909 | \$ 4,370,213 | \$ 3,607,142 | \$ 3,592,720 |
| District's covered payroll | \$ 1,185,632 | \$ 1,130,173 | \$ 1,198,921 | \$ 1,219,684 | \$ 1,197,883 | \$ 1,172,186 | \$ 1,172,944 | \$ 1,178,942 | \$ 1,331,545 | \$ 1,329,423 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 189.84% | 179.04% | 227.61% | 253.65% | 274.38% | 338.39% | 438.38% | 370.69% | 270.90% | 270.25% |
| Plan fiduciary net position as a percentage of the total pension liability | 62.91% | 70.33% | 58.32% | 56.27% | 53.60% | 48.10% | 40.14% | 47.93% | 52.08% | 48.72% |

Source: GASB 68 report on Public Employees' Retirement System; District records

**City of Linwood School District
Schedule of District Contributions
Public Employee Retirement System
Last Ten Fiscal Years**

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Contractually required contribution | \$ 188,078 | \$ 200,040 | \$ 183,062 | \$ 167,010 | \$ 166,040 | \$ 157,856 | \$ 154,235 | \$ 167,374 | \$ 158,827 | \$ 141,641 |
| Contributions in relation to the contractually required contribution | <u>188,078</u> | <u>200,040</u> | <u>183,062</u> | <u>167,010</u> | <u>166,040</u> | <u>157,856</u> | <u>154,235</u> | <u>167,374</u> | <u>158,827</u> | <u>141,641</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered-employee payroll | \$ 1,185,632 | \$ 1,130,173 | \$ 1,198,921 | \$ 1,219,684 | \$ 1,197,883 | \$ 1,172,186 | \$ 1,172,944 | \$ 1,178,942 | \$ 1,331,545 | \$ 1,329,423 |
| Contributions as a percentage of covered-employee payroll | 15.86% | 17.70% | 15.27% | 13.69% | 13.86% | 13.47% | 13.15% | 14.20% | 11.93% | 10.65% |

Source: GASB 68 report on Public Employees' Retirement System; District records

City of Linwood School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Ten Fiscal Years

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| District's proportion of the net pension liability (asset) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| District's proportionate of the net pension liability (asset) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State's proportionate share of the net pension liability (asset) associated with the District | <u>30,105,109</u> | <u>27,080,085</u> | <u>38,884,192</u> | <u>35,016,821</u> | <u>38,143,253</u> | <u>42,453,738</u> | <u>49,845,542</u> | <u>40,683,913</u> | <u>36,468,438</u> | <u>33,698,008</u> |
| Total | <u>\$ 30,105,109</u> | <u>\$ 27,080,085</u> | <u>\$ 38,884,192</u> | <u>\$ 35,016,821</u> | <u>\$ 38,143,253</u> | <u>\$ 42,453,738</u> | <u>\$ 49,845,542</u> | <u>\$ 40,683,913</u> | <u>\$ 36,468,438</u> | <u>\$ 33,698,008</u> |
| District's covered payroll | \$ 7,222,465 | \$ 7,084,676 | \$ 6,429,955 | \$ 6,332,720 | \$ 6,085,306 | \$ 5,958,815 | \$ 6,277,658 | \$ 6,445,788 | \$ 6,435,835 | \$ 6,435,914 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 0.00% | 0.00% | 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 | 32.29% | 35.52% | 24.60% | 26.95% | 26.49% | 28.71% | 28.71% | 28.71% | 33.64% | 33.76% |

Source: GASB 68 report on Public Employees' Retirement System; District records

CITY OF LINWOOD SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last Seven Fiscal Years

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| District's proportion of the net OPEB liability (asset) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| District's proportionate of the net OPEB liability (asset) | \$ - | \$ - | \$ - | \$ - | \$ - | - | - |
| State's proportionate share of the net OPEB liability (asset) associated with the District | <u>\$ 37,042,004</u> | <u>\$ 43,147,872</u> | <u>\$ 50,014,086</u> | <u>\$ 31,941,719</u> | <u>\$ 34,573,061</u> | <u>\$ 38,670,539</u> | <u>\$ 41,871,109</u> |
| Total | <u>\$ 37,042,004</u> | <u>\$ 43,147,872</u> | <u>\$ 50,014,086</u> | <u>\$ 31,941,719</u> | <u>\$ 34,573,061</u> | <u>\$ 38,670,539</u> | <u>\$ 41,871,109</u> |
| District's covered payroll | 8,408,097 | 8,214,849 | 7,628,876 | 7,552,404 | 7,283,189 | 7,131,001 | 7,450,602 |
| District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| State's proportionate share of OPEB associated with the District: | | | | | | | |
| Service Cost | \$ 1,711,847 | \$ 1,945,199 | \$ 1,144,790 | \$ 1,060,253 | \$ 1,286,771 | \$ 1,551,540 | |
| Interest Cost | 981,654 | 1,119,301 | 1,143,379 | 1,360,773 | 1,414,636 | 1,225,338 | |
| Change in Benefit Terms | | (45,926) | | | | | |
| Differences between Expected & Actual | 2,078,644 | (9,074,276) | 7,492,656 | (4,577,171) | (1,938,933) | | |
| Changes in Assumptopns | (9,936,850) | 42,569 | 9,135,855 | 476,254 | (3,967,432) | (5,114,738) | |
| Member Contributions | 31,194 | 28,615 | 26,391 | 29,065 | 31,951 | 32,982 | |
| Benefit Payments | (972,357) | (881,696) | (870,704) | (980,516) | (924,471) | (895,692) | |
| Change in Total Opeb Liability | <u>(6,105,868)</u> | <u>(6,866,214)</u> | <u>18,072,367</u> | <u>(2,631,342)</u> | <u>(4,097,478)</u> | <u>(3,200,570)</u> | |
| State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance | <u>43,147,872</u> | <u>50,014,086</u> | <u>31,941,719</u> | <u>34,573,061</u> | <u>38,670,539</u> | <u>41,871,109</u> | |
| Ending Balance | <u>\$ 37,042,004</u> | <u>\$ 43,147,872</u> | <u>\$ 50,014,086</u> | <u>\$ 31,941,719</u> | <u>\$ 34,573,061</u> | <u>\$ 38,670,539</u> | |
| State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll | 440.55% | 525.24% | 655.59% | 422.93% | 474.70% | 542.29% | |

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period.
However, information is only currently available for six years.
Additional years will be presented as they become available.

Other Supplementary Information

SPECIAL REVENUE FUND DETAIL STATEMENTS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for a specific purpose.

City of Linwood School District
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2023

| | Linwood Education Foundation | Parent and Teacher Association | Atlanticare | Non Public Nursing | Preschool Expansion Aid | SDA Grant | Climate Awareness Grant | Title I | Title II A | Total |
|--|------------------------------------|--------------------------------------|-------------|-----------------------|-------------------------------|---------------|-------------------------------|---------------|---------------|--------------------|
| REVENUES: | | | | | | | | | | |
| State Sources | \$ | \$ | \$ | \$ 1,456 | \$ 381,700 | \$ 18,854 | \$ 3,696 | \$ | \$ | \$ 405,706 |
| Federal Sources | | | | | | | | 74,161 | 19,666 | 963,814 |
| Local Sources | 78,372 | 5,849 | 203 | | | | | | | 324,948 |
| Total revenues | <u>78,372</u> | <u>5,849</u> | <u>203</u> | <u>1,456</u> | <u>381,700</u> | <u>18,854</u> | <u>3,696</u> | <u>74,161</u> | <u>19,666</u> | <u>1,694,468</u> |
| EXPENDITURES | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Salaries of teachers | | | | | 69,068 | | | 53,519 | | 492,107 |
| Other Salaries for Instruction | | | | | 16,114 | | | | | 16,114 |
| Tuition | | | | | | | | | | 37,158 |
| Purchased professional educational service | | | | | | | | | | 450 |
| General supplies | 73,330 | 5,849 | 203 | | 32,842 | | 921 | 10,759 | | 133,396 |
| Total instruction | <u>73,330</u> | <u>5,849</u> | <u>203</u> | <u>-</u> | <u>118,024</u> | <u>-</u> | <u>921</u> | <u>64,278</u> | <u>-</u> | <u>679,225</u> |
| Support services: | | | | | | | | | | |
| Salaries of Supervisors of Instruction | | | | | 2,753 | | | | | 2,753 |
| Salaries of Other Professional Staff | | | | | | | | 860 | | 9,763 |
| Salaries of Secr. & Clerical Assistants | | | | | 2,403 | | | | | 2,403 |
| Other Salaries | | | | | 6,942 | | | | | 6,942 |
| Salaries of Other Professional Staff | | | | | 18,512 | | | | 667 | 19,179 |
| Personal services- employee benefits | | | | | 34,017 | | | 9,023 | | 185,315 |
| Purchased professional educational service | | | | | 188,877 | | | | 14,325 | 273,985 |
| Purchased professional technical service | | | | | | | | | | 33,050 |
| Other Purchased Services | | | | 1,456 | | | 2,775 | | 4,674 | 15,009 |
| Supplies and materials | 5,042 | | | | 10,172 | | | | | 278,442 |
| Total support services | <u>5,042</u> | <u>-</u> | <u>-</u> | <u>1,456</u> | <u>263,676</u> | <u>-</u> | <u>2,775</u> | <u>9,883</u> | <u>19,666</u> | <u>826,841</u> |
| Capital Outlay: | | | | | | | | | | |
| Facilities | | | | | | 18,854 | | | | 198,897 |
| Total Capital Outlay | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>18,854</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>198,897</u> |
| Total expenditures | <u>78,372</u> | <u>5,849</u> | <u>203</u> | <u>1,456</u> | <u>381,700</u> | <u>18,854</u> | <u>3,696</u> | <u>74,161</u> | <u>19,666</u> | <u>1,704,963</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (10,495)</u> |

