

BOROUGH OF LINDENWOLD

SCHOOL DISTRICT

LINDENWOLD, NEW JERSEY

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013**

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
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INTRODUCTORY SECTION



LINDENWOLD PUBLIC SCHOOLS

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

November 14, 2013

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

Dear President and Members of the Board:

The Comprehensive Annual Financial Report (CAFR) of the Lindenwold School District (District) for the fiscal year ended June 30, 2013, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations" and the State of New Jersey Circular 04-04-OMB "Single Audit Policy for Recipient of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Pre-K through grade 12. These include regular and special education for handicapped students. The District completed the 2012-2013 fiscal year with an enrollment of two-thousand, four hundred thirteen (2,413) students. The following details the changes in the student enrollment of the District over the last ten years.

AVERAGE DAILY ENROLLMENT

<u>FISCAL</u>	<u>STUDENT ENROLLMENT</u>	<u>INCREASE/ DECREASE</u>	<u>PERCENT CHANGE</u>
2012-13	2413	98	4.2
2011-12	2315	27	1.2
2010-11	2288	44	2.0
2009-10	2244	24	1.1
2008-09	2220	(50)	(2.2)
2007-08	2270	(70)	(3.0)
2006-07	2340	(69)	(2.9)
2005-06	2409	10	(0.4)
2004-05	2419	63	2.7
2002-03	2356	42	1.8

2. ECONOMIC CONDITION AND OUTLOOK: The Borough of Lindenwold is a moderate-sized urban community of 3.9 square miles. Lindenwold is composed of 80.6% residential properties, 16.4% apartment complexes that account for 4,378 apartment units plus 1,033 townhouses and condominiums, 3% commercial property and six industrial properties.

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

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

Population census information indicates Lindenwold has experienced a slight increase in population with the 2000 census showing 18,734 residents.

3. **MAJOR INITIATIVES (Grades Pre-K - 12th):** District teachers and administrators have analyzed Grade 3 / 4 ASK test scores to evaluate instructional program needs. As a result of this analysis, and in conjunction with the identification of building level performance objectives for the 2012-2013 school year, the grades K-4 in the district will emphasize the following standards:

Standard 3.1 (Reading) All students will understand and apply the knowledge of sounds, letters, and words in written English to become independent and fluent readers, and will read a variety of materials and texts with fluency and comprehension. Grades K-4 will receive ongoing, sustained professional development in Literacy utilizing the workshop-modeling-coaching format to emphasize and support this standard. Special emphasis will be placed on guided reading during the 90 minute literacy block

Standard 3.2 (Writing) All students will write in clear, concise, organized language that varies in content and form for different audiences and purposes. Grades K-4 will continue to receive inservice training in the implementation of Writer's Workshop during the 90 minute literacy block to emphasize and support this standard.

Standard 4.5 (Mathematical Processes) All students will use mathematical processes of problem solving, communication, connections, reasoning, representations, and technology to solve problems and communicate mathematical ideas. Grades K-4 will receive ongoing, sustained professional development in Everyday Math strategies. Inservice training will focus on higher order problem solving skills in mathematics and the use of rubrics to improve mathematics assessment.

Staff development continues to be a district priority. In-services in Language Arts Literacy, Science and Mathematics, Technology and Character Education will be offered throughout the School year. The professional development will be provided through a workshop-modeling-coaching format.

Major Initiatives (Grades 5-12): The Lindenwold Board of Education (LBOE) will support and further enhance the full implementation of the Common Core Standards across grade levels and content areas. Curricula, programs, and training will be based upon using the right methods to teach more challenging content within an environment that focuses on student achievement, high expectations, and career development. Innovative approaches to teaching and learning, including Backward Design, differentiated instruction and the rigor relevance framework at all school levels will ensure that our student will succeed and achieve high levels of learning and performance.

After a careful evaluation of performance data with district staff, and in coordination with parents and the County Superintendent's Office, we have identified developmentally appropriate benchmarks and pacing that will lead us toward meeting grade level expectations at the 5th, 6th, 7th, 8th and 12th grade levels. Furthermore, building-level objectives for FY13 have been developed in the areas of mathematics and language arts at the middle and high school levels. In order to accomplish our objectives, we have developed a program that not only focuses on what students should know, but also on what they should be able to do with the acquired knowledge. To that purpose the LBOE will implement and emphasize the following areas:

Curriculum Development

Curricula has been developed and structured across the 5th through 12th grades continuum to ensure that content and classroom practices concentrate student learning and achievement. Understanding By Design (UbD) is the method used for curriculum writing.

Innovative Program

Freshman Seminar-Senior Mentor

To address a pattern of at-risk performance academically and socially, a freshman seminar has been developed where students receive instruction and support in organization, time management, goal setting and academics from teachers and peer mentors. A supplemental 9th period tutorial is also provided for students at academic risk.

Vocational Programs

These approved vocational/technical programs focus on building school-based and work-based experiences that will further enhance our students' capacity to choose a post secondary career. The following programs are available to our students: Accounting, Computer Aided Drafting, Business Technology, Marketing Education, Video Imaging, Computer Repair and Support, Computer Graphics programs, and Woodworking.

Integrated Language Arts Literacy (5th – 8th)

This program focuses on reading, writing, speaking, listening and viewing. These will be accomplished through a program that uses guided reading, literacy centers, and the workshop model much like grades K-4. Classes are blocked (60 or 80 minutes), and appropriate materials, classroom libraries and textbooks have been purchased to ensure the effective transition and implementation of the program.

Multi Media Research and Technology (5th – 8th)

This program will provide students with opportunities to use their technology skills within the context of multidisciplinary projects. Students will learn to use their technology skills to research a problem or theme, as well as to produce a product that will not only reflect their understanding of the content but also the effective use of technology.

Staff Development

Staff development will continue to be a district priority. This year through the New Jersey Statewide Systemic Initiative Standards

Implementation Grant, Title I, Title II and local funds, the district will continue to provide over 60 hours of standards based training in Technology, Literacy, Mathematics and Science, grades K - 12. Professional development will continue throughout the year (coaching and classroom demonstrations) as we continue to use instructional methodologies and standards based materials that have proven to be effective in the area of Literacy, Mathematics and Science. In addition, content area training, uses of technology, integrated teaching, and related professional development opportunities will be provided throughout the year.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2013.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These

funds and account groups are explained in "Notes to the Financial Statements", Note 1.

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

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

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

10. OTHER INFORMATION: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 "Audits of State, Local Governments and Non-Profit Organizations" and State of New Jersey Circular 04-04-OMB. The auditor's report on the general purpose financial statements and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of the report.

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

Respectfully submitted,

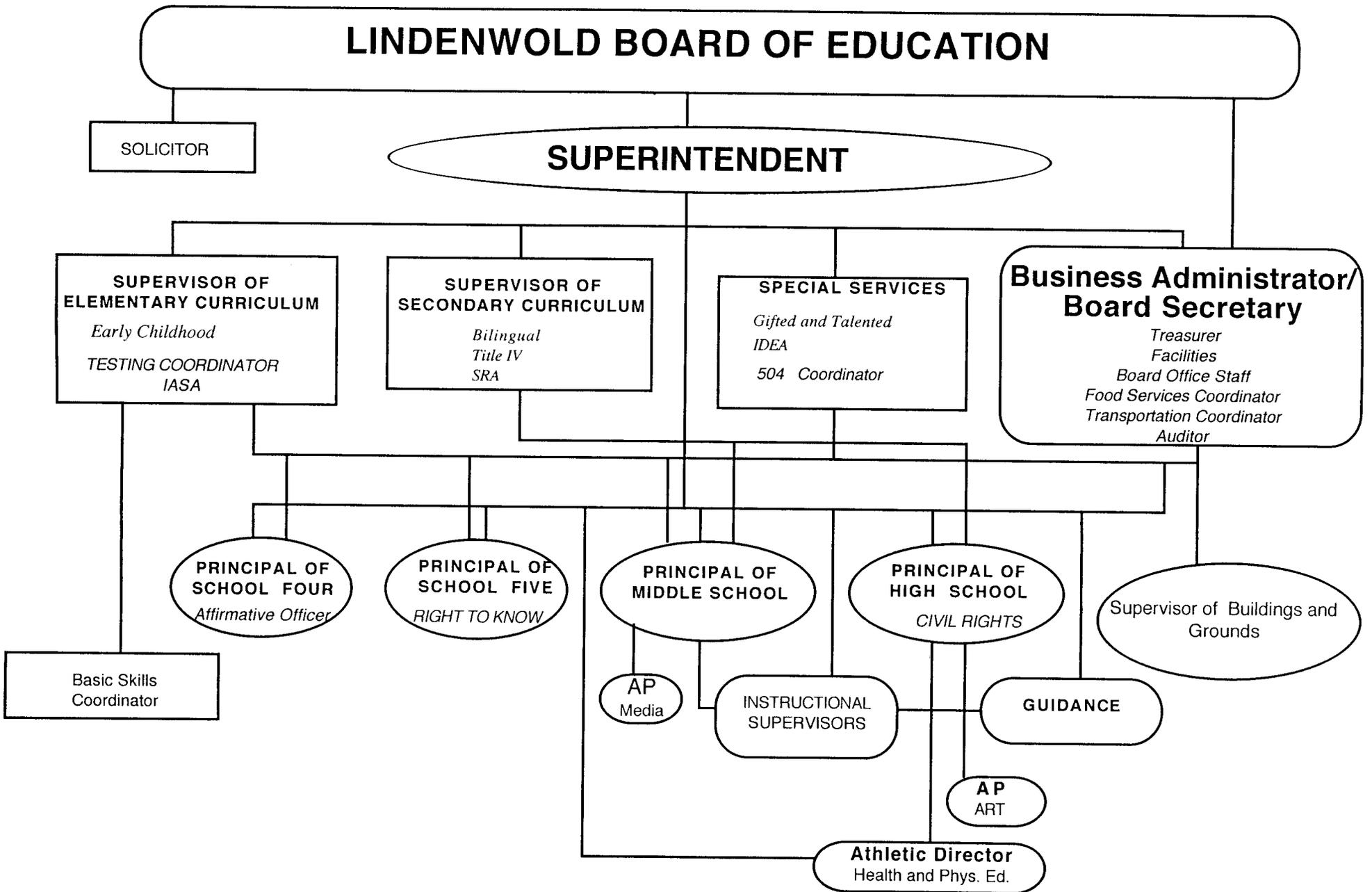


Cheryl L. Simone, Ed.D.
Interim Superintendent



Kathleen Huder
Board Secretary/School Business
Administrator

ORGANIZATIONAL CHART



BOROUGH OF LINDENWOLD SCHOOL DISTRICT
LINDENWOLD, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2013

Members of the Board of Education

Term
Expires

Cathy Ann Moncrief, President	2013
Kevin W. McGahey, Vice President	2013
Pam Bragg	2014
Gil Geary	2014
Alethia Gibbs-Smith	2014
Rita A. Heins	2015
Marsha Hershman	2015
Tammy Harkless	2015
Mark Wilson	2013

Other Officials

Geraldine R. Carroll, Superintendent
Kathleen Huder, Secretary/Business Administrator
Dawn S. Thompson, Treasurer
Wade, Long, Wood & Kennedy, Solicitor

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT
LINDENWOLD, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2013**

ARCHITECT

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

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

Beneficial Bank
530 Walnut Street
Philadelphia, PA 19106-3696

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Lindenwold School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Lindenwold School District in the County of Camden, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Lindenwold School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2013 on our consideration of the Borough of Lindenwold School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Lindenwold School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Glen J. Walton
Certified Public Accountant
Public School Accountant
No. 20C00205000

Voorhees, New Jersey
November 14, 2013

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Lindenwold School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 14, 2013.

Internal Control Over Financial Reporting

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

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

Our consideration of 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, as defined previously. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
November 14, 2013

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**LINDENWOLD SCHOOL DISTRICT
LINDENWOLD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

The discussion and analysis of Lindenwold School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights:

Key financial highlights for 2013 are as follows:

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$10,255,774 (net position).
- General revenues account for \$39,773,172 in revenue or eighty nine percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$5,083,119 or eleven percent of total revenues of \$44,856,291.
- The School District had \$44,127,819 in expenses; only \$5,083,119 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues of \$39,773,172 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$38,417,436 in revenues, \$37,700,674 in expenditures, and \$306,445 in net operating transfers out. The General Fund's balance increased \$410,317 over 2012. This increase was not anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other

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non-major funds presented in total in one column. In the case of Lindenwold School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in its position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities – all of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation, and extra-curricular activities.
- Business-type activity – this service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

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Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. This information is information that has not been presented on the face of the financial statements, for reasons of practicality, but is essential for the financial statements to be fairly presented.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

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The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net position for 2013 and 2012.

**Table 1
Net Position**

	June 30, 2013	June 30, 2012
Assets		
Current and Other Assets	\$ 4,784,472	\$ 4,736,167
Capital Assets	<u>21,657,941</u>	<u>22,298,682</u>
Total Assets	<u>26,442,413</u>	<u>27,034,849</u>
Liabilities		
Long-term Liabilities	13,640,347	14,805,563
Other Liabilities	<u>2,546,292</u>	<u>2,701,984</u>
Total Liabilities	<u>16,186,639</u>	<u>17,507,547</u>
Net Position		
Net Investment in Capital Assets	7,402,941	7,088,876
Restricted	3,954,658	3,348,540
Unrestricted	<u>(1,101,825)</u>	<u>(910,114)</u>
Total Net Position	<u>\$ 10,255,774</u>	<u>\$ 9,527,302</u>

The District's combined net position was \$10,255,774 on June 30, 2013. This was an increase of eight percent from the prior year.

Total assets decreased \$592,436. This decrease was due mainly to depreciation expense of capital assets.

Total liabilities decreased \$1,320,908 mainly due to the net effect of one year's long-term debt payments.

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Table 2 shows changes in net position for fiscal year 2013 compared to the fiscal year 2012.

**Table 2
Changes in Net Position**

	June 30, 2013	June 30, 2012
Revenues		
Program Revenues:		
Charges for Services	\$ 202,231	\$ 217,735
Operating Grants and Contributions	4,435,417	4,009,677
General Revenues:		
Property Taxes	11,392,825	11,625,662
Unrestricted Federal, State and Local Aid	27,611,057	26,664,844
Restricted State Aid	722,141	689,518
Tuition	445,471	248,950
Other	<u>47,149</u>	<u>134,383</u>
Total Revenues	<u>\$ 44,856,291</u>	<u>\$ 43,590,769</u>
Program Expenses		
Instruction	\$ 22,771,985	\$ 22,052,954
Support Services:		
Tuition	2,770,487	2,443,259
Related Services	6,407,669	5,432,045
School Administrative Services	2,158,628	2,101,350
Other Administrative Services	1,149,903	1,860,812
Operations, and Maintenance of Facilities	4,386,444	4,589,609
Pupil Transportation	2,112,168	1,728,714
Business Services		
Special Schools	163,701	14,023
Interest on Debt	842,937	721,522
Other		
Food Service	<u>1,363,897</u>	<u>1,156,489</u>
Total Expenses	<u>44,127,819</u>	<u>42,100,777</u>
Increase (Decrease) in Net Position	<u>\$ 728,472</u>	<u>\$ 1,489,992</u>

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Program revenues include charges for services and operating grants and contributions. There is a \$425,740 increase in operating grants and contributions due to reclassification of local preschool contribution.

General revenues include property taxes, federal and state aids, and other revenues, with federal and state aids being the predominant source of revenue for the District. Federal and state aids increased \$946,213. This increase is due to a state funding increase.

Property taxes decreased \$232,837. The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the District budget and related tax levy.

Total expenses increased by \$2,027,042.

Governmental Activities

Property taxes made up 25 percent of revenues for governmental activities for the Lindenwold School District for fiscal year 2013. The District's total revenues were \$44,856,291 for the year ended June 30, 2013. Federal, State, and local funding accounted for another 62 percent of revenue.

The total cost of all programs and services was \$44,127,819. Instruction comprises 52 percent of District expenses.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and State reimbursements.

- Food service revenue exceeded expenses by \$40,868.
- Revenue from charges for services was \$202,231 which represents 14 percent of total revenue. This represents amounts paid by patrons for daily food service.
- Federal and State revenues for meals including payments for free and reduced lunches and breakfast and donated commodities was \$1,199,912.

