

**SCHOOL DISTRICT  
OF THE  
BOROUGH OF LINCOLN PARK**

**Borough of Lincoln Park School District  
Lincoln Park, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2017**

**Comprehensive Annual  
Financial Report**

**of the**

**Borough of Lincoln Park School District**

**Borough of Lincoln Park, New Jersey**

**For the Fiscal Year Ended June 30, 2017**

**Prepared by**

**Borough of Lincoln Park School District  
Board of Education**

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**INTRODUCTORY SECTION**

# Lincoln Park Public Schools

92 Ryerson Road • Lincoln Park, NJ 07035 • www.lincolnparkboe.org  
(973) 696-5500 (Phone) • (973) 696-9273 (Fax)

James W. Grube  
Superintendent of Schools

Juanita A. Petty, RSBA, SFO  
Interim Business Administrator/  
Board Secretary

November 10, 2017

The Honorable President and  
Members of the Board of Education  
Lincoln Park Borough School District  
County of Morris, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Lincoln Park Borough School District (the "District") for the fiscal year ended June 30, 2017, 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 Lincoln Park Board of Education (the "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 basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's 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 management's discussion and analysis, the basic financial statements and schedules, as well as the independent auditors' 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** The Lincoln Park Borough School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Lincoln Park Borough School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-kindergarten through grade eight. These include regular, as well as special education for handicapped youngsters. The District completed the 2016-2017 fiscal year with an enrollment of 536 students at the LPES and 401 students at the LPMS. Lincoln Park high school-aged students attend Boonton High School on a tuition basis as well as the Morris County Academies. During the 2016-2017 school year 303 students attended Boonton High School and 55 students attended the Morris County Academies. At the end of June 2017, the K-8 enrollment was 937 students, 21 fewer students than the previous year.

2) ECONOMIC CONDITION AND OUTLOOK: The two communities of the Lincoln Park Borough School District continue to experience moderate growth.

Long Term Financial Planning: New Jersey law limits the increase in NJ districts' tax levies to 2% annually. In order to exceed the cap, a public vote is required. The Lincoln Park Board of Education is committed to limiting tax increases and continues to explore alternate funding sources.

3) MAJOR INITIATIVES: The District continues to focus on the improvement of student achievement. Below are the most recent results of student performance on State assessments.

Academic Performance:

The following are the results of the 2017 PARCC Assessments in percentiles:

MATH

<u>Grade</u>	<u>Did Not Meet Exp.</u>	<u>Partially Met Exp.</u>	<u>Approached Exp.</u>	<u>Met Exp.</u>	<u>Exceeded Exp.</u>	<u>Total Students</u>	<u>% Met/Exceed Exp.</u>
Third	1	8	23	56	12	109	68%
Fourth	3	14	23	52	8	108	60%
Fifth	2	6	28	51	13	101	64%
Sixth	2	17	33	41	6	94	47%
Seventh	3	10	27	49	12	105	61%
Eighth	3	16	25	54	2	61	56%
Algebra	0	0	7	81	11	27	92%

ELA

Third	1	8	24	61	7	106	68%
Fourth	3	9	16	47	25	107	72%
Fifth	0	1	15	59	24	98	83%
Sixth	1	5	22	60	12	93	72%
Seventh	1	7	12	46	33	104	79%
Eighth	1	5	10	56	28	88	84%

When compared to the PARCC results around the state, we are pleased with the progress the students have demonstrated in math, language arts literacy, and science throughout the district. There is one grade level in math that had a substantial drop in proficient scores, which we have addressed. It should be also noted that all staff members that received a Student Growth Percentile Score from the State, showed typical or high growth score from their students. We are constantly looking for ways to improve instruction. The following is a partial list of initiatives that have recently been put in place throughout the District:

- The continued assistance provided by the Director of Curriculum & Instruction to staff members in both schools.
- All the curricula in the district are aligned to the latest New Jersey Student Learning Standards, as required by the NJDOE.
- Both schools reviewed their instructional schedules in order to provide the most instructional time possible.
- The purchase of additional laptop/ iPad carts and the continuation of the one to one technology initiative in the district. During the upcoming school year all the students in third through eighth grades will be issued a personal device for their use. The kindergarten through second grade has access to iPad and laptop carts for their classroom use. The District once again upgraded the technology infrastructure to increase and improve the technology used in both schools.