City of Linwood School District
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2023

| | IDEA Basic | IDEA Preschool | ARP IDEA Basic | ARP IDEA Preschool | ARP ESSER | CRRSA ESSER II | CRRSA Learning Acceleration | CRRSA Mental Health | ARP Accelerated Learning Coach | Subtotal |
|--|----------------|-------------------|-------------------|-----------------------|----------------|-------------------|-----------------------------------|---------------------------|---|----------------|
| REVENUES: | | | | | | | | | | |
| State Sources | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ - |
| Federal Sources | 228,027 | 10,625 | 6,104 | 3,133 | 379,809 | 149,515 | 7,205 | 7,250 | 18,629 | 810,297 |
| Local Sources | | | | | | | | | | - |
| Total revenues | 228,027 | 10,625 | 6,104 | 3,133 | 379,809 | 149,515 | 7,205 | 7,250 | 18,629 | 810,297 |
| EXPENDITURES | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Salaries of teachers | 113,061 | 9,870 | | | 207,980 | | | | | 330,911 |
| Tuition | 37,158 | | | | | | | | | 37,158 |
| General supplies | 1,688 | | | | 2,571 | | 1,355 | 3,531 | 129 | 9,274 |
| Total instruction | 151,907 | 9,870 | - | - | 210,551 | - | 1,355 | 3,531 | 129 | 377,343 |
| Support services: | | | | | | | | | | |
| Salaries of Other Professional Staff | 1,980 | | | | | | | 75 | | 2,055 |
| Personal services- employee benefits | 10,690 | 755 | | | 130,830 | | | | | 142,275 |
| Purchased professional educational service | 63,450 | | | 3,133 | | | | | | 66,583 |
| Purchased professional technical service | | | | | 7,900 | | 5,850 | 800 | 18,500 | 33,050 |
| Other purchased services | | | 6,104 | | | | | | | 6,104 |
| Supplies and materials | | | | | | | | 2,844 | | 2,844 |
| Total support services | 76,120 | 755 | 6,104 | 3,133 | 138,730 | - | 5,850 | 3,719 | 18,500 | 252,911 |
| Capital Outlay: | | | | | | | | | | |
| Instructional Equipment | | | | | | | | | | - |
| Facilities | | | | | 30,528 | 149,515 | | | | 180,043 |
| Total Capital Outlay | - | - | - | - | 30,528 | 149,515 | - | - | - | 180,043 |
| Total expenditures | 228,027 | 10,625 | 6,104 | 3,133 | 379,809 | 149,515 | 7,205 | 7,250 | 18,629 | 810,297 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 0 | \$ - | \$ - | \$ - | \$ 0 |

City of Linwood School District
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2023

| | ARP Evidence Based Summer Learning | ARP Evidence Based Beyond School Day | ARP Mental Health Support Staffing | Title IV | Student Activities | CARES Act | Subtotal |
|--|---|---|---|---------------|-----------------------|--------------|--------------------|
| REVENUES: | | | | | | | |
| State Sources | \$ | \$ | \$ | \$ | \$ | \$ | - |
| Federal Sources | 26,170 | 12,439 | 10,085 | 10,778 | | 218 | 59,690 |
| Local Sources | | | | | 240,524 | | 240,524 |
| Total revenues | 26,170 | 12,439 | 10,085 | 10,778 | 240,524 | 218 | 300,214 |
| EXPENDITURES | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | 26,170 | 12,439 | | | | | 38,609 |
| Purchased professional educational service | | | | 450 | | | 450 |
| General supplies | | | | | | 218 | 218 |
| Textbooks | | | | | | | - |
| Other objects | | | | | | | - |
| Total instruction | 26,170 | 12,439 | - | 450 | - | 218 | 39,277 |
| Support services: | | | | | | | |
| Salaries of Other Professional Staff | | | 6,848 | | | | 6,848 |
| Purchased professional educational service | | | | 4,200 | | | 4,200 |
| Supplies and materials | | | 3,237 | 6,128 | 251,019 | | 260,384 |
| Total support services | - | - | 10,085 | 10,328 | 251,019 | - | 271,432 |
| Capital Outlay: | | | | | | | |
| Instructional Equipment | | | | | | | - |
| Facilities | | | | | | | - |
| Total Capital Outlay | - | - | - | - | - | - | - |
| Total expenditures | 26,170 | 12,439 | 10,085 | 10,778 | 251,019 | 218 | 310,709 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ - | \$ - | \$ - | \$ - | \$ (10,495) | \$ - | \$ (10,495) |

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balance of the general long-term liabilities of the school district. This includes serial bonds outstanding, the outstanding principal balance on capital leases.

**City of Linwood School District
Schedule of General Serial Bonds
As of June 30, 2023**

| <u>Improvement Description</u> | <u>Date of Issue</u> | <u>Amount of Original Issue</u> | <u>Maturities of Bonds Outstanding June 30, 2023</u> | | <u>Interest Rate</u> | <u>Balance June 30, 2021</u> | <u>Decreased</u> | <u>Balance June 30, 2023</u> |
|--------------------------------|----------------------|---------------------------------|--|---------------|----------------------|------------------------------|------------------|------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | | | |
| School Bonds, Series 2018 | 7/3/2018 | 2,560,000 | 7/15/2023 | 180,000 | 3.000% | 2,110,000 | 170,000 | 1,940,000 |
| | | | 7/15/2024 | 200,000 | 3.000% | | | |
| | | | 7/15/2025 | 210,000 | 3.000% | | | |
| | | | 7/15/2026 | 230,000 | 3.000% | | | |
| | | | 7/15/2027 | 280,000 | 3.000% | | | |
| | | | 7/15/2028 | 280,000 | 3.000% | | | |
| | | | 7/15/2029 | 280,000 | 3.000% | | | |
| | | | 7/15/2030 | 280,000 | 3.000% | | | |
| | | | | | | <u>\$ 2,110,000</u> | <u>170,000</u> | <u>1,940,000</u> |

**City of Linwood School District
Schedule of Lease Obligations
As of June 30, 2023**

| Purpose | Date of Issue | Term | Amount of Original Issue | Interest Rate | Balance June 30, 2022 | Decreased | Balance June 30, 2023 |
|---------|---------------|---------|--------------------------|---------------|-----------------------|-----------------|-----------------------|
| Copiers | 1/15/2022 | 5 Years | 44,161 | 5.000% | \$ 36,169 | \$ 8,392 | \$ 27,777 |
| | | | | | <u>\$ 36,169</u> | <u>\$ 8,392</u> | <u>\$ 27,777</u> |

**City of Linwood School District
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2023**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Positive (Negative) Final to Actual |
|--|--------------------|---------------------|-----------------|---------|--|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 230,538 | | 230,538 | 230,538 | - |
| Total - Local Sources | 230,538 | - | 230,538 | 230,538 | - |
| Total Revenues | 230,538 | - | 230,538 | 230,538 | - |
| EXPENDITURES: | | | | | |
| Regular Debt Service: | | | | | |
| Redemption of Principal | 170,000 | | 170,000 | 170,000 | - |
| Interest on Bonds | 60,538 | | 60,538 | 60,538 | - |
| Total Regular Debt Service | 230,538 | - | 230,538 | 230,538 | - |
| Total Expenditures | 230,538 | - | 230,538 | 230,538 | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - | - |
| Other Financing Sources(Uses): | | | | | |
| Bond Proceeds | | | - | - | - |
| Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures | - | - | - | - | - |
| Fund Balance, July 1 | - | - | - | - | - |
| Fund Balance, June 30 | - | - | - | - | - |
| Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | | |
| Budgeted Fund Balance | \$ - | - | - | - | - |

Statistical Section

City of Linwood School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

| | Fiscal Year Ending June 30. | | | | | | | | | |
|--|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Governmental activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 16,404,629 | \$ 16,626,933 | \$ 16,624,520 | \$ 16,102,697 | \$ 15,746,633 | \$ 15,505,788 | \$ 14,750,855 | \$ 14,269,062 | \$ 13,905,846 | \$ 13,694,704 |
| Restricted | 2,470,817 | 2,503,873 | 2,874,673 | 2,852,816 | 2,510,474 | 2,314,193 | 2,872,458 | 3,023,485 | 3,544,104 | 4,199,654 |
| Unrestricted | (165,443) | (3,757,514) | (4,249,099) | (4,978,697) | (6,544,868) | (6,407,564) | (4,136,855) | (3,539,083) | (2,956,908) | (4,956,716) |
| Total governmental activities net position | \$ 18,710,003 | \$ 15,373,292 | \$ 15,250,094 | \$ 13,976,816 | \$ 11,712,239 | \$ 11,412,417 | \$ 13,486,458 | \$ 13,753,464 | \$ 14,493,042 | \$ 12,937,642 |
| Business-type activities | | | | | | | | | | |
| Unrestricted | 23,345 | 21,426 | 56,208 | 50,012 | 45,605 | 44,625 | 28,242 | 14,882 | 29,608 | 33,444 |
| Total business-type activities net position | \$ 23,345 | \$ 21,426 | \$ 56,208 | \$ 50,012 | \$ 45,605 | \$ 44,625 | \$ 28,242 | \$ 14,882 | \$ 29,608 | \$ 33,444 |
| District-wide | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 16,404,629 | \$ 16,626,933 | \$ 16,624,520 | \$ 16,102,697 | \$ 15,746,633 | \$ 15,505,788 | \$ 14,750,855 | \$ 14,269,062 | \$ 13,905,846 | \$ 13,694,704 |
| Restricted | 2,470,817 | 2,503,873 | 2,874,673 | 2,852,816 | 2,510,474 | 2,314,193 | 2,872,458 | 3,023,485 | 3,544,104 | 4,199,654 |
| Unrestricted | (142,098) | (3,736,088) | (4,192,891) | (4,928,685) | (6,499,263) | (6,362,939) | (4,108,613) | (3,524,201) | (2,927,300) | (4,923,272) |
| Total district net position | \$ 18,733,348 | \$ 15,394,718 | \$ 15,306,302 | \$ 14,026,828 | \$ 11,757,844 | \$ 11,457,042 | \$ 13,514,700 | \$ 13,768,346 | \$ 14,522,650 | \$ 12,971,086 |