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Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	Total Cost of Services 2013	Total Cost of Services 2012	Net Cost of Services 2013	Net Cost of Services 2012
Instruction	\$ 22,771,985	\$ 22,052,954	\$ 20,607,600	\$ 20,055,310
Support Services:				
Pupils and Instructional Staff	8,367,981	7,875,304	6,870,590	6,599,212
General Administration, School Administration, Business	4,118,706	3,962,162	4,118,706	3,962,162
Operation and Maintenance of Facilities	4,386,444	4,589,609	4,367,244	4,589,609
Pupil Transportation	2,112,168	1,728,714	2,112,168	1,728,714
Special Schools	163,701	14,023	163,701	14,023
Interest and Fiscal Charges	842,937	721,522	842,937	721,522
Total Expenses	\$ 42,763,922	\$ 40,944,288	\$ 39,082,946	\$ 37,670,552

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student including extra-curricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

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Operation and maintenance of facilities involved keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school as well as to and from school activities as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$43,451,526 and expenditures were \$43,066,297. The net increase in fund balance for the year was \$385,229.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General fund.

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

- TPAF, which is the State's contribution to the pension fund, is neither a revenue item nor an expenditure item to the District but is required to be reflected in the financial statements.
- Reallocation of budget line items to properly classify expenditures for the following categories; salary line items, tuition line items, facility line items, and transportation line items.

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Capital Assets

At the end of the fiscal year 2013, the School District had \$21,530,595 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2013 balances compared to 2012.

**Table 4
Capital Assets (Net of Depreciation) at June 30**

	<u>2013</u>	<u>2012</u>
Land	\$ 1,998,297	\$ 1,998,297
Construction in Progress	4,598	
Site improvements	890,612	991,176
Building and Building Improvements	16,983,467	17,647,586
Machinery and Equipment	<u>1,653,621</u>	1,556,183
Total	<u>\$ 21,530,595</u>	<u>\$ 22,193,242</u>

Overall capital assets decreased \$662,647 from fiscal year 2012 to fiscal year 2013. The decrease in capital assets is due to the net effect of the 2013 asset additions, depreciation expense, and write-offs for the year. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2013, the School District had \$15,031,302 of outstanding debt. Of this amount, \$776,302 is for compensated absences and \$14,255,000 of serial bonds for school construction.

**Table 5
Outstanding Bond Debt at June 30**

	<u>2013</u>	<u>2012</u>
July 30, 2003	\$ 640,000	\$ 780,000
January 11, 2007	<u>13,615,000</u>	<u>14,620,000</u>
Total	<u>\$ 14,255,000</u>	<u>\$ 15,400,000</u>

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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For the Future

The Lindenwold School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is continuing present service and program in the state of the economy that we are faced with today. Our district has implemented tax decreases for the past several budget years in an effort to take the burden off of the community as much as possible. However, the uncertainty of state and federal funding issues present us with a challenge in each year.

In conclusion, the Lindenwold School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges in the future.

Contacting the School District's Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Question concerning any of the information provided in this report or requests for additional financial information should be addressed to the Lindenwold School District Business Administrator, 801 Egg Harbor Road, Lindenwold, New Jersey, 08021, telephone number (856)-783-0276.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Board of Education of the Lindenwold Public Schools
Statement of Net Position
June 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents		\$ 406,236	\$ 406,236
Receivables, net	\$ 2,427,278	90,559	2,517,837
Inventory		10,662	10,662
Restricted Assets:			
Restricted Cash and Cash Equivalents			
Capital Reserve Account - Cash	1,849,737		1,849,737
Capital Assets, net (Note 6)	21,530,595	127,346	21,657,941
Total Assets	<u>25,807,610</u>	<u>634,803</u>	<u>26,442,413</u>
LIABILITIES:			
Accounts Payable	576,310	7,668	583,978
Interfund Payable		40,746	40,746
Unearned Revenue	530,555		530,555
Payable to Federal Government	58		58
Noncurrent Liabilities (Note 7):			
Due within One Year	1,390,955		1,390,955
Due beyond One Year	13,640,347		13,640,347
Total Liabilities	<u>16,138,225</u>	<u>48,414</u>	<u>16,186,639</u>
NET POSITION:			
Net Investment in Capital Assets	7,275,595	127,346	7,402,941
Restricted for:			
Debt Service	842		842
Other Purposes	3,953,816		3,953,816
Unrestricted (Deficit)	(1,560,868)	459,043	(1,101,825)
Total Net Position	<u>\$ 9,669,385</u>	<u>\$ 586,389</u>	<u>\$ 10,255,774</u>

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

Board of Education of the Lindenwold Public Schools
Statement of Activities
For the Fiscal Year Ended June 30, 2013

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 14,826,688		\$ 219,879	\$ (14,606,809)		\$ (14,606,809)
Special Education	3,870,092	\$ 445,471	14,519	(3,410,102)		(3,410,102)
Other Special Instruction	4,075,205		1,484,516	(2,590,689)		(2,590,689)
Support Services:						
Tuition	2,770,487		710,457	(2,060,030)		(2,060,030)
Student and Instruction Related Services	5,597,494		786,934	(4,810,560)		(4,810,560)
General Administrative Services	810,175			(810,175)		(810,175)
School Administrative Services	2,158,628			(2,158,628)		(2,158,628)
Central Services	728,578			(728,578)		(728,578)
Administrative Information Technology	421,325			(421,325)		(421,325)
Plant Operations and Maintenance	4,386,444		19,200	(4,367,244)		(4,367,244)
Pupil Transportation	2,112,168			(2,112,168)		(2,112,168)
Special Schools	163,701			(163,701)		(163,701)
Interest on Long-Term Debt	842,937			(842,937)		(842,937)
Total Governmental Activities	42,763,922	445,471	3,235,505	(39,082,946)		(39,082,946)
Business-Type Activities:						
Food Service	1,363,897	202,231	1,199,912		\$ 38,246	38,246
Total Business-Type Activities	1,363,897	202,231	1,199,912		38,246	38,246
Total Primary Government	\$ 44,127,819	\$ 647,702	\$ 4,435,417	(39,082,946)	38,246	(39,044,700)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				10,316,381		10,316,381
Taxes Levied for Debt Service				1,076,444		1,076,444
Federal, State and Local Aid Not Restricted				27,611,057		27,611,057
State Aid Restricted				722,141		722,141
Interest income				27,521	2,622	30,143
Miscellaneous Income				17,006		17,006
Total General Revenues, Special Items, Extraordinary Items and Transfers				39,770,550	2,622	39,773,172
Change in Net Position				687,604	40,868	728,472
Net Position -- July 1				8,981,781	545,521	9,527,302
Net Position -- June 30				\$ 9,669,385	\$ 586,389	\$ 10,255,774

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

FUND FINANCIAL STATEMENTS

Board of Education of the Lindenwold Public Schools

Balance Sheet
Governmental Funds
June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 1,848,895			\$ 842	\$ 1,849,737
Accounts Receivable					
State	320,496		\$ 644,125		964,621
Federal	2,037	\$ 1,320,516			1,322,553
Intergovernmental	85,567				85,567
Other	13,302				13,302
Interfund	1,533,531				1,533,531
Total Assets	\$ 3,803,828	\$ 1,320,516	\$ 644,125	\$ 842	\$ 5,769,311
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 561,294	\$ 15,016			\$ 576,310
Interfunds Payable		848,171	\$ 644,125		1,492,296
Payable to Federal Government		58			58
Unearned Revenue		530,555			530,555
Total Liabilities	561,294	1,393,800	644,125		2,599,219
Fund Balances:					
Restricted:					
Capital Reserve Account	2,487,645				2,487,645
Emergency Reserve	325,735				325,735
Excess Surplus--Designated for Subsequent Year's Expenditures	592,933				592,933
Excess Surplus	547,503				547,503
Debt Service				\$ 842	842
Assigned:					
Other Purposes	822,299				822,299
Unassigned	(1,533,581)	(73,284)			(1,606,865)
Total Fund Balances	3,242,534	(73,284)		842	3,170,092
Total Liabilities and Fund Balances	\$ 3,803,828	\$ 1,320,516	\$ 644,125	\$ 842	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$39,824,180 and the accumulated depreciation is \$18,293,585.

21,530,595

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

15,031,302

Net position of governmental activities

\$ 9,669,385

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

Board of Education of the Lindenwold Public Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 10,316,381			\$ 1,076,444	\$ 11,392,825
Interest	27,521				27,521
Tuition	445,471				445,471
Unrestricted Miscellaneous Revenues	17,006				17,006
State Sources	27,431,987	\$ 753,607		722,141	28,907,735
Federal Sources	179,070	2,481,898			2,660,968
Local Sources					
Total Revenues	<u>38,417,436</u>	<u>3,235,505</u>	<u>-</u>	<u>1,798,585</u>	<u>43,451,526</u>
EXPENDITURES:					
Current:					
Regular Instruction	10,085,895	185,992			10,271,887
Special Education Instruction	2,660,385	12,281			2,672,666
Other Special Instruction	1,558,260	1,536,876			3,095,136
Support Services and Undistributed Costs:					
Tuition	2,060,030	710,457			2,770,487
Student and Instruction Related Services	3,319,335	665,654			3,984,989
General Administrative Services	559,029				559,029
School Administrative Services	1,489,475				1,489,475
Central Services	728,578				728,578
Administrative Information Technology	421,325				421,325
Plant Operations and Maintenance	3,026,691				3,026,691
Pupil Transportation	1,457,417				1,457,417
Unallocated Benefits	9,643,735	437,420			10,081,155
Special Schools	163,701				163,701
Debt Service:					
Principal				1,145,000	1,145,000
Interest and Other Charges				652,743	652,743
Capital Outlay	526,818	19,200			546,018
Total Expenditures	<u>37,700,674</u>	<u>3,567,880</u>	<u>-</u>	<u>1,797,743</u>	<u>43,066,297</u>
Excess (Deficiency) of Revenues over Expenditures	<u>716,762</u>	<u>(332,375)</u>	<u>-</u>	<u>842</u>	<u>385,229</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	21,396	327,841			349,237
Operating Transfers Out	(327,841)		\$ (21,396)		(349,237)
Total Other Financing Sources (Uses)	<u>(306,445)</u>	<u>327,841</u>	<u>(21,396)</u>		<u>-</u>
Net Change in Fund Balances	410,317	(4,534)	(21,396)	842	385,229
Fund Balance -- July 1	2,832,217	(68,750)	21,396	-	2,784,863
Fund Balance -- June 30	<u>\$ 3,242,534</u>	<u>\$ (73,284)</u>	<u>\$ -</u>	<u>\$ 842</u>	<u>\$ 3,170,092</u>

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

Board of Education of the Lindenwold Public Schools
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2013

Total Net Change in Fund Balances - Governmental Funds	\$	385,229
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.</p>		
Depreciation Expense	\$	1,158,476
Capital Outlays not being depreciated		(50,189)
Capital Outlays		<u>546,018</u>
		(662,647)
Repayment of bond 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.		1,145,000
Bond issuance costs are reported in the governmental fund as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds. This is the current year amortization of these costs.		(190,194)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		<u>10,216</u>
Change in Net Position of Governmental Activities	\$	<u><u>687,604</u></u>

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

Board of Education of the Lindenwold Public Schools
Statement of Net Position
Proprietary Funds
June 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 406,236
Accounts Receivable:	
State	1,294
Federal	89,265
Inventories	<u>10,662</u>
Total Current Assets	<u>507,457</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	442,042
Less Accumulated Depreciation	<u>(314,696)</u>
Total Noncurrent Assets	<u>127,346</u>
Total Assets	<u>634,803</u>
LIABILITIES :	
Current Liabilities:	
Interfund Accounts Payable	40,746
Accounts Payable	<u>7,668</u>
Total Current Liabilities	<u>48,414</u>
NET POSITION:	
Net Investment in Capital Assets	127,346
Unrestricted	<u>459,043</u>
Total Net Position	<u>\$ 586,389</u>

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

Board of Education of the Lindenwold Public Schools
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 117,684
Daily Sales - Non-Reimbursable Programs	72,720
Special Functions	<u>11,827</u>
Total Operating Revenues	<u>202,231</u>
OPERATING EXPENSES:	
Salaries	400,821
Employee Benefits	104,317
Supplies and Materials	58,828
Cost of Sales	712,767
Management Fee	51,713
Repairs and Maintenance	14,566
Depreciation	<u>20,885</u>
Total Operating Expenses	<u>1,363,897</u>
Operating Income (Loss)	<u>(1,161,666)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	17,510
Federal Sources:	
Healthy Hunger Free Kids Program	17,940
Fresh Fruits & Vegetables Program	54,133
After School Snack Program	2,094
National School Lunch Program	796,355
School Breakfast Program	248,927
United States Department of Agriculture Commodities	62,953
Interest and Investment Revenue	<u>2,622</u>
Total Nonoperating Revenues	<u>1,202,534</u>
Change in Net Position	40,868
Total Net Position -- July 1	<u>545,521</u>
Total Net Position -- June 30	<u><u>\$ 586,389</u></u>

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

Board of Education of the Lindenwold Public Schools
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 202,231
Payments to Employees	(400,821)
Payments for Employee Benefits	(104,317)
Payments to Suppliers	<u>(735,197)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,038,104)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash Received from Federal and State Reimbursements	<u>1,090,122</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,090,122</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of Capital Assets	<u>(42,791)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(42,791)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	<u>2,622</u>
Net Cash Provided by (used for) Investing Activities	<u>2,622</u>
Net Increase (Decrease) in Cash and Cash Equivalents	11,849
Cash and Cash Equivalents -- July 1	<u>394,387</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 406,236</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (1,161,666)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	20,885
Federal Commodities	62,953
(Increase) Decrease in Inventories	(141)
Increase (Decrease) in Other Current Liabilities	<u>39,865</u>
Total Adjustments	<u>123,562</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (1,038,104)</u></u>

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

Board of Education of the Lindenwold Public Schools
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Trust Funds			Agency Funds		
	<u>Unemployment Compensation</u>	<u>Private Purpose</u>	<u>Total Trust Fund</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Fund</u>
ASSETS:						
Cash and Cash Equivalents	\$ 485,253	\$ 3,922	\$ 489,175	\$ 196,087	\$ 65,105	\$ 261,192
Total Assets	<u>485,253</u>	<u>3,922</u>	<u>489,175</u>	<u>196,087</u>	<u>65,105</u>	<u>261,192</u>
LIABILITIES:						
Payable to Student Groups				\$ 196,087		\$ 196,087
Payroll Deductions and Withholdings					\$ 64,615	64,615
Interfund Accounts Payable:						
Due General Fund					490	490
Total Liabilities				<u>\$ 196,087</u>	<u>\$ 65,105</u>	<u>\$ 261,192</u>
NET POSITION:						
Reserved	<u>485,253</u>	<u>3,922</u>	<u>489,175</u>			
Total Net Position	<u>\$ 485,253</u>	<u>\$ 3,922</u>	<u>\$ 489,175</u>			

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

Board of Education of the Lindenwold Public Schools
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2013

	Unemployment Compensation Trust	Private Purpose Scholarship Trust
ADDITIONS:		
Contributions:		
Employer Contribution	\$ 46,560	
Employee Withholdings		\$ 955
Donor Contribution		
Total Contributions	46,560	955
Investment Earnings:		
Interest	2,752	26
Net Investment Earnings	2,752	26
Total Additions	49,312	981
DEDUCTIONS:		
Unemployment Compensation		
Insurance Claims	35,610	
Scholarships Awarded		1,000
Total Deductions	35,610	1,000
Change in Net Position	13,702	(19)
Net Position -- July 1	471,551	3,941
Net Position -- June 30	\$ 485,253	\$ 3,922

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Reporting Entity

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades kindergarten - 12 at the School District's four schools. The School District has an approximate enrollment at June 30, 2013 of 2,413.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The government-wide financial statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

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

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

Governmental Funds - Governmental funds are those through which most School District functions are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related liabilities, except those accounted for in the proprietary fund and fiduciary funds, are accounted for through the government funds. The measurement focus is upon determination of changes in financial resources rather than upon determination of net income. The following are the School District's major governmental funds:

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

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

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

In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the 2010-2011 school year, through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2013 is considered to be attributable to Ed Jobs. Ed Jobs expenditures during the fiscal year ended June 30, 2013 are included as a component of overall general fund expenditures, and also are included in total general fund expenditures for purposes of the excess surplus calculation.

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

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

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

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

Proprietary Funds

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

The School District maintains the following enterprise funds:

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

Fiduciary Funds

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The School District maintains the following fiduciary funds:

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

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

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

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

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

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Modified Accrual

Under the modified accrual basis, revenues are recognized in the accounting period in which they become susceptible to accrual, i.e. both available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants, and interest on investments. The School District considers all revenues, with the exception of the expenditure-driven grants, as available if they are collected within sixty (60) days after fiscal year-end. The expenditure driven grants are considered available if received within one fiscal year from the balance sheet date. Property tax revenue is recognized when taxes are received, except at fiscal year end when revenue is recognized for taxes received by the School District within sixty (60) days subsequent to fiscal year end. Expenditures are recognized in the accounting period in which the liability is incurred. However, exceptions include the amount of unmatured principal and interest on general long-term debt, compensated absences, claims and judgments and certain prepaids which are recognized when due / paid.

