

BOROUGH OF LINDENWOLD

SCHOOL DISTRICT

LINDENWOLD, NEW JERSEY

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Table of Contents

INTRODUCTORY SECTION	<u>Page</u>
Letter of Transmittal	2
Organizational Chart	9
Roster of Officials	10
Consultants and Advisors	11
FINANCIAL SECTION	
Independent Auditor's Report	13
Required Supplementary Information – Part I Management’s Discussion and Analysis	19
Basic Financial Statements	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	28
A-2 Statement of Activities	29
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	31
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	32
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Proprietary Funds:	
B-4 Statement of Net Position	34
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	35
B-6 Statement of Cash Flows	36
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	37
B-8 Statement of Changes in Fiduciary Net Position	38
Notes to the Financial Statements	39
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	71
C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance – Budget and Actual	N/A
C-1b Community Development Block Grant – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	79
C-3 Budgetary Comparison Schedule – Note to RSI	81

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
Required Supplementary Information – Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the School District’s Proportionate Share of the Net Pension Liability – PERS	84
L-2 Schedule of School District’s Contributions – PERS	85
L-3 Schedule of the School District’s Proportionate Share of the Net Pension Liability – TPAF	86
L-4 Schedule of School District’s Contributions – TPAF	87
L-5 Notes to the Required Supplementary Information – Part III GASB 68 Pension Changes	88
Required Supplementary Information – Part IV	
L-6 Schedule of Funding Progress for Health Benefits Plan	N/A
L-7 Notes to the Required Supplementary Information – Part IV N/A	
Other Supplementary Information	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	91
E-2 Schedule of Preschool Education Aid Expenditures – Budgetary Basis	93
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	95
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances	96
F-2a Statement(s) of Project Revenues, Expenditures, Project Balance and Project Status -	97

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
Other Supplementary Information (Cont'd)	
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Statement of Net Position	103
G-2 Statement of Revenues, Expenses and Changes in Fund Net Position	104
G-3 Statement of Cash Flows	105
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	107
H-2 Combining Statement of Changes in Fiduciary Net Position	108
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	109
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	110
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	112
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	113

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1 Net Position by Component	116
J-2 Changes in Net Position	117
J-3 Fund Balances—Governmental Funds	120
J-4 Changes in Fund Balances—Governmental Funds	121
J-5 General Fund Other Local Revenue by Source	122

Revenue Capacity

J-6 Assessed Value and Estimated Actual Value of Taxable Property	124
J-7 Direct and Overlapping Property Tax Rates	125
J-8 Principal Property Taxpayers	126
J-9 Property Tax Levies and Collections	127

Debt Capacity

J-10 Ratios of Outstanding Debt by Type	129
J-11 Ratios of General Bonded Debt Outstanding	130
J-12 Direct and Overlapping Governmental Activities Debt	131
J-13 Legal Debt Margin Information	132

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
Statistical Section (Cont'd)	
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	134
J-15 Principal Employers	135
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	137
J-17 Operating Statistics	138
J-18 School Building Information	139
J-19 Schedule of Required Maintenance Expenditures by School Facility	140
J-20 Insurance Schedule	141
 SINGLE AUDIT SECTION 	
K-1 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	16
K-2 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 15-08-OMB	143
K-3 Schedule of Expenditures of Federal Awards, Schedule A	145
K-4 Schedule of Expenditures of State Awards, Schedule B	147
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	149
K-6 Schedule of Findings and Questioned Costs	151
K-7 Summary Schedule of Prior Audit Findings and Questioned Costs as Prepared by Management	156

INTRODUCTORY SECTION



LINDENWOLD PUBLIC SCHOOLS

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

December 10, 2015

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, 2015, 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 2014-2015 fiscal year with an enrollment of two-thousand, six hundred thirty-three (2,633) 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>
2014-15	2633	160	6.4
2013-14	2473	60	2.5
2012-13	2413	98	4.2
2011-12	2315	27	1.2
2010-11	2288	44	2.0
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)

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 a population of 17,613 residents as of the 2010 census.

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

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

Curriculum: What Should Students Learn?

Our major curriculum efforts have focused on developing and implementing quality, up-to-date curricula in all subjects. With all curricula, we ensure alignment to the Common Core, the updated NJ Core Curriculum Content Standards, or the Next Generation Science Standards. We also seek to develop curricular experiences that prepare our students for the rigor of PARCC and/or other state-operated tests. The district has continued the implementation of K-8 math and ELA curricula that were created in the summer of 2014. In the summer of 2015, teachers and supervisors developed curriculum in K-8 social studies, K-4 Spanish, and Algebra I, Algebra II, and Geometry. We also created various implementation and unit-planning tools for teachers for K-4 ELA and math.

Our overall curricula list remains in need of revision, improvement, and enhancements towards our standard of quality. Supervisors reviewed all curricula in their discipline(s) and reported on our overall needs. Plans are in place to create appendices to address differentiation for ELLs, special education students, and gifted & talented students. A current review of existing curriculum suggests that we will need at least 2-3 years of in-year curriculum review and revision, plus summer writing of curricula that need initial creation. In addition to our own curriculum development processes, we are participating in the state-wide curriculum development effort in science. Through the leadership of the NJDOE, we will join our fellow county and state districts in using the science curriculum frameworks to develop curricula according to the NGSS.

Assessment: How Do We Know Students Have Learned?

In tandem with our curriculum, we are creating benchmark and classroom assessments aligned to the rigor and expectations of current standards in each discipline. We have adopted the NJDOE model assessments as our guidance in math and ELA, and have recently replicated that process in social studies and, as we complete more curricula, will do so in the remaining subjects.

Beyond our benchmarks we have worked to base our classroom assessments on high-leverage items with constructed responses, opportunities for critical thinking, and application to real-world situations. As part of this revision we have worked to create common assessments in all areas. We are in the process of improving our work of data collection, analysis, and action-planning at all levels; to this end, we have formed data teams that have created item- and standard-analysis templates that teachers will use to determine patterns of individual, grade, department, and school mastery of standards.

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

new grading system, and our intention is to use the system school-wide in LMS and LHS beginning in the 2016-17 year. The District leads a 10-district consortium of districts looking to implement and/or learn more about the potential of this approach to grading.

Our Assessment and Grading Committee consists of administrators and teachers, and serves to advise in assessment and grading policy processes.

Instruction: How Do We Teach So that Students Learn?

As we formulate clear understandings of what students should be learning and what assessments we use to ensure that learning for mastery takes place, we move to the question of how to teach so that all students can learn to high levels. The District uses the Danielson framework to ground conversations about teaching and learning, and serve as the focal point for teachers looking to improve their efficacy in the classroom and schools. We also tie in aspects of the Rigor, Relevance, and Relationships concept as a shorthand for understanding good instruction from a holistic perspective. These two foundations serve to underpin our efforts to improve our teachers' pedagogical capacities as well as their ability to forge the essential interpersonal relationships on which effective classroom instruction rests.

We continue to place our foremost focus on the foundational skills of literacy and math. The District has created an ELA instructional improvement plan that defines our continuum of instructional frameworks from K-12, and outlines a plan for training and/or reinforcing training for teachers in several key instructional aspects. Our instructional vision includes using a Balanced Literacy approach with our earliest grades, and transitioning to a more reader-choice-centered approach through a Reader's Workshop model as students move toward grade 4 and the transition to middle school. At the high school level, we are using the Brockton High School model of literacy across the curriculum and working to ensure that all teachers have the necessary skills to implement the Common Core ELA standards or the ELA standards for Science, Social Studies, and Technical Subjects. Our district-level ELA articulation committee helps steer this work.

In math we look to our rigor-enhanced benchmarks and new data analysis procedures to inform reflective discussions on how to improve instruction and target work by standard and/or student learning objective (SLO). We also have initiated our math manipulatives professional learning group, whose work, along with math leaders and our STEM supervisor, will be to improve teacher effectiveness through using manipulatives at all grades, with the goals of enhancing engagement and making abstract processes more concrete.

Our ESL classes are undergoing significant instructional improvements through the development of curricular scaffolds for our standard curricula. These scaffolds, developed with advisement from NJDOE representatives and using NJDOE resources, will help our teachers understand ELL student needs and develop relevant instructional strategies to meet these students at their WIDA level. We are also in the process of securing SIOP training for all staff members; we will be expanding our district roster of SIOP trainers through participation in an NJDOE workshop series in July 2016. Our Bilingual/ESL District Committee discusses instructional needs and meets several times per

year to assess our implementation of B/ESL initiatives and discuss instructional improvement.

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

The Lindenwold Schools understand that innovation in professional learning must be part of our process in order to avoid wasting resources on “one-shot” workshops that do little to effect real instructional improvement. We currently operate instructional practice teams in three areas: math manipulatives, quality questioning, and middle school literacy. These 4-teacher teams rotate through a cycle of lesson planning, lesson demonstration with peer observation, and written reflection and debriefing. These groups will turnkey their experiences to their schools at the conclusion of the year. Math manipulatives and quality questioning have been included into, where appropriate, all teachers’ professional development plans.

We also are in the process of developing an online learning management system through which teachers will be able to guide themselves through self-paced modules consisting of instructional videos, reflection and comprehension response questions, and other activities designed to help teachers master material. We intend to provide the infrastructure for teachers to document their progress through a digital badging system, and will encourage teachers with specific skill sets to develop content of their own.

We also seek to expand our ability to use a coaching model for improving teacher performance. Our literacy and math coaches will be working with educational consultants this year to receive formalized coaching training, and we are working to prioritize coaching as their role in each school. In addition, we are working to expand the coaching skill set across as many teachers that can perform the work of an informal coach; the above professional practice groups outline the procedures for this effort.

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, 2015.

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.

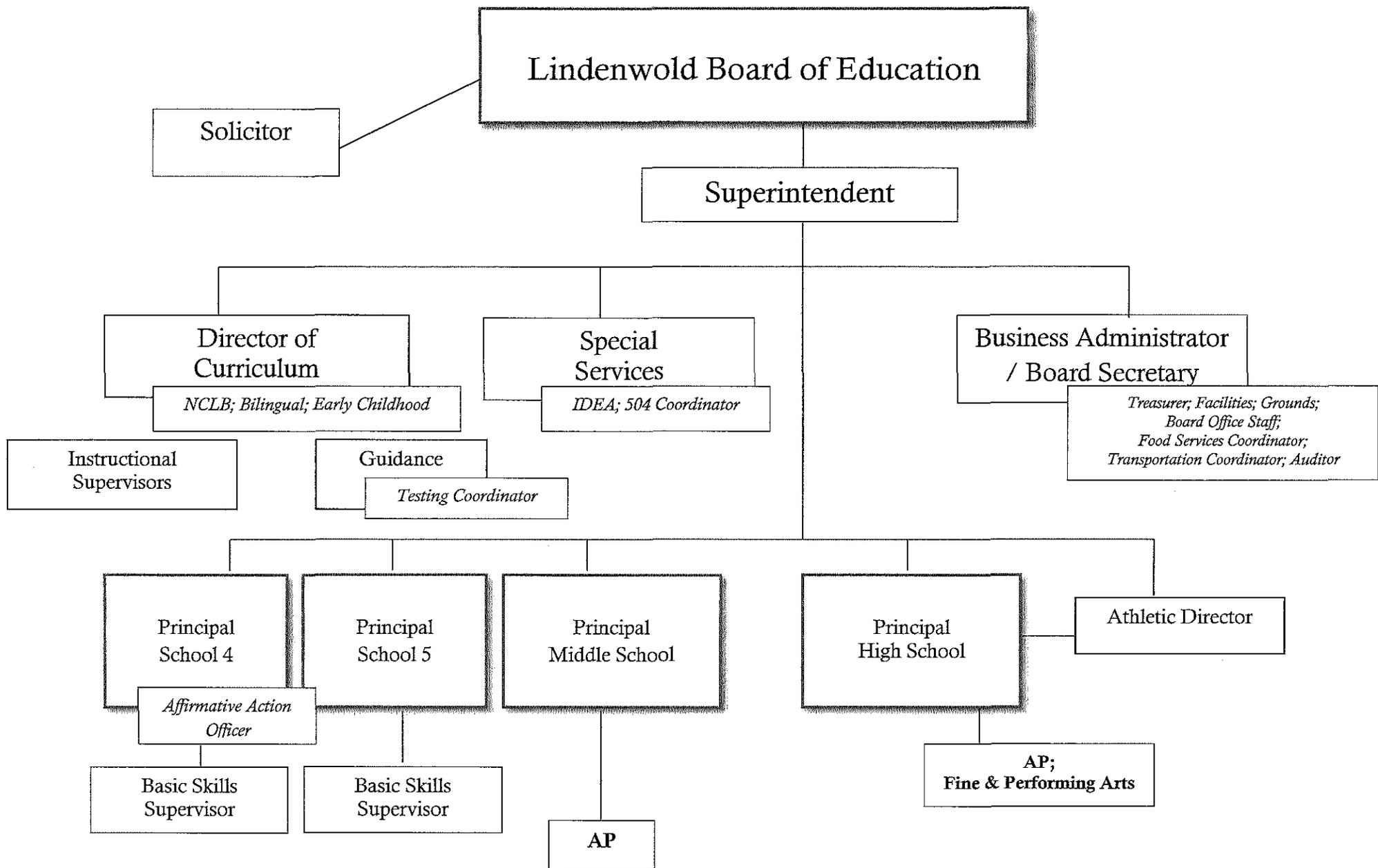
Respectfully submitted,

Lori L Moore, Ed.D.

Lori L. Moore, Ed. D.
Superintendent

Kathleen Huder

Kathleen Huder
Board Secretary/School Business
Administrator



Organization Chart

March 2014

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
LINDENWOLD, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2015

Members of the Board of Education

Term
Expires

Cathy Ann Moncrief, President	2016
Kevin W. McGahey, Vice President	2016
Pam Bragg	2017
Gil Geary	2017
Alethia Gibbs-Smith	2017
Tammy Harkless	2018
Rita A. Heins	2018
Marsha Hershman	2018
Mark Wilson	2016

Other Officials

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
LINDENWOLD, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2015

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 LLC
1250 Chew Landing Road
Laurel Springs, New Jersey 08021

OFFICIAL DEPOSITORY

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Lindenwold School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2015, 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, 2015, 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.

Emphasis of Matter*Adoption of New Accounting Principles*

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2015, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Prior Period Restatement

Because of the implementation of GASB Statements No. 68 and No. 71, net position as of June 30, 2014 on the statement of activities has been restated, as discussed in note 24 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, and schedule of School District's contributions, 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 15-08-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 December 10, 2015 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
December 10, 2015

**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, 2015, 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 December 10, 2015. Our report on the financial statements included an emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from the adoption of new accounting principles.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Glen J. Walton

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

Voorhees, New Jersey
December 10, 2015

REQUIRED SUPPLEMENTARY INFORMATION
PART I

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

The management's discussion and analysis of the Borough of Lindenwold School District (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015 and 2014. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

FINANCIAL HIGHLIGHTS

Financial Highlights for fiscal year 2015:

- During the fiscal year ended June 30, 2015 the School District was required to implement Governmental Accounting Standard Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions*, see below discussion. In addition, the notes to the financial statements provide a more through discussion of the implementation of GASB 68 and the effects to the financial statements.
- The assets of the Borough of Lindenwold School District exceeded its liabilities at the close of the most recent fiscal year by \$7,438,519 (net position).
- The School District's total net position increased by \$447,400. This increase is primarily attributable to the Borough of Lindenwold School District's decrease in long-term liabilities.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$5,967,823, a decrease of \$2,018,347 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund had a deficit of \$1,621,331, which is an increase of \$72,857 in comparison with the prior year.
- The Borough of Lindenwold School District's total debt decreased by \$1,990,000 as a result of debt payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited) (Cont'd)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

Government-Wide Statements

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

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

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

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

Fund Financial Statements

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

The School District has three kinds of funds:

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position for fiscal years 2015 and 2014.

TABLE 1				
Net Position				
	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 7,622,123	\$ 9,472,325	\$ (1,850,202)	-19.53%
Capital Assets	22,816,652	21,250,653	1,565,999	7.37%
Total Assets	30,438,775	30,722,978	(284,203)	-0.93%
Deferred Outflows of Resources:				
Related to Pensions	644,054		644,054	100.00%
Liabilities:				
Long-Term Liabilities	19,820,469	12,449,520	7,370,949	59.21%
Other Liabilities	3,131,035	2,560,493	570,542	22.28%
Total Liabilities	22,951,504	15,010,013	7,941,491	52.91%
Deferred Inflow of Resources - Related to Pensions	692,806	-	692,806	100.00%
Net Position:				
Net Investment in Capital Assets	10,716,937	8,150,653	2,566,284	31.49%
Restricted	7,319,463	9,035,690	(1,716,227)	-18.99%
Unrestricted (Deficit)	(10,597,881)	(1,473,378)	(9,124,503)	619.29%
	7,438,519	15,712,965	(8,274,446)	-52.66%
Restatement to Record the School District's Net Pension Liability and Pension Related Deferred Outflows of Resources per GASB 68	-	(8,721,846)	8,721,846	-100.00%
Total Net Position	\$ 7,438,519	\$ 6,991,119	\$ 447,400	6.40%

Table 2 provides an illustration of the impact of the School District's Net Position for the implementation of GASB 68.

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

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 644,054		\$ 644,054	100.00%
Less: Net Pension Liability	(8,315,456)	\$ (8,721,846)	406,390	-4.66%
Less: Deferred Inflows Related to Pensions	(692,806)		(692,806)	-100.00%
	\$ (8,364,208)	\$ (8,721,846)	\$ 357,638	-4.10%

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited) (Cont'd)

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

Table 3 reflects changes in net position for fiscal years 2015 and 2014.