Source: ACFR Schedule A-1

City of Linwood School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 6,556,097 | \$ 7,829,568 | \$ 7,964,706 | \$ 8,628,752 | \$ 8,928,769 | \$ 7,867,960 | \$ 6,391,029 | \$ 7,621,900 | \$ 8,813,684 | \$ 6,989,114 |
| Special education | 2,006,509 | 2,054,226 | 2,181,381 | 2,512,965 | 2,927,692 | 2,375,973 | 1,874,700 | 2,490,359 | 3,057,704 | 2,874,504 |
| Other special education | 606,976 | 690,759 | 645,998 | 676,317 | 844,759 | 545,905 | 335,771 | 324,145 | 322,581 | 52,121 |
| Other instruction | 176,888 | 206,036 | 197,938 | 197,821 | 192,466 | 229,022 | 200,807 | 207,736 | 276,815 | 197,759 |
| Nonpublic school programs | | | | | | | | | | |
| Adult/continuing education programs | | | | | | | | | | |
| Support Services: | | | | | | | | | | |
| Tuition | 122,377 | 130,598 | 159,964 | 144,291 | 199,815 | 227,288 | 175,913 | 96,018 | 91,819 | 148,561 |
| Student & instruction related services | 2,293,476 | 2,251,394 | 2,730,790 | 3,239,485 | 3,376,419 | 3,091,171 | 2,533,190 | 2,800,863 | 3,527,927 | 3,434,280 |
| General administrative services | 622,265 | 641,990 | 703,286 | 669,407 | 742,257 | 642,918 | 466,473 | 545,073 | 547,924 | 552,384 |
| School administrative services | 520,678 | 544,828 | 726,228 | 626,851 | 759,204 | 692,698 | 832,512 | 594,414 | 653,206 | 681,734 |
| Business administrative and technology services | 428,886 | 550,854 | 598,479 | 666,976 | 784,647 | 653,236 | 537,052 | 639,964 | 657,191 | 722,117 |
| Plant operations and maintenance | 1,857,886 | 2,096,898 | 2,034,279 | 1,996,640 | 2,765,866 | 2,171,700 | 1,675,920 | 2,223,069 | 2,393,970 | 2,311,901 |
| Pupil transportation | 132,096 | 136,680 | 148,906 | 213,525 | 192,710 | 129,360 | 134,024 | 139,008 | 257,934 | 266,036 |
| Special Schools | | | | | | | | | | |
| Charter Schools | | | | | | | | | | |
| Interest on long-term debt | | | | | | 39,560 | 222,600 | 229,150 | 243,922 | 106,176 |
| Unallocated depreciation | | | | | | | | | | |
| Total governmental activities expenses | <u>15,324,134</u> | <u>17,133,831</u> | <u>18,091,955</u> | <u>19,573,030</u> | <u>21,714,604</u> | <u>18,666,791</u> | <u>15,379,991</u> | <u>17,911,699</u> | <u>20,844,677</u> | <u>18,336,687</u> |
| Business-type activities: | | | | | | | | | | |
| Child Care | 72,969 | 74,414 | 81,403 | 115,205 | 112,704 | 133,156 | 111,679 | 37,455 | 86,286 | 118,352 |
| Total business-type activities expense | <u>72,969</u> | <u>74,414</u> | <u>81,403</u> | <u>115,205</u> | <u>112,704</u> | <u>133,156</u> | <u>111,679</u> | <u>37,455</u> | <u>86,286</u> | <u>118,352</u> |
| Total district expenses | <u>\$ 15,397,103</u> | <u>\$ 17,208,245</u> | <u>\$ 18,173,358</u> | <u>\$ 19,688,235</u> | <u>\$ 21,827,308</u> | <u>\$ 18,799,947</u> | <u>\$ 15,491,670</u> | <u>\$ 17,949,154</u> | <u>\$ 20,930,963</u> | <u>\$ 18,455,039</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Instruction (tuition) | 88,885 | 144,055 | 162,002 | 222,747 | 227,547 | 208,961 | 204,691 | - | - | - |
| General Administrative Services | 82,837 | | | | | | | | | |
| Plant operations and maintenance | | 32,273 | - | - | - | - | - | - | - | - |
| Operating grants and contributions | 1,555,990 | 3,301,697 | 4,033,833 | 5,308,931 | 6,108,947 | 4,741,299 | 2,984,738 | 3,640,790 | 6,725,620 | 3,828,050 |
| Capital grants and contributions | | | | | | | | | | |
| Total governmental activities program revenues | <u>1,727,712</u> | <u>3,478,025</u> | <u>4,195,835</u> | <u>5,531,678</u> | <u>6,336,494</u> | <u>4,950,260</u> | <u>3,189,429</u> | <u>3,640,790</u> | <u>6,725,620</u> | <u>3,828,050</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Child care | 80,632 | 72,442 | 116,110 | 108,777 | 107,993 | 131,774 | 94,635 | 14,022 | 100,984 | 121,966 |
| Operating grants and contributions | | | | | | | | | | |
| Capital grants and contributions | | | | | | | | | | |
| Total business type activities program revenues | <u>80,632</u> | <u>72,442</u> | <u>116,110</u> | <u>108,777</u> | <u>107,993</u> | <u>131,774</u> | <u>94,635</u> | <u>14,022</u> | <u>100,984</u> | <u>121,966</u> |
| Total district program revenues | <u>\$ 1,808,344</u> | <u>\$ 3,550,467</u> | <u>\$ 4,311,945</u> | <u>\$ 5,640,455</u> | <u>\$ 6,444,487</u> | <u>\$ 5,082,034</u> | <u>\$ 3,284,064</u> | <u>\$ 3,654,812</u> | <u>\$ 6,826,604</u> | <u>\$ 3,950,016</u> |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (13,596,422) | \$ (13,655,806) | \$ (13,896,120) | \$ (14,041,352) | \$ (15,378,110) | \$ (13,716,531) | \$ (12,190,562) | \$ (14,270,909) | \$ (14,119,057) | \$ (14,508,637) |
| Business-type activities | 7,663 | (1,972) | 34,707 | (6,428) | (4,711) | (1,382) | (23,433) | (23,433) | 14,698 | 3,614 |
| Total district-wide net expense | <u>\$ (13,588,759)</u> | <u>\$ (13,657,778)</u> | <u>\$ (13,861,413)</u> | <u>\$ (14,047,780)</u> | <u>\$ (15,382,821)</u> | <u>\$ (13,717,913)</u> | <u>\$ (12,207,606)</u> | <u>\$ (14,294,342)</u> | <u>\$ (14,104,359)</u> | <u>\$ (14,505,023)</u> |

City of Linwood School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes, net | \$ 11,153,974 | \$ 11,376,075 | \$ 11,517,868 | \$ 11,228,084 | \$ 11,354,178 | \$ 11,526,749 | \$ 12,543,717 | \$ 12,801,892 | \$ 13,060,033 | \$ 13,312,536 |
| Taxes levied for debt service | | | | | | | | | | |
| Unrestricted grants and contributions | 1,702,738 | 1,620,550 | 1,658,433 | 1,720,436 | 1,699,323 | 1,702,805 | 1,600,393 | 1,495,807 | 1,387,912 | 1,231,257 |
| Funds received from the City of Linwood | 1,355,062 | 831,596 | 559,411 | | | | | | | |
| Loss on Disposal of Equipment | (297,966) | (173,228) | (37,887) | (222,098) | | | | | | |
| Miscellaneous income | 123,852 | 115,181 | 73,897 | 62,641 | 70,041 | 71,303 | 79,493 | 145,148 | 410,791 | 555,611 |
| Bond Proceeds | | | | | | 5,554 | - | - | - | - |
| Total governmental activities | <u>14,037,660</u> | <u>13,770,174</u> | <u>13,771,722</u> | <u>12,789,063</u> | <u>13,123,543</u> | <u>13,306,411</u> | <u>14,223,603</u> | <u>14,442,847</u> | <u>14,858,736</u> | <u>15,099,404</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 42 | 53 | 75 | 233 | 305 | 402 | 661 | 73 | 28 | 222 |
| Transfers | | | | | | | | 10,000 | | |
| Total business-type activities | <u>42</u> | <u>53</u> | <u>75</u> | <u>233</u> | <u>305</u> | <u>402</u> | <u>661</u> | <u>10,073</u> | <u>28</u> | <u>222</u> |
| Total district-wide | <u>\$ 14,037,702</u> | <u>\$ 13,770,227</u> | <u>\$ 13,771,797</u> | <u>\$ 12,789,296</u> | <u>\$ 13,123,848</u> | <u>\$ 13,306,813</u> | <u>\$ 14,224,264</u> | <u>\$ 14,452,920</u> | <u>\$ 14,858,764</u> | <u>\$ 15,099,626</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 441,238 | \$ 114,368 | \$ (124,398) | \$ (1,252,289) | \$ (2,254,567) | \$ (410,120) | \$ 2,033,041 | \$ 171,938 | \$ 739,679 | \$ 590,767 |
| Business-type activities | 7,705 | (1,919) | 34,782 | (6,195) | (4,407) | (980) | (16,383) | (13,360) | 14,726 | 3,836 |
| Total district | <u>\$ 448,943</u> | <u>\$ 112,449</u> | <u>\$ (89,616)</u> | <u>\$ (1,258,484)</u> | <u>\$ (2,258,974)</u> | <u>\$ (411,100)</u> | <u>\$ 2,016,658</u> | <u>\$ 158,578</u> | <u>\$ 754,405</u> | <u>\$ 594,603</u> |