In applying the susceptible to accrual concept to revenues from federal and state sources, the legal contractual requirements of the numerous individual programs are used as guidance. Revenue from grants and entitlements is recognized when all eligibility requirements have been satisfied. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before the School District will receive any amounts; therefore, revenues are recognized based on the occurrence of expenditures. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. In cases where monies are received and all eligibility requirements, including timing, have been satisfied, but the occurrence of expenditure has yet to happen, amounts are reported as unearned revenue. Conversely, where monies are received but eligibility requirements, including timing, have yet to be satisfied, such amounts are reported as deferred inflows of resources.

Accrual

Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred.

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

Property Taxes - Ad valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School 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. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Budgets / Budgetary Control

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Encumbrances - Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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

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

Cash, Cash Equivalents and Investments

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

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

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

Inventories

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

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

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

Tuition Receivable

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

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

Short-Term Interfund Receivables / Payables

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

Capital Assets

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buldings and Improvements	20-50 Years	N/A
Furniture and Equipment	5-15 Years	15 Years

Deferred Loss on Refunding of Debt

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

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2013 and 2012 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Unearned Revenue**

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

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2013, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

Bond Discounts / Premiums

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Net Position**

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

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

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

Interfund Activity

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

Accounting Estimates

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

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

In November 2010, the GASB issued Statement 60, Accounting and Financial Reporting for Service Concession Arrangements. GASBS 60 provides financial reporting guidance for service concession arrangements (SCAs). SCAs are defined as an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement is effective for periods beginning after December 15, 2011. The School District does not have any SCAs and therefore the adoption of GASBS 60 does not have any impact on the School District's financial statements.

In November 2010, the GASB issued Statement 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34. GASBS 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. This Statement is effective for periods beginning after June 15, 2012. The School District elected to early implement GASBS 61 effective for fiscal year 2013. The adoption of GASBS 61, however, does not have any impact on the School District's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued and Adopted Accounting Pronouncements (Cont'd)**

In December 2010, the GASB issued Statement 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. GASBS 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011. The adoption of GASBS 62 does not have any impact on the School District's financial statements.

In June 2011, the GASB issued Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASBS 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources. This Statement is effective for financial statements for periods beginning after December 15, 2011. The adoption of GASBS 63, however, does not have a material impact on the School District's financial statements.

In March 2012, the GASB issued Statement 65, Items Previously Reported as Assets and Liabilities. GASBS 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012. The School District elected to early implement GASBS 65 effective for fiscal year 2013. The adoption of GASBS 65 did not materially affect the classification of several balances on the statement of net position.

Recently Issued Accounting Pronouncements

In March 2012, the GASB issued Statement 66, Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62. GASBS 66 is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statements No. 13, Accounting for Operating Leases with Scheduled Rent Increases, regarding the reporting of certain operating lease transactions, and No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. This Statement is effective for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

In June 2012, the GASB issued Statement 67, Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25. GASBS 67 is to improve the usefulness of pension information included in the general purpose external financial reports (financial reports) of state and local governmental pension plans for making decisions and assessing accountability. This Statement is effective for periods beginning after June 15, 2013. The School District does not administer any state or local pension plans; therefore, the adoption of GASBS 67 will not have any impact on the School District's financial statements.

In June 2012, the GASB issued Statement 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27. GASBS 68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. In addition, this Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for periods beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements and expects the impact to be material.

In January 2013, the GASB issued Statement 69, Government Combinations and Disposals of Government Operations. GASBS 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

In April 2013, the GASB issued Statement 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. GASBS 70 is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This Statement is effective for periods beginning after June 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2013, the School District's bank balance of \$4,445,775 was exposed to custodial credit risk as follows:

Insured	\$ 963,223
Collateralized under GUDPA	2,963,815
Uninsured/Uncollateralized	<u>518,737</u>
	<u>\$ 4,445,775</u>

Note 3: CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning balance July 1, 2012	\$ 1,882,643
Deposits	605,002
Withdrawals	<u>-</u>
Ending balance June 30, 2013	<u>\$ 2,487,645</u>

The June 30, 2013 LRFP balance of local support costs of uncompleted projects at June 30, 2013 is \$28,806,853.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivables at June 30, 2013 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Enterprise Funds</u>	<u>Total</u>
Intergovernmental	\$ 421,402	\$ 1,320,516	\$ 644,125	\$ 90,559	\$ 2,476,602
Total	<u>\$ 421,402</u>	<u>\$ 1,320,516</u>	<u>\$ 644,125</u>	<u>\$ 90,559</u>	<u>\$ 2,476,602</u>

Note 5: INVENTORY

Inventory in the Food Service Fund at June 30, 2013 consisted of the following:

Food	\$ 7,757
Supplies	<u>2,905</u>
	<u>\$ 10,662</u>

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,998,297			\$ 1,998,297
Construction in Progress		\$ 4,598		4,598
Total Capital Assets, not being Depreciated	<u>1,998,297</u>	<u>4,598</u>	<u>-</u>	<u>2,002,895</u>
Capital Assets, being Depreciated:				
Site Improvements	2,462,165	16,500		2,478,665
Building and Improvements	29,487,713	38,190		29,525,903
Equipment	5,380,176	436,541		5,816,717
Total Capital Assets, being Depreciated	<u>37,330,054</u>	<u>491,231</u>	<u>-</u>	<u>37,821,285</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,470,989)	(117,064)		(1,588,053)
Building and Improvements	(11,840,127)	(702,309)		(12,542,436)
Equipment	(3,823,993)	(339,103)		(4,163,096)
Total Accumulated Depreciation	<u>(17,135,109)</u>	<u>(1,158,476)</u>	<u>-</u>	<u>(18,293,585)</u>
Total Capital Assets, being Depreciated, Net	<u>20,194,945</u>	<u>(667,245)</u>	<u>-</u>	<u>19,527,700</u>
Governmental Activities Capital Assets, Net	<u>\$ 22,193,242</u>	<u>\$ (662,647)</u>	<u>\$ -</u>	<u>\$ 21,530,595</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Construction in Progress		\$ 15,544		\$ 15,544
Equipment	\$ 399,251	27,247		426,498
Less Accumulated Depreciation for:				
Equipment	(293,811)	(20,885)		(314,696)
Total Business-Type Activities Capital Assets, Net	<u>\$ 105,440</u>	<u>\$ 21,906</u>	<u>\$ -</u>	<u>\$ 127,346</u>

Note 6: CAPITAL ASSETS (CONT'D)

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

Governmental Activities:

Instruction	\$ 686,005
Student & Instruction Related Services	159,186
General and Business Administrative Services	98,240
Plant Operations and Maintenance	145,151
Pupil Transportation	<u>69,894</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,158,476</u>

Note 7: LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2013, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2013</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 15,400,000		\$ (1,145,000)	\$ 14,255,000	\$ 1,155,000
Compensated Absences	<u>786,518</u>	<u>\$ 104,819</u>	<u>(115,035)</u>	<u>776,302</u>	<u>235,955</u>
Governmental Activity Long-term Liabilities	<u>\$ 16,186,518</u>	<u>\$ 104,819</u>	<u>\$ (1,260,035)</u>	<u>\$ 15,031,302</u>	<u>\$ 1,390,955</u>

The bonds payable and obligations under capital lease are generally liquidated by the debt service fund, while claims and judgment, compensated absences, pension deferral, and postemployment benefits are liquidated by the general fund.

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

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Amount</u>
2003	\$ 1,515,000	2013 to 2020	5.35%	\$ 640,000
2005	17,945,000	2014 to 2025	2.75-5.00%	<u>13,615,000</u>
				<u>\$ 14,255,000</u>

Note 7: LONG-TERM OBLIGATIONS (CONT'D)**Bonds Payable (Cont'd)**

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,155,000	\$ 600,023	\$ 1,755,023
2015	1,210,000	541,004	1,751,004
2016	1,245,000	491,714	1,736,714
2017	1,165,000	443,988	1,608,988
2018	1,200,000	393,700	1,593,700
2019-23	5,940,000	1,255,213	7,195,213
2024-25	2,340,000	153,344	2,493,344
	<u>\$ 14,255,000</u>	<u>\$ 3,878,986</u>	<u>\$ 18,133,986</u>

Bonds Authorized But Not Issued - As of June 30, 2013, the School District had no authorized but not issued bonds.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

Note 8: LEASES

Lease Obligations - At June 30, 2013, the School District had operating lease agreements in effect for copy machines and postage machines. The present value of the future minimum rental payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 110,093
2015	60,686
2016	11,278
2017	10,776
2018	3,915
	<u>\$ 196,748</u>

Rental payments under operating leases for the fiscal year ended June 30, 2013 were \$115,221.

Note 9: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the district has been required over several preceding fiscal years.

Public Employees' Retirement System - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Note 9: PENSION PLANS (CONT'D)

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Contribution</u>	<u>Liability</u>	<u>Liability</u>	<u>State</u>	<u>District</u>
2013	\$ 94,471	\$ 225,882	\$ 320,353		\$ 320,353
2012	98,824	197,647	296,471		296,471
2011	114,334	182,184	296,518		296,518

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2013	\$ 2,961	\$ 2,961
2012	1,456	1,456
2011	-	-

Note 10: STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees receiving postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

Note 10: STATE POST-RETIREMENT MEDICAL BENEFITS (CONT'D)

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2013, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$1,087,174 and \$1,229,319, respectively.

Note 12: RISK MANAGEMENT

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

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013		\$ 46,561	\$ 35,610	\$ 485,253
2012	\$ 135,049	48,172	97,195	471,551
2011	177,498	36,216	163,578	382,108

Joint Insurance Pool - The School District is a member of the Atlantic and Cape May Counties Association of School Business Officials Joint Insurance Fund. The Fund provides its members with the following coverage:

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

Note 12: RISK MANAGEMENT (CONT'D)

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

The Fund publishes its own financial report for the fiscal year ended June 30, 2013, which can be obtained from:

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

Note 13: DEFERRED COMPENSATION

The School District offers its employees a choice of (5) deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by a third party administrator, OMNI Group, Inc., permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan choices are as follows:

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

Note 14: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2013, the liability for compensated absences reported on the government-wide statement of net position was \$776,302.

Note 15: INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2013 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 1,533,531	
Special Revenue		\$ 848,170
Capital Projects		644,125
Enterprise		40,746
Fiduciary		490
	<u>\$ 1,533,531</u>	<u>\$ 1,533,531</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2014, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 16: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$1,533,581 in the General Fund and \$73,284 in the Special Revenue Fund as of June 30, 2013 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$1,606,865 is less than the last state aid payments.

Note 17: DEFICIT NET POSITION

As reflected on exhibit A-1, statement of net position, an unrestricted deficit of \$1,560,868 exists for the governmental activities. In addition to the delay in the payment of state aid until the following fiscal year another cause of the deficit is a result of the recording of accrued interest and compensated absences. In accordance with the rules and regulations that govern the School District in the formulation of their annual budget (see note 1), accrued interest and compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are funded in the period in which such services are rendered or in which such events take place; however, in accordance with full accrual accounting, which is the basis of accounting for exhibit A-1, statement of net position, such liabilities are required to be recorded in the period in which they are incurred.

Note 18: FUND BALANCES**RESTRICTED**

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

General Fund -

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to 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 at June 30, 2013 is \$1,140,436. Additionally, \$547,503 of excess fund balance generated during 2011-2012 has been restricted and designated for utilization in the 2013-2014 budget.

For Capital Reserve Account - As of June 30, 2013, the balance in the capital reserve account is \$2,487,645. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Emergency Reserve - As of June 30, 2013, the balance in the emergency reserve is \$325,735. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the reserve is not permitted to exceed \$250,000, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

Debt Service Fund - As of June 30, 2013 the Debt Service Fund had \$842 of restricted fund balance which has been designated for utilization in the 2013-2014 budget.

ASSIGNED

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

General Fund -

Other Purposes - As of June 30, 2013, the School District had \$822,299 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2013, \$(1,533,581) of general fund balance was unassigned.

Note 18: FUND BALANCES (CONT'D)**UNASSIGNED (CONT'D)**

Special Revenue Fund - As of June 30, 2013, the fund balance of the special revenue fund was a deficit of \$73,284, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in Note 22, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$73,284 is less than the last state aid payment.

Note 19: LITIGATION

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

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

Board of Education of the Lindenwold Public Schools
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 10,316,382		\$ 10,316,382	\$ 10,316,381	\$ (1)
Interest Earned on Capital Reserve Fund	5,000		5,000	5,002	2
Interest	35,000		35,000	22,519	(12,481)
Tuition	9,000	\$ 63,734	72,734	445,471	372,737
Unrestricted Misc. Revenues	14,999	-	14,999	17,006	2,007
Total - Local Sources	<u>10,380,381</u>	<u>63,734</u>	<u>10,444,115</u>	<u>10,806,379</u>	<u>362,264</u>
State Sources:					
Equalization Aid	21,951,796	-	21,951,796	21,951,796	-
Categorical Transportation Aid	130,801	-	130,801	130,801	-
Categorical Security Aid	376,100	-	376,100	376,100	-
Categorical Special Education Aid	1,221,193	-	1,221,193	1,221,193	-
Extraordinary Aid	80,000	-	80,000	144,122	64,122
Nonpublic Transportation Aid	-	-	-	14,616	14,616
School Choice Aid	115,336	-	115,336	115,336	-
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)	-	-	-	1,087,174	1,087,174
On-Behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)	-	-	-	1,229,319	1,229,319
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)	-	-	-	1,250,347	1,250,347
Total - State Sources	<u>23,875,226</u>	<u>-</u>	<u>23,875,226</u>	<u>27,520,804</u>	<u>3,645,578</u>
Federal Sources:					
Education Jobs Fund (ARRA EJJ)		2,037	2,037	2,037	-
Medicaid Reimbursement	64,822	-	64,822	177,033	112,211
Total - Federal Sources	<u>64,822</u>	<u>2,037</u>	<u>66,859</u>	<u>179,070</u>	<u>112,211</u>
Total Revenues	<u>34,320,429</u>	<u>65,771</u>	<u>34,386,200</u>	<u>38,506,253</u>	<u>4,120,053</u>

(Continued)

Board of Education of the Lindenwold Public Schools
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 621,309	\$ (150,475)	\$ 470,834	\$ 470,834	
Grades 1-5	2,730,538	(95,007)	2,635,531	2,630,578	\$ 4,953
Grades 6-8	2,801,821	(57,233)	2,744,588	2,741,869	2,719
Grades 9-12	2,801,616	(75,894)	2,725,722	2,709,905	15,817
Regular Programs - Home Instruction:					
Salaries of Teachers	12,000	22,223	34,223	34,223	-
Purchased Professional/Educational Services	25,000	(2,722)	22,278	22,278	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	93,881	48,251	142,132	142,132	-
Purchased Professional/Educational Services	328,740	92,483	421,223	417,784	3,439
Other Purchased Services	60,000	-	60,000	59,419	581
General Supplies	590,712	404,283	994,995	741,075	253,920
Textbooks	95,055	53,761	148,816	115,798	33,018
Total Regular Programs	<u>10,160,672</u>	<u>239,670</u>	<u>10,400,342</u>	<u>10,085,895</u>	<u>314,447</u>
Special Education - Instruction:					
Learning and Language Disabled:					
Salaries of Teachers	214,739	(24,793)	189,946	179,339	10,607
Other Salaries for Instruction	48,239	(10,000)	38,239	37,685	554
General Supplies	2,500	-	2,500	-	2,500
Total Learning and Language Disabled	<u>265,478</u>	<u>(34,793)</u>	<u>230,685</u>	<u>217,024</u>	<u>13,661</u>
Visual Impairments					
Purchased Professional/Educational Services	15,000	-	15,000	11,614	3,386
Total Visual Impairments	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>11,614</u>	<u>3,386</u>
Behavioral Disabilities					
Salaries of Teacher	108,864	(55,000)	53,864	52,348	1,516
Other Salaries for Instruction	44,639	-	44,639	44,580	59
Purchased Professional/Educational Services	-	8,697	8,697	4,832	3,865
Other Purchased Services	1,000	-	1,000	-	1,000
General Supplies	1,000	18,353	19,353	18,567	786
Total Behavioral Disabilities	<u>155,503</u>	<u>(27,950)</u>	<u>127,553</u>	<u>120,327</u>	<u>7,226</u>
Multiple Disabilities					
Salaries of Teacher	334,722	109,356	444,078	444,078	-
Other Salaries for Instruction	146,252	20,386	166,638	166,638	-
Purchased Professional/Educational Services	500	(117)	383	-	383
General Supplies	22,499	5,920	28,419	28,107	312
Total Multiple Disabilities	<u>503,973</u>	<u>135,545</u>	<u>639,518</u>	<u>638,823</u>	<u>695</u>
Resource Room/ Resource Center					
Salaries of Teachers	1,503,818	(30,838)	1,472,980	1,472,980	-
Other Salaries for Instruction	50,398	(15,213)	35,185	35,185	-
General Supplies	5,000	(124)	4,876	-	4,876
Total Resource Room/ Resource Center	<u>1,559,216</u>	<u>(46,175)</u>	<u>1,513,041</u>	<u>1,508,165</u>	<u>4,876</u>