TABLE 3
Change in Net Position

Revenues:	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 1,005,622	\$ 892,068	\$ 113,554	12.73%
Operating Grants and Contributions	4,776,858	4,453,713	323,145	7.26%
General Revenues:				
Property Taxes	12,032,325	11,575,778	456,547	3.94%
Grants and Contributions not Restricted to Specific Programs	28,915,337	32,603,137	(3,687,800)	-11.31%
Other	61,541	124,967	(63,426)	-50.75%
Total Revenues	<u>46,791,683</u>	<u>49,649,663</u>	<u>(2,857,980)</u>	<u>-5.76%</u>
Expenses:				
Instruction:				
Regular	11,057,667.00	10,884,267	173,400	1.59%
Special Education	3,248,086	3,120,142	127,944	4.10%
Other Special Instruction	2,498,004	2,723,549	(225,545)	-8.28%
Student Services:				
Tuition	2,729,627	2,932,045	(202,418)	-6.90%
Student and Instruction Related	4,329,966	4,097,119	232,847	5.68%
General Administrative Services	608,154	551,372	56,782	10.30%
School Administrative Services	1,744,404	1,644,143	100,261	6.10%
Central Services	609,176	735,148	(125,972)	-17.14%
Administrative Information Technology	317,079	404,536	(87,457)	-21.62%
Plant Operations and Maintenance	3,506,721	3,205,131	301,590	9.41%
Pupil Transportation	2,013,381	1,481,221	532,160	35.93%
Special Schools	305,972	252,410	53,562	21.22%
Unallocated Benefits	11,091,851	10,113,239	978,612	9.68%
Payment of Bond Issue Costs	149,148			
Interest on Long-Term Debt	612,838	600,023	12,815	2.14%
Food Service	1,522,209	1,448,127	74,082	5.12%
Total Expenses	<u>46,344,283</u>	<u>44,192,472</u>	<u>2,002,663</u>	<u>4.53%</u>
Increase (Decrease) in Net Position	447,400	5,457,191	(4,860,643)	(0.89)
Beginning Net Position	6,991,119	10,255,774	(3,264,655)	-31.83%
Ending Net Position	7,438,519	15,712,965	(8,125,298)	-51.71%
Restatement to Record the School District's Net Pension Liability and Pension Related Deferred Outflows of Resources per GASB 68	-	(8,721,846)	8,721,846	-100.00%
Ending Net Position	<u>\$ 7,438,519</u>	<u>\$ 6,991,119</u>	<u>\$ 596,548</u>	<u>8.53%</u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited) (Cont'd)

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

Governmental Activities

In 2014-2015, Governmental Activities Revenues were \$45,251,583 or 96.71% of total revenues.

In 2013-2014, Governmental Activities Revenues were \$48,180,785 or 97.04% of total revenues.

In 2014-2015, General Revenues - Property Taxes of \$12,032,325 made up 26.59%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$28,915,337 made up 63.90% of Governmental Activities Revenues.

In 2013-2014, General Revenues - Property Taxes of \$11,575,778 made up 24.03%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$32,603,137 made up 67.67% of Governmental Activities Revenues.

In 2014-2015, the School District's Governmental Activities expenditures increased by \$2,077,729 or 4.86%.

Business-Type Activities

In 2014-2015 Business-Type Activities Revenues were \$1,540,100 or 3.29% of total revenues. In 2013-14 Business-Type Activities Revenues were \$1,468,878 or 2.96% of total revenues.

Charges for Services for Business-Type Activities were \$176,169 in 2014-2015 compared to \$177,684 in 2013-2014, a 0.85% decrease.

Operating Grants and Contributions for Business-Type Activities were \$1,363,103 in 2014-2015 compared to \$1,290,015 in 2013-2014, a 5.67% increase.

Expenses for Business-Type Activities were \$1,522,209 in 2014-2015 compared to \$1,448,127 in 2013-2014, a 5.12% increase.

General Fund Budgeting Highlights

The final budgetary basis revenue estimate was \$36,176,475, which was greater than the original budget.

The 2014-2015 General Fund Tax Levy was \$10,983,163, an increase of \$460,455 or 4.38% from the 2013-2014 General Fund Tax Levy of \$10,522,709.

During fiscal year 2015, the School District budgeted \$10,983,164 for property taxes (local tax levy) and \$24,646,306 for state aid revenues.

The School District also received \$1,243,551 and \$2,292,506 reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical and Pension Contributions, respectively. The Borough of Lindenwold School District's expenditures also include the reimbursed TPAF Social Security Aid and On-behalf T.P.A.F. Pension and Medical Contributions of \$1,243,551 and \$2,292,506 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

The final budgetary basis expenditure appropriation estimate was \$37,489,142, which was greater than the original budget.

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2015
 (Unaudited) (Cont'd)

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

Financial Analysis of the Government's Funds

Governmental Funds - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$5,967,823, a decrease of \$2,018,347 in comparison with the prior year.

Of the combined ending fund balances of \$5,967,823, \$1,720,871 constitutes unassigned fund balance deficits. The remainder of fund balance of \$7,688,694 is restricted or assigned for various purposes.

Proprietary Funds - As of the end of the current fiscal year, the School District's proprietary fund had \$401,367 in unrestricted net position.

CAPITAL ASSETS

The Borough of Lindenwold School District's investment in capital assets for its governmental and business-type activities as of June 30, 2015 amounts to \$10,716,937 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, and equipment. There was a net increase in the Borough of Lindenwold School District's investment in capital assets for the current fiscal year of 31.59%. The net increase was the result of the net effect of the 2015 asset additions, depreciation expense, and write-offs for the year. Table 4 reflects the capital assets.

TABLE 4
 Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Land	\$ 1,998,297	\$ 1,998,297
Construction in Progress	1,234,225	333,283
Site Improvements	1,370,998	787,729
Building and Improvements	16,529,168	16,292,441
Equipment	<u>1,683,964</u>	<u>1,838,903</u>
 Total Capital Assets	 <u>\$ 22,816,652</u>	 <u>\$ 21,250,653</u>

Depreciation expense was \$1,124,828 for fiscal year ended 2015 and \$1,256,745 for fiscal year ended 2014.

DEBT ADMINISTRATION

Long-term Debt - At the end of the current fiscal year, the Borough of Lindenwold School District had total bonded debt outstanding of \$11,100,000. The entire Borough of Lindenwold School District's bonded debt is governmental as opposed to business-type. The 2016 adopted budget has an appropriation of \$1,200,000 representing the payment of the annual principal. The 2003 refunding bonds will mature on October 1, 2020 and the 2015 refunding bonds will mature on June 1, 2025.

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited) (Cont'd)

FACTORS ON THE DISTRICT'S FUTURE

For the 2014-15 school year, the Borough of Lindenwold School District was able to sustain its budget through the township tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 26.6% of total revenue is from local tax levy and 63.9% of the Borough of Lindenwold School District's revenue is from federal and state aid (restricted and not restricted).

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 215,835	\$ 341,045	\$ 556,880
Receivables, net	3,973,127	97,772	4,070,899
Inventory		11,469	11,469
Restricted Assets:			
Restricted Cash and Cash Equivalents	1,330,518		1,330,518
Capital Reserve Account - Cash	1,652,357		1,652,357
Capital Assets, net (Note 7)	<u>22,592,988</u>	<u>223,664</u>	<u>22,816,652</u>
Total Assets	<u>29,764,825</u>	<u>673,950</u>	<u>30,438,775</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 10)	<u>644,054</u>		<u>644,054</u>
Accounts Payable	1,333,277	48,919	1,382,196
Unearned Revenue	253,308		253,308
Accrued Interest Payable	38,974		38,974
Noncurrent Liabilities (Note 8):			
Due within One Year	1,456,557		1,456,557
Due beyond One Year	<u>19,820,469</u>		<u>19,820,469</u>
Total Liabilities	<u>22,902,585</u>	<u>48,919</u>	<u>22,951,504</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 10)	<u>692,806</u>		<u>692,806</u>
NET POSITION:			
Net Investment in Capital Assets	10,493,273	223,664	10,716,937
Restricted for:			
Capital Projects	4,100,591		4,100,591
Debt Service	(6,605)		(6,605)
Other Purposes	3,225,477		3,225,477
Unrestricted (Deficit)	<u>(10,999,248)</u>	<u>401,367</u>	<u>(10,597,881)</u>
Total Net Position	<u>\$ 6,813,488</u>	<u>\$ 625,031</u>	<u>\$ 7,438,519</u>

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2015

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	\$ 11,057,667		\$ 841,525	\$ (10,216,142)		\$ (10,216,142)
Special Education	3,248,086	\$ 829,453		(2,418,633)		(2,418,633)
Other Special Instruction	2,498,004		557,732	(1,940,272)		(1,940,272)
Support Services:						
Tuition	2,729,627		711,739	(2,017,888)		(2,017,888)
Student and Instruction Related Services	4,329,966		560,179	(3,769,787)		(3,769,787)
General Administrative Services	608,154			(608,154)		(608,154)
School Administrative Services	1,744,404			(1,744,404)		(1,744,404)
Central Services	609,176			(609,176)		(609,176)
Administrative Information Technology	317,079			(317,079)		(317,079)
Plant Operations and Maintenance	3,506,721		98,833	(3,407,888)		(3,407,888)
Pupil Transportation	2,013,381		26,460	(1,986,921)		(1,986,921)
Special Schools	305,972			(305,972)		(305,972)
Unallocated Benefits	11,091,851		617,287	(10,474,564)		(10,474,564)
Payment of Bond Issue Costs	149,148			(149,148)		(149,148)
Interest on Long-Term Debt	612,838			(612,838)		(612,838)
Total Governmental Activities	44,822,074	829,453	3,413,755	(40,578,866)		(40,578,866)
Business-Type Activities:						
Food Service	1,522,209	176,169	1,363,103		\$ 17,063	17,063
Total Business-Type Activities	1,522,209	176,169	1,363,103		17,063	17,063
Total Primary Government	\$ 46,344,283	\$ 1,005,622	\$ 4,776,858	(40,578,866)	17,063	(40,561,803)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				10,983,163		10,983,163
Taxes Levied for Debt Service				1,049,162		1,049,162
Federal, State and Local Aid Not Restricted				28,319,499		28,319,499
State Aid Restricted				595,838		595,838
Interest income				13,589	828	14,417
Miscellaneous Income				47,124		47,124
Total General Revenues				41,008,375	828	41,009,203
Change in Net Position				429,509	17,891	447,400
Net Position -- July 1 (Restated)				6,383,979	607,140	6,991,119
Net Position -- June 30				\$ 6,813,488	\$ 625,031	\$ 7,438,519

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

FUND FINANCIAL STATEMENTS

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 215,835		\$ 970,914	\$ 32,369	\$ 1,219,118
Cash - Capital Reserve Account	1,652,357				1,652,357
Current Expense Emergency Reserve	327,235				327,235
Capital Assets, net (Note 7)					
State	265,978		3,198,676		3,464,654
Federal		\$ 246,500			246,500
Intergovernmental	257,164	1,980			259,144
Interfund	124,652				124,652
Total Assets	<u>\$ 2,843,221</u>	<u>\$ 248,480</u>	<u>\$ 4,169,590</u>	<u>\$ 32,369</u>	<u>\$ 7,293,660</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 822,228	\$ 59,479	\$ 68,999		\$ 950,706
Interfunds Payable		121,823			121,823
Unearned Revenue	86,590	166,718			253,308
Total Liabilities	<u>908,818</u>	<u>348,020</u>	<u>68,999</u>		<u>1,325,837</u>
Fund Balances:					
Reserved for:					
Capital Reserve Account	1,652,357				1,652,357
Emergency Reserve	327,235				327,235
Excess Surplus--Designated for Subsequent Year's Expenditures	600,578				600,578
Excess Surplus	587,701				587,701
Debt Service				\$ 32,369	32,369
Capital Projects			4,100,591		4,100,591
Assigned:					
Other Purposes	330,257				330,257
Subsequent Year's Expenditures	57,606				57,606
Unassigned	(1,621,331)	(99,540)			(1,720,871)
Total Fund Balances	<u>1,934,403</u>	<u>(99,540)</u>	<u>4,100,591</u>	<u>32,369</u>	<u>5,967,823</u>
Total Liabilities and Fund Balances	<u>\$ 2,843,221</u>	<u>\$ 248,480</u>	<u>\$ 4,169,590</u>	<u>\$ 32,369</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$43,060,566 and the accumulated depreciation is \$20,467,578.

22,592,988

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.

(12,961,570)

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

(38,974)

Net Pension Liability

(8,315,456)

Accounts Payable related to the April 1, 2016 Required PERS pension contribution that is not to be liquidated with current financial resources.

(382,571)

Deferred Outflows of Resources - Related to Pensions

644,054

Deferred Inflows of Resources - Related to Pensions

(692,806)

Net position of governmental activities

\$ 6,813,488

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 10,983,163			\$ 1,049,162	\$ 12,032,325
Interest	13,589				13,589
Tuition	829,453				829,453
Unrestricted Miscellaneous Revenues	43,304			3,820	47,124
State Sources	28,164,475	\$ 1,015,721	\$ (106,004)	701,842	29,776,034
Federal Sources	155,024	2,398,034			2,553,058
Total Revenues	40,189,008	3,413,755	(106,004)	1,754,824	45,251,583
EXPENDITURES:					
Current:					
Regular Instruction	9,715,105	841,525			10,556,630
Special Education Instruction	2,633,247	495,986			3,129,233
Other Special Instruction	1,844,838	569,898			2,414,736
Support Services and Undistributed Costs:					
Tuition	2,017,888	711,739			2,729,627
Student and Instruction Related Services	3,606,984	560,179			4,167,163
General Administrative Services	581,890				581,890
School Administrative Services	1,669,070				1,669,070
Central Services	609,176				609,176
Administrative Information Technology	317,079				317,079
Plant Operations and Maintenance	3,260,714	98,833			3,359,547
Pupil Transportation	1,901,113	26,460			1,927,573
Unallocated Benefits	10,473,887	593,031			11,066,918
Special Schools	305,972				305,972
Debt Service:					
Principal				1,345,000	1,345,000
Interest and Other Charges			149,148	378,297	527,445
Capital Outlay	879,283	24,256	1,808,480		2,712,019
Total Expenditures	39,816,246	3,921,907	1,957,628	1,723,297	47,419,078
Excess (Deficiency) of Revenues over Expenditures	372,762	(508,152)	(2,063,632)	31,527	(2,167,495)
OTHER FINANCING SOURCES (USES):					
Operating Transfers In		495,986	701,088		1,197,074
Operating Transfers Out	(1,197,074)				(1,197,074)
Proceeds from Issuance of Refunding Bonds			10,910,000		10,910,000
Premium from Issuance of Refunding Bonds			1,032,746		1,032,746
Payment to Escrow for Refunding of 2005 General Obligation Bonds			(11,793,598)		(11,793,598)
Total Other Financing Sources (Uses)	(1,197,074)	495,986	850,236	-	149,148
Net Change in Fund Balances	(824,312)	(12,166)	(1,213,396)	31,527	(2,018,347)
Fund Balance -- July 1	2,758,715	(87,374)	5,313,987	842	7,986,170
Fund Balance -- June 30	<u>\$ 1,934,403</u>	<u>\$ (99,540)</u>	<u>\$ 4,100,591</u>	<u>\$ 32,369</u>	<u>\$ 5,967,823</u>

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2015

Total Net Change in Fund Balances - Governmental Funds	\$	(2,018,347)
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.

Depreciation Expense	\$	(1,094,495)	
Debt Service Assessment Charged to Capital Outlay		(19,250)	
Capital Outlays		2,712,019	
Capital Outlays not being depreciated		<u>(24,256)</u>	
			1,574,018

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.			1,345,000
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Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.			(38,974)
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Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.

Amortization of Bond Premiums			43,031
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Activity related to the refunding of debt is reported on the fund financial statements as financing sources (uses); whereas, on the government-wide financial statements such activity is reported as a change in net position			(387,746)
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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 (+).			(62,540)
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Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.			<u>(24,933)</u>
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Change in Net Position of Governmental Activities	\$		<u>429,509</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Proprietary Funds
 Statement of Net Position
 June 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 341,045
Accounts Receivable:	
State	1,398
Federal	96,374
Inventories	<u>11,469</u>
Total Current Assets	<u>450,286</u>
Noncurrent Assets:	
Equipment	605,906
Less Accumulated Depreciation	<u>(382,242)</u>
Total Noncurrent Assets	<u>223,664</u>
Total Assets	<u>673,950</u>
LIABILITIES :	
Current Liabilities:	
Accounts Payable	<u>48,919</u>
Total Current Liabilities	<u>48,919</u>
NET POSITION:	
Net Investment in Capital Assets	223,664
Unrestricted	<u>401,367</u>
Total Net Position	<u>\$ 625,031</u>

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 110,559
Daily Sales - Non-Reimbursable Programs	56,958
Special Functions	<u>8,652</u>
Total Operating Revenues	<u>176,169</u>
OPERATING EXPENSES:	
Salaries	463,250
Employee Benefits	103,481
Supplies and Materials	80,435
Cost of Sales	751,498
Management Fee	76,664
Repairs and Maintenance	16,421
Depreciation	<u>30,460</u>
Total Operating Expenses	<u>1,522,209</u>
Operating Income (Loss)	<u>(1,346,040)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	19,314
Federal Sources:	
Healthy Hunger Free Kids Program	20,864
After School Snack Program	2,911
National School Lunch Program	889,300
School Breakfast Program	330,664
Summer Feeding Program	9,008
United States Department of Agriculture Commodities	91,042
Interest and Investment Revenue	<u>828</u>
Total Nonoperating Revenues	<u>1,363,931</u>
Change in Net Position	17,891
Total Net Position -- July 1	<u>607,140</u>
Total Net Position -- June 30	<u><u>\$ 625,031</u></u>

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Proprietary Funds
 Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 176,169
Payments to Employees	(463,250)
Payments for Employee Benefits	(103,481)
Payments to Suppliers	<u>(796,985)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,187,547)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash Received from Federal and State Reimbursements	<u>1,281,480</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,281,480</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of Capital Assets	<u>(22,441)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(22,441)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	<u>828</u>
Net Cash Provided by (used for) Investing Activities	<u>828</u>
Net Increase (Decrease) in Cash and Cash Equivalents	72,320
Cash and Cash Equivalents -- July 1	<u>268,725</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ 341,045</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (1,346,040)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	30,460
Federal Commodities	91,042
(Increase) Decrease in Inventories	293
Increase (Decrease) in Other Current Liabilities	<u>36,698</u>
Total Adjustments	<u>158,493</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (1,187,547)</u></u>

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2015

	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	\$ 401,221	\$ 3,039	\$ 404,260	\$ 165,931	\$ 62,324	\$ 228,255
Total Assets	<u>401,221</u>	<u>3,039</u>	<u>404,260</u>	<u>\$ 165,931</u>	<u>\$ 62,324</u>	<u>\$ 228,255</u>
LIABILITIES:						
Payable to Student Groups				\$ 165,931		\$ 165,931
Payroll Deductions and Withholdings					\$ 59,495	59,495
Interfund Accounts Payable:						
Due General Fund					<u>2,829</u>	<u>2,829</u>
Total Liabilities				<u>\$ 165,931</u>	<u>\$ 62,324</u>	<u>\$ 228,255</u>
NET POSITION:						
Held in Trust for Unemployment Claims and Other Purposes	<u>401,221</u>	<u>3,039</u>	<u>404,260</u>			
Total Net Position	<u>\$ 401,221</u>	<u>\$ 3,039</u>	<u>\$ 404,260</u>			

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2015

	Unemployment Compensation Trust	Private Purpose Scholarship Trust
ADDITIONS:		
Contributions:		
Employee Withholdings	\$ 35,587	
Donor Contribution		\$ 550
Total Contributions	<u>35,587</u>	<u>550</u>
Investment Earnings:		
Interest	<u>776</u>	<u>7</u>
Net Investment Earnings	<u>776</u>	<u>7</u>
Total Additions	<u>36,363</u>	<u>557</u>
DEDUCTIONS:		
Unemployment Compensation		
Insurance Claims	75,827	
Scholarships Awarded		1,000
Total Deductions	<u>75,827</u>	<u>1,000</u>
Change in Net Position	(39,464)	(443)
Net Position -- July 1	<u>440,685</u>	<u>3,482</u>
Net Position -- June 30	<u>\$ 401,221</u>	<u>\$ 3,039</u>

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades kindergarten through 12 at the School District's four schools. The School District has an approximate enrollment at June 30, 2015 of 2,634.