### **Professional Staff:**

Lincoln Park's professional staff included one Superintendent of Schools, one School Business Administrator, one Director of Special Services, two Principals, a Director of Curriculum and Instruction, one Technology Coordinator, 83 certified staff members, 2 librarians, 2 guidance counselors, 2 school nurses, and 4 Child Study Team members.

Teachers regularly engage in professional development opportunities that include workshops/conferences, in-house workshops, articulation meetings; professional visitations; and pursuit toward advanced degrees in area universities and colleges and online. Teachers continued to serve as leaders in curriculum development throughout the District and across disciplines.

### **Academic School Improvement:**

Academic improvement continues to be the goal in all areas of the school population. During the past school year, specific performance objectives for the students in the areas of math were set. The goal that four percent of the students would increase one level in fourth grade and the middle school on 2016-17 PARCC Assessments, was achieved. The district continues to review and update the curricula throughout the district, assuring alignment with the New Jersey Student Learning Standards. A new science textbook series has been implemented district wide, with the staff receiving training on the new science standards and the best utilization of the text series. The PARCC results demonstrated the district's students are showing typical to high growth, as per the NJDOE.

The District continues to emphasize the importance of current and up to date technology in the areas of hardware, software, and infrastructure throughout the district. The Lincoln Park School District currently has two computer labs, laptop carts, and iPad carts in the schools. This District is continuing a one to one iPad initiative with all students in grade fifth through eighth grade. The district has expanded the 1to1 technology initiative, with the students in third through fourth grades assigned a laptop for the school year. The kindergarten through second grade has access to iPad and laptop carts for use in the classrooms. Courses in computer literacy and problem solving using technology are offered to students and to professional staff. We also provide technology hardware for the classrooms to enhance and enrich instruction. Computer hardware and software is continually assessed and updated as per the Technology Plan. The District upgraded its Professional Development and Mentoring Plans to assist the staff with classroom instruction throughout the district. All the attention that was focused on technology allowed the district schools to successfully implement the PARCC Assessments.

Ongoing school improvement initiatives included:

- The District strives to maintain class sizes at no more than 20 children in each primary grade (K-2) and 25 children in each grade 4-8. With the tight budgets and trying to be fiscally conservative, we are proud that the District met this goal. The projected enrollment for the upcoming school year, will allow the District to meet this goal in all grades, once again.
- Updating the entire curricula to align with latest New Jersey Student Learning Standards has been accomplished. The District will continue to update its curricula as necessary.
- Inclusion of special education children in the regular education program, while also concentrating on differentiating instruction to meet all students' needs is an ongoing focus.
- The continued emphasis on the safe school climate has been and will continue to be a major focus of the District. The District continues to upgrade the safety measures that are in place in both schools.
- Ongoing staff training in writing, math, and use of technology as an instructional tool in the classroom, assists the staff in meeting the needs of all the students.
- The administration and teaching staff are continuing to work together on the implementation of the evaluation system required by the Department of Education.
- Continued development of the District's inclusive preschool program and expanding the special education programs offered to our students in order to meet the needs of all the children in the community.

The Lincoln Park School District provides excellence in education while maintaining fiscal responsibility.

**4) INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to

*Preparing Tomorrow's Leaders at Lincoln Park Schools Today*

provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

**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 a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, special revenue fund and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2017.

**6) ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

**7) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**8) RISK MANAGEMENT:** The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board oversees risk management for the District. A schedule of insurance coverage can be found on schedule J-20.

The District is a member of the New Jersey Schools Insurance Group ("NJSIG"). The NJSIG is a risk-sharing public entity risk pool that is both an insured and self administered group of school districts established for the purpose of providing low-cost insurance coverage to its members. Additional information on the NJSIG is included in the "Notes to the Basic Financial Statements", in Note 13.