Source: ACFR Schedule A-2

**City of Linwood School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund | | | | | | | | | | |
| Restricted | \$ 930,624 | \$ 824,903 | \$ 912,772 | \$ 633,754 | \$ 620,503 | \$ 602,632 | \$ 1,200,045 | \$ 1,110,102 | \$ 1,066,596 | \$ 1,073,184 |
| Committed | 1,175,166 | 1,158,161 | 1,473,763 | 1,779,029 | 1,872,702 | 1,696,753 | 1,470,411 | 1,672,011 | 1,798,665 | 2,397,125 |
| Assigned | 365,027 | 520,809 | 488,138 | 340,033 | 17,268 | 14,808 | 201,902 | 241,370 | 678,843 | 729,343 |
| Unassigned | 267,005 | 173,632 | 203,452 | 258,582 | 273,365 | 325,094 | 306,978 | 614,772 | 682,982 | 380,992 |
| Reserved | | | | | | | | | | |
| Unreserved | | | | | | | | | | |
| Total general fund | <u>\$ 2,737,822</u> | <u>\$ 2,677,505</u> | <u>\$ 3,078,125</u> | <u>\$ 3,011,398</u> | <u>\$ 2,783,838</u> | <u>\$ 2,639,287</u> | <u>\$ 3,179,336</u> | <u>\$ 3,638,255</u> | <u>\$ 4,227,086</u> | <u>\$ 4,580,644</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue fund | | | | | | | 74,692 | 68,612 | 14,577 | |
| Total all other governmental funds | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 74,692</u> | <u>\$ 68,612</u> | <u>\$ 14,577</u> |

Source: ACFR Schedule B-1

City of Linwood School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|--------------------|--------------------|-------------------|-------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues | | | | | | | | | | |
| Tax levy | \$ 11,153,974 | \$ 11,376,075 | \$ 11,517,868 | \$ 11,228,084 | \$ 11,354,178 | \$ 11,526,749 | \$ 12,543,717 | \$ 12,801,892 | \$ 13,060,033 | \$ 13,312,536 |
| Tuition charges | 88,885 | 144,055 | 162,002 | 222,747 | 227,547 | 208,961 | 200,942 | 103,915 | 249,975 | 29,547 |
| Miscellaneous | 7,227 | 6,428 | 4,646 | 17,617 | 22,735 | 29,173 | 83,242 | 41,234 | 160,816 | 526,064 |
| Local Sources | 250,345 | 229,323 | 124,075 | 116,057 | 54,822 | 90,709 | 53,459 | 109,334 | 133,334 | 347,770 |
| State sources | 2,912,569 | 3,000,729 | 3,239,709 | 2,252,355 | 5,267,260 | 3,817,063 | 3,876,800 | 4,169,189 | 4,934,728 | 5,156,736 |
| Federal sources | 295,276 | 228,878 | 259,551 | 266,271 | 289,563 | 284,330 | 225,820 | 301,098 | 549,661 | 922,667 |
| Total revenue | 14,708,276 | 14,985,488 | 15,307,851 | 14,103,131 | 17,216,106 | 15,956,985 | 16,983,980 | 17,526,662 | 19,088,547 | 20,295,320 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 4,558,263 | 4,587,761 | 4,451,480 | 4,351,507 | 4,185,206 | 4,330,406 | 4,437,611 | 4,603,120 | 4,750,643 | 4,820,345 |
| Special education instruction | 1,395,067 | 1,203,680 | 1,229,191 | 1,267,296 | 1,372,835 | 1,324,478 | 1,296,784 | 1,504,011 | 1,648,126 | 1,854,715 |
| Other special instruction | 384,454 | 373,873 | 309,639 | 341,069 | 386,041 | 304,270 | 226,554 | 189,723 | 173,874 | 35,948 |
| Other instruction | 123,252 | 117,197 | 116,562 | 99,762 | 100,255 | 127,674 | 139,649 | 125,459 | 149,205 | 124,942 |
| Support Services: | | | | | | | | | | |
| Tuition | 122,377 | 130,598 | 159,964 | 144,291 | 164,766 | 227,288 | 175,913 | 96,018 | 91,819 | 148,561 |
| Student & instruction related services | 1,594,587 | 1,547,111 | 1,526,260 | 1,633,683 | 1,583,333 | 1,723,236 | 1,761,677 | 1,691,535 | 1,901,580 | 2,380,049 |
| General administrative services | 298,192 | 441,162 | 445,944 | 399,135 | 397,483 | 426,414 | 644,194 | 409,444 | 352,320 | 372,131 |
| School Administrative services | 432,573 | 374,394 | 431,856 | 400,590 | 409,287 | 401,505 | 361,389 | 375,457 | 420,017 | 459,273 |
| Business Administrative & Technology Services | 362,012 | 378,535 | 367,438 | 375,123 | 445,222 | 427,279 | 425,551 | 440,131 | 422,579 | 486,478 |
| Plant operations and maintenance | 1,291,734 | 1,437,144 | 1,249,159 | 1,274,720 | 1,486,167 | 1,356,447 | 1,243,824 | 1,595,570 | 1,539,342 | 1,563,139 |
| Pupil transportation | 91,843 | 94,284 | 98,697 | 131,680 | 103,548 | 80,699 | 89,285 | 95,702 | 165,942 | 179,224 |
| Unallocated employee benefits | 2,697,307 | 2,665,760 | 2,717,064 | 3,199,920 | 2,953,207 | 5,224,179 | 5,279,750 | 5,548,533 | 6,239,401 | 6,743,142 |
| On Behalf Payments - TPAF & FICA | 1,208,934 | 1,379,112 | 1,580,105 | | 3,565,952 | | | | | |
| Charter Schools | | | | | | | | | | |
| Capital outlay | 1,514,004 | 1,136,790 | 794,283 | 330,093 | 390,344 | 113,666 | 149,051 | 173,365 | 425,773 | 597,312 |
| Debt service: | | | | | | | | | | |
| Principal | | | | | | | 140,000 | 150,000 | 160,000 | 170,000 |
| Interest and other charges | | | | | | 39,560 | 72,600 | 69,150 | 65,075 | 60,538 |
| Total expenditures | 16,074,599 | 15,867,401 | 15,477,642 | 13,948,869 | 17,543,645 | 16,107,101 | 16,443,832 | 17,067,218 | 18,505,696 | 19,995,797 |
| Excess (Deficiency) of revenues over (under) expenditures | (1,366,323) | (881,913) | (169,791) | 154,262 | (327,540) | (150,116) | 540,148 | 459,444 | 582,851 | 299,523 |
| Other Financing sources (uses) | | | | | | | | | | |
| Capital leases (non-budgeted) | | | | | | | | | | |
| Bond proceeds | 1,355,062 | 831,596 | 559,411 | | | 5,554 | - | - | - | - |
| Total other financing sources (uses) | 1,355,062 | 831,596 | 559,411 | - | - | 5,554 | - | - | - | - |
| Net change in fund balances | \$ (11,261) | \$ (50,317) | \$ 389,620 | \$ 154,262 | \$ (327,540) | \$ (144,562) | \$ 540,148 | \$ 459,444 | \$ 582,851 | \$ 299,523 |
| Debt service as a percentage of noncapital expenditures | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.2% | 1.3% | 1.3% | 1.2% | 1.2% |

Source: ACFR Schedule B-2

City of Linwood School District
General & Special Revenue Fund Other Local Revenue By Source
Last Ten Years
Unaudited

| Fiscal Year Ended June 30, | Interest on Investments | Tuition Revenue | Building Use And Rentals | Shared Services Revenue | Misc. | Total |
|-------------------------------|----------------------------|--------------------|--------------------------------|-------------------------------|------------|------------|
| 2014 | \$ 7,227 | \$ 88,885 | \$ 14,475 | \$ 82,837 | \$ 153,033 | \$ 346,457 |
| 2015 | 6,428 | 144,055 | 14,223 | 32,273 | 172,837 | 369,816 |
| 2016 | 4,646 | 162,002 | 19,775 | - | 104,300 | 290,723 |
| 2017 | 17,617 | 222,747 | 19,505 | - | 40,854 | 300,723 |
| 2018 | 22,735 | 227,547 | 17,380 | - | 47,442 | 315,104 |
| 2019 | - | - | 15,175 | - | 263,664 | 284,184 |
| 2020 | 27,991 | 200,942 | 16,600 | - | 38,651 | 284,184 |
| 2021 | 11,566 | 103,915 | - | - | 29,667 | 145,148 |
| 2022 | 3,603 | 149,975 | 1,600 | - | 255,613 | 410,791 |
| 2023 | | 29,547 | 13,960 | - | 512,104 | 555,611 |