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.

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Component Units (cont'd)**

Based upon the application of these criteria, the School District has no component units, and is not a component unit of another governmental agency.

Government-wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

The School District reports the following major governmental funds:

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

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

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

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to 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, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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

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

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

The School District reports the following major proprietary fund:

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

Additionally, the School District reports the following fund types:

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund 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.

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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 of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

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

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

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

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.

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, 2015.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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>
Site Improvements	10-20 years	N/A
Buildings and Improvements	20-50 years	N/A
Equipment	5-15 years	15 Years

The School District does not possess any infrastructure assets.

Deferred Outflows and Deferred Inflows of Resources

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

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

Defined Benefit Pension Plans – The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the School District's proportion of expenses and liabilities to the pension as a whole, differences between the School District's pension contribution and its proportionate share of contributions, and the School District's pension contributions subsequent to the pension valuation measurement date.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2015 and 2014 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, 2015, 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 School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

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.

Pensions

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Bond Discounts / Premiums**

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

Net Position

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

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

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

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

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

Fund Balance

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

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

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

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.

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

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

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

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

Interfund Activity

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

Accounting Estimates

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

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

For the fiscal year ended June 30, 2015, the School District adopted GASB 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of adopting such Statements, the School District was required to measure and recognize liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. The cumulative effect of adopting GASB Statements No. 68 and No. 71 totaled \$(8,721,846), and was recognized as a restatement of the School District's June 30, 2014 net position on the statement of activities (see note 24).

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

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

Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Statement will become effective for the School District in fiscal year 2016. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The Statement will become effective for the School District in fiscal year 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the School District in fiscal year 2018. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The Statement will become effective for the School District in fiscal year 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the notes to the financial statements.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uncollateralized.

As of June 30, 2015, the School District's bank balance of \$5,501,983 was exposed to custodial credit risk as follows:

Insured	\$ 931,386
Collateralized under GUDPA	4,141,129
Uninsured/Uncollateralized	<u>429,468</u>
	<u>\$ 5,501,983</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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance July 1, 2014	\$ 2,196,045
Interest	2,500
Deposits	720,000
Withdrawals	<u>(1,266,188)</u>
Ending Balance June 30, 2015	<u>\$ 1,652,357</u>

The June 30, 2015 LRFP balance of local support costs of uncompleted projects at June 30, 2015 is \$28,806,853. The withdrawals from the capital reserve were used in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2015, the School District transferred \$565,100 to the capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23A-8.4.

Note 5: ACCOUNTS RECEIVABLE

Accounts receivables at June 30, 2015 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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 Fund</u>	<u>Total</u>
Intergovernmental	\$ 523,142	\$ 248,480	\$ 3,198,676	\$ 97,772	\$ 4,068,070
Total	<u>\$ 523,142</u>	<u>\$ 248,480</u>	<u>\$ 3,198,676</u>	<u>\$ 97,772</u>	<u>\$ 4,068,070</u>

Note 6: INVENTORY

Inventory recorded at June 30, 2015 in business-type activities on the government-wide statement of net position, and on the food service proprietary fund statement of net position, consisted of the following:

Food	\$ 1,301
Supplies	<u>10,168</u>
	<u>\$ 11,469</u>

Note 7: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,998,297			\$ 1,998,297
Construction in Progress	333,283	\$ 1,154,118	\$ (272,348)	1,215,053
Total Capital Assets, not being Depreciated	<u>2,331,580</u>	<u>1,154,118</u>	<u>(272,348)</u>	<u>3,213,350</u>
Capital Assets, being Depreciated:				
Site Improvement	2,478,665	698,614		3,177,279
Buildings and Improvements	29,562,683	952,164		30,514,847
Equipment	6,026,466	135,965	(7,341)	6,155,090
Total Capital Assets, being Depreciated	<u>38,067,814</u>	<u>1,786,743</u>	<u>(7,341)</u>	<u>39,847,216</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,690,936)	(115,345)		(1,806,281)
Building and Improvements	(13,270,242)	(715,437)		(13,985,679)
Equipment	(4,419,246)	(263,586)	7,214	(4,675,618)
Total Accumulated Depreciation	<u>(19,380,424)</u>	<u>(1,094,368)</u>	<u>7,214</u>	<u>(20,467,578)</u>
Total Capital Assets, being Depreciated, Net	<u>18,687,390</u>	<u>692,375</u>	<u>(127)</u>	<u>19,379,638</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,018,970</u>	<u>\$ 1,846,493</u>	<u>\$ (272,475)</u>	<u>\$ 22,592,988</u>
Business-Type Activities:				
Capital Assets, not being Depreciated:				
Construction in Progress		\$ 19,172		\$ 19,172
Capital Assets, being Depreciated:				
Equipment	\$ 583,465	3,269		586,734
Less Accumulated Depreciation	(351,782)	(30,460)		(382,242)
Total Business-Type Activities Capital Assets, Net	<u>\$ 231,683</u>	<u>\$ (8,019)</u>	<u>\$ -</u>	<u>\$ 223,664</u>

Note 7: CAPITAL ASSETS (CONT'D)

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

Governmental Activities:

Instruction	\$ 616,055
Student & Instruction Related Services	156,561
General and Business Administrative Services	97,703
Plant Operations and Maintenance	141,531
Pupil Transportation	<u>82,518</u>

Total Depreciation- Governmental Activities	<u>\$ 1,094,368</u>
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Business-Type Activities:

Food Services	<u>\$ 30,460</u>
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Total Depreciation Expenses – Business-Type Activities	<u>\$ 30,460</u>
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Note 8: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2015, the following changes occurred in long-term obligations:

	(Restated) Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	<u>\$ 13,100,000</u>	<u>\$ 10,910,000</u>	<u>\$ (12,900,000)</u>	<u>\$ 11,110,000</u>	<u>\$ 1,200,000</u>
Unamortized Cost of Premium on Bonds	<u> </u>	<u>1,032,746</u>	<u>(43,031)</u>	<u>989,715</u>	<u> </u>
Other Liabilities:					
Net Pension Liability	8,721,846	<u> </u>	(406,390)	8,315,456	<u> </u>
Compensated Absences	<u>799,315</u>	<u>107,252</u>	<u>(44,712)</u>	<u>861,855</u>	<u>256,557</u>
Total Other Liabilities	<u>9,521,161</u>	<u>107,252</u>	<u>(451,102)</u>	<u>9,177,311</u>	<u>256,557</u>
Governmental Activity Long-term Liabilities	<u>\$ 22,621,161</u>	<u>\$ 12,049,998</u>	<u>\$ (13,394,133)</u>	<u>\$ 21,277,026</u>	<u>\$ 1,456,557</u>

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

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

<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Amount</u>
2003	\$ 1,515,000	2015 to 2020	5.35%	\$ 335,000
2015	10,910,000	2016 to 2025	3.00-4.00%	<u>10,775,000</u>
				<u>\$ 11,110,000</u>

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,200,000	\$ 424,419	\$ 1,624,419
2017	1,105,000	387,763	1,492,763
2018	1,130,000	353,644	1,483,644
2019	1,120,000	307,831	1,427,831
2020	1,135,000	262,419	1,397,419
2021-2025	<u>5,420,000</u>	<u>645,206</u>	<u>6,065,206</u>
	<u>\$ 11,110,000</u>	<u>\$ 2,381,282</u>	<u>\$ 13,491,282</u>

Bonds Authorized But Not Issued - As of June 30, 2015, 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.

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

Note 9: OPERATING LEASES

At June 30, 2015, the School District had operating lease agreements in effect for copy machines, 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>
2016	\$ 275,942
2017	174,307
2018	92,150
2019	46,971
2020	<u>5,707</u>
	<u>\$ 595,077</u>

Rental payments under operating leases for the fiscal year ended June 30, 2015 were \$232,907.

Note 10: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits. 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
<http://www.state.nj.us/treasury/pensions>

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

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund ("TPAF") is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. Substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified, are covered under TPAF.

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. Substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund, are covered under PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program ("DCRP") is a 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. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for a certain enrollment tier but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for certain enrollment tiers, but who earn salary of at least \$5,000 annually.

Vesting and Benefit Provisions

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

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

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

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

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

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

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2015 was 4.11% of the School District's covered-employee payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2015 because of the 100.00% special funding situation with the State of New Jersey.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2015 was 12.46% of the School District's covered-employee payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School District were \$382,571 for the fiscal year ended June 30, 2015. Employee contributions were \$215,377 for the fiscal year ended June 30, 2015.

Defined Contribution Retirement Program - State and local government employers contribute 3% of the employees' base salary. Active members contribute 5.5% of base salary.

For the fiscal year ended June 30, 2015, employee contributions totaled \$17,718, and the School District recognized pension expense of \$9,665. There were no forfeitures during the fiscal year.

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

Teachers' Pension and Annuity Fund - At June 30, 2015, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the School District. The State's proportionate share of net pension liability, attributable to the School District is as follows:

School Districts Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>86,733,626</u>
	<u>\$ 86,733,626</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2014. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2015, the School District proportion was 0.00% due to the 100% special funding situation of the State of New Jersey. For the fiscal year ended June 30, 2015, the School District recognized \$2,292,506 in revenue and expense, in the Government-Wide Financial Statements, for the State of New Jersey on-behalf TPAF pension contributions.

Public Employees' Retirement System - At June 30, 2015, the School District reported a liability of \$8,315,456 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2014. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the School District's proportion was 0.0444136834%, which was a decrease of 0.0012217938% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the School District recognized \$391,289, in the Government-Wide Financial Statements, for pension expense for PERS.

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

Public Employees' Retirement System (Cont'd) - At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	261,483	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	495,556
Changes in Proportion and Differences Between School District Contributions and Proportionate Share of Contribution	-	197,250
School District Contributions Subsequent to the Measurement Date	<u>382,571</u>	<u>-</u>
	<u>\$ 644,054</u>	<u>\$ 692,806</u>

\$382,571 reported as deferred outflows of resources related to pensions will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>PERS</u>
2015	\$ (139,717)
2016	(139,717)
2017	(139,717)
2018	(139,717)
2019	88,572
Thereafter	<u>38,973</u>
	<u>\$ (431,323)</u>

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

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.50%	3.01%
Salary Increases:		
2012-2021	Varies Based on Experience	2.15% - 4.40% Based on Age
Thereafter	Varies Based on Experience	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2009 – June 30, 2012	July 1, 2008 – June 30, 2011

For TPAF, mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements were based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

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

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of returns for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	TPAF		PERS	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%	6.00%	0.80%
Core Fixed Income	-	2.19%	-	-
Core Bonds	1.00%	1.38%	1.00%	2.49%
Short-Term Bonds	-	1.00%	-	-
Intermediate-Term Bonds	11.20%	2.60%	11.20%	2.26%
Long-Term Bonds	-	3.23%	-	-
Mortgages	2.50%	2.84%	2.50%	2.17%
High Yield Bonds	5.50%	4.15%	5.50%	4.82%
Non-US Fixed Income	-	1.41%	-	-
Inflation-Indexed Bonds	2.50%	1.30%	2.50%	3.51%
Broad US Equities	25.90%	5.88%	25.90%	8.22%
Large Cap US Equities	-	5.62%	-	-
Mid Cap US Equities	-	6.39%	-	-
Small Cap US Equities	-	7.39%	-	-
Developed Foreign Equities	12.70%	6.05%	12.70%	8.12%
Emerging Market Equities	6.50%	8.90%	6.50%	9.91%
Private Equity	8.25%	9.15%	8.25%	13.02%
Hedge Funds / Absolute Return	12.25%	3.85%	12.25%	4.92%
Real Estate (Property)	3.20%	4.43%	3.20%	5.80%
Real Estate (REITS)	-	5.58%	-	-
Commodities	2.50%	3.60%	2.50%	5.35%
Long Credit Bonds	-	3.74%	-	-
	<u>100.00%</u>		<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 4.68% and 4.95% for TPAF as of June 30, 2014 and 2013, respectively, and 5.39% and 5.55% for PERS as of June 30, 2014 and 2013, respectively. For TPAF and PERS, these single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/ Aa or higher. The projection of cash flows used to determine the discount rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

As indicated above, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the net pension liability as of June 30, 2014 attributable to the School District is \$0 and the State's net pension liability attributable to the School District using a discount rate of 4.68%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	TPAF		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability	104,317,769	86,733,626	72,108,219
	<u>\$104,317,769</u>	<u>\$ 86,733,626</u>	<u>\$72,108,219</u>

Public Employees' Retirement System (PERS)

The following presents the School District's proportionate share of the net pension liability at June 30, 2014 calculated using a discount rate of 5.39% for PERS, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
School District's Proportionate Share of the Net Pension Liability	\$ 10,461,127	\$ 8,315,456	\$ 6,513,639

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

Note 11: 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, 2014, there were 103,432 retirees receiving postemployment medical benefits, and the State contributed \$1.04 billion on their behalf. 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.

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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in fiscal year 2014.

Note 12: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2015, 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 in the fund financials for normal costs and post-retirement medical costs were \$885,993 and \$1,406,513, respectively.

Note 13: RISK MANAGEMENT

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

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

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

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>
2015	\$ 776	\$ 35,587	\$ 75,827	\$ 401,221
2014	1,671	22,670	68,909	440,685
2013		46,651	35,610	485,253

Note 13: RISK MANAGEMENT (CONT'D)

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

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, 2015, which can be obtained from:

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

Note 14: DEFERRED COMPENSATION

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

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

Note 15: COMPENSATED ABSENCES

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

School District employees who are employed for ten months are entitled to 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, 2015, the liability for compensated absences reported on the government-wide statement of net position was \$861,855.

Note 16: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2015 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 124,652	
Special Revenue		\$ 121,823
Fiduciary		2,829
	<u>\$ 124,652</u>	<u>\$ 124,652</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2016, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

<u>Transfer Out:</u>	<u>Transfer In:</u>	
	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>
General Fund	\$ 495,986	\$ 701,088
Total Transfers	<u>\$ 495,986</u>	<u>\$ 701,088</u>

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

Note 17: CAPITAL DEBT REFUNDING

On March 3, 2015, the School District issued \$10,910,000 in general obligation bonds with an interest rate of 3.0% - 4.0% to refund \$11,555,000 of outstanding 2005 series bonds with an interest rate of 3.80% - 4.38%. This transaction resulted in bond premiums equal to \$1,032,746 that will be amortized over the next ten years.

Note 18: CONTINGENCIES

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

Note 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.

Note 20: CONCENTRATIONS

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

Note 21: COMMITMENTS

The School District had multiple construction projects ongoing as of the fiscal year ended June 30, 2015 that are to continue into the subsequent fiscal year(s). These projects, which are related to the capital projects fund, are as follows:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
Middle School Façade Stabilization	9/4/2014	\$ 45,354
Middle School Courtyard Drainage	9/8/2015	349,375
Middle School Partial HVAC	9/8/2015	3,540,872
Middle School Room A104	9/8/2015	159,312
School Five Playground	9/1/2011	5,678
		<hr/>
		\$ 4,100,591

Note 22: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$1,621,331 in the General Fund and \$99,540 in the Special Revenue Fund as of June 30, 2015 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 \$1,621,331 is less than the June state aid payments.

Note 23: 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:

Note 23: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)****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, 2015 is \$587,701. Additionally, \$600,578 of excess fund balance generated during 2013-2014 has been restricted and designated for utilization in the 2015-2016 budget.

For Capital Reserve Account - As of June 30, 2015, the balance in the capital reserve account is \$1,652,357. 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, 2015, the balance in the emergency reserve is \$327,235. 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.

Capital Projects Fund - As of June 30, 2015, the restricted fund balance amount was \$4,100,591, all of which is restricted for authorized capital projects.

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2016, \$32,369 of debt service fund balance at June 30, 2015.

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 -

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2016, \$57,606 of general fund balance at June 30, 2015.

Other Purposes - As of June 30, 2015, the School District had \$330,257 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:

Note 23: FUND BALANCES (CONT'D)**UNASSIGNED (CONT'D)**

General Fund - As of June 30, 2015, \$(1,621,331) of general fund balance was unassigned.

Special Revenue Fund - As of June 30, 2015, the fund balance of the special revenue fund was a deficit of \$99,540, 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 \$99,540 is less than the last state aid payment.