(Continued)

Board of Education of the Lindenwold Public Schools
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

EXPENDITURES (CONT'D):	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd):					
Preschool Disabilities - Full Time					
Salaries of Teachers	\$ 79,971	\$ (668)	\$ 79,303	\$ 79,303	
Other Salaries for Instruction	48,957	1,945	50,902	38,278	\$ 12,624
General Supplies	2,000	447	2,447	538	1,909
Total Preschool Disabilities - Full Time	<u>130,928</u>	<u>1,724</u>	<u>132,652</u>	<u>118,119</u>	<u>14,533</u>
Home Instruction					
Salaries of Teachers	15,000	-	15,000	12,080	2,920
Purchased Professional - Educational Services	20,000	15,300	35,300	34,233	1,067
Total Home Instruction	<u>35,000</u>	<u>15,300</u>	<u>50,300</u>	<u>46,313</u>	<u>3,987</u>
Total Special Education - Instruction	<u>2,665,098</u>	<u>43,651</u>	<u>2,708,749</u>	<u>2,660,385</u>	<u>48,364</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	418,180	(110,225)	307,955	307,955	-
Other Salaries for Instruction	22,475	1,422	23,897	23,897	-
General Supplies	5,000	(5,000)	-	-	-
Total Basic Skills/ Remedial - Instruction	<u>445,655</u>	<u>(113,803)</u>	<u>331,852</u>	<u>331,852</u>	<u>-</u>
Bilingual Education - Instruction					
Salaries of Teachers	192,837	399,237	592,074	550,239	41,835
Total Bilingual Education - Instruction	<u>192,837</u>	<u>399,237</u>	<u>592,074</u>	<u>550,239</u>	<u>41,835</u>
School Sponsored Cocurricular Activities - Instruction					
Salaries of Teachers	133,360	-	133,360	131,616	1,744
Purchased Services	31,700	2,214	33,914	24,992	8,922
Supplies and Materials	46,350	-	46,350	33,146	13,204
Other Objects	13,080	(274)	12,806	2,241	10,565
Total School Sponsored Cocurricular Activities - Instruction	<u>224,490</u>	<u>1,940</u>	<u>226,430</u>	<u>191,995</u>	<u>34,435</u>
School Sponsored Athletics - Instruction					
Salaries	321,317	25,000	346,317	339,874	6,443
Purchased Services	71,987	(6,716)	65,271	55,748	9,523
Supplies & Materials	50,550	22,726	73,276	55,600	17,676
Other Objects	50,800	(14,679)	36,121	32,952	3,169
Total School Sponsored Athletics - Instruction	<u>494,654</u>	<u>26,331</u>	<u>520,985</u>	<u>484,174</u>	<u>36,811</u>
Total Instruction	<u>14,183,406</u>	<u>597,026</u>	<u>14,780,432</u>	<u>14,304,540</u>	<u>475,892</u>

(Continued)

Board of Education of the Lindenwold Public Schools
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

EXPENDITURES (CONT'D):	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	\$ 39,000	\$ 227,086	\$ 266,086	\$ 229,876	\$ 36,210
Tuition to Other LEA's Within State - Special	50,000	(50,000)	-	-	-
Tuition to CSSD - Regular	179,800	7,955	187,755	187,755	-
Tuition to CSSD and Regional Day Schools	870,281	(234,764)	635,517	629,086	6,431
Tuition to Private Schools for the Disabled - Within State	801,752	(12,028)	789,724	773,420	16,304
Tuition - State Facilities	235,893	-	235,893	235,893	-
Tuition - Other	-	8,000	8,000	4,000	4,000
Total Undistributed Expenditures - Instruction	<u>2,176,726</u>	<u>(53,751)</u>	<u>2,122,975</u>	<u>2,060,030</u>	<u>62,945</u>
Undistributed Expenditures - Health Services:					
Salaries	233,445	(16,693)	216,752	216,340	412
Purchased Professional and Technical Services	150	9,576	9,726	9,714	12
Supplies and Materials	10,675	5,853	16,528	9,489	7,039
Other Objects	50	(50)	-	-	-
Total Undistributed Expenditures - Health Services	<u>244,320</u>	<u>(1,314)</u>	<u>243,006</u>	<u>235,543</u>	<u>7,463</u>
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	259,103	(48,149)	210,954	210,524	430
Supplies and Materials	2,000	-	2,000	-	2,000
Total Undistributed Expenditures - Other Support Services - Students - Related Services	<u>261,103</u>	<u>(48,149)</u>	<u>212,954</u>	<u>210,524</u>	<u>2,430</u>
Undistributed Expenditures - Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	434,138	38,567	472,705	472,705	-
Purchased Professional - Educational Services	1,000	2,169	3,169	3,169	-
Other Purchased Services	600	(600)	-	-	-
Supplies and Materials	15,578	(1,022)	14,556	14,001	555
Other Objects	1,335	(115)	1,220	375	845
Total Undistributed Expenditures - Other Support Services - Students - Regular	<u>452,651</u>	<u>38,999</u>	<u>491,650</u>	<u>490,250</u>	<u>1,400</u>
Undistributed Expenditures - Other Support Services - Students - Special:					
Salaries of Other Professional Staff	887,893	(47,795)	840,098	840,098	-
Salaries of Secretarial and Clerical Assistants	177,105	3,546	180,651	180,651	-
Other Purchased Professional and Technical Services	300,752	(35,401)	265,351	253,172	12,179
Miscellaneous Purchased Services	10,000	(185)	9,815	8,625	1,190
Supplies & Materials	15,500	-	15,500	7,740	7,760
Total Undistributed Expenditures - Other Support Services - Students - Special:	<u>1,391,250</u>	<u>(79,835)</u>	<u>1,311,415</u>	<u>1,290,286</u>	<u>21,129</u>

(Continued)

Board of Education of the Lindenwold Public Schools
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

EXPENDITURES (CONT'D):	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd):					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	\$ 736,627	\$ (11,446)	\$ 725,181	\$ 724,941	\$ 240
Purchased Professional and Educational Services	15,000	(8,340)	6,660	4,500	2,160
Supplies and Materials	500	-	500	-	500
Total Undistributed Expenditures - Improvement of Instruction Services	752,127	(19,786)	732,341	729,441	2,900
Undistributed Expend. - Educational Media Services / Sch Library:					
Salaries	294,792	-	294,792	292,862	1,930
Purchased Professional and Technical Services	1,500	-	1,500	-	1,500
Other Purchased Services	4,855	-	4,855	-	4,855
Supplies and Materials	71,468	(1,516)	69,952	54,792	15,160
Total Undistributed Expend. - Educational Media Services / Sch Library	372,615	(1,516)	371,099	347,654	23,445
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	-	3,000	3,000	840	2,160
Purchased Professional - Educational Services	25,000	(3,000)	22,000	14,797	7,203
Other Purchased Services	6,425	-	6,425	-	6,425
Total Undistributed Expenditures - Instructional Staff Training Services:	31,425	(3,000)	31,425	15,637	15,788
Undistributed Expenditures - Support Services - General Administration:					
Salaries	303,701	22,338	326,039	325,003	1,036
Legal Services	45,000	(5,838)	39,162	24,636	14,526
Audit Fees	25,000	-	25,000	22,950	2,050
Other Purchased Professional Services	35,000	118,340	153,340	138,475	14,865
Purchased Professional and Technical Services	2,500	-	2,500	600	1,900
Communications / Telephone	100,000	(69,840)	30,160	17,034	13,126
Miscellaneous Purchased Services	5,000	-	5,000	1,062	3,938
General Supplies	75,000	(65,000)	10,000	4,072	5,928
Miscellaneous Expenditures	15,000	-	15,000	13,481	1,519
BOE Membership Dues and Fees	15,000	-	15,000	11,716	3,284
Total Undistributed Expenditures - Support Services - General Admin	621,201	-	621,201	559,029	62,172
Undistributed Expenditures - Support Services - School Admin:					
Salaries of Principals / Assistant Principals	773,499	500	773,999	771,862	2,137
Salaries of Secretarial and Clerical Assistants	581,756	(500)	581,256	561,003	20,253
Purchased Professional and Technical Services	76,000	(8,250)	67,750	67,750	-
Other Purchased Services	28,950	6,743	35,693	28,500	7,193
Supplies and Materials	85,000	7,962	92,962	39,044	53,918
Other Objects	27,630	29	27,659	21,316	6,343
Total Undistributed Expenditures - Support Services - School Admin.	1,572,835	6,484	1,579,319	1,489,475	89,844

(Continued)

Board of Education of the Lindenwold Public Schools
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

EXPENDITURES (CONT'D):	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd):					
Undistributed Expenditures - Central Services					
Salaries	\$ 407,157	\$ (20,858)	\$ 386,299	\$ 370,962	\$ 15,337
Purchased Professional Services	100,000	(5,960)	94,040	79,857	14,183
Purchased Technical Services	50,000	1,596	51,596	39,757	11,839
Miscellaneous Purchased Services	225,000	19,077	244,077	225,974	18,103
Supplies and Materials	12,000	1,306	13,306	6,736	6,570
Miscellaneous Expenditures	9,000	499	9,499	5,292	4,207
Total Undistributed Expenditures - Central Services	<u>803,157</u>	<u>(4,340)</u>	<u>798,817</u>	<u>728,578</u>	<u>70,239</u>
Undistributed Expenditures - Admin. Info. Technology					
Salaries	229,989	10,585	240,574	223,878	16,696
Purchased Technical Services	135,000	9,035	144,035	51,944	92,091
Supplies and Materials	175,000	32,925	207,925	145,503	62,422
Total Undistributed Expenditures - Admin. Info. Technology	<u>539,989</u>	<u>52,545</u>	<u>592,534</u>	<u>421,325</u>	<u>171,209</u>
Undistributed Expenditures - Required Maintenance for Sch Facilities:					
Cleaning, Repair and Maintenance Services	179,000	112,647	291,647	252,612	39,035
General Supplies	45,000	(7,752)	37,248	12,417	24,831
Other Objects	27,500	(12,500)	15,000	-	15,000
Total Undistributed Expenditures - Required Maintenance for Sch Facilities	<u>251,500</u>	<u>92,395</u>	<u>343,895</u>	<u>265,029</u>	<u>78,866</u>
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	1,437,354	(29,420)	1,407,934	1,407,934	-
Cleaning, Repair, and Maintenance of Plant Services	293,491	(129,550)	163,941	146,726	17,215
Other Purchased Property Services	35,000	951	35,951	35,951	-
Insurance	255,895	(47,835)	208,060	207,032	1,028
General Supplies	258,846	43,133	301,979	278,420	23,559
Energy (Natural Gas)	400,000	(180,000)	220,000	217,764	2,236
Energy (Electricity)	700,000	(218,568)	481,432	464,076	17,356
Other Objects	5,000	-	5,000	3,759	1,241
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	<u>3,385,586</u>	<u>(561,289)</u>	<u>2,824,297</u>	<u>2,761,662</u>	<u>62,635</u>
Total Operation and Maintenance of Plant Services	<u>3,637,086</u>	<u>(468,894)</u>	<u>3,168,192</u>	<u>3,026,691</u>	<u>141,501</u>
Student Transportation Services:					
Contracted Services - Aid in Lieu - Non Public School	-	41,813	41,813	40,134	1,679
Contracted Services - Aid in Lieu - Charter School	-	14,370	14,370	14,370	-
Contracted Services - (Home and School) - Vendors	668,813	255,358	924,171	906,144	18,027
Contracted Services - (Not Home and School) - Vendors	149,549	(62,070)	87,479	58,130	29,349
Contracted Services - (Special Education Students) - Vendors	36,577	(9,956)	26,621	23,031	3,590
Contracted Services (Regular Education Students) - ESC's	172,200	(52,500)	119,700	119,421	279
Contracted Services (Special Education Students) - ESC's	267,750	28,501	296,251	295,404	847
Miscellaneous Purchased Services - Transportation	1,000	-	1,000	-	1,000
General Supplies	-	1,000	1,000	783	217
Total Student Transportation Services	<u>1,295,889</u>	<u>216,516</u>	<u>1,512,405</u>	<u>1,457,417</u>	<u>54,988</u>

(Continued)

Board of Education of the Lindenwold Public Schools
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Unallocated Benefits:					
Social Security Contributions	\$ 385,000	\$ (9,764)	\$ 375,236	\$ 374,903	\$ 333
Pension Contributions - Normal	388,288	(48,869)	339,419	339,419	-
DCRP Pension Contributions	1,500	1,461	2,961	2,961	-
Health Benefits	4,898,473	47,798	4,946,271	4,946,271	-
Tuition Reimbursement	40,000	778	40,778	40,778	-
Other Employee Benefits	446,000	(73,041)	372,959	372,563	396
Total Unallocated Benefits	6,159,261	(81,637)	6,077,624	6,076,895	729
On-behalf T.P.A.F. Pension Contributions (non-budgeted)		-		1,087,174	(1,087,174)
On-behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)		-		1,229,319	(1,229,319)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)		-		1,250,347	(1,250,347)
Total On-behalf Contributions	-	-	-	3,566,840	(3,566,840)
Total Undistributed Expenditures	20,311,635	(447,678)	19,866,957	22,705,615	(2,838,658)
Total Current Expense	34,495,041	149,348	34,647,389	37,010,155	(2,362,766)
Capital Outlay:					
Capital Reserve:					
Interest Deposit to Capital Reserve:	5,000	-	5,000	-	5,000
Total Capital Reserve:	5,000	-	5,000	-	5,000
Equipment:					
Regular Programs - Instruction	10,000	(10,000)	-	-	-
Grades 9-12	-	281,906	281,906	74,338	207,568
School Sponsored Instruction - Athletic Equipment	-	10,703	10,703	-	10,703
Support Services - Students Special	5,000	(5,000)	-	-	-
Undistributed Expenditures:					
Support Serv. - Students - Special	-	8,663	8,663	8,663	-
Admin. Info. Technology	-	118,592	118,592	117,827	765
Operation of Plant and Equipment	-	48,241	48,241	48,241	-
Custodial Services	20,000	34,522	54,522	54,522	-
Student Transportation Services	-	54,635	54,635	-	54,635
Total Equipment	35,000	487,627	577,262	303,591	273,671
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	5,000	(366)	4,634	3,720	914
Construction Services	-	207,756	207,756	207,023	733
Land and Improvements	-	52,600	52,600	-	52,600
Assessment for Debt Service	12,484	-	12,484	12,484	-
Total Facilities Acquisition and Construction Services	17,484	259,990	277,474	223,227	54,247
Total Capital Outlay	57,484	747,617	859,736	526,818	332,918

(Continued)

Board of Education of the Lindenwold Public Schools
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Special Schools:					
Summer School - Instruction:					
Salaries of Teachers	-	-	-	\$ (5,435)	\$ 5,435
Personal Services - Employee Benefits	-	-	-	-	-
Total Summer School - Instruction	-	-	-	(5,435)	5,435
Transfer of Funds to Charter School	\$ 40,000	\$ 129,136	\$ 169,136	169,136	-
Total Expenditures	<u>34,592,525</u>	<u>1,026,101</u>	<u>35,676,261</u>	<u>37,700,674</u>	<u>(2,024,413)</u>
Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(272,096)</u>	<u>(960,330)</u>	<u>(1,290,061)</u>	<u>805,579</u>	<u>2,095,640</u>
Other Financing Sources (Uses):					
Local Contribution - Transfer to Special Revenue Fund	(302,928)	(24,913)	(327,841)	(327,841)	-
Transfer from Capital Projects	-	-	-	21,396	(21,396)
Total Other Financing Sources (Uses)	<u>(302,928)</u>	<u>(24,913)</u>	<u>(327,841)</u>	<u>(306,445)</u>	<u>(21,396)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(575,024)	(935,417)	(1,510,441)	499,134	2,009,575
Fund Balances, July 1	5,044,952	-	5,044,952	5,044,952	-
Fund Balances, June 30	<u>\$ 4,469,928</u>	<u>\$ (935,417)</u>	<u>\$ 3,534,511</u>	<u>\$ 5,544,086</u>	<u>\$ 2,009,575</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 2,487,645	
Emergency Reserve				325,735	
Excess Surplus				547,503	
Excess Surplus--Designated for Subsequent Year's Expenditures				592,933	
Assigned:					
Year-End Encumbrances				822,299	
Unassigned				767,971	
				<u>5,544,086</u>	
Reconciliation to Governmental Funds Statements(GAAP):					
Last 12-13 State Aid Payment Not Recognized on GAAP Basis				(2,301,552)	
				<u>\$ 3,242,534</u>	