Source: District Records

**City of Linwood School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited**

| Fiscal Year Ended June 30, | Vacant Land | Residential | Farm Reg. | Qfarm | Commercial | Apartment | Total Assessed Value | Public Utilities ^a | Net Valuation Taxable | Total Direct School Tax Rate ^b | Estimated Actual (County Equalized Value) |
|----------------------------------|-------------|-------------|-----------|--------|-------------|-----------|-------------------------|----------------------------------|--------------------------|---|---|
| 2014 | 17,950,900 | 860,628,300 | 841,900 | 38,300 | 129,366,000 | | 1,008,825,400 | 591,504 | 1,009,416,904 | 1.116 | 1,015,360,682 ^c |
| 2015 | 18,239,300 | 845,963,100 | 876,200 | 38,300 | 120,935,300 | | 986,052,200 | 0 | 986,052,200 | 1.160 | 996,616,333 |
| 2016 | 17,526,500 | 842,408,500 | 876,200 | 38,300 | 117,900,700 | | 978,750,200 | 0 | 978,750,200 | 1.162 | 958,713,096 |
| 2017 | 15,718,000 | 828,083,400 | | | 117,749,100 | | 961,550,500 | 0 | 961,550,500 | 1.174 | 958,713,096 |
| 2018 | 14,122,400 | 817,881,000 | | | 117,903,400 | | 949,906,800 | 0 | 949,906,800 | 1.203 | 949,695,300 |
| 2019 | 14,122,400 | 817,669,500 | | | 117,903,400 | | 949,695,300 | 0 | 949,695,300 | 1.243 | 896,277,180 |
| 2020 | 14,122,400 | 817,669,500 | | | 117,903,400 | | 949,695,300 | 0 | 949,695,300 | 1.363 | 917,423,291 |
| 2021 | 12,032,300 | 805,899,700 | | | 112,674,100 | | 930,606,100 | 0 | 930,606,100 | 1.390 | 944,206,127 |
| 2022 | 12,161,600 | 809,574,500 | | | 109,334,900 | | 931,071,000 | 0 | 931,071,000 | 1.418 | 953,556,561 |
| 2023 | 11,405,300 | 814,769,800 | | | 107,889,200 | 321,000 | 934,385,300 | 0 | 934,385,300 | 1.439 | 1,061,386,358 |

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100 of Assessed Valuation

c A majority of the difference between the net valuation taxable and the estimated actual value is due to a tax abatement program within the District which is not deducted from the estimated actual value.

**City of Linwood School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

(rate per \$100 of assessed value)

| Fiscal Year Ended June 30, | City of Linwood School District | | | Overlapping Rates | | | Total Direct and Overlapping Tax Rate |
|----------------------------------|---------------------------------|--|----------------|--|--------------------|---------------------------------|--|
| | Basic Rate ^a | General Obligation Debt Service ^b | Total District | Mainland Regional High School District | City of Linwood | Atlantic County ^c | |
| 2014 | 1.116 | 0.040 | 1.156 | 0.629 | 0.877 | 0.438 | 3.100 |
| 2015 | 1.160 | 0.043 | 1.203 | 0.648 | 0.902 | 0.472 | 3.225 |
| 2016 | 1.162 | 0.050 | 1.212 | 0.645 | 0.900 | 0.465 | 3.222 |
| 2017 | 1.174 | 0.057 | 1.231 | 0.684 | 0.928 | 0.491 | 3.334 |
| 2018 | 1.203 | 0.059 | 1.336 | 0.708 | 0.948 | 0.484 | 3.481 |
| 2019 | 1.293 | 0.043 | 1.336 | 0.712 | 0.961 | 0.472 | 3.481 |
| 2020 | 1.363 | 0.042 | 1.405 | 0.704 | 0.961 | 0.486 | 3.556 |
| 2021 | 1.390 | 0.039 | 1.429 | 0.703 | 0.962 | 0.512 | 3.606 |
| 2022 | 1.418 | 0.022 | 1.440 | 0.720 | 0.980 | 0.498 | 3.638 |
| 2023 | 1.439 | 0.022 | 1.461 | 0.734 | 1.015 | 0.527 | 3.737 |

Source: District Records and Municipal Tax Collector

Note:

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

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

b Rates for debt service are based on each year's requirements. The District is a Type I District and does not issue debt directly.

c Includes the general County tax as well as the County Health and Open Spaces taxes.

**City of Linwood School District
Principal Property Tax Payers,
Current Year and Ten Years Ago**

| Taxpayer | 2023 | | | 2014 | | |
|-----------------------------|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | % of Total District Net Assessed Value | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |
| SF III Cornerstone, LLC | \$ 21,100,000 | 1 | 2.26% | | | |
| Brandall Central Ave LLC | 7,500,000 | 2 | 0.80% | | | |
| Linwood Care Property LLC | 6,829,900 | 3 | 0.73% | | | |
| Central Park East | 4,260,000 | 4 | 0.46% | 5,388,200 | 4 | 0.53% |
| Central Square | 3,885,600 | 5 | 0.42% | 7,107,100 | 2 | 0.70% |
| Alexon Enterprises, LLC | 2,490,500 | 6 | 0.27% | 2,024,000 | 8 | 0.20% |
| Linwood CC Land LLC | 2,468,000 | 7 | 0.26% | | | |
| Central Square | 2,385,300 | 8 | 0.26% | | | |
| Linwood Professional Plaza | 2,300,000 | 9 | 0.25% | 2,436,600 | 7 | 0.24% |
| GLB Management LLC | 1,738,000 | 10 | 0.19% | | | |
| CCC Atlantic, LLC | | | | 19,000,000 | 1 | 1.88% |
| Brendall Estates, LLC | | | | 6,062,500 | 3 | 0.60% |
| CPL (Nursing Home) | | | | 5,236,000 | 5 | 0.52% |
| Linwood Gold & Country Club | | | | 3,490,000 | 6 | 0.35% |
| Individual Taxpayer #1 | | | | 1,497,200 | 9 | 0.15% |
| Individual Taxpayer #2 | | | | 1,341,200 | 10 | 0.13% |
| Total | \$ 54,957,300 | | 5.88% | \$ 53,582,800 | | 5.31% |

Source: District ACFR & Municipal Tax Assessor

**City of Linwood School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years |
|----------------------------------|-------------------------------------|---|-----------------------|---------------------------------------|
| | | Amount | Percentage of Levy | |
| 2014 | 11,153,974 | 10,936,586 | 98.05% | - |
| 2015 | 11,376,075 | 11,153,974 | 98.05% | - |
| 2016 | 11,517,868 | 11,376,075 | 98.77% | - |
| 2017 | 11,517,868 | 11,517,868 | 100.00% | - |
| 2018 | 11,354,178 | 11,517,868 | 101.44% | - |
| 2019 | 11,526,749 | 11,354,178 | 91.89% | - |
| 2020 | 12,543,717 | 11,526,749 | 91.89% | - |
| 2021 | 12,801,892 | 12,801,892 | 100.00% | - |
| 2022 | 13,060,033 | 13,060,033 | 100.00% | - |
| 2023 | 13,312,536 | 13,312,536 | 100.00% | - |

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

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

**City of Linwood School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited**

| Fiscal Year Ended June 30, | Governmental Activities | | | Business-Type Activities | | Total District | Percentage of Personal Income ^a | Per Capita ^a |
|-------------------------------------|---|----------------------------------|-------------------|---|----------------|----------------|---|-------------------------|
| | General Obligation Bonds b | Certificates of Participation | Capital Leases | Bond Anticipation Notes (BANs) | Capital Leases | | | |
| 2014 | 3,316,323 | | | 2,265,000 | | 5,581,323 | 1.85% | 43,244 |
| 2015 | 3,076,007 | | | 3,502,000 | | 6,578,007 | 2.17% | 44,053 |
| 2016 | 2,740,691 | | | 3,502,000 | | 6,242,691 | 2.05% | 44,771 |
| 2017 | 2,410,375 | | | 3,447,000 | | 5,857,375 | 1.87% | 46,557 |
| 2018 | 2,057,864 | | | 3,362,000 | | 5,419,864 | 1.73% | 46,557 |
| 2019 | 6,819,287 | | | 606,000 | | 7,425,287 | 2.37% | 46,557 |
| 2020 | 3,744,377 | | | 606,000 | | 4,350,377 | 1.34% | 48,668 |
| 2021 | 3,210,000 | | | - | | 3,210,000 | 0.96% | 50,631 |
| 2022 | 2,685,000 | | | - | | 2,685,000 | 0.69% | 55,802 |
| 2023 | 2,330,000 | | | - | | 2,330,000 | 0.57% | 58,310 |

Source: City of Linwood Finance Office Records

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

- a** See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** The District was a Type I District and did not directly issue debt. Bonds were issued by the City of Linwood.

City of Linwood School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | General Bonded Debt Outstanding | | | Percentage of Actual Taxable Value ^a of Property | Per Capita ^c |
|----------------------------------|---|------------|---|--|-------------------------|
| | General Obligation Bonds b | Deductions | Net General Bonded Debt Outstanding | | |
| 2014 | 3,316,323 | - | 3,316,323 | 0.33% | 43,244 |
| 2015 | 3,076,007 | - | 3,076,007 | 0.31% | 44,053 |
| 2016 | 2,740,691 | - | 2,740,691 | 0.28% | 44,771 |
| 2017 | 2,410,375 | - | 2,410,375 | 0.25% | 46,557 |
| 2018 | 2,057,864 | - | 2,057,864 | 0.22% | 46,557 |
| 2019 | 1,699,287 | - | 1,699,287 | 0.18% | 46,557 |
| 2020 | 1,324,377 | - | 1,324,377 | 0.14% | 48,668 |
| 2021 | 940,000 | - | 940,000 | 0.10% | 50,631 |
| 2022 | 575,000 | - | 575,000 | 0.06% | 55,802 |
| 2023 | 390,000 | - | 390,000 | 0.04% | 58,310 |

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

a See Exhibit NJ J-6 for property tax data.

b The District was a Type I District and did not directly issue debt. Bonds were issued by the City of Linwood.

c Population data can be found in Exhibit NJ J-14.