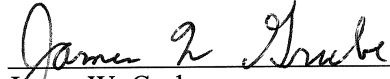
#### **9) OTHER INFORMATION:**


**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards; Audits of States, Local Governments and Non-Profit Organizations*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. The independent auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

10) ACKNOWLEDGMENTS:

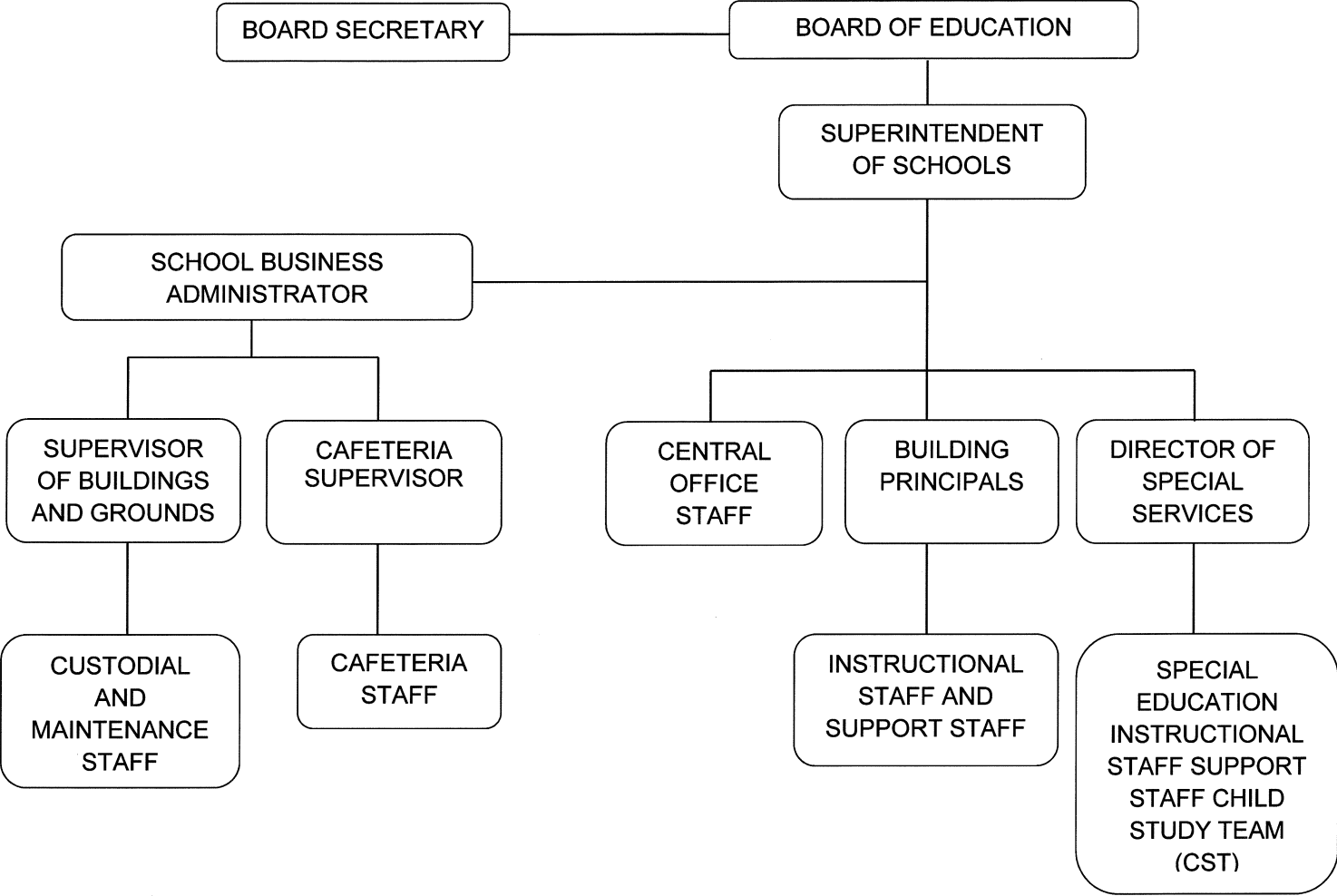
We would like to express our appreciation to the members of the Lincoln Park Borough School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,