Board of Education of the Lindenwold Public Schools
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund - Education Jobs Fund
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Federal Sources					
Education Jobs Fund (ARRA EJF)	\$ 2,037	\$ -	\$ 2,037	\$ 2,037	\$ -
EXPENDITURES:					
Current Expense					
Unallocated Benefits					
Health Benefits	2,037	-	2,037	2,037	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

Board of Education of the Lindenwold Public Schools
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
State Sources:					
Preschool Program Aid	\$ 699,480	\$ 60,626	\$ 760,106	\$ 760,106	\$ -
Total - State Sources	<u>699,480</u>	<u>60,626</u>	<u>760,106</u>	<u>760,106</u>	<u>-</u>
Federal Sources:					
Title I	908,636	706,593	1,615,229	1,392,436	(222,793)
Title I SIA	-	4,143	4,143	4,143	-
Title IIA	66,066	20,429	86,495	86,081	(414)
Title III	26,715	114,469	141,184	122,654	(18,530)
I.D.E.I.A., Part B	510,417	282,947	793,364	700,891	(92,473)
I.D.E.I.A., Part B, Preschool	-	21,685	21,685	9,566	(12,119)
Include	-	16,587	16,587	16,587	-
Race to the Top	-	102,863	102,863	100,863	(2,000)
Total - Federal Sources	<u>1,511,834</u>	<u>1,269,716</u>	<u>2,781,550</u>	<u>2,433,221</u>	<u>(348,329)</u>
Total Revenues	<u>2,211,314</u>	<u>1,330,342</u>	<u>3,541,656</u>	<u>3,193,327</u>	<u>(348,329)</u>

(Continued)

Board of Education of the Lindenwold Public Schools
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 1,382,104	\$ 220,889	\$ 1,602,993	\$ 1,484,133	\$ 118,860
Other Salaries for Instruction	139,303	7,248	146,551	146,551	-
Purchased Professional and Educational Services	26,000		26,000	26,000	-
Purchased Professional and Technical Services	-	45,490	45,490	41,283	4,207
General Supplies	10,000	249,808	259,808	243,778	16,030
Tuition	510,417	339,084	849,501	710,457	139,044
Total Instruction	<u>2,067,824</u>	<u>862,519</u>	<u>2,930,343</u>	<u>2,652,202</u>	<u>278,141</u>
Support Services:					
Salaries Personnel Services	134,646	74,059	208,705	195,205	13,500
Personnel Services - Employee Benefits	311,772	131,846	443,618	437,420	6,198
Purchased Technical Services	-	68,281	68,281	55,265	13,016
Other Purchased Services (400-500 series)	-	115,016	115,016	83,412	31,604
Supplies and Materials	-	84,334	84,334	78,464	5,870
Total Support Services	<u>446,418</u>	<u>473,536</u>	<u>919,954</u>	<u>849,766</u>	<u>70,188</u>
Facilities Acquisition and Construction Services:					
Facilities Construction	-	-	-	-	-
Instructional Equipment	-	19,200	19,200	19,200	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>19,200</u>	<u>19,200</u>	<u>19,200</u>	<u>-</u>
Total Expenditures	<u>2,514,242</u>	<u>1,355,255</u>	<u>3,869,497</u>	<u>3,521,168</u>	<u>348,329</u>
Other Financing Sources (Uses):					
Transfer from Operating Budget - Pre K	302,928	24,913	327,841	327,841	-
Total Outflows	<u>2,211,314</u>	<u>1,330,342</u>	<u>3,541,656</u>	<u>3,193,327</u>	<u>348,329</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Board of Education of the Lindenwold Public Schools
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 For the Fiscal Year Ended June 30, 2013

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 38,506,253	\$ 3,193,327
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(44,028)
Prior Year		90,740
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)		
	2,212,735	68,750
The last two State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)		
	<u>(2,301,552)</u>	<u>(73,284)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 38,417,436</u>	<u>\$ 3,235,505</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 37,700,674	\$ 3,521,168
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		(44,028)
Prior Year		90,740
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 37,700,674</u>	<u>\$ 3,567,880</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

Board of Education of the Lindenwold Public Schools
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	<u>Total</u>	<u>Preschool Program Aid</u>	<u>Title I Part A</u>	<u>Title I Part A Carryover</u>	<u>Title I SIA Carryover</u>	<u>Title II Part A</u>	<u>Title II Part A Carryover</u>	<u>Title III</u>	<u>Total Brought Forward</u>
REVENUES:									
State Sources	\$ 760,106	\$ 760,106							
Federal Sources	2,433,221		\$ 1,106,290	\$ 286,146	\$ 4,143	\$ 81,950	\$ 4,131	\$ 102,205	\$ 848,356
Total Revenues	\$ 3,193,327	\$ 760,106	\$ 1,106,290	\$ 286,146	\$ 4,143	\$ 81,950	\$ 4,131	\$ 102,205	\$ 848,356
EXPENDITURES:									
Instruction:									
Salaries of Teachers	\$ 1,484,133	\$ 465,448	\$ 827,518	\$ 89,886		\$ 66,483		\$ 22,516	\$ 12,282
Other Salaries for Instruction	146,551	146,551							-
Purchased Professional and Educational Services	26,000	26,000							-
Purchased Professional and Technical Services	41,283		34,552	6,731					-
General Supplies	243,778	8,939	34,094	105,722	\$ 4,143			75,056	15,824
Tuition	710,457								710,457
Textbooks	-								-
Other Objects	-								-
Total Instruction	2,652,202	646,938	896,164	202,339	4,143	66,483	-	97,572	738,563
Support Services:									
Other Salaries	195,205	185,992		5,153			\$ 900	500	2,660
Personnel Services - Employee Benefits	437,420	255,017	168,607			10,843		2,035	918
Purchased Professional - Technical Services	55,265		14,487	39,578					1,200
Purchased Professional - Educational Services	-								-
Other Purchased Professional and Educational Services	-								-
Other Purchased Services (400-500 series)	83,412		20,335	19,283		4,200	3,231	2,098	34,265
Supplies and Materials	78,464		6,697	19,793		424			51,550
Other Objects	-								-
Total Support Services	849,766	441,009	210,126	83,807	-	15,467	4,131	4,633	90,593
Facilities Acquisition and Construction Services:									
Instructional Equipment	19,200								19,200
Facilities Construction	-								-
Total Facilities Acquisition and Construction Services	19,200	-	-	-	-	-	-	-	19,200
Total Expenditures	3,521,168	1,087,947	1,106,290	286,146	4,143	81,950	4,131	102,205	848,356
Other Financing Sources (Uses):									
Transfer from Operating Budget - Pre K	327,841	327,841							
Total Outflows	3,193,327	760,106	1,106,290	286,146	4,143	81,950	4,131	102,205	848,356
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-

(Continued)

Board of Education of the Lindenwold Public Schools
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Total Carried Forward	Title III Carryover	I.D.E.I.A. Part B Basic	I.D.E.I.A. Part B Basic Carryover	I.D.E.I.A Preschool	Include Phase IV	Race to the Top
REVENUES:							
State Sources							
Federal Sources	\$ 848,356	\$ 20,449	\$ 459,082	\$ 241,809	\$ 9,566	\$ 16,587	\$ 100,863
Total Revenues	\$ 848,356	\$ 20,449	\$ 459,082	\$ 241,809	\$ 9,566	\$ 16,587	\$ 100,863
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$ 12,282					\$ 12,282	
Other Salaries for Instruction							
Purchased Professional and Technical Services							
General Supplies	15,824	\$ 15,824					
Tuition	710,457		\$ 459,082	\$ 241,809	\$ 9,566		
Textbooks							
Other Objects							
Total Instruction	738,563	15,824	459,082	241,809	9,566	12,282	-
Support Services:							
Salaries Personnel Services	2,660	2,660					
Personnel Services - Employee Benefits	918					918	
Purchased Professional - Technical Services	1,200	1,200					
Purchased Professional - Educational Services							
Other Purchased Professional and Educational Services							
Other Purchased Services (400-500 series)	34,265	765					\$ 33,500
Supplies and Materials	51,550					3,387	48,163
Other Objects							
Total Support Services	90,593	4,625	-	-	-	4,305	81,663
Facilities Acquisition and Construction Services:							
Instructional Equipment	19,200						19,200
Facilities Construction							
Total Facilities Acquisition and Construction Services	19,200	-	-	-	-	-	19,200
Total Expenditures	848,356	20,449	459,082	241,809	9,566	16,587	100,863
Other Financing Sources (Uses):							
Transfer from Operating Budget - Pre K	-	-	-	-	-	-	-
Total Outflows	848,356	20,449	459,082	241,809	9,566	16,587	100,863
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-

Board of Education of the Lindenwold Public Schools
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Budget	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 465,448	\$ 465,448	\$ -
Other Salaries for Instructor	146,551	146,551	-
Purchased Professional and Educational Service	26,000	26,000	-
General Supplies	8,939	8,939	-
Total instruction	646,938	646,938	-
Support services:			
Salaries of Program Directors	72,558	72,558	-
Other Support Salaries	113,434	113,434	-
Personal Services - Employee Benefit	255,017	255,017	-
Total support services	441,009	441,009	-
Total Expenditures	\$ 1,087,947	\$ 1,087,947	\$ -

CALCULATION OF BUDGET & CARRYOVER

Total 2012-2013 PreK/ECPA Aid Allocation	\$ 732,836
Add: Actual PreK/ECPA Aid Carryover June 30, 2012	165,529
Add: Budgeted Transfer From General Fund	327,841
Total Funds Available for 2010-2011 Budget	1,226,206
Less: 2012-13 Budgeted PreK/ECPA (Including prior year budgeted carryover)	(1,087,947)
Available & Unbudgeted Funds as of June 30, 2013	138,259
Add: June 30, 2013 Unexpended PreK Aid	-
FY2013 - Actual Carryover - PreK Aid	\$ 138,259
2012-13 PreK Aid Carryover Budgeted in FY 2014	\$ 165,529

CAPITAL PROJECTS FUND

Board of Education of the Lindenwold Public Schools
 Capital Projects Fund
 Summary Schedule of Revenue, Expenditure, and Change in Fund Balances - Budgetary Basis
 For the Fiscal Year Ended June 30, 2013

Revenues and Other Financing Sources

State Sources - SCC Grant	-
Local Share	-
	-
Total Revenues	-

Expenditures and Other Financing Uses

Salaries	-
Construction Services	-
	-
Total Expenditures	-

Excess (Deficiency) of Revenues Over (Under) Expenditures -

Transfer to General Fund \$ (21,396)

Fund Balance - July 1 21,396

Fund Balance - June 30 \$ -

Reserved - Capital Reserve Expenditures \$ -

Unreserved - Designated to Subsequent Year's Expenditures -

\$ -

PROPRIETARY FUNDS

Board of Education of the Lindenwold Public Schools
 Enterprise Fund
 Combining Statement of Net Position
 June 30, 2013

	Business-Type Activities - <u>Enterprise Funds</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 406,236
Accounts Receivable:	
State	1,294
Federal	89,265
Inventories	<u>10,662</u>
Total Current Assets	<u>507,457</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	442,042
Less Accumulated Depreciation	<u>(314,696)</u>
Total Noncurrent Assets	<u>127,346</u>
Total Assets	<u>634,803</u>
LIABILITIES :	
Current Liabilities:	
Interfund Accounts Payable	40,746
Accounts Payable	<u>7,668</u>
Total Current Liabilities	<u>48,414</u>
NET POSITION:	
Net Investment in Capital Assets	127,346
Unrestricted	<u>459,043</u>
Total Net Position	<u>\$ 586,389</u>

Board of Education of the Lindenwold Public Schools
 Enterprise Fund
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2013

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 117,684
Daily Sales - Non-Reimbursable Programs	72,720
Special Functions	<u>11,827</u>
Total Operating Revenues	<u>202,231</u>
OPERATING EXPENSES:	
Salaries	400,821
Employee Benefits	104,317
Supplies and Materials	58,828
Cost of Sales	712,767
Management Fee	51,713
Repairs and Maintenance	14,566
Depreciation	<u>20,885</u>
Total Operating Expenses	<u>1,363,897</u>
Operating Income (Loss)	<u>(1,161,666)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	17,510
Federal Sources:	
Healthy Hunger Free Kids Program	17,940
Fresh Fruits & Vegetables Program	54,133
After School Snack Program	2,094
National School Lunch Program	796,355
School Breakfast Program	248,927
United States Department of Agriculture Commodities	62,953
Interest and Investment Revenue	<u>2,622</u>
Total Nonoperating Revenues	<u>1,202,534</u>
Change in Net Position	40,868
Total Net Position -- July 1	<u>545,521</u>
Total Net Position -- June 30	<u>\$ 586,389</u>

Board of Education of the Lindenwold Public Schools
 Enterprise Fund
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2013

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 202,231
Payments to Employees	(400,821)
Payments for Employee Benefits	(104,317)
Payments to Suppliers	<u>(735,197)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,038,104)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Cash Received from Federal and State Reimbursements	<u>1,090,122</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,090,122</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of Capital Assets	<u>(42,791)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(42,791)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	<u>2,622</u>
Net Cash Provided by (used for) Investing Activities	<u>2,622</u>
Net Increase (Decrease) in Cash and Cash Equivalents	11,849
Cash and Cash Equivalents -- July 1	<u>394,387</u>
Cash and Cash Equivalents -- June 30	<u>\$ 406,236</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (1,161,666)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	20,885
Federal Commodities	62,953
(Increase) Decrease in Inventories	(141)
Increase (Decrease) in Other Current Liabilities	<u>39,865</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,038,104)</u>

FIDUCIARY FUNDS

Board of Education of the Lindenwold Public Schools
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2013

	Trust Funds			Agency Funds			
	Unemployment Compensation	Private Purpose	Total Trust Fund	Student Activity	Payroll	Total Agency Fund	Total
ASSETS:							
Cash and Cash Equivalents	\$ 485,253	\$ 3,922	\$ 489,175	\$ 196,087	\$ 65,105	\$ 261,192	\$ 750,367
Total Assets	<u>485,253</u>	<u>3,922</u>	<u>489,175</u>	<u>196,087</u>	<u>65,105</u>	<u>261,192</u>	<u>750,367</u>
LIABILITIES:							
Payable to Student Groups				\$ 196,087		\$ 196,087	\$ 196,087
Payroll Deductions and Withholdings					\$ 64,615	64,615	64,615
Interfund Accounts Payable: Due General Fund					490	490	490
Total Liabilities				<u>\$ 196,087</u>	<u>\$ 65,105</u>	<u>\$ 261,192</u>	<u>\$ 261,192</u>
NET POSITION:							
Reserved	<u>485,253</u>	<u>3,922</u>	<u>489,175</u>				<u>489,175</u>
Total Net Position	<u>\$ 485,253</u>	<u>\$ 3,922</u>	<u>\$ 489,175</u>				<u>\$ 489,175</u>

Board of Education of the Lindenwold Public Schools
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2013

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Total
ADDITIONS:			
Contributions:			
Employer Contribution	\$ 46,560		\$ 46,560
Employee Withholdings		\$ 955	955
Gifts and Contributions			
Total Contributions	46,560	955	47,515
Investment Earnings:			
Interest	2,752	26	2,778
Net Investment Earnings	2,752	26	2,778
Total Additions	49,312	981	50,293
DEDUCTIONS:			
Unemployment Compensation			
Insurance Claims	35,610		35,610
Scholarships Awarded		1,000	1,000
Total Deductions	35,610	1,000	36,610
Change in Net Position	13,702	(19)	13,683
Net Position -- July 1	471,551	3,941	475,492
Net Position -- June 30	\$ 485,253	\$ 3,922	\$ 489,175

Board of Education of the Lindenwold Public Schools
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2013</u>
ELEMENTARY SCHOOLS:				
Elementary & Middle School	\$ 166,671	\$ 255,105	\$ 322,264	\$ 99,512
High School	-			
Athletics	<u>77,487</u>	<u>51,531</u>	<u>32,443</u>	<u>96,575</u>
Total All Schools	<u><u>\$ 244,158</u></u>	<u><u>\$ 306,636</u></u>	<u><u>\$ 354,707</u></u>	<u><u>\$ 196,087</u></u>

Board of Education of the Lindenwold Public Schools
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2013