**City of Linwood School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2022
Unaudited**

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable ^a</u> | <u>Estimated Share of Overlapping Debt</u> |
|---|-----------------------------|---|--|
| Debt Repaid with Property Taxes | | | |
| City of Linwood | \$ 11,153,649 | 100.00% | \$ 11,153,649 |
| Other debt | | | |
| Mainland Regional High School Debt (City's Share) | 6,497,851 | 31.13% | 2,023,033 |
| County of Atlantic (City's Share) | 203,998,316 | 2.66% | 5,431,821 |
| | | | 18,608,503 |
| Subtotal, Overlapping Debt | | | 18,608,503 |
| Linwood School District Direct Debt | | | 1,940,000 |
| Total Direct and Overlapping Debt | | | \$ 20,548,503 |

Sources: Linwood Finance Officer, Atlantic County Finance Office and Utility Authorities

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

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

**City of Linwood School District
Legal Debt Margin Information,
Last Ten Fiscal Years
Unaudited**

Legal Debt Margin Calculation for Fiscal Year 2022

| | | | |
|---|------------------------------------|---------------------------|-------------------------|
| | | Equalized valuation basis | |
| | | 2022 | \$ 1,056,474,526 |
| | | 2021 | 951,929,317 |
| | | 2020 | 944,206,127 |
| | | [A] | <u>\$ 2,952,609,970</u> |
| Average equalized valuation of taxable property | | [A/3] | \$ 984,203,323 |
| | Debt Limit (3% of Avg Equal Value) | [B] | 29,526,100 ^a |
| | Net school debt | [C] | <u>390,000</u> |
| | Legal debt margin | [B-C] | <u>\$ 29,136,100</u> |

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| Debt limit | \$ 31,776,042 | \$ 32,279,753 | \$ 30,058,294 | \$ 29,187,087 | \$ 18,990,752 | \$ 27,349,020 | \$ 27,191,157 | \$ 27,579,066 | \$ 28,135,587 | \$ 29,526,100 |
| Total net debt applicable to limit | <u>4,591,815</u> | <u>7,806,323</u> | <u>6,242,691</u> | <u>5,857,375</u> | <u>5,419,864</u> | <u>6,534,574</u> | <u>1,930,377</u> | <u>940,000</u> | <u>575,000</u> | <u>390,000</u> |
| Legal debt margin | <u>\$ 30,900,429</u> | <u>\$ 27,184,227</u> | <u>\$ 24,373,430</u> | <u>\$ 23,815,603</u> | <u>\$ 23,329,712</u> | <u>\$ 13,570,888</u> | <u>\$ 25,260,780</u> | <u>\$ 26,639,066</u> | <u>\$ 27,560,587</u> | <u>\$ 29,136,100</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 15.08% | 14.45% | 24.26% | 20.77% | 20.07% | 28.54% | 7.10% | 3.41% | 2.04% | 1.32% |

Source: Abstract of Ratables and District Records ACFR Schedule J-7

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

**City of Linwood School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

| Year | Population ^a | Personal Income (thousands of dollars) ^b | Per Capita Personal Income ^c | Unemployment Rate ^d |
|------|-------------------------|---|---|-----------------------------------|
| 2014 | 6,963 | 301,107,972 | 43,244 | 7.2% |
| 2015 | 6,881 | 303,128,693 | 44,053 | 6.6% |
| 2016 | 6,818 | 305,248,678 | 44,771 | 5.8% |
| 2017 | 6,767 | 315,051,219 | 46,557 | 5.8% |
| 2018 | 6,740 | 313,794,180 | 46,557 | 3.7% |
| 2019 | 6,740 | 313,794,180 | 46,557 | 3.7% |
| 2020 | 6,658 | 324,031,544 | 48,668 | 3.1% |
| 2021 | 6,635 | 335,936,685 | 50,631 | 11.8% |
| 2022 | 6,947 | 387,656,494 | 55,802 | 6.2% |
| 2023 | 6,962 | 405,954,220 | 58,310 | 3.6% |

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development - most current information is as of 7/1/2020

^b Personal income provided by the NJ Dept of Labor and Workforce Development- most current information is as of March 2019

^c Per Capita information provided by Labor Report of Per Capita Income, Atlantic County

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**City of Linwood School District
Principal Employers,
Current Year and Nine Years Ago**

| <u>Employer</u> | <u>2023</u> | | | <u>2014</u> | | |
|-----------------|------------------|----------------------------|---|------------------|------------------------|---|
| | <u>Employees</u> | <u>Rank (Optional)</u> | <u>Percentage of Total Employment</u> | <u>Employees</u> | <u>Rank (Optional)</u> | <u>Percentage of Total Employment</u> |
| | | NOT AVAILABLE | | | NOT AVAILABLE | |
| | - | | 0.00% | - | | 0.00% |

**City of Linwood School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

| <u>Function/Program</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Instruction | | | | | | | | | | |
| Regular | 60.4 | 59.5 | 59.1 | 53.2 | 53.9 | 49.5 | 49.8 | 49.8 | 49.8 | 51.0 |
| Special education | 37.5 | 37.4 | 40.5 | 41.3 | 39.4 | 41.6 | 39.4 | 39.4 | 40.0 | 44.7 |
| Other special education | 8.1 | 7.6 | 6.5 | 5.0 | 6.0 | 4.5 | 3.7 | 3.7 | 3.7 | 3.7 |
| Other instruction | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Support Services: | | | | | | | | | | |
| Tuition | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Student & instruction related services | 15.7 | 15.7 | 11.9 | 15.2 | 15.1 | 16.5 | 16.4 | 12.9 | 16.4 | 15.7 |
| General administrative services | 2.3 | 2.3 | 2.3 | 1.7 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 |
| School administrative services | 5.6 | 5.6 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Business administrative & Technology services | 4.2 | 4.3 | 4.0 | 3.8 | 4.8 | 4.8 | 4.8 | 4.8 | 4.8 | 5.0 |
| Plant operations and maintenance | 15.8 | 15.9 | 15.9 | 15.8 | 15.6 | 13.9 | 13.9 | 13.9 | 13.9 | 12.0 |
| Pupil transportation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Special Schools | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Food Service | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Child Care | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | <u>150.4</u> | <u>149.0</u> | <u>145.9</u> | <u>141.8</u> | <u>142.8</u> | <u>139.3</u> | <u>135.2</u> | <u>131.7</u> | <u>135.8</u> | <u>139.3</u> |

Source: District Personnel Records

**City of Linwood 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) ^c | Average Daily Attendance (ADA) ^c | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|----------------|-------------------|-----------------------------|---------------------|---------------|---|---|--------------------------------------|-------------------------------|
| | | | | | | Elementary | Middle School | | | | |
| 2014 | 863 | 14,560,595 | 16,872 | 4.03% | 106.0 | 1:13 | 1:12 | 868.0 | 835.1 | -2.43% | 96.80% |
| 2015 | 860 | 14,730,611 | 17,129 | 1.52% | 104.5 | 1:14 | 1:15 | 863.9 | 828.8 | -0.47% | 96.20% |
| 2016 | 835 | 14,683,359 | 17,585 | 2.66% | 105.1 | 1:15 | 1:19 | 838.8 | 804.6 | -2.90% | 96.22% |
| 2017 | 836 | 13,618,776 | 16,290 | -7.36% | 99.5 | 1:16 | 1:20 | 843.2 | 806.6 | 0.52% | 95.93% |
| 2018 | 822 | 17,153,302 | 20,868 | 28.10% | 99.3 | 1:16 | 1:19 | 820.0 | 782.8 | -3.56% | 95.82% |
| 2019 | 806 | 15,993,435 | 19,843 | -2.51% | 96.2 | 1:16 | 1:20 | 813.2 | 779.2 | 0.00% | 95.82% |
| 2020 | 801 | 16,294,781 | 20,343 | 0.00% | 92.9 | 1:16 | 1:20 | 829.7 | 806.6 | 2.03% | 97.22% |
| 2021 | 804 | 16,824,703 | 20,926 | 2.87% | 92.9 | 1:16 | 1:20 | 810.8 | 780.7 | -2.28% | 96.29% |
| 2022 | 791 | 16,674,703 | 21,081 | 3.63% | 92.9 | 1:16 | 1:20 | 791.0 | 739.0 | -2.44% | 93.43% |
| 2023 | 804 | 19,167,947 | 23,841 | 13.09% | 90.4 | 1:12 | 1:11 | 841.7 | 771.9 | 6.41% | 91.71% |

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

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- 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).
- d Note 2018 is implementation of OPEB liability reporting

**City of Linwood School District
School Building Information
Last Ten Fiscal Years**

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Elementary</u> | | | | | | | | | | |
| Seaview Elementary School (1961) | | | | | | | | | | |
| Square Feet | 72,019 | 72,019 | 72,019 | 72,019 | 72,019 | 72,019 | 72,019 | 72,019 | 72,019 | 72,019 |
| Capacity (students) | 417 | 417 | 417 | 417 | 417 | 417 | 417 | 417 | 417 | 417 |
| Enrollment | 444 | 446 | 435 | 439 | 423 | 424 | 427 | 440 | 443 | 446 |
| <u>Middle School</u> | | | | | | | | | | |
| Belhaven Middle School (1908) | | | | | | | | | | |
| Square Feet | 109,278 | 109,278 | 109,278 | 109,278 | 109,278 | 109,278 | 109,278 | 109,278 | 109,278 | 109,278 |
| Capacity (students) | 537 | 537 | 537 | 537 | 537 | 537 | 537 | 537 | 537 | 537 |
| Enrollment | 419 | 417 | 403 | 397 | 399 | 382 | 374 | 364 | 348 | 358 |
| <u>Other</u> | | | | | | | | | | |
| Poplar School Building (1961) | | | | | | | | | | |
| Square Feet | 17,305 | 17,305 | - | - | - | - | - | - | - | - |
| <i>Note: Poplar School was turned over to the City effective June 23, 2014</i> | | | | | | | | | | |