Note 24: RESTATEMENT OF NET POSITION

As indicated in note 1 to the financial statements, in fiscal year 2015, the School District adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, for the fiscal year ended June 30, 2015. As a result of implementing these two Statements, a restatement of unrestricted net position on the government-wide statement of activities was required to record the School District's proportionate share of its net pension liability. The cumulative effect on the financial statements as reported for June 30, 2014 is as follows:

	Net Position as Previously Reported <u>June 30, 2014</u>	GASB 68 Implementation			Net Position As Restated <u>June 30, 2014</u>
		Net Pension Liability (1)	Deferred Outflows (2)	Accounts Payable (3)	
Government Activities:					
Net Investment in Capital Assets	\$ 7,918,970				\$ 7,918,970
Reserve for:					
Debt Service	842				842
Capital Projects	5,313,987				5,313,987
Other Purposes	3,720,861				3,720,861
Unrestricted (Deficit)	<u>(1,848,835)</u>	<u>\$(8,721,846)</u>	<u>\$ 366,140</u>	<u>\$(366,140)</u>	<u>(10,570,681)</u>
Total Net Position	<u>\$ 15,105,825</u>	<u>\$(8,721,846)</u>	<u>\$ 366,140</u>	<u>\$(366,140)</u>	<u>\$ 6,383,979</u>

- (1) Represents the School District's proportionate share of the Public Employees' Retirement System June 30, 2013 Net Pension Liability.
- (2) Represents the School District's beginning deferred outflow of resources for contributions subsequent to the measurement date, fiscal year 2013-2014 pension contribution paid.
- (3) Represents the School District's accounts payable for contributions subsequent to the measurement date, paid on April 1, 2015. The State of New Jersey Division of Pension and Benefits has an accounts receivable recorded in the PERS Plan Audit.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 10,983,164		\$ 10,983,164	\$ 10,983,163	\$ (1)
Interest Earned on Capital Reserve Fund	2,500		2,500	2,500	-
Interest Earned on Emergency Reserve Fund	500		500	500	-
Interest	10,000		10,000	10,589	589
Tuition	200,000	\$ 200,000	400,000	829,453	429,453
Unrestricted Misc. Revenues	65,000		65,000	43,304	(21,696)
Total - Local Sources	<u>11,261,164</u>	<u>200,000</u>	<u>11,461,164</u>	<u>11,869,509</u>	<u>408,345</u>
State Sources:					
Equalization Aid	22,176,686		22,176,686	22,176,686	-
Categorical Transportation Aid	143,769		143,769	143,769	-
Categorical Security Aid	403,357		403,357	403,357	-
Categorical Special Education Aid	1,270,618		1,270,618	1,270,618	-
Extraordinary Aid	100,000		100,000	100,105	105
Nonpublic Transportation Aid				16,008	16,008
School Choice Aid	323,730		323,730	323,730	-
Under Adequacy Aid	179,546		179,546	179,546	-
PARCC Readiness Aid	24,300		24,300	24,300	-
Per Pupil Growth Aid	24,300		24,300	24,300	-
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				885,993	885,993
On-Behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)				1,406,513	1,406,513
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,243,551	1,243,551
Total - State Sources	<u>24,646,306</u>	<u>-</u>	<u>24,646,306</u>	<u>28,198,476</u>	<u>3,552,170</u>
Federal Sources:					
Medicaid Reimbursement	69,005		69,005	155,024	86,019
Total - Federal Sources	<u>69,005</u>	<u>-</u>	<u>69,005</u>	<u>155,024</u>	<u>86,019</u>
Total Revenues	<u>35,976,475</u>	<u>200,000</u>	<u>36,176,475</u>	<u>40,223,009</u>	<u>4,046,534</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

EXPENDITURES:	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance <u>Positive (Negative) Final to Actual</u>
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 474,373	\$ 6,801	\$ 481,174	\$ 481,174	-
Grades 1-5	2,428,010	436,434	2,864,444	2,864,444	-
Grades 6-8	2,819,512	(493,225)	2,326,287	2,325,762	\$ 525
Grades 9-12	2,890,438	(156,200)	2,734,238	2,730,287	3,951
Regular Programs - Home Instruction:					
Salaries of Teachers	18,000	28,506	46,506	44,905	1,601
Purchased Professional/Educational Services	25,000	(15,000)	10,000	9,024	976
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	78,234	(6,188)	72,046	72,046	-
Purchased Professional/Educational Services	454,200	38,310	492,510	491,670	840
Other Purchased Services	65,193	165,204	230,397	227,200	3,197
General Supplies	379,999	118,203	498,202	447,109	51,093
Textbooks	29,940	(8,456)	21,484	21,484	-
Total Regular Programs	<u>9,662,899</u>	<u>114,389</u>	<u>9,777,288</u>	<u>9,715,105</u>	<u>62,183</u>
Special Education - Instruction:					
Learning and Language Disabled:					
Salaries of Teachers	237,207	56,365	293,572	293,572	-
Other Salaries for Instruction	49,810	4,530	54,340	54,340	-
General Supplies	1,465	(14)	1,451	1,451	-
Total Learning and Language Disabled	<u>288,482</u>	<u>60,881</u>	<u>349,363</u>	<u>349,363</u>	<u>-</u>
Visual Impairments					
Purchased Professional/Educational Services	\$15,000		5,400	5,400	-
Total Visual Impairments	<u>15,000</u>	<u>-</u>	<u>5,400</u>	<u>5,400</u>	<u>-</u>
Behavioral Disabilities					
Salaries of Teacher	103,165	55,130	158,295	158,295	-
Other Salaries for Instruction	35,277	10,699	45,976	45,976	-
General Supplies	166	4452.00	4,618	1,067	3,551
Total Behavioral Disabilities	<u>138,608</u>	<u>70,281</u>	<u>208,889</u>	<u>205,338</u>	<u>3,551</u>
Multiple Disabilities					
Salaries of Teacher	404,297	(87,443)	316,854	316,854	-
Other Salaries for Instruction	191,383	(30,382)	161,001	161,001	-
General Supplies	4,754	44,165	48,919	12,777	36,142
Total Multiple Disabilities	<u>600,434</u>	<u>(73,660)</u>	<u>526,774</u>	<u>490,632</u>	<u>36,142</u>
Resource Room/ Resource Center					
Salaries of Teachers	1,559,248	(74,154)	1,485,094	1,485,094	-
Other Salaries for Instruction	12,622	32,894	45,516	45,516	-
General Supplies	8,894	10,859	19,753	6,732	13,021
Total Resource Room/ Resource Center	<u>1,580,764</u>	<u>(30,401)</u>	<u>1,550,363</u>	<u>1,537,342</u>	<u>13,021</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	<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):					
Home Instruction					
Salaries of Teachers	\$ 20,000	\$ (16,483)	\$ 3,517	\$ 3,517	\$ -
Purchased Professional - Educational Services	25,398	26,145	51,543	41,655	9,888
Total Home Instruction	45,398	9,662	55,060	45,172	9,888
Total Special Education - Instruction	2,668,686	36,763	2,695,849	2,633,247	62,602
Basic Skills/Remedial - Instruction					
Salaries of Teachers	547,692	(92,282)	455,410	455,410	-
Other Salaries for Instruction		7,892	7,892		7,892
Total Basic Skills/ Remedial - Instruction	547,692	(84,390)	463,302	455,410	7,892
Bilingual Education - Instruction					
Salaries of Teachers	630,085	9,118	639,203	639,203	-
Other Salaries for Instruction	52,297	38,072	90,369	90,369	-
General Supplies	35,311	(371)	34,940	34,940	-
Total Bilingual Education - Instruction	717,693	46,819	764,512	764,512	-
School Sponsored Cocurricular Activities - Instruction					
Salaries of Teachers	150,000	(9,527)	140,473	140,473	-
Purchased Services	21,777		21,777	18,836	2,941
Supplies and Materials	49,513	(4,245)	45,268	37,311	7,957
Other Objects	6,445		6,445	3,161	3,284
Total School Sponsored Cocurricular Activities - Instruction	227,735	(13,772)	213,963	199,781	14,182
School Sponsored Athletics - Instruction					
Salaries	354,063	(5,146)	348,917	339,613	9,304
Purchased Services	62,277	(35,000)	27,277	11,108	16,169
Supplies & Materials	44,287	35,660	79,947	49,213	30,734
Other Objects	36,950	(10,542)	26,408	25,201	1,207
Total School Sponsored Athletics - Instruction	497,577	(15,028)	482,549	425,135	57,414
Total Instruction	14,322,282	84,781	14,397,463	14,193,190	204,273

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

EXPENDITURES (CONTD):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Regular	\$ 50,000	\$ 179,931	\$ 229,931	\$ 200,226	\$ 29,705
Tuition to Other LEA's Within State - Special	25,000	(7,081)	17,919	-	17,919
Tuition to County Voc. School Dist. - Regular	226,200	-	226,200	226,200	-
Tuition to CSSD and Regional Day Schools	854,913	(116,874)	738,039	678,046	59,993
Tuition to Private Schools for the Disabled - Within State	1,186,639	(268,962)	917,677	796,095	121,582
Tuition - State Facilities	117,321	-	117,321	117,321	-
Total Undistributed Expenditures - Instruction	2,460,073	(212,986)	2,247,087	2,017,888	229,199
Undistributed Expenditures - Attendance and Social Work:					
Salaries of Family Liaisons	30,600	180	30,780	30,711	69
Total Undistributed Expenditures - Attendance and Social Work	30,600	180	30,780	30,711	69
Undistributed Expenditures - Health Services:					
Salaries	253,257	(3,495)	249,762	249,762	-
Purchased Professional and Technical Services	5,300	16,237	21,537	20,263	1,274
Other Purchased Services	-	5,707	5,707	5,707	-
Supplies and Materials	10,132	2,656	12,788	12,005	783
Other Objects	2,070	(2,000)	70	-	70
Total Undistributed Expenditures - Health Services	270,759	19,105	289,864	287,737	2,127
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	215,934	44,151	260,085	259,210	875
Purchased Professional - Educational Services	35,000	106,100	141,100	130,185	10,915
Supplies and Materials	4,031	237	4,268	4,113	155
Total Undistributed Expenditures - Other Support Services - Students - Related Services	254,965	150,488	405,453	393,508	11,945
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Purchased Professional - Educational Services	-	170,738	170,738	144,639	26,099
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services	-	170,738	170,738	144,639	26,099
Undistributed Expenditures - Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	519,633	(7,096)	512,537	512,537	-
Purchased Professional - Educational Services	25,580	(529)	25,051	24,135	916
Supplies and Materials	28,569	(3,192)	25,377	20,681	4,696
Other Objects	389	-	389	-	389
Total Undistributed Expenditures - Other Support Services - Students - Guidance	574,171	(10,817)	563,354	557,353	6,001
Undistributed Expenditures - Other Support Services - Students - Child Study Team:					
Salaries of Other Professional Staff	851,892	(18,017)	833,875	819,998	13,877
Salaries of Secretarial and Clerical Assistants	132,397	-	132,397	132,397	-
Other Purchased Professional and Technical Services	341,695	(277,010)	64,685	63,158	1,527
Miscellaneous Purchased Services	11,800	348.00	12,148	7,345	4,803
Supplies & Materials	8,280	5,878	14,158	13,276	882
Total Undistributed Expenditures - Other Support Services - Students - Child Study Team:	1,346,064	(288,801)	1,057,263	1,036,174	21,089

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

EXPENDITURES (CONTD):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Current Expense (Cont'd):					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	\$ 1,003,590	\$ (104,500)	\$ 899,090	\$ 812,652	\$ 86,438
Purchased Professional and Educational Services	9,000		9,000	1,812	7,188
Total Undistributed Expenditures - Improvement of Instruction Services	<u>1,012,590</u>	<u>(104,500)</u>	<u>908,090</u>	<u>814,464</u>	<u>93,626</u>
Undistributed Expend. - Educational Media Services / Sch Library:					
Salaries	275,966	(8,709)	267,257	243,299	23,958
Purchased Professional and Technical Services	1,500		1,500	1,458	42
Supplies and Materials	67,570	1,660	69,230	58,662	10,568
Other Objects	635		635		635
Total Undistributed Expend. - Educational Media Services / Sch Library	<u>345,671</u>	<u>(7,049)</u>	<u>338,622</u>	<u>303,419</u>	<u>35,203</u>
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff		4,891	4,891	4,891	-
Purchased Professional - Educational Services	32,398	640	33,038	31,378	1,660
Other Purchased Services	3,850	384	4,234	2,710	1,524
Total Undistributed Expenditures - Instructional Staff Training Services:	<u>36,248</u>	<u>1,024</u>	<u>42,163</u>	<u>38,979</u>	<u>3,184</u>
Undistributed Expenditures - Support Services - General Administration:					
Salaries	280,721	(3,500)	277,221	259,423	17,798
Legal Services	45,000		45,000	34,908	10,092
Audit Fees	25,000		25,000	23,970	1,030
Architectural/Engineering Services	20,000		20,000	5,770	14,230
Other Purchased Professional Services	34,047		47,137	46,220	917
Purchased Professional and Technical Services	28,000	13,090	28,000	25,950	2,050
Communications / Telephone	64,973		64,973	35,795	29,178
Miscellaneous Purchased Services	120,685		120,685	116,305	4,380
General Supplies	15,000		15,000	9,395	5,605
Miscellaneous Expenditures	13,870	150	14,020	13,063	957
BOE Membership Dues and Fees	12,000	1,200	13,200	11,091	2,109
Total Undistributed Expenditures - Support Services - General Admin	<u>659,296</u>	<u>10,940</u>	<u>670,236</u>	<u>581,890</u>	<u>88,346</u>
Undistributed Expenditures - Support Services - School Admin:					
Salaries of Principals / Assistant Principals	841,610	92,390	934,000	934,000	-
Salaries of Secretarial and Clerical Assistants	582,849	859	583,708	583,708	-
Purchased Professional and Technical Services	43,285	5,826	49,111	47,210	1,901
Other Purchased Services	40,400	(6,900)	33,500	31,909	1,591
Supplies and Materials	45,493	24,573	70,066	52,214	17,852
Other Objects	34,023	(11,246)	22,777	20,029	2,748
Total Undistributed Expenditures - Support Services - School Admin.	<u>1,587,660</u>	<u>105,502</u>	<u>1,693,162</u>	<u>1,669,070</u>	<u>24,092</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

EXPENDITURES (CONT'D):	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance <u>Positive (Negative) Final to Actual</u>
Current Expense (Cont'd):					
Undistributed Expenditures - Central Services					
Salaries	\$ 384,764	\$ 3,074	\$ 387,838	\$ 387,838	-
Purchased Professional Services	56,750		56,750	49,763	\$ 6,987
Purchased Technical Services	50,500	(5,946)	44,554	32,805	11,749
Miscellaneous Purchased Services	123,374	1,238	124,612	124,612	-
Supplies and Materials	7,500	5,428	12,928	9,033	3,895
Miscellaneous Expenditures	6,000		6,000	5,125	875
Total Undistributed Expenditures - Central Services	628,888	3,794	632,682	609,176	23,506
Undistributed Expenditures - Admin. Info. Technology					
Salaries	242,957		242,957	236,149	6,808
Purchased Technical Services	90,000	(39,101)	50,899	24,586	26,313
Supplies and Materials	110,000	(40,575)	69,425	56,344	13,081
Total Undistributed Expenditures - Admin. Info. Technology	442,957	(79,676)	363,281	317,079	46,202
Undistributed Expenditures - Required Maintenance for Sch Facilities:					
Cleaning, Repair and Maintenance Services	227,800	127,761	355,561	303,919	51,642
General Supplies	88,000	(48,512)	39,488	9,230	30,258
Other Objects	16,250	(4,262)	11,988	5,595	6,393
Total Undistributed Expenditures - Required Maintenance for Sch Facilities	332,050	74,987	407,037	318,744	88,293
Undistributed Expenditures - Custodial Services:					
Salaries	1,507,407	(114,132)	1,393,275	1,393,275	-
Cleaning, Repair, and Maintenance of Plant Services	180,000	(91,061)	88,939	87,473	1,466
Other Purchased Property Services	40,000		28,014	68,014	-
Insurance	226,263	2,070	228,333	228,332	1
General Supplies	200,000	48,098	248,098	236,160	11,938
Energy (Natural Gas)	275,000	24,852	299,852	298,690	1,162
Energy (Electricity)	525,000	(61,746)	463,254	461,340	1,914
Other Objects	5,000	294	5,294	3,394	1,900
Total Undistributed Expenditures - Custodial Services	2,958,670	(163,611)	2,795,059	2,776,678	18,381
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries		119,546	119,546	117,046	2,500
Cleaning, Repair, and Maintenance Services		11,250	11,250	11,128	122
General Supplies		40,950	40,950	37,118	3,832
Total Undistributed Expenditures - Care and Upkeep of Grounds	-	171,746	171,746	165,292	6,454
Total Undistributed Expenditures - Operation and Maintenance Plant Services	3,290,720	83,122	3,373,842	3,260,714	113,128
Student Transportation Services:					
Salaries for Pupil Transportation (Home and School) - Reg.		18,185	18,185	17,121	1,064
Contracted Services - Aid in Lieu - Non Public School	88,912	(14,811)	74,101	72,037	2,064
Contracted Services - Aid in Lieu - Choice School	26,520		23,426	49,946	-
Contracted Services - (Home and School) - Vendors	600,000	102,794	702,794	684,823	17,971
Contracted Services - (Not Home and School) - Vendors	53,875	47,523	101,398	96,162	5,236
Contracted Services - (Special Education students) - Vendors	297,620	170,908	468,528	467,778	750
Contracted Services (Regular Education Students) - ESC's	89,622	4,570	94,192	90,559	3,633
Contracted Services (Special Education Students) - ESC's	364,459	46,305	410,764	400,709	10,055
Miscellaneous Purchased Services - Transportation	1,000		1,000	850	150
General Supplies		700	700		700
Other Objects		25,000	25,000	21,128	3,872
Total Student Transportation Services	1,522,008	399,600	1,946,608	1,901,113	41,623

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	<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	\$ 392,700		\$ 392,700	\$ 373,513	\$ 19,187
Pension Contributions - Normal	408,340	\$ (35,333)	373,007	373,007	-
DCRP Pension Contributions	5,075	8,500	13,575	11,087	2,488
Workmen's Compensation	123,373	1,239	124,612	124,612	-
Health Benefits	5,693,648	(7,360)	5,686,288	5,664,283	22,005
Tuition Reimbursement	45,000		69,945	54,449	60,496
Other Employee Benefits	372,983	(36,104)	336,879	336,879	-
Total Unallocated Benefits	7,041,119	887	7,042,006	6,937,830	104,176
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				885,993	(885,993)
On-behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)				1,406,513	(1,406,513)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				1,243,551	(1,243,551)
Total On-behalf Contributions	-	-	-	3,536,057	(3,536,057)
Total Undistributed Expenditures	21,503,789	241,551	21,775,231	24,437,801	(2,666,442)
Interest Earned on Current Expense Emergency Reserve	500		500		500
Total Current Expense	35,826,571	326,332	36,173,194	38,630,991	(2,457,797)
Capital Outlay:					
Capital Reserve:					
Interest Deposit to Capital Reserve:	2,500		2,500		2,500
Total Capital Reserve:	2,500	-	2,500	-	2,500
Equipment:					
Regular Programs - Instruction					
Grades 1-5			14,540	7,270	7,270
Grades 6-8			7,270	7,270	-
Grades 9-12		3,635	3,635	3,635	-
Undistributed Expenditures:					
Support Serv. - Students - Special	2,500	5,320	7,820	5,403	2,417
Admin. Info. Technology	2,500	80,411	82,911	66,860	16,051
Operation of Plant and Equipment		17,850	17,850	17,850	-
Custodial Services	2,500	68,742	71,242	45,527	25,715
Total Equipment	7,500	175,958	205,268	153,815	51,453
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	50,000	31,446	81,446	75,033	6,413
Construction Services	325,000	372,341	697,341	631,185	66,156
Assessment for Debt Service	19,250		19,250	19,250	-
Total Facilities Acquisition and Construction Services	394,250	403,787	798,037	725,468	72,569
Capital Reserve Transfer to Capital Projects					-
Total Capital Outlay	404,250	579,745	1,005,805	879,283	126,522