  
\_\_\_\_\_  
James W. Grube  
Superintendent

  
\_\_\_\_\_  
Juanita A. Petty, RSBA, SFO  
Interim Business Administrator/Board Secretary

ORGANIZATIONAL CHART



Adopted: 11 June 1996  
 Revised: 24 January 2006



**LINCOLN PARK BOROUGH SCHOOL DISTRICT  
 ROSTER OF OFFICIALS  
 JUNE 30, 2017**

<u>Members of the Board of Education</u>	<u>Term</u>	<u>Term Expires</u>
Perry Mayers – Board President (1)	3 years	2018
Jack Gibbons – Board President	3 years	2019
Frank Avena – Vice President	3 years	2018
Todd Henches	1 year	2017
Lou Nazarro	3 years	2017
Carol Nielsen	3 years	2017
Robert Stager	3 years	2019
Dina Stoel	3 years	2019

Other Officers

James Grube, Superintendent of Schools

Adrian Pollio, School Business Administrator/Board Secretary (2)

Gary Stranz, Treasurer of School Moneys

Nathanya Simon, Esq., Board Counsel

(1) Resigned as of 12/31/2016 – replaced 1/1/17 by Todd Henches

(2) Through July 31, 2017; then effective August 1, 2017:

Juanita A. Petty, RSBA, SFO, Interim Business Administrator

**LINCOLN PARK BOROUGH SCHOOL DISTRICT**  
**Consultants and Advisors**

**Attorney**

Nathanya Simon, Esq.  
Schwartz, Simon, Edelstein and Celso, LLC  
100 South Jefferson Road  
Suite 200  
Whippany, New Jersey 07981

**Audit Firm**

Nisivoccia LLP, CPAs  
Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mount Arlington, New Jersey 07856-1320

**Official Depository**

TD Banknorth  
280 Passaic Avenue  
Fairfield, New Jersey 07004

Valley National Bank  
1455 Valley Road  
Wayne, NJ 07470

**FINANCIAL SECTION**

## Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Lincoln Park Borough School District  
County of Morris, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lincoln Park Board of Education School District (the "District") in the County of Morris, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the 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.

### ***Auditors' 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 audit requirements as prescribed by the Office of School 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***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 District, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension schedules in Exhibits L-1 through L-4 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 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 District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable President and Members  
of the Board of Education  
Lincoln Park Borough School District  
Page 3


The accompanying other information such as the introductory and statistical sections has 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 it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2017 on our consideration of the 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 District's internal control over financial reporting and compliance.

November 10, 2017  
Mount Arlington, New Jersey

  
NISIVOCCIA LLP

  
\_\_\_\_\_  
Francis J. Jones, Jr.  
Licensed Public School Accountant #01154  
Certified Public Accountant

**REQUIRED SUPPLEMENTARY INFORMATION – PART I  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

## **Management's Discussion and Analysis** **Unaudited**

This section of Lincoln Park Borough School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

### **Financial Highlights**

- Revenue from governmental activities was \$26,278,619 which represents 98.70 percent of all revenues totaling \$26,625,093.
- The School District had expenses from governmental activities of \$26,327,715, which was 98.74 percent of all expenses totaling \$26,662,380.
- Net Position of the District decreased by \$11,470.

### **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 District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the district-wide statements.
- The *governmental funds statements* tell how basic services such as 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 District operates like a business, such as food services.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.
- *Notes to the basic financial statements* provide additional information essential to a full understanding of district wide and fund financial statements.

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 District's budget for the year. Table 1 shows how the various parts of this annual report are arranged and relate to one another.