Number of Schools at June 30, 2022
 Early Learning Center = 0
 Elementary = 1
 Middle School = 1
 Other = 0

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

**City of Linwood School District
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years
Unaudited**

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

| School Facilities | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Seaview Elementary | 122,811 | 144,335 | 196,501 | 120,052 | 76,120 | 144,929 | 72,360 | 66,538 | 71,848 | \$ 38,662 |
| Belhaven Middle School | 132,072 | 219,471 | 277,910 | 101,732 | 127,780 | 142,458 | 96,895 | 108,467 | 157,556 | 63,307 |
| Poplar Avenue School | | | | | - | - | - | - | - | 1,618 |
| Total School Facilities | 254,883 | 363,806 | 474,411 | 221,784 | 203,900 | 287,387 | 169,255 | 175,005 | 229,403 | 103,587 |
| Other Facilities | 158,949 | | 144,342 | 60,604 | 150,790 | 147,391 | 147,790 | 140,144 | 165,480 | 202,925 |
| Grand Total | \$ 413,832 | \$ 363,806 | \$ 618,753 | \$ 282,388 | \$ 354,690 | \$ 434,778 | \$ 317,045 | \$ 315,149 | \$ 394,883 | \$ 306,512 |

**City of Linwood School District
Insurance Schedule
For the Fiscal Year Ended June 30, 2023
Unaudited**

| Company | Type of Coverage | Coverage | Deductible |
|---|---|---|----------------------|
| Atlantic and Cape May Counties School Business Officials Joint Insurance Fund | Package Policy | | |
| | Property- Blanket Building & Contents including Equip. | \$175,000 Pool Limit | \$500 per loss |
| | Auto Physical Damage | ACV | \$500 per loss |
| Reinsurer | Crime | \$50,000 per loss | \$500 per loss |
| Great American Insurance Company | Boiler & Machinery | \$125,000 Pool Limit | \$1,000 per loss |
| | General Liability | \$20,000,000 per Occurrence | None |
| | Auto Liability | Included in above | None |
| | Uninsured Motorist Coverage | \$15,000/30,000/5,000 | None |
| | Employee Benefits Liability | \$20,000,000 Aggregate | None |
| Spell | Educator's Legal Liability | \$20,000,000 per claim \$20,000,000 Aggregate | None None |
| Spell & Safety National Causalty Corp. | Workers Compensation | Coverage A Statutory Coverage B \$10,000,000 per Occurrence/Aggregate | None None |
| Beazley/Lloyds of London | Pollution Liability | \$3,000,000 per Incident \$6,000,000 Aggregate \$100,000 First Party Clean Up | \$25,000 |
| Lexington Insurance | Cyber Liability | \$1,000,000 Security & Privacy \$1,000,000 Extortion | \$25,000 \$25,000 |
| Zurich Insurance (Bollinger) | Student & Volunteer Accident Coverage | \$1,000,000 Full Excess 5 Year Benefit | None |
| Selective Insurance Company | Public Official Bonds | | - |
| | Treasurer- Kelly Batz | \$200,000 | None |
| | Business Administrator-Kevin Byrnes | \$100,000 | None |

Source: District Insurance Policies

Single Audit Section



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& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

K-1

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

The Honorable President and
Members of the Board of Education
City of Linwood School District
County of Atlantic, 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 City of Linwood School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Linwood School District's basic financial statements, and have issued our report thereon dated January 31, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

January 31, 2024



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& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

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K-2

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND NEW JERSEY OMB'S CIRCULAR 15-08

Honorable President and
Members of the Board of Education
City of Linwood School District
County of Atlantic, New Jersey

Report on Compliance for Each Major Federal & State Program

Opinion on Each Major Federal & State Program

We have audited the City of Linwood School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the City of Linwood School District's major federal and state programs for the year ended June 30, 2023. The City of Linwood 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.

In our opinion, the City of Linwood 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, 2023.

Basis for Opinion on Each Major Federal & State Program

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and NJ OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Linwood School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City of Linwood School District's compliance with the requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to its Federal and State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Linwood School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Linwood School District's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Linwood School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Linwood School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of City of Linwood School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

Report on 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 Auditor's Responsibilities for the Audit of Compliance 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

January 31, 2024

CITY OF LINWOOD SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2023

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Federal AL Number | Grant Period | Program or Award Amount | Balance 6/30/22 | Carryover/ Amount | Cash Received | Budgetary Expenditures | | | Deferred Revenue 6/30/23 | (Accounts Receivable) 6/30/23 | Due to Grantor at 6/30/23 |
|---|---------------------------|-------------------------|-------------------|-------------------------------|--------------------|----------------------|------------------|------------------------|--------|--------------|--------------------------------|-------------------------------------|---------------------------------|
| | | | | | | | | Source | | Total | | | |
| | | | | | | | | Pass Through | Direct | | | | |
| U.S. Department of Education | | | | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | |
| None | | | | | | | | | | | | | |
| | | | | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Total General Fund | | | | | - | - | - | - | - | - | - | - | - |
| U.S. Department of Education | | | | | | | | | | | | | |
| Passed-through State Department of Education | | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | |
| No Child Left Behind (N.C.L.B.) | | | | | | | | | | | | | |
| Title I | 84.010A | S010A220030 | 7/1/22 - 9/30/23 | 118,248 | | | 58,001 | (74,161) | | (74,161) | | (16,160) | |
| Title I | 84.010A | S010A210030 | 7/1/21-9/30/22 | 77,267 | (25,975) | | 25,975 | | | - | | - | |
| Title I | 84.010 | | 09/01/03-08/31/04 | | | | | | | | | | |
| Title IV | 84.424A | S424A220031 | 7/1/22 - 9/30/23 | 10,000 | | 778 | 10,000 | (10,778) | | (10,778) | | - | |
| Title IV | 84.424A | S424A210031 | 7/1/21-9/30/22 | 10,000 | (3,936) | (778) | 4,714 | | | - | | - | |
| Title II A | 84.367A | S367A220029 | 7/1/22 - 9/30/23 | 21,394 | | | 12,748 | (19,666) | | (19,666) | | (6,918) | |
| Title II A | 84.367A | S367A210029 | 7/1/21-9/30/22 | 16,386 | (4,846) | | 4,846 | | | - | | - | |
| Special Education Cluster (IDEA) | | | | | | | | | | | | | |
| IDEA Part B, Basic Regular | 84.027A | H027A220100 | 7/1/22 - 9/30/23 | 190,789 | | | 175,463 | (228,027) | | (228,027) | | (52,564) | |
| IDEA Part B, Basic Regular | 84.027A | H027A210100 | 7/1/21-9/30/22 | 191,200 | (92,828) | | 92,828 | | | - | | - | |
| IDEA Part B, Preschool | 84.173 | H173A220114 | 7/1/22 - 9/30/23 | 10,533 | | 300 | 10,325 | (10,625) | | (10,625) | | - | |
| IDEA Part B, Preschool | 84.173 | H173A200114 | 7/1/21-9/30/22 | 9,860 | 129 | (300) | 171 | | | - | | - | |
| CARES - Emergency Relief Grant | 84.425D | S425D200027 | 03/13/20-09/30/22 | 51,540 | (10,964) | | 11,182 | (218) | | (218) | | - | |
| ARP - ESSER | 84.425U | S425U210027 | 03/13/20-09/30/24 | 473,534 | | | 280,551 | (379,809) | | (379,809) | | (99,258) | |
| ARP - Accelerated Learning Coach | 84.425U | S425U210027 | 03/13/20-09/30/24 | 64,574 | | | | (18,629) | | (18,629) | | (18,629) | |
| ARP - Evidence Based Summer Learning | 84.425U | S425U210027 | 03/13/20-09/30/24 | 40,000 | | | 26,170 | (26,170) | | (26,170) | | - | |
| ARP - Evidence Based Beyond School Day | 84.425U | S425U210027 | 03/13/20-09/30/24 | 40,000 | (2,562) | | | (12,439) | | (12,439) | | (15,001) | |
| ARP - Mental Health Support Staffing | 84.425U | S425U210027 | 03/13/20-09/30/24 | 45,000 | | | | (10,085) | | (10,085) | | (10,085) | |
| CRRSA - ESSER II | 84.425D | S425D210027 | 03/13/20-09/30/24 | 210,699 | (102,382) | | 23,245 | (149,515) | | (149,515) | | (228,652) | |
| CRRSA - Accelerated Learning | 84.425D | S425D210027 | 03/13/20-09/30/24 | 89,574 | (4,121) | | | (7,205) | | (7,205) | | (11,326) | |
| CRRSA - Mental Health | 84.425D | S425D210027 | 03/13/20-09/30/24 | 45,000 | 345 | | 6,590 | (7,250) | | (7,250) | | (315) | |
| ARP IDEA Part B, Basic Preschool | 84.173X | H173X210114 | 7/1/21-9/30/22 | 3,133 | | | | (3,133) | | (3,133) | | (3,133) | |
| ARP IDEA Part B, Basic Regular | 84.027X | H027X210100 | 7/1/21-9/30/22 | 36,729 | (16,657) | | | (6,104) | | (6,104) | | (22,761) | |
| Total Special Revenue Fund | | | | | (263,797) | - | 742,809 | (963,814) | - | (963,814) | - | (484,802) | |
| Total Federal Financial Assistance | | | | | \$ (263,797) | \$ - | \$ 742,809 | \$ (963,814) | \$ - | \$ (963,814) | \$ - | \$ (484,802) | \$ - |

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

City of Linwood School District
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2023