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONTD):					
Special Schools:					
Summer School - Instruction:					
Salaries of Teachers	\$ 3,000		\$ 3,000	\$ 2,452	\$ 548
Total Summer School - Instruction	<u>3,000</u>		<u>3,000</u>	<u>2,452</u>	<u>548</u>
Transfer of Funds to Charter School	<u>300,000</u>	\$ 7,143	<u>307,143</u>	<u>303,520</u>	<u>3,623</u>
Total Expenditures	<u>36,533,821</u>	<u>913,220</u>	<u>37,489,142</u>	<u>39,816,246</u>	<u>(2,327,104)</u>
Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(557,346)</u>	<u>(713,220)</u>	<u>(1,312,667)</u>	<u>406,763</u>	<u>1,719,430</u>
Other Financing Sources (Uses):					
Local Contribution - Transfer to Special Revenue Fund	(415,157)	(80,829)	(495,986)	(495,986)	-
Capital Reserve - Transfer to Capital Projects		(701,088)	(701,088)	(701,088)	-
Total Other Financing Sources (Uses)	<u>(415,157)</u>	<u>(781,917)</u>	<u>(1,197,074)</u>	<u>(1,197,074)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(972,503)	68,697	(903,806)	(790,311)	113,495
Fund Balances, July 1	<u>4,748,893</u>	<u>796,760</u>	<u>5,545,653</u>	<u>5,111,703</u>	<u>(433,950)</u>
Fund Balances, June 30	<u>\$ 3,776,390</u>	<u>\$ 865,457</u>	<u>\$ 4,641,847</u>	<u>\$ 4,321,392</u>	<u>\$ (320,455)</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 1,652,357	
Emergency Reserve				327,235	
Excess Surplus				587,701	
Excess Surplus--Designated for Subsequent Year's Expenditures				600,578	
Assigned:					
Year-End Encumbrances				330,257	
Designated for Subsequent Year's Expenditures				57,606	
Unassigned				<u>765,658</u>	
				<u>4,321,392</u>	
Reconciliation to Governmental Funds Statements(GAAP):				<u>(2,386,989)</u>	
Last 14-15 State Aid Payment Not Recognized on GAAP Basis				<u>\$ 1,934,403</u>	

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
State Sources:					
Preschool Program Aid	\$ 1,117,000	\$ (80,829)	\$ 1,036,171	\$ 1,030,223	\$ (5,948)
Total - State Sources	<u>1,117,000</u>	<u>(80,829)</u>	<u>1,036,171</u>	<u>1,030,223</u>	<u>(5,948)</u>
Federal Sources:					
Title I	1,279,145	321,093	1,600,238	1,469,866	(130,372)
Title IIA	69,875	13,965	83,840	83,840	-
Title III	102,248	48,339	150,587	135,296	(15,291)
Title III Immigrant		8,805	8,805	2,276	(6,529)
I.D.E.I.A., Part B	507,179	188,205	695,384	693,714	(1,670)
I.D.E.I.A., Part B, Preschool		26,511	26,511	18,025	(8,486)
Preschool Expansion		184,296	184,296	182,836	(1,460)
Total - Federal Sources	<u>1,958,447</u>	<u>791,214</u>	<u>2,749,661</u>	<u>2,585,853</u>	<u>(163,808)</u>
Total Revenues	<u>3,075,447</u>	<u>710,385</u>	<u>3,785,832</u>	<u>3,616,076</u>	<u>(169,756)</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 1,504,242	\$ (6,391)	\$ 1,497,851	\$ 1,421,585	\$ 76,266
Other Salaries for Instruction	195,269	(2,141)	193,128	193,128	-
Purchased Professional and Educational Services	82,640	51,799	134,439	124,283	10,156
Purchased Professional and Technical Services		22,410	22,410	17,495	4,915
General Supplies	73,259	240,913	314,172	289,997	24,175
Tuition	507,179	204,560	711,739	711,739	-
Total Instruction	<u>2,362,589</u>	<u>511,150</u>	<u>2,873,739</u>	<u>2,758,227</u>	<u>115,512</u>
Support Services:					
Salaries Personnel Services	216,519	84,377	300,896	292,696	8,200
Personnel Services - Employee Benefits	719,456	(119,307)	600,149	593,031	7,118
Purchased Technical Services		68,073	68,073	52,794	15,279
Purchased Professional Educational Services	43,740	(39,990)	3,750	3,750	-
Cleaning, Repair, and Maintenance Services	100,000	(34,856)	65,144	59,115	6,029
Rentals	45,000	(5,000)	40,000	40,000	-
Other Purchased Services (400-500 series)		126,590	126,590	114,449	12,141
Contracted Services - Trans (Bet. Home & School)	3,300	23,160	26,460	26,460	-
Supplies and Materials		27,721	27,721	22,244	5,477
Total Support Services	<u>1,128,015</u>	<u>130,768</u>	<u>1,258,783</u>	<u>1,204,539</u>	<u>54,244</u>
Facilities Acquisition and Construction Services:					
Facilities Construction		149,296	149,296	149,296	-
Instructional Equipment					-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>149,296</u>	<u>149,296</u>	<u>149,296</u>	<u>-</u>
Total Expenditures	<u>3,490,604</u>	<u>791,214</u>	<u>4,281,818</u>	<u>4,112,062</u>	<u>169,756</u>
Other Financing Sources (Uses):					
Transfer from Operating Budget - Pre K	415,157	80,829	495,986	495,986	-
Total Outflows	<u>3,075,447</u>	<u>710,385</u>	<u>3,785,832</u>	<u>3,616,076</u>	<u>169,756</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 For the Fiscal Year Ended June 30, 2015

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	\$ 40,223,009	\$ 3,616,076
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		(224,705)
Prior Year		34,550
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)	2,352,988	87,374
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>(2,386,989)</u>	<u>(99,540)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 40,189,008</u>	<u>\$ 3,413,755</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 39,816,246	\$ 4,112,062
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		(224,705)
Prior Year		34,550
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 39,816,246</u>	<u>\$ 3,921,907</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

**ACCOUNTING AND REPORTING FOR PENSIONS
(GASBS NO. 68) SCHEDULES**

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

	<u>Measurement Date Ending June 30,</u>	
	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0444136834%	0.0456354772%
School District's Proportionate Share of the Net Pension Liability	\$ 8,315,456	\$ 8,721,846
School District's Covered-Employee Payroll	\$ 3,050,796	\$ 3,033,061
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	272.57%	287.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

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

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

	<u>Fiscal Year Ended June 30,</u>	
	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 382,571	\$ 366,140
Contributions in Relation to the Contractually Required Contribution	<u>(382,571)</u>	<u>(366,140)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
School District's Covered-Employee Payroll	\$ 3,071,251	\$ 3,050,796
Contributions as a Percentage of School District's Covered-Employee Payroll	12.46%	12.00%

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

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

	<u>Measurement Date Ending June 30,</u>	
	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>86,733,626</u>	<u>85,033,581</u>
	<u>\$ 86,733,626</u>	<u>\$ 85,033,581</u>
School District's Covered-Employee Payroll	\$ 16,425,305	\$ 16,197,057
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	528.05%	524.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Required Supplementary Information
Schedule of School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last 10 Fiscal Years

This schedule is not applicable.

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

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2015

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014, in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014, in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Total	Preschool Program Aid	Preschool Expansion	Title I Part A	Title I Part A Carryover	Title II Part A	Title III	Title III Carryover	Total Brought Forward
REVENUES:									
State Sources	\$ 1,030,223	\$ 1,030,223							
Federal Sources	2,585,853		\$ 182,836	\$ 1,273,103	\$ 196,763	\$ 83,840	\$ 114,889	\$ 20,407	\$ 714,015
Total Revenues	<u>\$ 3,616,076</u>	<u>\$ 1,030,223</u>	<u>\$ 182,836</u>	<u>\$ 1,273,103</u>	<u>\$ 196,763</u>	<u>\$ 83,840</u>	<u>\$ 114,889</u>	<u>\$ 20,407</u>	<u>\$ 714,015</u>
EXPENDITURES:									
Instruction:									
Salaries of Teachers	\$ 1,421,585	\$ 520,499		\$ 747,117	\$ 61,130	\$ 58,043	\$ 34,796		-
Other Salaries for Instruction	193,128	193,128							-
Purchased Professional and Educational Services	124,283	115,538			8,745				-
Purchased Professional and Technical Services	17,495			17,495					-
General Supplies	289,997	13,694	\$ 23,621	85,881	91,200		68,424	\$ 7,177	-
Tuition	711,739								\$ 711,739
Textbooks	-								-
Other Objects	-								-
Total Instruction	<u>2,758,227</u>	<u>842,859</u>	<u>23,621</u>	<u>850,493</u>	<u>161,075</u>	<u>58,043</u>	<u>103,220</u>	<u>7,177</u>	<u>711,739</u>
Support Services:									
Other Salaries	292,696	263,919		560	12,711			13,230	2,276
Personnel Services - Employee Benefits	593,031	290,852		268,238	4,613	25,797	3,531		-
Purchased Professional - Technical Services	52,794			52,794					-
Purchased Professional - Educational Services	3,750				3,750				-
Cleaning, Repair, and Maintenance Services	59,115	55,265	3,850						-
Rentals	40,000	40,000							-
Other Purchased Services (400-500 series)	114,449			93,406	12,905		8,138		-
Contracted Services - Trans (Bet. Home & School)	26,460	26,460							-
Supplies and Materials	22,244	6,854	6,069	7,612	1,709				-
Total Support Services	<u>1,204,539</u>	<u>683,350</u>	<u>9,919</u>	<u>422,610</u>	<u>35,688</u>	<u>25,797</u>	<u>11,669</u>	<u>13,230</u>	<u>2,276</u>
Facilities Acquisition and Construction Services:									
Instructional Equipment	-								-
Facilities Construction	149,296		149,296						-
Total Facilities Acquisition and Construction Services	<u>149,296</u>	<u>-</u>	<u>149,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>4,112,062</u>	<u>1,526,209</u>	<u>182,836</u>	<u>1,273,103</u>	<u>196,763</u>	<u>83,840</u>	<u>114,889</u>	<u>20,407</u>	<u>714,015</u>
Other Financing Sources (Uses):									
Transfer from Operating Budget - Pre K	495,986	495,986							
Total Outflows	<u>3,616,076</u>	<u>1,030,223</u>	<u>182,836</u>	<u>1,273,103</u>	<u>196,763</u>	<u>83,840</u>	<u>114,889</u>	<u>20,407</u>	<u>714,015</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Total Carried Forward	Title III Immigrant	I.D.E.I.A. Part B Basic	I.D.E.I.A. Part B Basic Carryover	I.D.E.I.A. Preschool	I.D.E.I.A. Preschool Carryover
REVENUES:						
State Sources						
Federal Sources	\$ 714,015	\$ 2,276	\$ 613,548	\$ 80,166	\$ 12,546	\$ 5,479
Total Revenues	<u>\$ 714,015</u>	<u>\$ 2,276</u>	<u>\$ 613,548</u>	<u>\$ 80,166</u>	<u>\$ 12,546</u>	<u>\$ 5,479</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Other Salaries for Instruction						
Purchased Professional and Educational Services						
Purchased Professional and Technical Services						
General Supplies						
Tuition	\$ 711,739		\$ 613,548	\$ 80,166	\$ 12,546	\$ 5,479
Textbooks	-					
Other Objects	-					
Total Instruction	<u>711,739</u>	<u>-</u>	<u>613,548</u>	<u>80,166</u>	<u>12,546</u>	<u>5,479</u>
Support Services:						
Salaries Personnel Services	2,276	\$ 2,276				
Personnel Services - Employee Benefits	-					
Purchased Professional - Technical Services	-					
Purchased Professional - Educational Services	-					
Cleaning, Repair, and Maintenance Services	-					
Rentals	-					
Other Purchased Services (400-500 series)	-					
Supplies and Materials	-					
Other Objects	-					
Total Support Services	<u>2,276</u>	<u>2,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities Acquisition and Construction Services:						
Instructional Equipment	-					
Facilities Construction	-					
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>714,015</u>	<u>2,276</u>	<u>613,548</u>	<u>80,166</u>	<u>12,546</u>	<u>5,479</u>
Other Financing Sources (Uses):						
Transfer from Operating Budget - Pre K	-	-	-	-	-	-
Total Outflows	<u>714,015</u>	<u>2,276</u>	<u>613,548</u>	<u>80,166</u>	<u>12,546</u>	<u>5,479</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 520,499	\$ 520,499	-
Other Salaries for Instruction	193,128	193,128	-
Purchased Professional and Educational Services	115,538	115,538	-
General Supplies	13,694	13,694	-
Total instruction	842,859	842,859	-
Support services:			
Salaries of Program Directors	84,191	84,191	-
Other Support Salaries	179,728	179,728	-
Personal Services - Employee Benefits	290,852	290,852	-
Cleaning, Repair & Maintenance Services	61,213	55,265	\$ 5,948
Rentals	40,000	40,000	-
Contracted Services - Transportation (Bet. Home & School)	26,460	26,460	-
Supplies & Materials	6,854	6,854	-
Total support services	689,298	683,350	5,948
Total Expenditures	\$ 1,532,157	\$ 1,526,209	\$ 5,948

CALCULATION OF BUDGET & CARRYOVER

Total 2014-2015 PreK/ECPA Aid Allocation	\$ 995,400
Add: Actual PreK/ECPA Aid Carryover June 30, 2014	201,541
Add: Budgeted Transfer From General Fund	495,986
Total Funds Available for 2014-2015 Budget	1,692,927
Less: 2014-2015 Budgeted PreK/ECPA (Including prior year budgeted carryover)	(1,532,157)
Available & Unbudgeted Funds as of June 30, 2015	160,770
Add: June 30, 2015 Unexpended PreK Aid	5,948
FY 2015 - Actual Carryover - PreK Aid	\$ 166,718
2014-2015 PreK Aid Carryover Budgeted in FY 2016	\$ 201,541

CAPITAL PROJECTS FUND

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2015

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2015</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Middle School Façade Stabilization	9/4/2014	\$ 997,518	\$ 231,942	\$ 720,222	\$ 45,354
Middle School Courtyard Drainage	9/8/2015	497,664	47,812	100,477	349,375
Middle School Partial HVAC	9/8/2015	4,525,838	13,123	971,843	3,540,872
Middle School Room A104	9/8/2015	175,250		15,938	159,312
School Five Playground	9/1/2011	<u>93,872</u>	<u>88,194</u>		<u>5,678</u>
Total		<u><u>\$ 6,290,142</u></u>	<u><u>\$ 381,071</u></u>	<u><u>\$ 1,808,480</u></u>	<u><u>\$ 4,100,591</u></u>
Restricted For:					
Encumbrances					\$ 3,977,387
Designated for Subsequent Years Expenditures					<u>123,204</u>
					<u><u>\$ 4,100,591</u></u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenue, Expenditure, and Change in Fund Balances
 For the Fiscal Year Ended June 30, 2015

Revenues and Other Financing Sources

State Sources - SDA Grant	\$ (106,004)
Bond Proceeds and Transfers	
Contribution from Private Source	
Transfer from Capital Reserve	701,088
Transfer from Capital Outlay	
	595,084
Total Revenues	595,084

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	387,657
Land and Improvements	
Construction Services	1,420,823
Equipment Purchases	
	1,808,480
Total Expenditures	1,808,480

Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,213,396)
Fund Balance - July 1	5,313,987
Fund Balance - June 30	\$ 4,100,591

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Capital Projects Fund
 Statement of Project Revenues, Expenditures, Project Balance and Project Status
 Middle School Façade Stabilization and Repairs
 From Inception and for the Fiscal Year Ended June 30, 2015

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 788,848	\$ (111,682)	\$ 677,166	\$ 677,166
Bond Proceeds and Transfers			-	-
Contribution from Private Source			-	-
Transfer from Capital Reserve	320,352		320,352	320,352
Transfer from Capital Outlay			-	-
Total Revenues	<u>1,109,200</u>	<u>(111,682)</u>	<u>997,518</u>	<u>997,518</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	78,754	62,677	141,431	141,431
Land and Improvements			-	-
Construction Services	153,188	657,545	810,733	810,733
Equipment Purchases			-	-
Total Expenditures	<u>231,942</u>	<u>720,222</u>	<u>952,164</u>	<u>952,164</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 877,258</u>	<u>\$ (831,904)</u>	<u>\$ 45,354</u>	<u>\$ 45,354</u>

Additional Project Information:

Project Number	2670-090-13-3002
Grant Date	4/11/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,109,200
Additional Authorized Cost	(111,682)
Revised Authorized Cost	997,518
Percentage Increase over Original Authorized Cost	-10.07%
Percentage Completion	100%
Original Target Completion Date	9/4/2014
Revised Target Completion Date	9/4/2014

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Capital Projects Fund
 Statement of Project Revenues, Expenditures, Project Balance and Project Status
 Middle School Courtyard Drainage and Foundation Waterproofing
 From Inception and for the Fiscal Year Ended June 30, 2015

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 353,932		\$ 353,932	\$ 353,932
Bond Proceeds and Transfers			-	-
Contribution from Private Source			-	-
Transfer from Capital Reserve	143,732		143,732	143,732
Transfer from Capital Outlay			-	-
Total Revenues	497,664	-	497,664	497,664
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	47,812	\$ 19,700	67,512	85,575
Land and Improvements			-	-
Construction Services		80,777	80,777	346,300
Equipment Purchases			-	-
Total Expenditures	47,812	100,477	148,289	431,875
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 449,852	\$ (100,477)	\$ 349,375	\$ 65,789
Designated for Subsequent Years Expenditures			\$ 65,789	
Encumbrances			283,586	
			\$ 349,375	
 Additional Project Information:				
Project Number	2670-090-13-3003			
Grant Date	4/11/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 497,664			
Additional Authorized Cost	-			
Revised Authorized Cost	497,664			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	75%			
Original Target Completion Date	9/8/2015			
Revised Target Completion Date	9/8/2015			

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Capital Projects Fund
 Statement of Project Revenues, Expenditures, Project Balance and Project Status
 Middle School Partial HVAC Replacement, New Air Conditioning
 From Inception and for the Fiscal Year Ended June 30, 2015

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 2,844,744		\$ 2,844,744	\$ 2,844,744
Bond Proceeds and Transfers			-	-
Contribution from Private Source			-	-
Transfer from Capital Reserve	1,155,256	\$ 525,838	1,681,094	1,681,094
Transfer from Capital Outlay			-	-
Total Revenues	<u>4,000,000</u>	<u>525,838</u>	<u>4,525,838</u>	<u>4,525,838</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	13,123	289,342	302,465	446,778
Land and Improvements			-	-
Construction Services		682,501	682,501	4,072,677
Equipment Purchases			-	-
Total Expenditures	<u>13,123</u>	<u>971,843</u>	<u>984,966</u>	<u>4,519,455</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 3,986,877</u>	<u>\$ (446,005)</u>	<u>\$ 3,540,872</u>	<u>\$ 6,383</u>
Designated for Subsequent Years Expenditures			\$ 6,383	
Encumbrances			<u>3,534,489</u>	
			<u>\$ 3,540,872</u>	
Additional Project Information:				
Project Number	2670-090-14-1006			
Grant Date	7/14/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 4,000,000			
Additional Authorized Cost	525,838			
Revised Authorized Cost	4,525,838			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	25%			
Original Target Completion Date	9/8/2015			
Revised Target Completion Date	9/8/2015			