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
ASSETS:				
Cash and Cash Equivalents	\$ 59,281	\$ 9,257,769	\$ 9,251,945	\$ 65,105
Total Assets	<u>\$ 59,281</u>	<u>\$ 9,257,769</u>	<u>\$ 9,251,945</u>	<u>\$ 65,105</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 59,173	\$ 9,257,387	\$ 9,251,945	\$ 64,615
Interfund Accounts Payable:				
Due General Fund	<u>108</u>	<u>382</u>		<u>490</u>
Total Liabilities	<u>\$ 59,281</u>	<u>\$ 9,257,769</u>	<u>\$ 9,251,945</u>	<u>\$ 65,105</u>

LONG-TERM DEBT

Board of Education of the Lindenwold Public Schools
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2013

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2012	Issued	Retired	Balance June 30, 2013
			Date	Amount					
Refunding Bonds of 2003	7/30/03	\$ 1,515,000	10/1/13	\$ 150,000	5.35%				
			10/1/14	155,000	5.35%				
			10/1/15	165,000	5.35%				
			10/1/16	30,000	5.35%				
			10/1/17	35,000	5.35%				
			10/1/18	35,000	5.35%				
			10/1/19	35,000	5.35%				
			10/1/20	35,000	5.35%	\$ 780,000	\$ 140,000	\$ 640,000	
Refunding Bonds of 2005	1/25/05	17,945,000	6/1/14	1,005,000	5.00%				
			6/1/15	1,055,000	3.80%				
			6/1/16	1,080,000	3.90%				
			6/1/17	1,135,000	4.00%				
			6/1/18	1,165,000	4.00%				
			6/1/19	1,160,000	4.00%				
			6/1/20	1,175,000	4.00%				
			6/1/21	1,160,000	4.13%				
			6/1/22	1,175,000	4.25%				
			6/1/23	1,165,000	4.25%				
			6/1/24	1,175,000	4.38%				
			6/1/25	1,165,000	4.38%				
								<u>14,620,000</u>	
					<u>\$ 15,400,000</u>	<u>\$ -</u>	<u>\$ 1,145,000</u>	<u>\$ 14,255,000</u>	

Board of Education of the Lindenwold Public Schools
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,076,444		\$ 1,076,444	\$ 1,076,444	-
State Sources:					
Debt Service Aid Type II	722,141		722,141	722,141	-
Total Revenues	1,798,585		1,798,585	1,798,585	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	653,585		653,585	652,743	\$ 842
Redemption of Principal	1,145,000		1,145,000	1,145,000	-
Total Regular Debt Service	1,798,585		1,798,585	1,797,743	842
Total Expenditures	1,798,585		1,798,585	1,797,743	842
Excess (Deficiency) of Revenues Over (Under) Expenditures				842	842
Other Financing Sources:					
Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures				842	842
Fund Balance, July 1					
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 842	\$ 842
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

Financial Trends Information

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

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

	<u>Fiscal Year Ending June 30,</u>									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 7,275,595	\$ 6,983,436	\$ 5,554,417	\$ 5,139,472	\$ 5,296,747	\$ 4,986,556	\$ 4,555,138	\$ 3,696,586	\$ 5,640,869	\$ 4,812,454
Restricted	3,954,658	3,348,540	2,776,274	2,504,335	3,977,190	1,647,956	1,480,439	2,069,198	2,154,632	2,464,127
Unrestricted	(1,560,868)	(1,350,195)	(789,456)	(2,222,237)	(2,411,268)	(832,083)	(755,411)	(750,912)	(2,046,316)	(3,921,971)
Total Governmental Activities Net Position	\$ 9,669,385	\$ 8,981,781	\$ 7,541,235	\$ 5,421,570	\$ 6,862,669	\$ 5,802,429	\$ 5,280,166	\$ 5,014,872	\$ 5,749,185	\$ 3,354,610
Business-type Activities										
Net Investment in Capital Assets	\$ 127,346	\$ 105,440	\$ 114,833	\$ 133,785	\$ 114,833	\$ 170,087	\$ 182,936	\$ 175,637	\$ 159,792	\$ 172,458
Restricted										
Unrestricted	459,043	440,081	381,242	298,677	292,802	297,817	265,466	216,837	235,518	234,830
Total Business-type Activities Net Position	\$ 586,389	\$ 545,521	\$ 496,075	\$ 432,462	\$ 407,635	\$ 467,904	\$ 448,402	\$ 392,474	\$ 395,310	\$ 407,288
District-wide										
Net Investment in Capital Assets	\$ 7,402,941	\$ 7,088,876	\$ 5,669,250	\$ 5,273,257	\$ 5,464,939	\$ 5,156,643	\$ 4,738,074	\$ 3,872,223	\$ 5,800,661	\$ 4,984,912
Restricted	3,954,658	3,348,540	2,776,274	2,504,335	3,977,190	1,647,956	1,480,439	2,069,198	2,154,632	2,464,127
Unrestricted	(1,101,825)	(910,114)	(408,214)	(1,923,560)	(2,118,466)	(534,266)	(489,945)	(534,075)	(1,810,798)	(3,687,141)
Total District-wide Net Position	\$ 10,255,774	\$ 9,527,302	\$ 8,037,310	\$ 5,854,032	\$ 7,323,663	\$ 6,270,333	\$ 5,728,568	\$ 5,407,346	\$ 6,144,495	\$ 3,761,898

Source: District Records

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

	Fiscal Year Ending June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 14,826,688	\$ 14,897,891	\$ 14,661,654	\$ 15,632,833	\$ 14,509,452	\$ 13,491,378	\$ 13,788,771	\$ 12,666,776	\$ 12,562,169	\$ 11,524,472
Special Education	3,870,092	3,996,133	3,729,694	3,640,152	3,365,958	3,193,350	3,200,561	3,324,055	4,322,956	2,434,457
Other Special Education	4,075,205	3,158,930	2,801,838	2,679,673	2,479,861	3,442,983	2,775,506	2,795,667	1,221,065	1,232,278
Vocational										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Tuition	2,770,487	2,443,259	2,181,191	2,141,219	2,037,096	2,381,280	2,233,994	2,099,521	1,910,173	1,759,736
Student & Instruction Related Services	5,597,494	5,432,045	5,809,206	5,733,728	5,305,871	5,065,431	5,300,558	4,855,181	4,384,748	3,387,833
General and Business Administrative Services	810,175	632,440	813,817	930,570	1,193,466	1,713,981	1,661,364	1,936,032	1,734,032	725,772
School Administrative Services	2,158,628	2,101,350	2,072,514	2,034,921	1,770,860	1,813,229	2,033,648	1,945,379	1,766,443	1,284,209
Business Administrative Services	1,149,903	1,228,372	1,194,263	1,324,154	1,179,771	1,029,941	1,135,293	1,066,513		468,409
Plant Operations and Maintenance	4,386,444	4,589,609	4,667,562	4,898,187	4,422,962	4,510,849	3,873,543	3,622,325	3,173,392	2,810,777
Pupil Transportation	2,112,168	1,728,714	1,548,395	1,700,853	1,570,558	1,790,291	1,641,795	1,520,106	1,071,732	1,140,738
Special Schools	163,701	14,023	39,213	99,156	59,065	62,595	111,051	84,651	35,220	34,135
Charter Schools										
Interest on Long-term Debt	842,937	721,522	775,353	1,047,622	1,134,991	1,148,195	1,202,561	1,249,626	1,222,721	1,128,244
Unallocated Depreciation										112,361
Total Governmental Activities Expenses	42,763,922	40,944,288	40,294,700	41,863,068	39,029,911	39,643,503	38,958,645	37,165,832	33,404,651	28,043,421
Business-type Activities:										
Food Service	1,363,897	1,156,489	1,070,533	1,112,903	1,017,060	960,893	917,929	966,700	945,607	1,134,352
Child Care										
Total Business-type Activities Expense	1,363,897	1,156,489	1,070,533	1,112,903	1,017,060	960,893	917,929	966,700	945,607	1,134,352
Total District Expenses	\$ 44,127,819	\$ 42,100,777	\$ 41,365,233	\$ 42,975,971	\$ 40,046,971	\$ 40,604,396	\$ 39,876,574	\$ 38,132,532	\$ 34,350,258	\$ 29,177,773

(Continued)

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

	Fiscal Year Ending June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)	\$ 445,471	\$ 248,950								
Pupil Transportation										
Business and Other Support Services										
Operating Grants and Contributions	3,235,505	3,024,786	\$ 4,072,089	\$ 3,410,852	\$ 2,814,977	\$ 5,085,487	\$ 4,547,528	\$ 4,738,727	\$ 4,569,353	\$ 6,635,196
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	3,680,976	3,273,736	4,072,089	3,410,852	2,814,977	5,085,487	4,547,528	4,738,727	4,569,353	6,635,196
Business-type activities:										
Charges for services:										
Food Service	202,231	217,735	189,935	241,376	260,033	285,165	294,957	304,445	323,152	351,565
Child Care										
Operating Grants and Contributions	1,199,912	984,891	941,095	842,938	749,623	691,464	674,686	655,598	610,477	555,380
Capital Grants and Contributions										
Total Business-type Activities Program Revenues	1,402,143	1,202,626	1,131,030	1,084,314	1,009,656	976,629	969,643	960,043	933,629	906,945
Total District Program Revenues	\$ 5,083,119	\$ 4,476,362	\$ 5,203,119	\$ 4,495,166	\$ 3,824,633	\$ 6,062,116	\$ 5,517,171	\$ 5,698,770	\$ 5,502,982	\$ 7,542,141
Net (Expense)/Revenue										
Governmental Activities	\$ (39,082,946)	\$ (37,670,552)	\$ (36,222,611)	\$ (38,452,216)	\$ (36,214,934)	\$ (34,558,016)	\$ (34,411,117)	\$ (32,427,105)	\$ (29,733,818)	\$ (27,993,663)
Business-type Activities	38,246	46,137	60,497	(28,589)	(7,404)	15,736	51,714	(6,657)	(11,978)	(227,407)
Total District-wide Net Expense	\$ (39,044,700)	\$ (37,624,415)	\$ (36,162,114)	\$ (38,480,805)	\$ (36,222,338)	\$ (34,542,280)	\$ (34,359,403)	\$ (32,433,762)	\$ (29,745,796)	\$ (28,221,070)

(Continued)

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

	Fiscal Year Ending June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 10,316,381	\$ 10,537,989	\$ 11,010,144	\$ 10,721,531	\$ 11,290,216	\$ 13,050,125	\$ 13,587,700	\$ 11,371,437	\$ 10,151,190	\$ 9,877,819
Taxes Levied for Debt Service	1,076,444	1,087,673	1,085,298	961,536	1,011,929	998,738	986,467	981,126	1,024,695	860,063
Unrestricted Grants and Contributions	27,611,057	26,664,844	24,484,800	25,826,751	23,530,875	19,928,621	19,914,131	19,245,599	19,071,403	15,193,713
Restricted State Aid	722,141	689,518	1,410,480	866,829	1,154,746	917,548				
Tuition Received	27,521	35,213	48,600	93,375	98,452		-	5,070		6,474
Investment Earnings	-	-	-	2,637	13,126	67,279	91,630	52,250	51,327	1,450
Miscellaneous Income	17,006	95,861	56,991	(1,461,542)	175,830	117,968	96,483	37,310	3,123	254,102
Transfers										(175,936)
Total Governmental Activities	39,770,550	39,111,098	38,096,313	37,011,117	37,275,174	35,080,279	34,676,411	31,692,792	30,301,738	26,017,685
Business-type Activities:										
Investment Earnings	2,622	3,309	3,116	57	494	3,766	4,214	3,821	-	949
Transfers							-	-	-	175,936
Total Business-type Activities	2,622	3,309	3,116	57	494	3,766	4,214	3,821	-	176,885
Total District-wide	\$ 39,773,172	\$ 39,114,407	\$ 38,099,429	\$ 37,011,174	\$ 37,275,668	\$ 35,084,045	\$ 34,680,625	\$ 31,696,613	\$ 30,301,738	\$ 26,194,570
Change in Net Position										
Governmental Activities	\$ 687,604	\$ 1,440,546	\$ 1,873,702	\$ (1,441,099)	\$ 1,060,240	\$ 522,263	\$ 265,294	\$ (734,313)	\$ 567,920	\$ (1,975,978)
Business-type Activities	40,868	49,446	63,613	(28,532)	(6,910)	19,502	55,928	(2,836)	(11,978)	(50,522)
Total District	\$ 728,472	\$ 1,489,992	\$ 1,937,315	\$ (1,469,631)	\$ 1,053,330	\$ 541,765	\$ 321,222	\$ (737,149)	\$ 555,942	\$ (2,026,500)

Source: District Records

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

	<u>Fiscal Year Ending June 30,</u>									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund										
Reserved	\$ 4,776,115	\$ 4,290,449	\$ 3,391,259	\$ 2,495,139	\$ 3,655,461	\$ 1,642,748	\$ 1,480,334	\$ 1,345,770	\$ 1,676,360	\$ 974,056
Unreserved	(1,533,581)	(1,458,232)	(1,373,678)	(1,443,455)	(1,522,296)	(132,371)	(95,300)	(166,231)	66,120	1,511,360
Total General Fund	\$ 3,242,534	\$ 2,832,217	\$ 2,017,581	\$ 1,051,684	\$ 2,133,165	\$ 1,510,377	\$ 1,385,034	\$ 1,179,539	\$ 1,742,480	\$ 2,485,416
All Other Governmental Funds										
Reserved		\$ 21,396	\$ 887,900	\$ 9,196	\$ 316,521			\$ 639,469	\$ 129,724	
Unreserved, Reported in:										
Special Revenue Fund	\$ (73,284)	(68,750)	(64,520)	(30,706)	(30,706)	(126,643)	(93,043)	(93,043)	(93,043)	(55,876)
Capital Projects Fund							-	83,758	329,709	
Debt Service Fund	0			-	5208	5208	105	201	18,838	57,424
Permanent Fund										
Total All Other Governmental Funds	\$ (73,284)	\$ (47,354)	\$ 823,380	\$ (21,510)	\$ 291,023	\$ (121,435)	\$ (92,938)	\$ 630,385	\$ 385,228	\$ 1,548