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Program or Award Amount | Balance 6/30/22 | Cash Receipts | Budgetary Expenditures | Repayment of Prior Years' Balances/ Adjustments | (Accounts Receivable) 6/30/23 | Due to Grantor at 6/30/23 | Memo | | |
|--|-------------------------------|--------------------|---|-----------------|---------------|------------------------|---|-------------------------------|---------------------------|------------------------------|-------------------------------|----------------|
| | | | | | | | | | | Budgetary Receivable 6/30/23 | Cumulative Total Expenditures | |
| State Department of Education | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | |
| State Aid Public Cluster: | | | | | | | | | | | | |
| Security Aid | 23-495-034-5120-084 | 7/1/2022-6/30/2023 | \$ 64,088 | \$ | \$ 57,679 | \$ (64,088) | \$ | \$ | \$ | \$ (6,409) | \$ (64,088) | |
| Transportation Aid | 23-495-034-5120-014 | 7/1/2022-6/30/2023 | 111,744 | | 100,570 | (111,744) | | | | (11,174) | (111,744) | |
| Special Education Aid | 23-495-034-5120-089 | 7/1/2022-6/30/2023 | 607,272 | | 563,152 | (607,272) | | | | (44,120) | (607,272) | |
| Equalization Aid | 23-495-034-5120-078 | 7/1/2022-6/30/2023 | 128,197 | | 115,377 | (128,197) | | | | (12,820) | (128,197) | |
| Adjustment Aid | 23-495-045-5120-085 | 7/1/2022-6/30/2023 | 131,119 | | 118,007 | (131,119) | | | | (13,112) | (131,119) | |
| Other State Aid | | | | | | | | | | | | |
| Non-Public Transportation Aid | 23-495-045-5120-014 | 7/1/2022-6/30/2023 | 9,895 | | | (9,895) | | (9,895.00) | | (9,895.00) | (9,895) | |
| Non-Public Transportation Aid | 22-495-045-5120-014 | 7/1/2021-6/30/2022 | 7,830 | (7,830) | 7,830 | | | - | | - | (7,830) | |
| Extraordinary Aid | 23-100-034-5120-044 | 7/1/2022-6/30/2023 | 168,425 | | | (168,425) | | (168,425.00) | | (168,425.00) | (168,425) | |
| Extraordinary Aid | 22-100-034-5120-044 | 7/1/2022-6/30/2022 | 211,515 | (211,515) | 211,515 | | | - | | - | (211,515) | |
| On-Behalf TPAF Pension Contributions | 23-495-034-5094-002 | 7/1/2022-6/30/2023 | 2,423,492 | | 2,423,492 | (2,423,492) | | - | | - | (2,423,492) | |
| On-Behalf Post Retirement Contributions | 23-495-034-5094-001 | 7/1/2022-6/30/2023 | 636,646 | | 636,646 | (636,646) | | - | | - | (636,646) | |
| On-Behalf TPAF Non Contib. Insurance Reimbursed TPAF | 23-495-034-5094-004 | 7/1/2022-6/30/2023 | 655 | | 655 | (655) | | - | | - | (655) | |
| Social Security Contributions | 23-495-034-5094-003 | 7/1/2022-6/30/2023 | 522,846 | | 498,619 | (522,846) | | (24,227.00) | | (24,227.00) | (522,846) | |
| Social Security Contributions | 22-495-034-5094-003 | 7/1/2021-6/30/2022 | 518,752 | (23,749) | 23,749 | | | - | | - | (518,752) | |
| Total General Fund | | | | | (243,094) | 4,757,291 | (4,804,379) | 0 | (202,547) | 0 | (290,182) | (5,542,476) |
| Special Revenue Fund: | | | | | | | | | | | | |
| Preschool Expansion Aid | 23-494-034-5120-086 | 7/1/2022-6/30/2023 | | | 338,160 | (381,700) | | | | (43,540) | (381,700) | |
| SDA Capital Grant | N/A | 7/1/2022-6/30/2023 | 18,854 | | 18,854 | (18,854) | | - | | - | - | |
| SDA Capital Grant | N/A | 7/1/2021-6/30/2022 | 18,844 | (18,844) | 18,844 | | | - | | - | (18,844) | |
| Climate Awareness | N/A | 7/1/2022-6/30/2023 | 6,660 | | 3,696 | (3,696) | | - | | - | (3,696) | |
| Non-Public Textbook Aid | 22-100-034-5120-064 | 7/1/2021-6/30/2022 | 540 | 106 | | | (106) | | | - | (434) | |
| Non-Public Textbook Aid | 23-100-034-5120-064 | 7/1/2022-6/30/2023 | 858 | | 858 | | | | 858.00 | - | - | |
| Non-Public Technology Aid | 22-100-034-5120-373 | 7/1/2021-6/30/2022 | 378 | 378 | | | (378) | | | - | - | |
| Non-Public Technology Aid | 23-100-034-5120-373 | 7/1/2022-6/30/2023 | 546 | | 546 | | | | 546.00 | - | - | |
| Non-Public Security Aid | 22-100-034-5120-509 | 7/1/2021-6/30/2022 | 1,575 | 1,575 | | | (1,575) | | | - | - | |
| Non-Public Security Aid | 23-100-034-5120-509 | 7/1/2022-6/30/2023 | 2,665 | | 2,665 | | | | 2,665.00 | - | - | |
| Non-Public Nursing | 23-100-034-5120-070 | 7/1/2022-6/30/2023 | 1,534 | | 1,534 | (1,456) | | | 78 | | (1,456) | |
| Total Special Revenue Fund | | | | | (16,785) | 385,157 | (405,706) | (2,059) | 0 | 4,147 | (43,540) | (406,130) |
| Total State Financial Assistance | | | | \$ | (259,879) | \$ 5,142,448 | \$ (5,210,085) | \$ (2,059) | \$ (202,547) | \$ 4,147 | \$ (333,722) | \$ (5,948,606) |
| | | | Less: On-Behalf TPAF Pension Contributions | | | \$ 2,423,492 | | | | | | |
| | | | Less: On-Behalf Post Retirement Contributions | | | 636,646 | | | | | | |
| | | | Less: On-Behalf Long-Term Disability | | | 655 | | | | | | |
| | | | | | | <u>\$ (2,149,292)</u> | | | | | | |

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

City of Linwood School District
Notes to the Schedules of Expenditures of
Federal Awards and State Financial Assistance
June 30, 2023

NOTE 1. GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the City of Linwood School District. The School District is defined in Note 1(A) to the District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal 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. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food services fund, which are presented using the accrual basis of accounting, and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1(C) and 1(D) to the District's basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the District's basic financial statements. The basic financial statements present the General Fund and Special Revenue Fund on the GAAP basis. 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(71,674). See the Note to the Required Supplementary Information/Budget to GAAP Reconciliation (Exhibit C-3) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the General Fund and the Special Revenue Fund.

Federal and state award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

| | <u>Federal</u> | <u>State</u> | <u>TPAF Pension</u> | <u>Local</u> | <u>Total</u> |
|--------------------------------|-------------------|---------------------|-------------------------|-------------------|---------------------|
| General Fund | \$ | \$ 4,814,896 | \$ (3,060,793) | \$ | \$ 1,754,103 |
| Special Revenue Fund | 922,667 | 341,840 | | 347,770 | 1,612,277 |
| | <u>922,667</u> | <u>5,156,736</u> | <u>(3,060,793)</u> | <u>347,770</u> | <u>3,366,380</u> |
| Total Financial Award Revenues | \$ <u>922,667</u> | \$ <u>5,156,736</u> | \$ <u>(3,060,793)</u> | \$ <u>347,770</u> | \$ <u>3,366,380</u> |

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.

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. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2023. TPAF Social Security Contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

**City of Linwood School District
Schedule of Findings and Questioned Costs
For the Year Ending June 30, 2023**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness identified? No

2) Significant Deficiencies identified? No

Noncompliance material to basic financial statements noted? No

Federal Awards

Internal control over major programs:

1) Material weakness identified? No

2) Significant Deficiencies identified? 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 the Uniform Guidance? None

Identification of major programs:

| <u>CFDA Numbers</u> | <u>Name of Federal Program or Cluster</u> |
|---------------------|---|
| 84.425D | CARES - Emergency Relief Grant |
| 84.425U | ARP - ESSER |
| 84.425U | ARP - Accelerated Learning Coach |
| 84.425U | ARP - Evidence Based Summer Learning |
| 84.425U | ARP - Evidence Based Beyond School Day |
| 84.425U | ARP - Mental Health Support Staffing |
| 84.425D | CRRSA - ESSER II |
| 84.425D | CRRSA - Accelerated Learning |
| 84.425D | CRRSA - Mental Health |

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

City of Linwood School District
 Schedule of Findings and Questioned Costs
 For the Year Ending June 30, 2023
 (Continued)

I. Summary of Auditor’s Results (Continued)

State Awards

| | |
|--|---------------|
| Dollar threshold used to distinguish between type A and Type B Programs: | \$750,000 |
| Auditee qualified as low-risk auditee? | Yes |
| Internal Control over major programs: | |
| 1) Material weakness identified? | No |
| 2) Significant Deficiencies identified? | 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 NJ OMB Circular Letter 15-08? | No |
| Identification of major programs: | |

GMIS Numbers

23-495-034-5120-084
 23-495-034-5120-089
 23-495-034-5120-078
 23-495-045-5120-085

Name of State Program

State Aid Cluster:
 Security Aid
 Special Education Aid
 Equalization Aid
 Adjustment Aid

City of Linwood School District
Schedule of Findings and Questioned Costs
For the Year Ending June 30, 2023
(Continued)

II. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

None

III. Federal Awards and State Financial Assistance Findings and Questioned Costs.

Federal:

Our audit disclosed no material Findings or Questioned Costs.

State:

Our audit disclosed no material Findings or Questioned Costs.

Status of Prior Year Findings

None noted.