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Capital Projects Fund
 Statement of Project Revenues, Expenditures, Project Balance and Project Status
 Middle School Room A 104
 From Inception and for the Fiscal Year Ended June 30, 2015

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant			-	-
Bond Proceeds and Transfers			-	-
Contribution from Private Source			-	-
Transfer from Capital Reserve		\$ 175,250	\$ 175,250	\$ 175,250
Transfer from Capital Outlay			-	-
Total Revenues		175,250	175,250	175,250
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		15,938	15,938	21,250
Land and Improvements			-	-
Construction Services			-	154,000
Equipment Purchases			-	-
Total Expenditures	-	15,938	15,938	175,250
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 159,312	\$ 159,312	\$ -
Designated for Subsequent Years Expenditures			\$ -	
Encumbrances			159,312	
			<u>\$ 159,312</u>	
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ -			
Additional Authorized Cost	175,250			
Revised Authorized Cost	175,250			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	25%			
Original Target Completion Date	9/8/2015			
Revised Target Completion Date	9/8/2015			

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Capital Projects Fund
 Statement of Project Revenues, Expenditures, Project Balance and Project Status
 School Five Playground Installation
 From Inception and for the Fiscal Year Ended June 30, 2015

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 61,838	\$ 5,678	\$ 67,516	\$ 67,516
Bond Proceeds and Transfers			-	-
Contribution from Private Source			-	-
Transfer from Capital Reserve	26,356		26,356	26,356
Transfer from Capital Outlay			-	-
Total Revenues	<u>88,194</u>	<u>5,678</u>	<u>93,872</u>	<u>93,872</u>
Expenditures and Other Financing Uses				
Salaries - Project Management	2,000		2,000	2,000
Purchased Professional and Technical Services			-	-
Land and Improvements			-	-
Construction Services	86,194		86,194	86,194
Equipment Purchases			-	-
Total Expenditures	<u>88,194</u>	<u>-</u>	<u>88,194</u>	<u>88,194</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 5,678</u>	<u>\$ 5,678</u>	<u>\$ 5,678</u>

Additional Project Information:

Project Number	2670-050-10-1006
Grant Date	12/14/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 101,853
Additional Authorized Cost	(7,981)
Revised Authorized Cost	93,872
Percentage Increase over Original Authorized Cost	-7.84%
Percentage Completion	100%
Original Target Completion Date	9/1/2011
Revised Target Completion Date	9/1/2011

PROPRIETARY FUNDS

BOROUGH OF LINDENWOLD SCHOOL DISTRICT

Proprietary Fund
Statement of Net Position
June 30, 2015

	Business-Type Activities - Enterprise Funds
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 341,045
Accounts Receivable:	
State	1,398
Federal	96,374
Inventories	<u>11,469</u>
Total Current Assets	<u>450,286</u>
Noncurrent Assets:	
Equipment	605,906
Less Accumulated Depreciation	<u>(382,242)</u>
Total Noncurrent Assets	<u>223,664</u>
Total Assets	<u>673,950</u>
LIABILITIES :	
Current Liabilities:	
Accounts Payable	<u>48,919</u>
Total Current Liabilities	<u>48,919</u>
NET POSITION:	
Net Investment in Capital Assets	223,664
Unrestricted	<u>401,367</u>
Total Net Position	<u>\$ 625,031</u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Proprietary Fund
 Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2015

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 110,559
Daily Sales - Non-Reimbursable Programs	56,958
Special Functions	<u>8,652</u>
Total Operating Revenues	<u>176,169</u>
OPERATING EXPENSES:	
Salaries	463,250
Employee Benefits	103,481
Supplies and Materials	80,435
Cost of Sales	751,498
Management Fee	76,664
Repairs and Maintenance	16,421
Depreciation	<u>30,460</u>
Total Operating Expenses	<u>1,522,209</u>
Operating Income (Loss)	<u>(1,346,040)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	19,314
Federal Sources:	
Healthy Hunger Free Kids Program	20,864
After School Snack Program	2,911
National School Lunch Program	889,300
School Breakfast Program	330,664
Summer Feeding Program	9,008
United States Department of Agriculture Commodities	91,042
Interest and Investment Revenue	<u>828</u>
Total Nonoperating Revenues	<u>1,363,931</u>
Change in Net Position	17,891
Total Net Position -- July 1	<u>607,140</u>
Total Net Position -- June 30	<u><u>\$ 625,031</u></u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 176,169
Payments to Employees	(463,250)
Payments for Employee Benefits	(103,481)
Payments to Suppliers	<u>(796,985)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,187,547)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Cash Received from Federal and State Reimbursements	<u>1,281,480</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,281,480</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of Capital Assets	<u>(22,441)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(22,441)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	<u>828</u>
Net Cash Provided by (used for) Investing Activities	<u>828</u>
Net Increase (Decrease) in Cash and Cash Equivalents	72,320
Cash and Cash Equivalents -- July 1	<u>268,725</u>
Cash and Cash Equivalents -- June 30	<u>\$ 341,045</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (1,346,040)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	30,460
Federal Commodities	91,042
(Increase) Decrease in Inventories	293
Increase (Decrease) in Other Current Liabilities	<u>36,698</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,187,547)</u>

FIDUCIARY FUNDS

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2015

	<u>Trust Funds</u>			<u>Agency Funds</u>		
	<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	\$ 401,221	\$ 3,039	\$ 404,260	\$ 165,931	\$ 62,324	\$ 228,255
Total Assets	<u>401,221</u>	<u>3,039</u>	<u>404,260</u>	<u>165,931</u>	<u>62,324</u>	<u>228,255</u>
LIABILITIES:						
Payable to Student Groups				\$ 165,931		\$ 165,931
Payroll Deductions and Withholdings					\$ 59,495	\$ 59,495
Interfund Accounts Payable:						
Due General Fund					<u>2,829</u>	<u>2,829</u>
Total Liabilities				<u>\$ 165,931</u>	<u>\$ 62,324</u>	<u>\$ 228,255</u>
NET POSITION:						
Held in Trust for Unemployment Claims and Other Purposes	<u>401,221</u>	<u>3,039</u>	<u>404,260</u>			
Total Net Position	<u>\$ 401,221</u>	<u>\$ 3,039</u>	<u>\$ 404,260</u>			

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2015

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Total
ADDITIONS:			
Contributions:			
Employee Withholdings	\$ 35,587		\$ 35,587
Gifts and Contributions		\$ 550	550
Total Contributions	35,587	550	36,137
Investment Earnings:			
Interest	776	7	783
Net Investment Earnings	776	7	783
Total Additions	36,363	557	36,920
DEDUCTIONS:			
Unemployment Compensation			
Insurance Claims	75,827		75,827
Scholarships Awarded		1,000	1,000
Total Deductions	75,827	1,000	76,827
Change in Net Position	(39,464)	(443)	(39,907)
Net Position -- July 1	440,685	3,482	444,167
Net Position -- June 30	\$ 401,221	\$ 3,039	\$ 404,260

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
ELEMENTARY SCHOOLS:				
Elementary & Middle School	\$ 92,835	\$ 269,942	\$ 267,124	\$ 95,653
Athletics	<u>98,043</u>	<u>13,847</u>	<u>41,612</u>	<u>70,278</u>
Total All Schools	<u>\$ 190,878</u>	<u>\$ 283,789</u>	<u>\$ 308,736</u>	<u>\$ 165,931</u>

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
ASSETS:				
Cash and Cash Equivalents	\$ 60,798	\$ 9,687,776	\$ 9,686,250	\$ 62,324
Total Assets	<u>\$ 60,798</u>	<u>\$ 9,687,776</u>	<u>\$ 9,686,250</u>	<u>\$ 62,324</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 59,950	\$ 9,685,795	\$ 9,686,250	\$ 59,495
Interfund Accounts Payable:				
Due General Fund	<u>848</u>	<u>1,981</u>		<u>2,829</u>
Total Liabilities	<u>\$ 60,798</u>	<u>\$ 9,687,776</u>	<u>\$ 9,686,250</u>	<u>\$ 62,324</u>

LONG-TERM DEBT

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2015

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds of 2003	7/30/03	\$ 1,515,000	10/1/15	\$ 165,000	5.35%	\$ 490,000		\$ 155,000	\$ 335,000
			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%				
Refunding Bonds of 2005	1/25/05	17,945,000			12,610,000		12,610,000	-	
Refunding Bonds of 2015	3/3/15	10,910,000	6/1/16	1,035,000	3.00%				
			6/1/17	1,075,000	3.00%				
			6/1/18	1,095,000	4.00%				
			6/1/19	1,085,000	4.00%				
			6/1/20	1,100,000	4.00%				
			6/1/21	1,080,000	4.00%				
			6/1/22	1,090,000	4.00%				
			6/1/23	1,075,000	4.00%				
			6/1/24	1,080,000	4.00%				
			6/1/25	1,060,000	4.00%				
					<u>\$ 13,100,000</u>	<u>\$ 10,910,000</u>	<u>\$ 12,900,000</u>	<u>\$ 11,110,000</u>	
							\$ 11,555,000		
							<u>1,345,000</u>		
							<u>\$ 12,900,000</u>		

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2015

	<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	\$ 1,049,162		\$ 1,049,162	\$ 1,049,162	-
Miscellaneous Revenue				3,820	\$ 3,820
Total - Local Sources	<u>1,049,162</u>		<u>1,049,162</u>	<u>1,052,982</u>	<u>3,820</u>
State Sources:					
Debt Service Aid Type II	<u>701,842</u>		<u>701,842</u>	<u>701,842</u>	<u>-</u>
Total Revenues	<u>1,751,004</u>	<u>-</u>	<u>1,751,004</u>	<u>1,754,824</u>	<u>3,820</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	541,004	\$ (135,000)	406,004	378,297	27,707
Redemption of Principal	<u>1,210,000</u>	<u>135,000</u>	<u>1,345,000</u>	<u>1,345,000</u>	<u>-</u>
Total Regular Debt Service	<u>1,751,004</u>	<u>-</u>	<u>1,751,004</u>	<u>1,723,297</u>	<u>27,707</u>
Total Expenditures	<u>1,751,004</u>	<u>-</u>	<u>1,751,004</u>	<u>1,723,297</u>	<u>27,707</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				31,527	31,527
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures				31,527	31,527
Fund Balance, July 1				<u>842</u>	<u>842</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,369</u>	<u>\$ 32,369</u>

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>2015</u>	<u>2014</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>
Governmental Activities										
Net Investment in Capital Assets	\$ 10,493,273	\$ 7,918,970	\$ 7,275,595	\$ 6,983,436	\$ 5,554,417	\$ 5,139,472	\$ 5,296,747	\$ 4,986,556	\$ 4,555,138	\$ 3,696,586
Restricted	7,319,463	9,035,690	3,954,658	3,348,540	2,776,274	2,504,335	3,977,190	1,647,956	1,480,439	2,069,198
Unrestricted	(10,999,248)	(1,848,835)	(1,560,868)	(1,350,195)	(789,456)	(2,222,237)	(2,411,268)	(832,083)	(755,411)	(750,912)
Total Governmental Activities Net Position	\$ 6,813,488	\$ 15,105,825	\$ 9,669,385	\$ 8,981,781	\$ 7,541,235	\$ 5,421,570	\$ 6,862,669	\$ 5,802,429	\$ 5,280,166	\$ 5,014,872
Business-type Activities										
Net Investment in Capital Assets	\$ 223,664	\$ 231,683	\$ 127,346	\$ 105,440	\$ 114,833	\$ 133,785	\$ 114,833	\$ 170,087	\$ 182,936	\$ 175,637
Restricted										
Unrestricted	401,367	375,457	459,043	440,081	381,242	298,677	292,802	297,817	265,466	216,837
Total Business-type Activities Net Position	\$ 625,031	\$ 607,140	\$ 586,389	\$ 545,521	\$ 496,075	\$ 432,462	\$ 407,635	\$ 467,904	\$ 448,402	\$ 392,474
District-wide										
Net Investment in Capital Assets	\$ 10,716,937	\$ 8,150,653	\$ 7,402,941	\$ 7,088,876	\$ 5,669,250	\$ 5,273,257	\$ 5,464,939	\$ 5,156,643	\$ 4,738,074	\$ 3,872,223
Restricted	7,319,463	9,035,690	3,954,658	3,348,540	2,776,274	2,504,335	3,977,190	1,647,956	1,480,439	2,069,198
Unrestricted	(10,597,881)	(1,473,378)	(1,101,825.00)	(910,114)	(408,214)	(1,923,560)	(2,118,466)	(534,266)	(489,945)	(534,075)
Total District-wide Net Position	\$ 7,438,519	\$ 15,712,965	\$ 10,255,774	\$ 9,527,302	\$ 8,037,310	\$ 5,854,032	\$ 7,323,663	\$ 6,270,333	\$ 5,728,568	\$ 5,407,346

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

Source: District Records

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

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 11,057,667	\$ 14,907,622	\$ 14,826,688.00	\$ 14,897,891	\$ 14,661,654	\$ 15,632,833	\$ 14,509,452	\$ 13,491,378	\$ 13,788,771	\$ 12,666,776
Special Education	3,248,086	4,248,533	3,870,092.00	3,996,133	3,729,694	3,640,152	3,365,958	3,193,350	3,200,561	3,324,055
Other Special Education	2,498,004	3,615,204	4,075,205	3,158,930	2,801,838	2,679,673	2,479,861	3,442,983	2,775,506	2,795,667
Support Services:										
Tuition	2,729,627	2,932,045	2,770,487	2,443,259	2,181,191	2,141,219	2,037,096	2,381,280	2,233,994	2,099,521
Student & Instruction Related Services	4,329,966	5,541,569	5,597,494	5,432,045	5,809,206	5,733,728	5,305,871	5,065,431	5,300,558	4,855,181
General and Business Administrative Services	608,154	761,716	810,175	632,440	813,817	930,570	1,193,466	1,713,981	1,661,364	1,936,032
School Administrative Services	1,744,404	2,271,374	2,158,628	2,101,350	2,072,514	2,034,921	1,770,860	1,813,229	2,033,648	1,945,379
Business Administrative Services	926,255	1,139,684	1,149,903	1,228,372	1,194,263	1,324,154	1,179,771	1,029,941	1,135,293	1,066,513
Plant Operations and Maintenance	3,506,721	4,427,868	4,386,444	4,589,609	4,667,562	4,898,187	4,422,962	4,510,849	3,873,543	3,622,325
Pupil Transportation	2,013,381	2,046,297	2,112,168	1,728,714	1,548,395	1,700,853	1,570,558	1,790,291	1,641,795	1,520,106
Unallocated	11,091,851									
Special Schools	305,972	252,410	163,701	14,023	39,213	99,156	59,065	62,595	111,051	84,651
Charter Schools										
Payment of Bond Issue Costs	149,148									
Interest on Long-term Debt	612,838	600,023	842,937	721,522	775,353	1,047,622	1,134,991	1,148,195	1,202,561	1,249,626
Total Governmental Activities Expenses	44,822,074	42,744,345	42,763,922	40,944,288	40,294,700	41,863,068	39,029,911	39,643,503	38,958,645	37,165,832
Business-type Activities:										
Food Service	1,522,209	1,448,127	1,363,897	1,156,489	1,070,533	1,112,903	1,017,060	960,893	917,929	966,700
Child Care										
Total Business-type Activities Expense	1,522,209	1,448,127	1,363,897	1,156,489	1,070,533	1,112,903	1,017,060	960,893	917,929	966,700
Total District Expenses	\$ 46,344,283	\$ 44,192,472	\$ 44,127,819	\$ 42,100,777	\$ 41,365,233	\$ 42,975,971	\$ 40,046,971	\$ 40,604,396	\$ 39,876,574	\$ 38,132,532

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

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)	\$ 829,453	\$ 714,384	\$ 445,471	\$ 248,950						
Pupil Transportation										
Business and Other Support Services										
Operating Grants and Contributions	3,413,755	3,163,698	3,235,505	3,024,786	\$ 4,072,089	\$ 3,410,852	\$ 2,814,977	\$ 5,085,487	\$ 4,547,528	\$ 4,738,727
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	4,243,208	3,878,082	3,680,976	3,273,736	4,072,089	3,410,852	2,814,977	5,085,487	4,547,528	4,738,727
Business-type activities:										
Charges for services:										
Food Service	176,169	177,684	202,231	217,735	189,935	241,376	260,033	285,165	294,957	304,445
Child Care										
Operating Grants and Contributions	1,363,103	1,290,015	1,199,912	984,891	941,095	842,938	749,623	691,464	674,686	655,598
Capital Grants and Contributions										
Total Business-type Activities Program Revenues	1,539,272	1,467,699	1,402,143	1,202,626	1,131,030	1,084,314	1,009,656	976,629	969,643	960,043
Total District Program Revenues	\$ 5,782,480	\$ 5,345,781	\$ 5,083,119	\$ 4,476,362	\$ 5,203,119	\$ 4,495,166	\$ 3,824,633	\$ 6,062,116	\$ 5,517,171	\$ 5,698,770
Net (Expense)/Revenue										
Governmental Activities	\$ (40,578,866)	\$ (38,866,263)	\$ (39,082,946)	\$ (37,670,552)	\$ (36,222,611)	\$ (38,452,216)	\$ (36,214,934)	\$ (34,558,016)	\$ (34,411,117)	\$ (32,427,105)
Business-type Activities	17,063	19,572	38,246	46,137	60,497	(28,589)	(7,404)	15,736	51,714	(6,657)
Total District-wide Net Expense	\$ (40,561,803)	\$ (38,846,691)	\$ (39,044,700)	\$ (37,624,415)	\$ (36,162,114)	\$ (38,480,805)	\$ (36,222,338)	\$ (34,542,280)	\$ (34,359,403)	\$ (32,433,762)