**Table 1**

**Organization of Lincoln Park Borough's Financial Report**

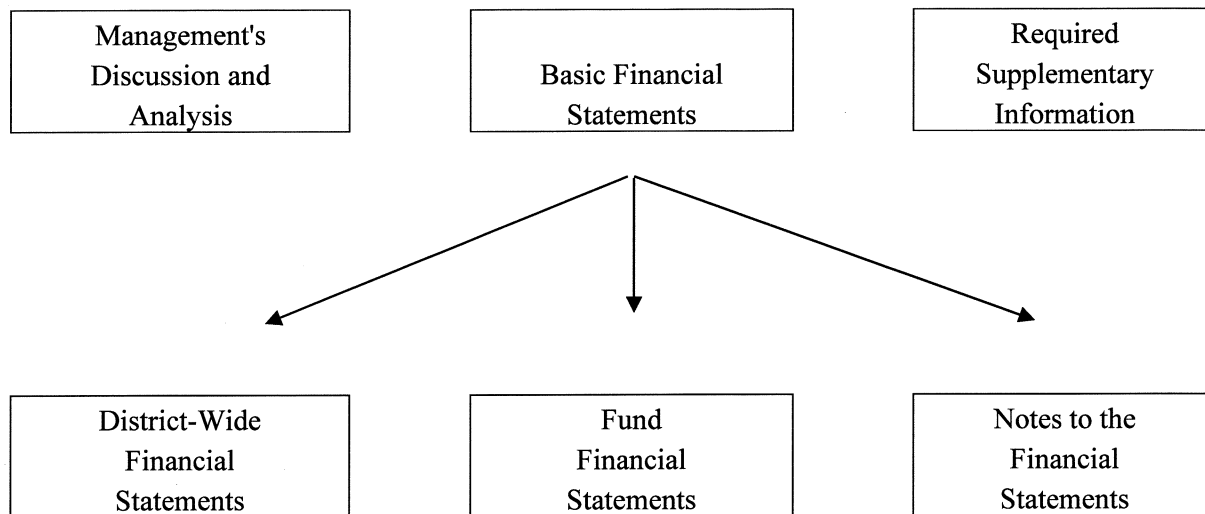


Table 2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

**Table 2**

**Major Features of the District-Wide and Fund Financial Statements**

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## ***District-wide Statements***

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

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

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

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service is included here.

## ***Fund Financial Statements***

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for its other programs and activities. The District does not utilize internal service funds.

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

### Notes to the basic financial statements:

The notes provide information essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

### Financial Analysis of the District as a Whole

*Net Position.* The Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a district's financial position.

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

**Table 3**  
**Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	
Current and							
Other Assets	\$ 3,638,563	\$ 4,022,774	\$ 44,631	\$ 53,391	\$ 3,683,194	\$ 4,076,165	10.67%
Capital Assets, Net	6,584,113	6,109,351	19,722	40,401	6,603,835	6,149,752	-6.88%
Total Assets	10,222,676	10,132,125	64,353	93,792	10,287,029	10,225,917	-0.59%
Deferred Outflows of Resources	706,945	1,354,505			706,945	1,354,505	91.60%
Other Liabilities	1,542,285	1,510,961	37,211	29,024	1,579,496	1,539,985	-2.50%
Long-term Liabilities	5,077,315	5,462,131			5,077,315	5,462,131	7.58%
Total Liabilities	6,619,600	6,973,092	37,211	29,024	6,656,811	7,002,116	5.19%
Deferred Inflows of Resources	83,555	336,168			83,555	336,168	302.33%
Net Investment in							
Capital Assets	5,409,113	5,079,351	19,722	40,401	5,428,835	5,119,752	-5.69%
Restricted	1,673,075	1,565,649			1,673,075	1,565,649	-6.42%
Unrestricted/(Deficit)	(2,855,722)	(2,467,630)	7,420	24,367	(2,848,302)	(2,443,263)	14.22%
Total Net Position	\$ 4,226,466	\$ 4,177,370	\$ 27,142	\$ 64,768	\$ 4,253,608	\$ 4,242,138	-0.27%

*Changes in Net Position.* The District's combined net position was \$4,242,138 on June 30, 2017, \$11,470 or 0.27% less than the year before. (Table 3). The depreciation factored into the net position of the District as a decrease is \$821,885. The net position of the governmental activities decreased by \$49,096 which consisted of increases in total revenue of the District and spending increases as indicated by the notes on the following schedule (See Table 4). The net position of the business-type activities increased \$37,626 (See Table 4). The decrease in the net position of the business-type activities is attributable to revenues exceeding expenses.