Source: District Records

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Tax Levy	\$ 11,392,825	\$ 11,625,662	\$ 12,095,442	\$ 11,683,067	\$ 12,302,145	\$ 14,048,863	\$ 14,574,167	\$ 12,352,563	\$ 11,175,885	\$ 10,737,882
Tuition Charges	27,521	35,213	48,600.00	2,637.00	98,452.00	-	-	5,070.00	-	6,474.00
Interest Earnings	445,471	248,950	245,963	93,375	13,126	67,279	91,630	52,250	51,327	1,450
Miscellaneous	17,006	95,861	56,991	52,264	175,830	117,968	96,483	37,310	3,123	195,306
State Sources	28,907,735	27,182,673	26,634,488	22,793,570	24,938,988	23,767,880	22,026,212	21,405,917	21,255,876	19,682,452
Federal Sources	2,660,968	3,196,475	3,332,881	7,310,862	2,561,610	2,163,776	2,450,711	2,578,409	2,384,880	2,173,959
Total Revenue	43,451,526	42,384,834	42,414,365	41,935,775	40,090,151	40,165,766	39,239,203	36,431,519	34,871,091	32,797,523
Expenditures										
Instruction										
Regular Instruction	10,271,887	10,754,950	10,566,790	11,642,002	10,661,565	9,824,419	10,090,130	9,275,724	9,558,641	10,722,624
Special Education Instruction	2,672,666	2,869,217	2,704,093	2,719,223	2,513,368	2,286,160	2,272,236	2,321,206	3,356,307	2,434,457
Other Special Instruction	3,095,136	2,391,715	2,209,220	2,147,820	1,982,126	2,736,837	2,220,609	2,256,302	917,454	1,232,278
Vocational Education										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Tuition	2,770,487	2,443,259	2,181,191	2,141,219	2,037,095	2,381,280	2,233,994	2,099,521	1,910,173	1,759,736
Student & Instruction Related Services	3,984,989	3,959,050	4,362,118	4,395,557	4,066,011	3,752,684	3,854,398	3,546,308	3,275,231	3,387,966
General Administrative Services	559,029	452,341	585,307	685,171	889,925	1,320,197	1,170,465	1,351,942	1,439,847	638,948
School Administrative Services	1,489,475	1,502,951	1,490,578	1,498,295	1,320,467	1,285,391	1,432,746	1,358,469	1,266,606	1,284,209
Business Administrative Services										463,302
Central Services	728,578	734,106	653,911	750,673	550,517	516,296	630,921	650,200		
Administrative Information Technology	421,325	494,266	540,352	573,481	629,254	513,645	504,372	416,313		
Plant Operations and Maintenance	3,026,691	3,282,631	3,356,968	3,606,494	3,298,044	3,237,810	2,769,855	2,568,401	2,678,210	2,586,361
Pupil Transportation	1,457,417	1,236,430	1,113,625	1,252,324	1,171,109	1,269,130	1,156,678	1,061,498	1,071,732	1,140,738
Other Support Services							5,684			
Unallocated Employee Benefits	10,081,155	9,155,652	8,359,543	8,273,407	7,446,227	8,350,840	8,282,048	6,935,643	6,701,279	6,034,456
Reimbursed TPAF Soc. Sec. Contributions										
Special Schools	163,701	14,023	39,213	99,156	59,065	62,595	111,051	84,651	35,220	34,135
Charter Schools										
Capital Outlay	546,018	1,329,668	626,165	1,711,394	497,654	620,453	1,069,430	877,308	993,952	282,175
Special Revenue Expenditures										
Debt Service:										
Principal	1,145,000	1,115,000	1,055,000	1,035,000	1,080,436	1,012,037	983,638	945,240	1,051,841	764,574
Interest and Other Charges	652,743	705,673	759,504	798,573	852,042	899,146	953,512	1,000,577	1,206,144	1,128,244
Total Expenditures	43,066,297	42,440,932	40,603,578	43,329,789	39,054,905	40,068,920	39,741,767	36,749,303	35,462,637	33,894,203
Excess (Deficiency) of Revenues Over (Under) Expenditures	385,229	(56,098)	1,810,787	(1,394,014)	1,035,246	96,846	(502,564)	(317,784)	(591,546)	(1,096,680)
Other Financing Sources (Uses)										
Capital Leases (Non-budgeted)							-	-	25,256	
Bond Proceeds										
Proceeds of Refunding Debt										
Payment to Refunded Debt Escrow Agent									18,215,874	
Par Amount of Bonds									(18,008,840)	
Original Issue Premium										
Accrued Interest										
Costs of Issuance										
Accrued Interest										
Prior Year Payables Cancelled										58,796
Transfers In	349,237				105,858		(15,264)	468,150	433,632	60,246
Transfers Out	(349,237)				(105,858)		-	(468,150)	(433,632)	(236,182)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(15,264)	-	232,290	(117,140)
Net Change in Fund Balances	\$ 385,229	\$ (56,098)	\$ 1,810,787	\$ (1,394,014)	\$ 1,035,246	\$ 96,846	\$ (517,828)	\$ (317,784)	\$ (359,256)	\$ (1,213,820)
Debt Service as a Percentage of Noncapital Expenditures	4.2%	4.4%	4.5%	4.4%	5.0%	4.8%	5.0%	5.4%	6.6%	5.6%

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Interest on Investments	\$ 27,521	\$ 35,213	\$ 48,600	\$ 2,637	\$ 13,126	\$ 67,279	\$ 91,630	\$ 2,007	\$ 51,327	\$ 29,995
Tuition	445,471	248,950	245,963	93,375				5,070		6,474
Refunds of Prior Year Expenditures					57,713	44,105				106,515
Cancellation of Prior Year Payables										58,796
Miscellaneous	17,006	95,861	56,991	52,264	118,117	73,863	96,483	37,310	3,123	
	<u>\$ 489,998</u>	<u>\$ 380,024</u>	<u>\$ 351,554</u>	<u>\$ 148,276</u>	<u>\$ 188,956</u>	<u>\$ 185,247</u>	<u>\$ 188,113</u>	<u>\$ 44,387</u>	<u>\$ 54,450</u>	<u>\$ 201,780</u>

Source: District Records.

Revenue Capacity Information

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

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

(Fiscal) Ended Dec. 31, (June 30.)	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2012	\$ 5,407,800	\$ 286,132,400	-	-	\$ 35,019,400	\$ 1,443,400	\$ 79,485,800	\$ 407,488,800	\$ 734,665	\$ 408,223,465	\$ 497,900	\$ 689,333,781	2.819
2011	5,517,500	286,859,800	-	-	36,267,800	1,443,400	86,942,000	417,030,500	698,852	417,729,352	604,300	756,481,985	2.839
2010	5,428,300	286,186,900	-	-	37,177,400	1,411,100	87,600,000	417,803,700	814,107	418,617,807	625,500	798,491,466	2.840
2009	5,690,300	286,506,600	-	-	36,299,700	1,411,100	87,600,000	417,507,700	808,871	418,316,571	599,600	791,516,690	2.866
2008	5,697,300	285,719,100	-	-	36,496,700	1,411,100	95,561,500	424,885,700	701,750	425,587,450	647,400	804,648,202	3.095
2007	5,291,800	282,747,700	-	-	36,424,700	1,411,100	103,069,900	428,945,200	797,266	429,742,466	537,300	870,163,298	3.330
2006	5,255,100	282,591,900	-	-	36,704,200	1,424,900	103,069,900	429,046,000	896,614	429,942,614	462,300	727,555,991	3.130
2005	5,285,800	281,456,100	-	-	36,282,300	1,424,900	103,069,900	427,519,000	1,180,889	428,699,889	463,700	632,298,397	2.740
2004	5,542,300	281,314,700	-	-	36,002,000	1,424,900	103,917,000	428,200,900	1,413,632	429,614,532	501,600	525,976,783	2.615
2003	5,826,100	280,628,900	-	-	35,949,800	1,424,900	103,917,000	427,746,700	1,614,312	429,361,012	459,200	473,793,029	2.492

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

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

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

Source: Municipal Tax Assessor

BOROUGH OF LINDENWOLD SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$100 of assessed value)

Unaudited

(Fiscal) Year Ended Dec. 31, (June 30,)	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	<u>Basic Rate (1)</u>	<u>General Obligation Debt Service (2)</u>	<u>Total Direct School Tax Rate</u>	<u>Regional School District</u>	<u>Borough of Lindenwold</u>	<u>County of Camden</u>	
2012	2.554	0.265	2.819	0.000	2.159	1.298	6.276
2011	2.579	0.260	2.839	0.000	2.062	1.291	6.192
2010	2.596	0.244	2.840	0.000	1.941	1.246	6.027
2009	2.636	0.230	2.866	0.000	1.796	1.174	5.836
2008	2.857	0.238	3.095	0.000	1.690	1.290	6.075
2007	3.098	0.232	3.330	0.000	1.552	1.192	6.074
2006	2.905	0.225	3.130	0.000	1.427	1.190	5.747
2005	2.532	0.208	2.740	0.000	1.313	1.017	5.070
2004	2.353	0.262	2.615	0.000	1.176	0.978	4.769
2003	2.422	0.070	2.492	0.000	1.048	0.990	4.530

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

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

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

Source: Municipal Tax Collector

BOROUGH OF LINDENWOLD SCHOOL DISTRICT

Principal Property Tax Payers
Current Year and Ten Years Ago
Unaudited

Taxpayer	2012			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
TGM Village Bridge	\$ 12,366,900	1	3.03%	\$ 10,600,000	2	2.60%
Siayata Associates	8,200,000	3	2.01%	11,200,000	1	2.75%
Coolidge Stonington Court Associates	9,000,000	2	2.20%			
East Coast Pines at Arborwood, LLC	5,500,000	6	1.35%			
Trent Court	7,150,000	4	1.75%			
Timber Ridge, LLC	6,100,000	5	1.49%	5,200,000	6	1.28%
Heathers Realty, LLC	3,000,000	9	0.73%			0.00%
Kingswold Limited Partnership	4,771,700	7	1.17%	4,200,000	7	1.03%
Lindenwold PH, LP	4,200,000	8	1.03%	3,500,000	8	0.86%
DRA Lindenwold LLC	2,975,000	10	0.73%			
Fairway Management				8,300,000	3	2.04%
Linden Hill				7,650,000	4	1.88%
Samson Lndenwold Partners				7,500,000	5	1.84%
Lands End				3,300,000	9	0.81%
FNB Real Estate Corp.				2,800,000	10	0.69%
Total	<u>\$ 63,263,600</u>		<u>15.50%</u>	<u>\$ 64,250,000</u>		<u>15.78%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 11,392,825	\$ 11,392,825	100.00%	-
2012	11,625,662	11,625,662	100.00%	-
2011	12,095,442	12,095,442	100.00%	-
2010	11,683,067	11,683,067	100.00%	-
2009	12,302,145	12,302,145	100.00%	-
2008	14,048,863	14,048,863	100.00%	-
2007	14,574,167	14,574,167	100.00%	-
2006	12,317,491	12,317,491	100.00%	-
2005	11,735,100	11,735,100	100.00%	-
2004	10,178,667	10,178,667	100.00%	-

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

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

Debt Capacity Information

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

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>				<u>Business-Type Activities</u>		<u>Total District</u>	Percentage of Personal Income (2)	<u>Per Capita (2)</u>
	<u>General Obligation Bonds (1)</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Bond Anticipation Notes (BANs)</u>	<u>Capital Leases</u>				
2013	\$ 14,255,000	-	-	-	-	14,255,000	NA	NA	
2012	15,400,000	-	-	-	-	15,400,000	NA	NA	
2011	16,515,000	-	-	-	-	16,515,000	NA	NA	
2010	17,570,000	-	-	-	-	17,570,000	NA	NA	
2009	18,595,000	-	-	-	-	18,595,000	NA	NA	
2008	19,605,000	-	-	-	-	19,605,000	NA	NA	
2007	20,540,000	-	-	-	-	20,540,000	NA	NA	
2006	21,450,000	-	-	-	-	21,450,000	NA	NA	
2005	22,325,000	-	-	-	-	22,325,000	0.15%	34,422	
2004	21,329,000	-	-	-	-	21,329,000	0.16%	33,073	

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

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

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

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

<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding (1)</u>	<u>Percentage of</u> <u>Net Assessed</u> <u>Valuation Taxable (2)</u>	<u>Per Capita (3)</u>
2013	\$ 14,255,000	-	\$ 14,255,000	2.34%	NA
2012	15,400,000	-	15,400,000	NA	NA
2011	16,515,000	-	16,515,000	3.95%	NA
2010	17,570,000	-	17,570,000	4.19%	NA
2009	18,595,000	-	18,595,000	4.45%	NA
2008	19,605,000	-	19,605,000	4.61%	NA
2007	20,540,000	-	20,540,000	4.79%	NA
2006	21,450,000	-	21,450,000	5.00%	NA
2005	22,325,000	-	22,325,000	5.22%	34,422
2004	21,329,000	-	21,329,000	4.98%	33,073

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

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2012 [June 30, 2013]
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Borough of Lindenwold</u>	<u>County Debt Authorized But Not Issued</u>
Municipal Debt: (1)					
Borough of Lindenwold School District	\$ 14,255,000		\$ 14,255,000	\$ 14,255,000	
Borough of Lindenwold	<u>6,927,252</u>	<u>\$ 2,717,476</u>	<u>4,209,776</u>	<u>4,209,776</u>	
	<u>21,182,252</u>	<u>2,717,476</u>	<u>18,464,776</u>	<u>18,464,776</u>	
Overlapping Debt Apportioned to the Municipality:					
County of Camden: (2)					
General:					
Bonds	44,081,645	10,684,251 (3)	33,397,394	577,775 (5)	\$ 25,204,000
Loan Agreement	147,285,000		147,285,000	2,548,031 (5)	
Bonds Issued by Other Public Bodies Guaranteed by the County	681,777,740	681,777,740 (4)	-		
Lindenwold Borough Fire District (1)					
	<u>873,144,385</u>	<u>692,461,991</u>	<u>180,682,394</u>	<u>3,125,806</u>	<u>25,204,000</u>
	<u>\$ 894,326,637</u>	<u>\$ 695,179,467</u>	<u>\$ 199,147,170</u>	<u>\$ 21,590,582</u>	<u>\$ 25,204,000</u>

Sources:

- (1) 2012 Annual Debt Statement
- (2) County of Camden
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Township's share of the total 2012 Equalized Value, which is 1.73%.

The source for this computation was the 2012 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

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

Legal Debt Margin Calculation for Fiscal Year 2013

	Equalized valuation basis	
	2012	\$ 783,087,545
	2011	756,728,376
	2010	<u>798,491,466</u>
	[A]	<u><u>\$ 2,338,307,387</u></u>
Average equalized valuation of taxable property	[A/3]	\$ 779,435,796
Debt limit (4 % of average equalization value) (1)	[B]	31,177,432
Total Net Debt Applicable to Limit	[C]	<u>15,400,000</u>
Legal Debt Margin	[B-C]	<u><u>\$ 15,777,432</u></u>

	Fiscal Year									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt limit	\$ 31,177,432	\$ 31,323,502	\$ 31,953,076	\$ 32,898,070	\$ 30,133,854	\$ 27,820,111	\$ 25,097,867	\$ 19,005,890	\$ 18,976,265	\$ 17,633,992
Total net debt applicable to limit	<u>14,255,000</u>	<u>15,400,000</u>	<u>16,515,000</u>	<u>17,570,000</u>	<u>18,605,000</u>	<u>19,605,000</u>	<u>20,540,000</u>	<u>21,450,000</u>	<u>22,325,000</u>	<u>22,144,000</u>
Legal debt margin	<u><u>\$ 16,922,432</u></u>	<u><u>\$ 15,923,502</u></u>	<u><u>\$ 15,438,076</u></u>	<u><u>\$ 15,328,070</u></u>	<u><u>\$ 11,528,854</u></u>	<u><u>\$ 8,215,111</u></u>	<u><u>\$ 4,557,867</u></u>	<u><u>\$ (2,444,110)</u></u>	<u><u>\$ (3,348,735)</u></u>	<u><u>\$ (4,510,008)</u></u>
Total net debt as a percentage of debt limit	45.72%	49.16%	51.69%	53.41%	61.74%	70.47%	81.84%	112.86%	117.65%	125.58%

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

Demographic and Economic Information

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

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2013	NA	NA	NA	NA
2012	NA	NA	NA	NA
2011	17,729	NA	NA	16.2%
2010	NA	NA	NA	NA
2009	NA	NA	NA	15.5%
2008	NA	NA	NA	9.3%
2007	NA	NA	NA	7.6%
2006	NA	NA	NA	8.5%
2005	NA	NA	NA	7.8%
2004	17,414	\$ 599,424,708	34,422	5.8%

Source:

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

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

<u>Employer</u>	<u>2012</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of</u>
McDonalds	50	2	8.08%	55	3	11.25%
Advanced Scale Co.	40	6	6.46%	30	10	6.13%
WaWa	47	5	7.59%	-		
Deterdings Market	50	3	8.08%	53	4	10.84%
William Hall	20	8	3.23%	49	5	10.02%
Walgreens	49	4	7.92%	35	9	7.16%
Vacuum Sales	21	7	3.39%	-		
Pufferbelly	-		0.00%	41	6	8.38%
PATCO Lindenwold Station	306	1	49.43%	-		
Forever Young	16	10	2.58%	35	7	7.16%
R.E. Marshal/Tempcon	-		0.00%	100	1	20.45%
Hillman's Bus Service	-		0.00%	56	2	11.45%
Prestige Pontiac	-		0.00%	35	8	7.16%
La Esperanza	20	9	3.23%	-		
	<u>619</u>		<u>100.00%</u>	<u>489</u>		<u>100.00%</u>

Operating Information

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

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

<u>Function/Program</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Instruction										
Regular	205.0	168.5	202.0	202.0	202.0	202.0	202.0	207.8	206.8	239.8
Special education	55.0	85.0	71.5	71.5	71.5	71.5	71.5	73.5	71.2	73.2
Other special education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vocational	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other instruction	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonpublic school programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adult/continuing education programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Support Services:										
Tuition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Student & instruction related services	44.0	44.5	51.0	51.0	51.0	51.0	51.0	51.0	51.0	52.0
General administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administrative services	19.0	19.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Business administrative services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.5	4.5	6.5
Plant operations and maintenance	26.0	26.5	26.0	26.0	26.0	26.0	26.0	26.0	26.0	31.0
Pupil transportation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	12.0	15.0	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	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Child Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	<u>378.0</u>	<u>367.5</u>	<u>376.5</u>	<u>376.5</u>	<u>376.5</u>	<u>376.5</u>	<u>376.5</u>	<u>383.8</u>	<u>380.5</u>	<u>423.5</u>