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

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 10,983,163	\$ 10,522,709	\$ 10,316,381	\$ 10,537,989	\$ 11,010,144	\$ 10,721,531	\$ 11,290,216	\$ 13,050,125	\$ 13,587,700	\$ 11,371,437
Taxes Levied for Debt Service	1,049,162	1,053,069	1,076,444	1,087,673	1,085,298	961,536	1,011,929	998,738	986,467	981,126
Unrestricted Grants and Contributions	28,319,499	27,913,659	27,611,057	26,664,844	24,484,800	25,826,751	23,530,875	19,928,621	19,914,131	19,245,599
Restricted State Aid	595,838	4,689,478	722,141	689,518	1,410,480	866,829	1,154,746	917,548		
Tuition Received	13,589		27,521	35,213	48,600	93,375	98,452			5,070
Investment Earnings		17,445				2,637	13,126	67,279	91,630	52,250
Miscellaneous Income	47,124	106,343	17,006	95,861	56,991	(1,461,542)	175,830	117,968	96,483	37,310
Transfers										
Total Governmental Activities	41,008,375	44,302,703	39,770,550	39,111,098	38,096,313	37,011,117	37,275,174	35,080,279	34,676,411	31,692,792
Business-type Activities:										
Investment Earnings	828	1,179	2,622	3,309	3,116	57	494	3,766	4,214	3,821
Transfers										
Total Business-type Activities	828	1,179	2,622	3,309	3,116	57	494	3,766	4,214	3,821
Total District-wide	\$ 41,009,203	\$ 44,303,882	\$ 39,773,172	\$ 39,114,407	\$ 38,099,429	\$ 37,011,174	\$ 37,275,668	\$ 35,084,045	\$ 34,680,625	\$ 31,696,613
Change in Net Position										
Governmental Activities	\$ 429,509	\$ 5,436,440	\$ 687,604	\$ 1,440,546	\$ 1,873,702	\$ (1,441,099)	\$ 1,060,240	\$ 522,263	\$ 265,294	\$ (734,313)
Business-type Activities	17,891	20,751	40,868	49,446	63,613	(28,532)	(6,910)	19,502	55,928	(2,836)
Total District	\$ 447,400	\$ 5,457,191	\$ 728,472	\$ 1,489,992	\$ 1,937,315	\$ (1,469,631)	\$ 1,053,330	\$ 541,765	\$ 321,222	\$ (737,149)

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

Source: District Records

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

	<u>Fiscal Year Ending June 30,</u>									
	<u>2015</u>	<u>2014</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>
General Fund										
Restricted	\$ 3,555,734	\$ 4,257,189	\$ 4,776,115	\$ 4,290,449	\$ 3,391,259	\$ 2,495,139	\$ 3,655,461	\$ 1,642,748	\$ 1,480,334	\$ 1,345,770
Unassigned	(1,621,331)	(1,548,474)	(1,533,581)	(1,458,232)	(1,373,678)	(1,443,455)	(1,522,296)	(132,371)	(95,300)	(166,231)
Total General Fund	\$ 1,934,403	\$ 2,708,715	\$ 3,242,534	\$ 2,832,217	\$ 2,017,581	\$ 1,051,684	\$ 2,133,165	\$ 1,510,377	\$ 1,385,034	\$ 1,179,539
All Other Governmental Funds										
Restricted	\$ 4,132,960	\$ 5,314,829		\$ 21,396	\$ 887,900	\$ 9,196	\$ 316,521			\$ 639,469
Unassigned, Reported in:										
Special Revenue Fund	(99,540)	(87,374)	(73,284)	(68,750)	(64,520)	(30,706)	(30,706)	(126,643)	(93,043)	(93,043)
Capital Projects Fund										83,758
Debt Service Fund							5,208	5,208	105	201
Total All Other Governmental Funds	\$ 4,033,420	\$ 5,227,455	\$ (73,284)	\$ (47,354)	\$ 823,380	\$ (21,510)	\$ 291,023	\$ (121,435)	\$ (92,938)	\$ 630,385

Source: District Records

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Tax Levy	\$ 12,032,325	\$ 11,575,778	\$ 11,392,825	\$ 11,625,662	\$ 12,095,442	\$ 11,683,067	\$ 12,302,145	\$ 14,048,863	\$ 14,574,167	\$ 12,352,563
Tuition Charges	13,589	17,445	27,521	35,213	48,600	2,637.00	98,452.00	-	-	5,070.00
Interest Earnings	829,453	714,384	445,471	248,950	245,963	93,375	13,126	67,279	91,630	52,250
Miscellaneous	47,124	106,343	17,006	95,861	56,991	52,264	175,830	117,968	96,483	37,310
State Sources	29,776,034	33,256,663	28,907,735	27,182,673	26,634,488	22,793,570	24,938,988	23,767,880	22,026,212	21,405,917
Federal Sources	2,553,058	2,510,172	2,660,968	3,196,475	3,332,881	7,310,862	2,561,610	2,163,776	2,450,711	2,578,409
Local Sources										
Total Revenue	45,251,583	48,180,785	43,451,526	42,384,834	42,414,365	41,935,775	40,090,151	40,165,766	39,239,203	36,431,519
Expenditures										
Instruction										
Regular Instruction	10,556,630	10,359,195	10,271,887	10,754,950	10,566,790	11,642,002	10,661,565	9,824,419	10,090,130	9,275,724
Special Education Instruction	3,129,233	2,983,164	2,672,666	2,869,217	2,704,093	2,719,223	2,513,368	2,286,160	2,272,236	2,321,206
Other Special Instruction	2,414,736	2,628,664	3,095,136	2,391,715	2,209,220	2,147,820	1,982,126	2,736,837	2,220,609	2,256,302
Vocational Education										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Tuition	2,729,627	2,932,045	2,770,487	2,443,259	2,181,191	2,141,219	2,037,095	2,381,280	2,233,994	2,099,521
Student & Instruction Related Services	4,167,163	3,927,108	3,984,989	3,959,050	4,362,118	4,395,557	4,066,011	3,752,684	3,854,398	3,546,308
General Administrative Services	581,890	524,271	559,029	452,341	585,307	685,171	889,925	1,320,197	1,170,465	1,351,942
School Administrative Services	1,669,070	1,563,332	1,489,475	1,502,951	1,490,578	1,498,295	1,320,467	1,285,391	1,432,746	1,358,469
Business Administrative Services										
Central Services	609,176	735,148	728,578	734,106	653,911	750,673	550,517	516,296	630,921	650,200
Administrative Information Technology	317,079	404,536	421,325	494,266	540,352	573,481	629,254	513,645	504,372	416,313
Plant Operations and Maintenance	3,359,547	3,047,595	3,026,691	3,282,631	3,356,968	3,606,494	3,298,044	3,237,810	2,769,855	2,568,401
Pupil Transportation	1,927,573	1,408,417	1,457,417	1,236,430	1,113,625	1,252,324	1,171,109	1,269,130	1,156,678	1,061,498
Other Support Services										5,684
Unallocated Employee Benefits	11,066,918	10,113,239	10,081,155	9,155,652	8,359,543	8,273,407	7,446,227	8,350,840	8,282,048	6,935,643
Reimbursed TPAF Soc. Sec. Contributions										
Special Schools	305,972	252,410	163,701	14,023	39,213	99,156	59,065	62,595	111,051	84,651
Charter Schools										
Capital Outlay	2,712,019	730,560	546,018	1,329,668	626,165	1,711,394	497,654	620,453	1,069,430	877,308
Special Revenue Expenditures										
Debt Service:										
Principal	1,345,000	1,155,000	1,145,000	1,115,000	1,055,000	1,035,000	1,080,436	1,012,037	983,638	945,240
Interest and Other Charges	527,445	600,023	652,743	705,673	759,504	798,573	852,042	899,146	953,512	1,000,577
Total Expenditures	47,419,078	43,364,707	43,066,297	42,440,932	40,603,578	43,329,789	39,054,905	40,068,920	39,741,767	36,749,303
Excess (Deficiency) of Revenues Over (Under) Expenditures										
	(2,167,495)	4,816,078	385,229	(56,098)	1,810,787	(1,394,014)	1,035,246	96,846	(502,564)	(317,784)
Other Financing Sources (Uses)										
Capital Leases (Non-budgeted)										
Bond Proceeds										
Proceeds of Refunding Debt	10,910,000									
Payment to Refunded Debt Escrow Agent	(11,555,000)									
Par Amount of Bonds										
Original Issue Premium	1,032,746									
Accrued Interest										
Loss from Issuance	(238,598)									
Accrued Interest										
Prior Year Payables Cancelled										
Transfers In	1,197,074	1,942,606	349,237				105,858		(15,264)	468,150
Transfers Out	(1,197,074)	(1,942,606)	(349,237)				(105,858)		-	(468,150)
Total Other Financing Sources (Uses)	149,148	-	-	-	-	-	-	-	(15,264)	-
Net Change in Fund Balances	\$ (2,018,347)	\$ 4,816,078	\$ 385,229	\$ (56,098)	\$ 1,810,787	\$ (1,394,014)	\$ 1,035,246	\$ 96,846	\$ (517,828)	\$ (317,784)
Debt Service as a Percentage of Noncapital Expenditures										
	4.2%	4.1%	4.2%	4.4%	4.5%	4.4%	5.0%	4.8%	5.0%	5.4%

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

	<u>2015</u>	<u>2014</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>
Interest on Investments	\$ 13,589	\$ 17,445	\$ 27,521	\$ 35,213	\$ 48,600	\$ 2,637	\$ 13,126	\$ 67,279	\$ 91,630	\$ 2,007
Tuition	829,453	714,384	445,471	248,950	245,963	93,375				5,070
Refunds of Prior Year Expenditures							57,713	44,105		
Cancellation of Prior Year Payables										
Miscellaneous	<u>43,304</u>	<u>106,343</u>	<u>17,006</u>	<u>95,861</u>	<u>56,991</u>	<u>52,264</u>	<u>118,117</u>	<u>73,863</u>	<u>96,483</u>	<u>37,310</u>
	<u>\$ 886,346</u>	<u>\$ 838,172</u>	<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>

Source: District Records.

Revenue Capacity Information

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

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

(Fiscal) 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)
2014	\$ 7,263,500	\$ 398,235,000	-	-	\$ 53,355,600	\$ 2,179,600	\$ 134,257,600	\$ 595,291,300	\$ 200	\$ 595,291,500	\$ 284,400	\$ 616,754,551	1.967
2013	7,260,800	401,778,800	-	-	53,721,000	2,179,600	142,694,600	607,634,800	1,155,230	608,790,030	304,600	629,851,350	1.901
2012	5,407,800	286,132,400	-	-	35,019,400	1,443,400	79,485,800	407,488,800	734,665	408,223,465	497,900	689,333,781	2.819
2011	5,517,500	286,859,800	-	-	36,267,800	1,443,400	86,942,000	417,030,500	698,852	417,729,352	604,300	756,481,985	2.839
2010	5,428,300	286,186,900	-	-	37,177,400	1,411,100	87,600,000	417,803,700	814,107	418,617,807	625,500	798,491,466	2.840
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

(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
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Regional School District	Borough of Lindenwold	County of Camden	
2014	\$ 1.789	\$ 0.178	\$ 1.967	-	\$ 1.455	\$ 0.873	\$ 4.30
2013	1.728	0.173	1.901	-	1.401	0.854	4.156
2012	2.554	0.265	2.819	-	2.159	1.298	6.276
2011	2.579	0.260	2.839	-	2.062	1.291	6.192
2010	2.596	0.244	2.840	-	1.941	1.246	6.027
2009	2.636	0.230	2.866	-	1.796	1.174	5.836
2008	2.857	0.238	3.095	-	1.690	1.290	6.075
2007	3.098	0.232	3.330	-	1.552	1.192	6.074
2006	2.905	0.225	3.130	-	1.427	1.190	5.747
2005	2.532	0.208	2.740	-	1.313	1.017	5.070

(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	2014			2004		
	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	\$ 23,600,000	1	3.83%	\$ 10,600,000	2	3%
Siayata Associates	13,725,000	3	2.23%	11,200,000	1	2.75%
Coolidge Stonington Court Associates	15,000,000	2	2.43%			
East Coast Pines at Arborwood, LLC	10,000,000	6	1.62%			
Trent Court	11,350,000	4	1.84%			
Timber Ridge, LLC	11,100,000	5	1.80%	5,200,000	6	1.28%
Heathers Realty, LLC	4,889,500	10	0.79%			
Kingswold Limited Partnership	8,500,000	7	1.38%	4,200,000	7	1.03%
Lindenwold PH, LP	5,000,000	9	0.81%	3,500,000	8	0.86%
Birchwood Quail	7,900,000	8	1.28%			
DRA Lindenwold LLC						
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	\$ 111,064,500		18.01%	\$ 64,250,000		15.78%

Source: Municipal Tax Assessor

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

<u>Fiscal Year Ended June 30,</u>	<u>School Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2015	\$ 12,032,325	\$ 12,032,325	100.00%	-
2014	11,575,778	11,575,778	100.00%	-
2013	11,392,825	11,392,825	100.00%	-
2012	11,625,662	11,625,662	100.00%	-
2011	12,095,442	12,095,442	100.00%	-
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%	-

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

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

Debt Capacity Information

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

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

Fiscal Year Ended <u>June 30,</u>	Governmental Activities				Business-Type <u>Activities</u>		<u>Total District</u>	Percentage of Personal <u>Income (2)</u>	<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>				
2015	\$ 11,110,000	-	-	-	-	\$ 11,110,000	NA	NA	
2014	13,100,000	-	-	-	-	13,100,000	NA	NA	
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	

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 General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30.	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding (1)	Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions			
2015	\$ 11,110,000	-	\$ 11,110,000	1.87%	NA
2014	13,100,000	-	13,100,000	2.20%	NA
2013	14,255,000	-	14,255,000	2.34%	NA
2012	15,400,000	-	15,400,000	NA	NA
2011	16,515,000	-	16,515,000	3.95%	NA
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

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, 2014 [June 30, 2015]
 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	\$ 11,110,000		\$ 11,110,000	\$ 11,110,000	
Borough of Lindenwold	<u>7,377,247</u>	<u>\$ 3,447,476</u>	<u>3,929,771</u>	<u>3,929,771</u>	
	<u>18,487,247</u>	<u>3,447,476</u>	<u>15,039,771</u>	<u>15,039,771</u>	
Overlapping Debt Apportioned to the Municipality:					
County of Camden: (2)					
General:					
Bonds	39,300,000	15,276,822 (3)	24,023,178	398,785 (5)	\$ 204,000
Loan Agreement	222,633,220		222,633,220	3,695,711 (5)	
Bonds Issued by Other Public Bodies Guaranteed by the County	675,337,694	675,337,694 (4)			
Lindenwold Borough Fire District (1)					
	<u>937,270,914</u>	<u>690,614,516</u>	<u>246,656,398</u>	<u>4,094,496</u>	<u>204,000</u>
	<u>\$ 955,758,161</u>	<u>\$ 694,061,992</u>	<u>\$ 261,696,169</u>	<u>\$ 19,134,267</u>	<u>\$ 204,000</u>

Sources:

- (1) 2014 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 2014 Equalized Value, which is 1.66%.
- The source for this computation was the 2014 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 2015

	Equalized valuation basis
	2014 \$ 617,396,051
	2013 629,542,893
	2012 <u>648,041,985</u>
	[A] <u>\$ 1,894,980,929</u>
Average equalized valuation of taxable property	[A/3] \$ 631,660,310
Debt limit (4 % of average equalization value) (1)	[B] 25,266,412
Total Net Debt Applicable to Limit	[C] <u>11,110,000</u>
Legal Debt Margin	[B-C] <u>\$ 14,156,412</u>

	Fiscal Year									
	<u>2015</u>	<u>2014</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>
Debt limit	\$ 25,266,412	\$ 26,423,872	\$ 31,177,432	\$ 31,323,502	\$ 31,953,076	\$ 32,898,070	\$ 30,133,854	\$ 27,820,111	\$ 25,097,867	\$ 19,005,890
Total net debt applicable to limit	<u>11,110,000</u>	<u>13,100,000</u>	<u>14,255,000</u>	<u>15,400,000</u>	<u>16,515,000</u>	<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>
Legal debt margin	<u>\$ 14,156,412</u>	<u>\$ 13,323,872</u>	<u>\$ 16,922,432</u>	<u>\$ 15,923,502</u>	<u>\$ 15,438,076</u>	<u>\$ 15,328,070</u>	<u>\$ 11,528,854</u>	<u>\$ 8,215,111</u>	<u>\$ 4,557,867</u>	<u>\$ (2,444,110)</u>
Total net debt as a percentage of debt limit	43.97%	49.58%	45.72%	49.16%	51.69%	53.41%	61.74%	70.47%	81.84%	112.86%

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

Demographic and Economic Information

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

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2014	17,417	NA	NA	8.3%
2013	17,472	NA	NA	10.2%
2012	17,543	NA	NA	11.1%
2011	17,572	NA	NA	12.8%
2010	17,613	401,453,109	22,793	11.4%
2009	17,619	NA	NA	15.3%
2008	17,613	NA	NA	9.1%
2007	17,611	NA	NA	7.6%
2006	17,607	NA	NA	8.6%
2005	NA	NA	NA	7.8%

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 Employers
Current Year and Ten Years Ago
Unaudited

<u>Employer</u>	<u>2014</u>			<u>2004</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of</u>
McDonalds	60	3	10.49%	55	3	11%
Advanced Scale Co.	35	5	6.12%	30	10	6.13%
WaWa	80	2	13.99%	-		
Deterdings Market	38	4	6.64%	53	4	10.84%
William Hall	19	8	3.32%	49	5	10.02%
Walgreens	20	6	3.50%	35	9	7.16%
Vacuum Sales	17	9	2.97%	-		
Pufferbelly	-			41	6	8.38%
PATCO Lindenwold Station	266	1	46.50%	-		
Forever Young Learning Center	20	7	3.50%	35	7	7.16%
R.E. Marshal/Tempcon	-			100	1	20.45%
Hillman's Bus Service	-			56	2	11.45%
Prestige Pontiac	-			35	8	7.16%
La Esperanza	17	10	2.97%	-		
	<u>572</u>		<u>100.00%</u>	<u>489</u>		<u>100.00%</u>

Source: Individual Employers

Operating Information

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

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

<u>Function/Program</u>	<u>2015</u>	<u>2014</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>
Instruction										
Regular	164.1	183.0	205.0	168.5	202.0	202.0	202.0	202.0	202.0	207.8
Special education	100.5	72.5	55.0	85.0	71.5	71.5	71.5	71.5	71.5	73.5
Other special education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vocational	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other instruction	1.0	1.0	1.0	1.0	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	40.3	48.7	44.0	44.5	51.0	51.0	51.0	51.0	51.0	51.0
General administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administrative services	21.0	18.0	19.0	19.0	18.0	18.0	18.0	18.0	18.0	18.0
Business administrative services	10.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.5
Plant operations and maintenance	36.8	29.5	26.0	26.5	26.0	26.0	26.0	26.0	26.0	26.0
Pupil transportation	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	12.0	12.0	15.0	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	9.5	9.5	8.0	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
Total	387.2	382.2	378.0	367.5	376.5	376.5	376.5	376.5	376.5	383.8