**Table 4**  
**Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	
Revenue:							
Program Revenue:							
Charges for Services		\$ 38,983	\$ 217,520	\$ 236,333	\$ 217,520	\$ 275,316	26.57%
Operating Grants and Contributions	\$ 5,423,328	6,958,830	110,027	110,041	5,533,355	7,068,871	27.75%
General Revenue:							
Property Taxes	18,363,650	18,184,360			18,363,650	18,184,360	-0.98%
Unrestricted State and Federal Aid	63,011	62,639			63,011	62,639	-0.59%
Other	739,984	1,033,807	45	100	740,029	1,033,907	39.71%
Total Revenue	<u>24,589,973</u>	<u>26,278,619</u>	<u>327,592</u>	<u>346,474</u>	<u>24,917,565</u>	<u>26,625,093</u>	6.85%
Expenses:							
Instruction	11,690,178	13,941,747			11,690,178	13,941,747	19.26%
Pupil and Instruction Services	8,143,230	7,564,650			8,143,230	7,564,650	-7.11%
Administrative and Business	1,875,579	1,991,424			1,875,579	1,991,424	6.18%
Maintenance and Operations	1,070,048	1,697,758			1,070,048	1,697,758	58.66%
Transportation	1,199,032	1,084,694			1,199,032	1,084,694	-9.54%
Other	704,815	47,442	430,008	334,665	1,134,823	382,107	-66.33%
Total Expenses	<u>24,682,882</u>	<u>26,327,715</u>	<u>430,008</u>	<u>334,665</u>	<u>25,112,890</u>	<u>26,662,380</u>	6.17%
Additions to Capital Assets				25,817			
Special Item - Reimbursement of Prior Year Tuition	424,190				424,190		-100.00%
Increase/(Decrease) in Net Position	<u>\$ 331,281</u>	<u>\$ (49,096)</u>	<u>\$ (102,416)</u>	<u>\$ 37,626</u>	<u>\$ 228,865</u>	<u>\$ (11,470)</u>	-105.01%

*Revenue Sources.* The District's total revenue for the 2016-2017 school year was \$26,625,093. (See Table 4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$18,184,360 of the total, or 68.30 percent. (See Table 5). Another 26.55 percent came from state and federal aid for specific programs and the remainder from unrestricted state and federal aid, miscellaneous sources and charges for services. The District basically conducts its operations from the revenues it receives from its local taxpayers.

**Table 5**  
**Sources of Revenue for Fiscal Year 2017**

	Amount	Percentage
Sources of Income:		
Property Taxes	\$ 18,184,360	68.30%
Operating Grants and Contributions	7,068,871	26.55%
Unrestricted State and Federal Aid	62,639	0.24%
Charges for Services	275,316	1.03%
Other	1,033,907	3.88%
	<u>\$ 26,625,093</u>	<u>100.00%</u>

The total cost of all programs and services was \$26,662,380. The District's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (84.73 percent). (See Table 6). The District's administrative and business activities accounted for 7.47 percent of total costs.

**Table 6**  
**Expenses for Fiscal Year 2017**

Expense Category:	<u>Amount</u>	<u>Percentage</u>
Instruction	\$ 13,941,747	52.29%
Pupil and Instruction Services	7,564,650	28.37%
Administrative and Business	1,991,424	7.47%
Maintenance and Operations	1,697,758	6.37%
Transportation	1,084,694	4.07%
Other	382,107	1.43%
	<u>\$ 26,662,380</u>	<u>100.00%</u>

***Governmental Activities***

As discussed elsewhere in this commentary, the financial position of the District remained relatively stable. Maintaining existing programs with relatively stable pupil enrollment and the provision of a multitude of special programs and services for disabled pupils place great demands on the District's resources. The District has taken steps to reduce expenses while still providing a quality educational experience for the children of Lincoln Park. Such changes have generated savings, but these have not been sufficient enough to offset rising insurance premiums, increased special education program costs and escalating utility expenses.

Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost savings actions implemented and/or continued during the year were:

- The Borough continues to provide lawn mowing and snowplowing services.
- Participate in the Cooperative Purchasing of School Supplies and Jointure Transportation through the Morris County E.S.C. as well as Hunterdon County.
- Member of the State-wide ACES consortium for the bulk purchase of natural gas and electrical generation services.
- Applied and received 40% discounts on all telecommunication services and equipment through the federal e-rate program.
- Member of the Morris County Educational Technology Training Center, which provides professional development in technology for the staff.

Table 7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

**Table 7**  
**Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2015/16	2106/17	2015/16	2106/17
Instruction	\$ 11,690,178	\$ 13,941,747	\$ 7,499,211	\$ 8,841,582
Pupil and Instruction Services	8,143,230	7,564,650	7,711,802	7,000,499
Administrative and Business	1,875,579	1,991,424	1,725,717	1,757,432
Maintenance and Operations	1,070,048	1,697,758	1,070,048	1,248,958
Transportation	1,199,032	1,084,694	547,961	433,989
Other	704,815	47,442	704,815	47,442
	<u>\$ 24,682,882</u>	<u>\$ 26,327,715</u>	<u>\$ 19,259,554</u>	<u>\$ 19,329,902</u>

- The cost of all governmental activities this year was \$26.33 million.
- The main revenue source for the District’s governmental activities (\$18.18 million) was financed by District taxpayers.
- A portion of governmental activities was financed with \$7.13 million in state and federal aid.
- The remainder of the funding came from miscellaneous revenue and investment earnings.

***Business-Type Activities***

Net position from the District’s business-type activity increased by \$37,626 (refer to Table 4). Factors contributing to these results included:

- Food services revenue exceeded expenses.
- Capital asset purchases were made to update the cafeteria in the food service fund.

**Financial Analysis of the District’s Funds**

The District's financial position did not change significantly over the past year. The District continues to provide educational programs, which enable to students to remain in the District although out of district placement costs will continue to increase. Once again the District managed to end the year with audited excess surplus, which will allow a reasonable tax rate for the next budget year as it will be used to offset the tax levy. The Business Office continues to receive input on budget expenses, which allows the District to budget appropriately.

**General Fund Budgetary Highlights**

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated, and to prevent over expenditures in specific line item accounts, although at year end, budget adjustments did leave some negative amounts in specific line items. The following revision bears notation:

- Tuition for special education students’ is budgeted based on existing and known incoming students at the time budget is submitted. Students move in and out of the District during the summer and school year which necessitates transferring among the appropriate budget lines to account for these students.

**Table 8**  
**Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	
	Land	\$ 719,980	\$ 719,980			\$ 719,980	
Construction in Progress		347,123				347,123	100.00%
Buildings and Building Improvements	5,041,184	4,320,813			5,041,184	4,320,813	-14.29%
Furniture, Machinery and Equipment	822,949	721,435	\$ 19,722	\$ 40,401	842,671	761,836	-9.59%
	<u>\$ 6,584,113</u>	<u>\$ 6,109,351</u>	<u>\$ 19,722</u>	<u>\$ 40,401</u>	<u>\$ 6,603,835</u>	<u>\$ 6,149,752</u>	<u>-6.88%</u>

The decrease in capital assets is due to current year depreciation of \$821,885 in the governmental activities and capital additions for the business type activities of \$25,817 offset by depreciation in business type activities of \$5,138.

**Long-term Liabilities**

At year-end, the District had \$1,030,000 in general obligation bonds outstanding – a decrease of \$145,000 from last year – as shown in Table 9. (More detailed information about the District’s long-term liabilities is presented in Note 9 to the basic financial statements.)