Source: District Personnel Records

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

<u>Fiscal</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Elementary</u>	<u>Pupil/Teacher Ratio</u>		<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
							<u>Middle School</u>	<u>High School</u>				
2013	2,467	\$ 40,722,536	16,506.91	-0.08%	N/A	N/A	N/A	N/A	2,419	2,293	7.65%	94.80%
2012	2,457	39,290,591	15,991.29	-8.04%	N/A	N/A	N/A	N/A	2,301	2,198	5.52%	94.42%
2011	2,310	38,162,909	16,520.74	1.22%	N/A	N/A	N/A	N/A	2,241	2,130	4.21%	92.07%
2010	2,288	39,784,822	17,388.47	6.54%	N/A	N/A	N/A	N/A	2,206	2,083	1.91%	92.07%
2009	2,244	36,624,773	16,321.20	-2.82%	N/A	N/A	N/A	N/A	2,220	2,044	-1.87%	92.66%
2008	2,272	38,157,737	16,794.78	5.87%	N/A	N/A	N/A	N/A	2,248	2,083	-1.88%	92.38%
2007	2,340	37,119,929	15,863.22	12.84%	N/A	01:11.2	01:09.1	01:08.8	2,298	2,123	3.81%	91.29%
2006	2,424	34,076,374	14,057.91	4.63%	N/A	01:12.4	01:09.9	01:10.2	2,240	2,045	-1.64%	91.99%
2005	2,424	32,569,246	13,436.16	2.45%	253.00	01:11.9	01:10.2	01:10.4	2,260	2,079	-7.39%	92.01%
2004	2,440	32,001,385	13,115.32	1.61%	266.00	01:10.1	01:11.1	01:12.0	2,440	2,245	3.12%	92.36%

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

Note: Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; J-14
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>District Building</u>										
<u>Elementary</u>										
School 4 (1956)										
Square Feet	61,584	61,584	61,584	61,584	61,584	61,584	61,584	61,584	61,584	61,584
Capacity (students)	520	520	520	520	520	520	520	520	520	520
Enrollment	584	530	463	457	512	500	478	-	527	476
School 5 (1965)										
Square Feet	53,121	53,121	53,121	53,121	53,121	53,121	53,121	53,121	53,121	53,121
Capacity (students)	538	538	538	538	538	538	538	538	538	538
Enrollment	615	589	615	583	536	489	543	-	538	569
School 1 (1926)										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	15,130	15,130	15,130	15,130
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	212	212	212	212
Enrollment	N/A									
<u>Middle School</u>										
Lindenwold Middle School (1957)										
Square Feet	103,004	103,004	103,004	103,004	103,004	103,004	103,004	103,004	103,004	103,004
Capacity (students)	641	641	641	641	641	641	641	641	641	641
Enrollment	667	668	666	642	619	649	677	-	693	696
<u>High School</u>										
Lindenwold High School (2001)										
Square Feet	162,675	162,675	162,675	162,675	162,675	162,675	162,675	162,675	162,675	162,675
Capacity (students)	751	751	751	751	751	751	751	751	751	751
Enrollment	601	503	540	556	603	626	633	-	640	676
<u>Other</u>										
Central Administration (1946)										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	8,000	8,000	8,000	8,000
Central Administration (2008)										
Square Feet	6,944	6,944	6,944	6,944	6,944	6,944				
Number of Schools at June 30, 2013										
Elementary = 2										
Middle School = 1										
High School = 1										

Source: District records, ASSA

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

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

* School Facilities	Project # (s)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
School #1	N/A										
School #4	N/A	\$ 58,669	\$ 74,407	\$ 46,934	\$ 111,617	\$ 162,976	\$ 122,286	\$ 93,020	\$ 57,364	\$ 22,392	\$ 67,242
School #5	N/A	20,957	93,619	46,617	107,825	41,980	90,151	70,942	39,005	31,012	66,321
Middle School	N/A	66,497	78,645	86,846	153,170	119,939	104,286	115,659	91,691	58,217	82,140
High School	N/A	116,171	207,943	198,381	157,241	235,597	110,952	96,491	47,988	67,414	51,122
Other Facilities	N/A	2,735	4,019	4,878	15,420	7,069	11,340	4,698	6,864	6,895	10,100
Total School Facilities		<u>265,029</u>	<u>458,633</u>	<u>383,656</u>	<u>545,273</u>	<u>567,561</u>	<u>439,015</u>	<u>380,810</u>	<u>242,912</u>	<u>185,930</u>	<u>276,925</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 265,029</u>	<u>\$ 458,633</u>	<u>\$ 383,656</u>	<u>\$ 545,273</u>	<u>\$ 567,561</u>	<u>\$ 439,015</u>	<u>\$ 380,810</u>	<u>\$ 242,912</u>	<u>\$ 185,930</u>	<u>\$ 276,925</u>

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

Source: District Records

BOROUGH OF LINDENWOLD SCHOOL DISTRICT

Insurance Schedule

June 30, 2013

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1) - Great American		
Property - blanket building & contents	\$150,000,000	\$500
Crime	\$250,000	\$500
General and Automobile Liability	\$10,000,000	
Educator's Legal Liability	\$10,000,000	
Pollution Legal Liability	\$3,000,000	
Boiler and Machinery - Chubb Insurance Co.	\$50,000,000	\$1,000
Workers' Compensation	Statutory	
Surety Bonds - Hartford Insurance Company		
Treasurer	\$230,000	
Board Secretary/Business Administrator	\$100,000	

- (1) List Insurance Company
- (2) List Insurance Company
- (3) Per Claim/Annual Aggregate
- (4) Each Accident

Source: District Records

SINGLE AUDIT SECTION

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND STATE OF NEW JERSEY CIRCULAR 04-04-OMB

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Lindenwold School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2013. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Lindenwold School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Lindenwold 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 fiscal year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Borough of Lindenwold School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal or state programs and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and State of New Jersey Circular 04-04-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Bowman + Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Glen J. Walton

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

Voorhees, New Jersey
November 14, 2013

Board of Education of the Lindenwold Public Schools
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2013

Federal Grantor/ Pass-through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2012	
				From	To	Balance June 30, 2012	Carryover / (Walkover) Amount
General Fund:							
U.S. Department of Education							
ED Jobs	84.410A	N/A	\$ 2,037	7-1-2012	9-30-2012		
Medical Assistance Program	93.778	N/A	177,033	7-1-2012	6-30-2013		
Special Revenue Fund:							
U.S. Department of Education							
Passed-through State Department of Education:							
Title I, Part A Carryover	84.010A	NCLB267011	1,291,597	9-1-2011	8-31-2012	\$ (657,173)	\$ 355,001
Title I, Part A	84.010A	NCLB267012	1,263,058	9-1-2012	8-31-2013		
Title I, School Improvement Carryover	84.010A	NCLB267011	61,441	9-1-2010	8-31-2011	(61,441)	4,143
Title II, Part A Carryover	84.367	NCLB267012	98,326	9-1-2011	8-31-2012	(64,823)	4,295
Title II, Part A	84.367	NCLB267013	82,200	9-1-2012	8-31-2013		
Title III Carryover	84.365A	NCLB267012	105,539	9-1-2011	8-31-2012	(103,179)	21,061
Title III	84.365A	NCLB267013	120,123	9-1-2012	8-31-2013		
Include Carryover	84.318X	INCLUDE267012	200,000	9-1-2011	8-31-2012	(106,721)	16,587
I.D.E.I.A. Part B, Basic Regular Carryover	84.027	IDEA267012	642,540	9-1-2011	8-31-2012	(224,169)	241,809
I.D.E.I.A. Part B, Basic Regular	84.027	IDEA267013	551,555	9-1-2012	8-31-2013		
I.D.E.I.A. , Part B Preschool	84.027	IDEA267012	22,061	9-1-2011	8-31-2012	(22,061)	
I.D.E.I.A. , Part B Preschool	84.027	IDEA267013	21,685	9-1-2012	8-31-2013		
Race to the Top	84.413A	B413A120008	102,863	7-1-2012	11-30-2015		
Total Special Revenue Fund						(1,239,567)	642,896
Enterprise Fund:							
U.S. Department of Agriculture							
Passed-through State Department of Education:							
National School Lunch Program	10.555	N/A	724,514	7-1-2011	6-30-2012	(34,124)	
National School Lunch Program	10.555	N/A	796,355	7-1-2012	6-30-2013		
Healthy Hunger Free Kids Act	10.555	N/A	17,940	7-1-2012	6-30-2013		
School Breakfast Program	10.553	N/A	140,996	7-1-2011	6-30-2012	(8,180)	
School Breakfast Program	10.553	N/A	248,927	7-1-2012	6-30-2013		
After School Snack Program	10.553	N/A	2,094	7-1-2012	6-30-2013		
Fresh Fruits and Vegetable Program	10.582	N/A	23,608	7-1-2011	6-30-2012	(647)	
Fresh Fruits and Vegetable Program	10.582	N/A	54,133	7-1-2012	6-30-2013		
Food Distribution Program	10.550	N/A	62,953	7-1-2012	6-30-2013		
Total Enterprise Fund						(42,951)	-
Total Federal Financial Assistance						\$ (1,282,518)	\$ 642,896

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

							Balance June 30, 2013	
Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Unearned Revenue	Due to Grantor at June 30, 2013		
	\$ 2,037			\$ (2,037)				
\$ 177,033	177,033							
177,033	179,070			(2,037)				
460,936	286,146		\$ 2,833	(196,237)	\$ 66,022			
530,553	1,106,290			(732,505)	156,725	\$ 43		
61,441	4,143			-	-			
62,037	4,131			(2,786)	164			
40,530	81,950			(41,670)	235	15		
83,058	20,449			(20,121)	612			
34,602	102,205			(85,521)	17,918			
106,721	16,587			-	-			
152,007	241,809			(72,162)	-			
403,726	459,082			(147,829)	92,473			
22,061				-	-			
	9,566			(21,685)	12,119			
102,863	100,863			-	2,000			
2,060,535	2,433,221	-	2,833	(1,320,516)	348,268	58		
34,124								
736,963	796,355			(59,392)				
16,462	17,940			(1,478)				
8,180								
222,713	248,927			(26,214)				
2,094	2,094							
647								
51,952	54,133			(2,181)				
62,953	62,953							
1,136,088	1,182,402	-	-	(89,265)	-	-	-	
\$ 3,373,656	\$ 3,794,693	\$ -	\$ 2,833	\$ (1,411,818)	\$ 348,268	\$ 58		

Board of Education of the Lindenwold Public Schools
 Schedule of Expenditures of State Awards, Schedule B
 For the Fiscal Year Ended June 30, 2013

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Required Match	Grant Period		Balance at June 30, 2012	
				From	To	Deferred Revenue / Accounts Receivable	Due to Grantor
State Department of Education (State Aid):							
General Fund:							
Equalization Aid	12-495-034-5120-078	\$ 21,402,084		7-1-2011	6-30-2012	\$ (2,063,981)	
Equalization Aid	13-495-034-5120-078	21,951,796		7-1-2012	6-30-2013		
School Choice	12-495-034-5120-068	61,368		7-1-2011	6-30-2012	(6,137)	
School Choice	13-495-034-5120-068	115,336		7-1-2012	6-30-2013		
Transportation Aid	13-495-034-5120-014	130,801		7-1-2012	6-30-2013		
Security Aid	12-495-034-5120-084	282,296		7-1-2011	6-30-2012	(28,230)	
Security Aid	13-495-034-5120-084	376,100		7-1-2012	6-30-2013		
Special Education Aid	12-495-034-5120-089	1,143,876		7-1-2011	6-30-2012	(114,388)	
Special Education Aid	13-495-034-5120-089	1,221,193		7-1-2012	6-30-2013		
Nonpublic Transportation Aid	12-495-034-5120-014	17,558		7-1-2011	6-30-2012	(17,558)	
Nonpublic Transportation Aid	13-495-034-5120-014	14,616		7-1-2012	6-30-2013		
Extraordinary Special Education Aid Costs	12-100-034-5120-473	136,442		7-1-2011	6-30-2012	(136,442)	
Extraordinary Special Education Aid Costs	13-100-034-5120-473	144,122		7-1-2012	6-30-2013		
Reimbursed T.P.A.F. Social Security	13-495-034-5095-002	1,250,347		7-1-2012	6-30-2013		
Total State Aid - General Fund						(2,366,736)	-
State Grants:							
Special Revenue Fund:							
Preschool Education Aid	12-495-034-5120-086	687,505		7-1-2011	6-30-2012	96,780	
Preschool Education Aid	13-495-034-5120-086	732,836	\$ 327,841	7-1-2012	6-30-2013		
Total Special Revenue Fund						96,780	-
Capital Projects Fund:							
SDA Grant	2670-090-09-1001	234,197		7-1-2008	6-30-2009	(6,333)	
SDA Grant	2670-040-10-1001	681,274		7-1-2010	6-30-2011	(637,792)	
						(644,125)	-
Debt Service Fund:							
Debt Service Aid Type II	13-495-034-5120-075	722,141		7-1-2012	6-30-2013		
						-	-
Enterprise Fund:							
National School Lunch Program (State Share)	12-100-010-3360-067	16,656		7-1-2011	6-30-2012	(771)	
National School Lunch Program (State Share)	13-100-010-3360-067	17,510		7-1-2012	6-30-2013		
Total Enterprise Fund						(771)	-
Total State Financial Assistance						\$ (2,914,852)	\$ -

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

Carryover/ (Walkover) Amount	Cash Received	Adjustments	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2013			Memo	
					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable 6/30/2013	Cumulative Total Expenditures
	\$ 2,063,981								
	19,834,586		\$ 21,951,796		\$ (2,117,210)			\$ (2,117,210)	\$ 21,951,796
	6,137								
	103,802		115,336		(11,534)			(11,534)	
	117,721		130,801		(13,080)			(13,080)	130,801
	28,230								
	338,490		376,100		(37,610)			(37,610)	376,100
	114,388								
	1,099,074		1,221,193		(122,119)			(122,119)	1,221,193
	17,558								
			14,616		(14,616)				14,616
	136,442								
			144,122		(144,122)				144,122
	1,250,347		1,250,347						1,250,347
-	25,110,756	-	25,204,311	-	(2,460,291)	-	-	(2,301,553)	25,088,975
	68,750		165,530						760,106
	987,394		922,417		(73,283)	\$ 138,260		(73,283)	922,417
-	1,056,144	-	1,087,947	-	(73,283)	138,260	-	(73,283)	1,682,523
					(6,333)			(6,333)	
					(637,792)			(637,792)	
-	-	-	-	-	(644,125)	-	-	(644,125)	-
	722,141		722,141						722,141
-	722,141	-	722,141	-	-	-	-	-	722,141
	771								
	16,216		17,510		(1,294)			-	17,510
-	16,987	-	17,510	-	(1,294)	-	-	-	17,510
\$ -	\$ 26,906,028	\$ -	\$ 27,031,909	\$ -	\$ (3,178,993)	\$ 138,260	\$ -	\$ (3,018,961)	\$ 27,511,149

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2013

Note 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Borough of Lindenwold School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

Note 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$(88,817) for the general fund and \$42,178 for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$46,712 for the special revenue fund. See Exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS (CONT'D)

Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 179,070	\$ 25,204,311	\$ 25,383,381
Special Revenue	2,481,898	1,085,982	3,567,880
Debt Service		722,141	722,141
Food Service	1,182,402	17,510	1,199,912
Total Awards and Financial Assistance	<u>\$ 3,843,370</u>	<u>\$ 27,029,944</u>	<u>\$ 30,873,314</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: OTHER

Revenues and expenditures reported under the food distribution program represent current year value received and current year distribution, respectively. TPAF social security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2013.

Note 6: MAJOR PROGRAMS

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

**BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Schedule of Findings and Questioned Cost:
 For the Fiscal Year Ended June 30, 2011**

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	<u>Unmodified</u>
Internal control over financial reporting	
Material weakness(es) identified	___ yes <u>x</u> no
Significant deficiency(ies) identified	___ yes <u>x</u> none reported
Noncompliance material to financial statements noted	___ yes <u>x</u> no

Federal Awards

Internal control over major programs	
Material weakness(es) identified	___ yes <u>x</u> no
Significant deficiency(ies) identified	___ yes <u>x</u> none reported
Type of auditor's report issued on compliance for major program:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133	___ yes <u>x</u> no

Identification of major programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010A</u>	<u>Title I, Part A</u>
<u>84.027</u>	<u>IDEA Part B - Basic</u>
<u>84.137</u>	<u>IDEA Part B - Preschool</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>10.553</u>	<u>After School Snack</u>
<u>10.582</u>	<u>Fresh Fruit and Vegetable Program</u>
<u>10.555</u>	<u>Healthy Hunger Free Kids</u>
<u>10.555</u>	<u>Food Distribution Program</u>

Dollar threshold used to determine Type A program:	\$ <u>300,000</u>
Auditee qualified as low-risk auditee	<u>x</u> yes ___ no

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 2- Schedule of Financial Statement Findings

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

No Current Year Findings

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

No Current Year Findings.

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

No Current Year Findings.

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

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings.

FEDERAL AWARDS

No Prior Year Findings.

STATE FINANCIAL ASSISTANCE PROGRAMS

No Prior Year Findings.