Source: District Personnel Records

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

<u>Fiscal</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Pupil/Teacher Ratio</u>			<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
						<u>Elementary</u>	<u>Middle School</u>	<u>High School</u>				
2015	2,634	\$ 42,983,762	\$ 16,318.82	-1.28%	N/A	N/A	N/A	N/A	2,639	2,500	7.16%	94.73%
2014	2,473	40,879,124	16,530.18	0.14%	N/A	N/A	N/A	N/A	2,456	2,333	1.74%	94.99%
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%

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>2015</u>	<u>2014</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>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	629	576	584	530	463	457	512	500	478	-
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	576	609	615	589	615	583	536	489	543	-
Preschool (1923)										
Square Feet (approx.)	12,000	N/A								
Capacity (students)	450	N/A								
Enrollment	139	N/A								
School 1 (1926)										
Square Feet	N/A	15,130	15,130							
Capacity (students)	N/A	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	705	653	667	668	666	642	619	649	677	-
<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	532	580	601	503	540	556	603	626	633	-
<u>Other</u>										
Central Administration (1946)										
Square Feet	N/A	8,000	8,000							
Central Administration (2008)										
Square Feet	6,944	6,944	6,944	6,944	6,944	6,944	6,944	6,944		
Number of Schools at June 30, 2015										
Elementary = 3										
Middle School = 1										
High School = 1										

Source: District records, ASSA

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

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

* School Facilities	Project # (s)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
School #1	N/A										
School #4	N/A	\$ 60,702	\$ 21,233	\$ 58,669	\$ 74,407	\$ 46,934	\$ 111,617	\$ 162,976	\$ 122,286	\$ 93,020	\$ 57,364
School #5	N/A	56,404	25,314	20,957	93,619	46,617	107,825	41,980	90,151	70,942	39,005
Middle School	N/A	100,959	97,920	66,497	78,645	86,846	153,170	119,939	104,286	115,659	91,691
High School	N/A	97,377	74,698	116,171	207,943	198,381	157,241	235,597	110,952	96,491	47,988
Other Facilities	N/A	3,302	2,908	2,735	4,019	4,878	15,420	7,069	11,340	4,698	6,864
Total School Facilities		<u>318,744</u>	<u>222,073</u>	<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>
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 318,744</u>	<u>\$ 222,073</u>	<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>

* 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, 2015

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1) - Great American		
Property - blanket building & contents	\$150,000,000	\$500
Boiler and Machinery - Travelers Insurance Co.	\$125,000,000	\$1,000
Crime	\$500,000	\$500
General and Automobile Liability	\$15,000,000	None
Educator's Legal Liability	\$15,000,000	None
Pollution Legal Liability - AIG	\$3,000,000	\$25,000
Cyber Liability - Beazley Ins. Co., Inc.	\$1,000,000	\$25,000
 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 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Lindenwold School District's 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, 2015. 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 15-08-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 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the 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, 2015.

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 an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Bowman + Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Glen J. Walton

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

Voorhees, New Jersey
December 10, 2015

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2015

Federal Grantor/ Pass-through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2014	Unearned Revenue
				From	To		
General Fund:							
U.S. Department of Education							
ARRA - Medical Assistance Program (SEMI)	93.778	N/A	\$ 86,590	10-1-2008	12-31-2010		
Medical Assistance Program (SEMI)	93.778	N/A	155,024	7-1-2014	6-30-2015		
Total General Fund						-	-
Special Revenue Fund:							
U.S. Department of Education							
Passed-through State Department of Education:							
N.C.L.B.:							
Title I, Part A Carryover	84.010A	NCLB267013	1,263,058	9-1-2012	8-31-2013	\$ (135,546)	
Title I, Part A Carryover	84.010A	NCLB267014	1,504,877	7-1-2013	6-30-2014	(480,003)	
Title I, Part A	84.010A	NCLB267015	1,600,669	7-1-2014	6-30-2015		
Total Title I, Part A						(615,549)	-
Title II, Part A Carryover	84.367	NCLB267013	82,200	9-1-2012	8-31-2013	(399)	
Title II, Part A Carryover	84.367	NCLB267014	82,206	7-1-2013	6-30-2014	(23,015)	
Title II, Part A	84.367	NCLB267015	83,840	7-1-2014	6-30-2015		
Total Title II, Part A						(23,414)	-
Title III Carryover	84.365A	NCLB267013	120,123	9-1-2012	8-31-2013	(18,530)	
Title III Carryover	84.365A	NCLB267014	120,292	7-1-2013	6-30-2014	(51,759)	
Title III	84.365A	NCLB267015	130,180	7-1-2014	6-30-2015		
Total Title III						(70,289)	-
Title III Immigrant	84.365A	NCLB267015	8,805	7-1-2014	6-30-2015		
I.D.E.A. Part B:							
Special Education Cluster:							
Basic Regular Carryover	84.027	IDEA267013	551,555	9-1-2012	8-31-2013	(123,380)	
Basic Regular Carryover	84.027	IDEA267014	578,185	7-1-2013	6-30-2014	(12,119)	
Basic Regular	84.027	IDEA267015	615,218	7-1-2013	6-30-2014		
Preschool Carryover	84.027	IDEA267014	20,962	7-1-2013	6-30-2014	(12,581)	
Preschool	84.027	IDEA267015	21,032	7-1-2013	6-30-2014		
Improving Literacy Achievement	84.027A	5065000202	10,000	7-1-2012	11-30-2015	(10,000)	
Total I.D.E.A. Part B Special Education Cluster						(158,080)	-
Preschool Expansion Grant	84.419B	15-100-034-5069-031-H350-D005	776,869	1-1-2015	12-31-2015		
Total Special Revenue Fund						(867,332)	-
Enterprise Fund:							
U.S. Department of Agriculture							
Passed-through State Department of Education:							
Child Nutrition Cluster:							
National School Lunch Program	10.555	N/A	831,406	7-1-2013	6-30-2014	(69,631)	
National School Lunch Program	10.555	N/A	889,300	7-1-2014	6-30-2015		
National School Lunch Program - HHFKA	10.555	N/A	20,030	7-1-2013	6-30-2014	(1,654)	
National School Lunch Program - HHFKA	10.555	N/A	20,864	7-1-2014	6-30-2015		
School Breakfast Program	10.553	N/A	306,365	7-1-2013	6-30-2014	(27,215)	
School Breakfast Program	10.553	N/A	330,664	7-1-2014	6-30-2015		
After School Snack Program	10.555	N/A	2,911	7-1-2014	6-30-2015		
Fresh Fruits and Vegetable Program	10.582	N/A	28,453	7-1-2013	6-30-2014	(7,236)	
Summer Food Service Program for Children	10.559	N/A	9,008	7-1-2014	6-30-2015		
Food Distribution Program	10.555	N/A	91,042	7-1-2014	6-30-2015		
Total Child Nutrition Cluster						(105,736)	-
Total Enterprise Fund						(105,736)	-
Total Federal Financial Assistance						<u>\$ (973,068)</u>	<u>\$ -</u>

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

	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2015		
					(Accounts Receivable)	Unearned Revenue	Due to Grantor at June 30, 2015
	\$ 86,590					\$ 86,590	
	155,024	\$ 155,024					
	241,614	155,024	-	-	-	86,590	-
	143,022		\$ (7,476)				
	676,766	196,763					
	1,087,114	1,273,103			\$ (185,989)		
	1,906,902	1,469,866	(7,476)	-	(185,989)	-	-
	399						
	23,015						
	75,061	83,840			(8,779)		
	98,475	83,840	-	-	(8,779)	-	-
	18,730		(200)		-		
	72,166	20,407			-		
	51,803	114,889			(63,086)		
	142,699	135,296	(200)	-	(63,086)	-	-
	1,628	2,276			(648)		
	123,380				-		
	92,285	80,166			-		
	585,653	613,548			(27,895)		
	18,060	5,479			-		
	10,574	12,546			(1,972)		
	10,000				-		
	839,952	711,739	-	-	(29,867)	-	-
		182,836			(182,836)		
	2,989,656	2,585,853	(7,676)	-	(471,205)	-	-
	69,631						
	820,805	889,300			(68,495)		
	1,654						
	19,276	20,864			(1,588)		
	27,215						
	304,373	330,664			(26,291)		
	2,911	2,911					
	7,236						
	9,008	9,008					
	91,042	91,042					
	1,353,151	1,343,789	-	-	(96,374)	-	-
	1,353,151	1,343,789	-	-	(96,374)	-	-
	\$ 4,584,421	\$ 4,084,666	\$ (7,676)	\$ -	\$ (567,579)	\$ 86,590	\$ -

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Schedule of Expenditures of State Awards, Schedule B
 For the Fiscal Year Ended June 30, 2015

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Required Match	Grant Period		Balance at June 30, 2014	
				From	To	Unearned Revenue / Accounts Receivable	Due to Grantor
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Equalization Aid	14-495-034-5120-078	\$ 22,176,686		7-1-2013	6-30-2014	\$ (2,131,078)	
Equalization Aid	15-495-034-5120-078	22,176,686		7-1-2014	6-30-2015		
School Choice	14-495-034-5120-068	221,815		7-1-2013	6-30-2014	(22,181)	
School Choice	15-495-034-5120-068	323,730		7-1-2014	6-30-2015		
Security Aid	14-495-034-5120-084	403,357		7-1-2013	6-30-2014	(40,336)	
Security Aid	15-495-034-5120-084	403,357		7-1-2014	6-30-2015		
Special Education Aid	14-495-034-5120-089	1,270,618		7-1-2013	6-30-2014	(127,062)	
Special Education Aid	15-495-034-5120-089	1,270,618		7-1-2014	6-30-2015		
Under Adequacy Aid	14-495-034-5120-096	179,546		7-1-2013	6-30-2014	(17,955)	
Under Adequacy Aid	15-495-034-5120-096	179,546		7-1-2014	6-30-2015		
PARCC Readiness Aid	15-495-034-5120-098	24,300		7-1-2014	6-30-2015		
Per Pupil Growth Aid	15-495-034-5120-097	24,300		7-1-2014	6-30-2015		
Total State Aid - Public Cluster						(2,338,612)	-
State Aid - Transportation:							
Transportation Aid	14-495-034-5120-014	143,769		7-1-2013	6-30-2014	(14,377)	
Transportation Aid	15-495-034-5120-014	143,769		7-1-2014	6-30-2015		
Nonpublic Transportation Aid	14-495-034-5120-014	14,173		7-1-2013	6-30-2014	(14,173)	
Nonpublic Transportation Aid	15-495-034-5120-014	16,008		7-1-2014	6-30-2015		
Total State Aid - Transportation						(28,550)	-
Extraordinary Special Education Aid Costs							
Extraordinary Special Education Aid Costs	14-100-034-5120-474	160,177		7-1-2013	6-30-2014	(160,177)	
Extraordinary Special Education Aid Costs	15-100-034-5120-474	98,433		7-1-2014	6-30-2015		
Total Extraordinary Aid						(160,177)	-
Reimbursed T.P.A.F. Social Security							
Reimbursed T.P.A.F. Social Security	14-495-034-5095-002	1,235,810		7-1-2013	6-30-2014	(60,121)	
Reimbursed T.P.A.F. Social Security	15-495-034-5095-002	1,243,551		7-1-2014	6-30-2015		
Total Reimbursed T.P.A.F. Social Security						(60,121)	-
Total General Fund						(2,587,460)	-
Special Revenue Fund:							
New Jersey Department of Education							
Preschool Education Aid	14-495-034-5120-086	873,740	\$ 323,266	7-1-2013	6-30-2014	114,167	
Preschool Education Aid	15-495-034-5120-086	995,400	495,986	7-1-2014	6-30-2015		
Total Preschool Education Aid						114,167	-
Total Special Revenue Fund						114,167	-
Capital Projects Fund:							
New Jersey Department of Education							
SDA Grant	2670-090-09-1001	234,197		7-1-2008	Completion	(6,333)	
SDA Grant	2670-040-10-1001	637,791		7-1-2010	Completion	(637,792)	
SDA Grant	2670-090-13-3002	677,166	320,352	4-11-2014	Completion	(846,616)	
SDA Grant	2670-090-13-3003	353,935	143,732	4-11-2014	Completion	(85,000)	
SDA Grant	2670-090-14-1006	2,844,744	1,681,094	7-14-2014	Completion	(366,938)	
Total Capital Projects Fund						(1,942,679)	-
Debt Service Fund:							
New Jersey Department of Education							
Debt Service Aid Type II	15-495-034-5120-075	701,842		7-1-2014	6-30-2015		
Enterprise Fund:							
New Jersey Department of Agriculture							
Child Nutrition Cluster							
National School Lunch Program (State Share)	14-100-010-3360-067	18,681		7-1-2013	6-30-2014	(1,455)	
National School Lunch Program (State Share)	15-100-010-3360-067	19,314		7-1-2014	6-30-2015		
Total Enterprise Fund						(1,455)	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit						(4,417,427)	-
Total State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of the Treasury:							
On-behalf T.P.A.F. Pension Contributions - Normal Cost	495-034-5094-006 / 007	885,993		7-1-2014	6-30-2015		
On-behalf T.P.A.F. Pension Contributions - Post Retirement Medical	495-034-5094-001	1,406,513		7-1-2014	6-30-2015		
Total General Fund (Non-Cash Assistance)						-	-
Total State Financial Assistance						\$ (4,417,427)	\$ -

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

Carryover/ (Walkover) Amount	Cash Received	Adjustments	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2015			Memo	
					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable 6/30/2015	Cumulative Total Expenditures
	\$ 2,131,078								
	20,026,659		\$ 22,176,686		\$ (2,150,027)			\$ (2,150,027)	\$ 22,176,686
	22,181							-	-
	291,357		323,730		(32,373)			(32,373)	323,730
	40,336							-	-
	363,021		403,357		(40,336)			(40,336)	403,357
	127,062							-	-
	1,143,556		1,270,618		(127,062)			(127,062)	1,270,618
	17,955							-	-
	161,591		179,546		(17,955)			(17,955)	179,546
	21,870		24,300		(2,430)			(2,430)	24,300
	21,870		24,300		(2,430)			(2,430)	24,300
-	24,368,536	-	24,402,537	-	(2,372,613)	-	-	(2,372,613)	24,402,537
	14,377								
	129,392		143,769		(14,377)			(14,377)	143,769
	14,173								
			16,008		(16,008)				16,008
-	157,942	-	159,777	-	(30,385)	-	-	(14,377)	159,777
	160,177								
	1,672		100,105		(98,433)				100,105
-	161,849	-	100,105	-	(98,433)	-	-	-	100,105
	60,121								
	1,182,044		1,243,551		(61,507)				1,243,551
-	1,242,165	-	1,243,551	-	(61,507)	-	-	-	1,243,551
-	25,930,492	-	25,905,970	-	(2,562,938)	-	-	(2,386,990)	25,905,970
	87,373		201,540						201,540
	1,391,846		1,324,669		(99,540)	\$ 166,717		(99,540)	1,324,669
-	1,479,219	-	1,526,209	-	(99,540)	166,717	-	(99,540)	1,526,209
-	1,479,219	-	1,526,209	-	(99,540)	166,717	-	(99,540)	1,526,209
	6,333							-	
	637,792							-	
	677,166	\$ 935,026	720,222			45,354		-	952,164
		180,920	100,477		(353,932)	349,375		(353,932)	148,289
		2,034,909	971,843		(2,844,744)	3,540,872		(2,844,744)	984,966
-	1,321,291	3,150,855	1,792,542	-	(3,198,676)	3,935,601	-	(3,198,676)	2,085,419
	701,842		701,842						701,842
	1,455								
	17,916		19,314		(1,398)				
-	19,371	-	19,314	-	(1,398)	-	-	-	-
-	29,452,215	3,150,855	29,945,877	-	(5,862,552)	4,102,318	-	(5,685,206)	30,219,440
	885,993		885,993						
	1,406,513		1,406,513						
-	2,292,506	-	2,292,506	-	-	-	-	-	-
\$ -	\$ 31,744,721	\$ 3,150,855	\$ 32,238,383	\$ -	\$ (5,862,552)	\$ 4,102,318	\$ -	\$ (5,685,206)	\$ 30,219,440

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2015

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 following exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the food service fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. The information in these schedules are presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; therefore, some amounts presented in the schedules 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, special revenue fund, and capital projects 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 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 capital projects fund is presented in the accompanying schedules on the modified accrual basis of accounting.

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$(34,001) for the general fund and \$(202,321) for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$(190,155) 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	\$ 155,024	\$ 25,905,970	\$ 26,060,994
Special Revenue	2,398,034	1,015,721	3,413,755
Capital Projects		(106,004)	(106,004)
Debt Service		701,842	701,842
Food Service	1,343,789	19,314	1,363,103
Total Awards and Financial Assistance	\$ <u>3,896,847</u>	\$ <u>27,536,843</u>	\$ <u>31,433,690</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: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2013-2014.

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2015 the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the Federal Food Distribution Program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF members.

Note 7: MAJOR PROGRAMS

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2015

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? yes x no

 Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? yes x no

 Significant deficiency(ies) identified? yes x none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? yes x no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.010A

NCLB:
Title I, Part A

84.027

Special Education Cluster:
IDEA Part B - Basic

84.137

IDEA Part B - Preschool

84.027A

Improving Literacy Achievement

10.555

Child Nutrition Cluster:
National School Lunch Program

10.555

National School Lunch Program - HHFKA

10.553

School Breakfast Program

10.555

After School Snack

10.559

Summer Food Service Program for Children

10.555

Food Distribution Program

Dollar threshold used to determine Type A programs \$ 300,000

Auditee qualified as low-risk auditee? x yes no

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2015

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? ___ yes x no

Significant deficiency(ies) identified? ___ yes x none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 or New Jersey Circular 15-08-OMB? ___ yes x no

Identification of major programs:

GMIS Number(s)

Name of State Program

 15-495-034-5120-078

 15-495-034-5120-089

 15-495-034-5120-084

 15-495-034-5120-068

 15-495-034-5120-096

 15-495-034-5120-098

 15-495-034-5120-097

 15-495-034-5095-002

 15-495-034-5120-086

State Aid Public:

 Equalization Aid

 Special Education Categorical Aid

 Security Aid

 School Choice Aid

 Under Adequacy Aid

 PARCC Readiness Aid

 Per Pupil Growth Aid

 Reimbursed TPAF SS Contributions

 Preschool Education Aid

Dollar threshold used to determine Type A programs \$ _____ 898,376 _____

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

BOROUGH OF LINDENWOLD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

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 Administration and 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, 2015

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, 2015

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 15-08-OMB.

No Current Year Findings

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

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings

FEDERAL AWARDS

No Prior Year Findings

STATE FINANCIAL ASSISTANCE PROGRAMS

No Prior Year Findings