**Table 9**  
**Outstanding Liabilities**

	Total School District		Total Percentage Change
	2015/16	2016/17	
General Obligation Bonds (Financed with Property Taxes)	\$ 1,175,000	\$ 1,030,000	-12.34%
Net Pension Liability	3,683,795	4,283,585	16.28%
Other Long-Term Liabilities	215,520	303,546	40.84%
	<u>\$ 5,074,315</u>	<u>\$ 5,617,131</u>	10.70%

- The District continued to pay down its debt, retiring \$145,000 of outstanding bonds.
- There was an increase to the net pension liability of \$723,262 in fiscal 2016-17.

**Factors Bearing on the District’s Future Revenue/Expense Changes**

The Lincoln Park School District is currently in good financial condition. The School District is proud of its community support of the public schools, although the reduction in State aid has increased the reliance on local property taxes to support the District. Although the increased financial impact is difficult on the tax payers, the community continues to support the schools.

The concern to the District continues to be the 2% cap placed on the budget when fixed costs such as those for utilities and insurance continue to exceed 2% each year. It will be exceedingly difficult to continue to maintain programs within these budgetary restrictions. And, if State aid continues to



remain flat, or is reduced, local tax payers will continue to shoulder more of the financial responsibility of the District.

The District has addressed these budgetary restrictions by monitoring expenses carefully in order to maintain programs, and continuing to look for savings in various areas of the budget. Shared service agreements are investigated with other local Districts to try to afford savings in some areas.

The Lincoln Park School District continues to present budgets within the 2% cap, which allows the District to approve the budget without a vote by the community. The community still has the opportunity to attend the public hearing for all budget information.

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

### **Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Juanita A. Petty, Business Administrator/Board Secretary at the Lincoln Park Board of Education, 92 Ryerson Road, Lincoln Park, New Jersey 07035. Please visit our website at [www.lincolnparkboe.org](http://www.lincolnparkboe.org).

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,258,296	\$ 58,887	\$ 2,317,183
Receivables from Other Governments	299,769	5,856	305,625
Other Receivables	560		560
Internal Balances	15,921	(15,921)	
Interfund Receivable	588		588
Inventory		4,569	4,569
Restricted Cash and Cash Equivalents	1,447,640		1,447,640
Capital Assets:			
Sites (Land)	1,067,103		1,067,103
Depreciable Buildings and Building Improvements and Furniture, Machinery and Equipment	5,042,248	40,401	5,082,649
Total Assets	<u>10,132,125</u>	<u>93,792</u>	<u>10,225,917</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Changes in Assumptions - Pension	887,330		887,330
Changes in Proportions - Pension	74,845		74,845
Difference Between Expected and Actual Experience - Pension	79,662		79,662
Difference Between Projected and Actual Earnings on Investments - Pension	163,337		163,337
District Contribution Subsequent to Measurement Date - Pension	149,331		149,331
Total Deferred Outflows of Resources	<u>1,354,505</u>		<u>1,354,505</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	1,297,019	24,153	1,321,172
Unearned Revenue	37,404	4,871	42,275
Accrued Interest Payable	5,633		5,633
Payable to Federal Government	15,905		15,905
Noncurrent Liabilities:			
Due Within One Year	155,000		155,000
Due Beyond One Year	5,462,131		5,462,131
Total Liabilities	<u>6,973,092</u>	<u>29,024</u>	<u>7,002,116</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Changes in Proportions - Pensions	336,168		336,168
Total Deferred Inflows of Resources	<u>336,168</u>		<u>336,168</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	5,079,351	40,401	5,119,752
Restricted for:			
Capital Projects	1,124,067		1,124,067
Debt Service	132		132
Maintenance	441,450		441,450
Unrestricted/(Deficit)	(2,467,630)	24,367	(2,443,263)
Total Net Position	<u>\$ 4,177,370</u>	<u>\$ 64,768</u>	<u>\$ 4,242,138</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDING JUNE 30, 2017

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 9,220,767	\$ 38,983	\$ 3,069,713	\$ (6,112,071)	\$	\$ (6,112,071)
Special Education	3,390,433		1,666,233	(1,724,200)		(1,724,200)
Other Special Instruction	714,916		304,670	(410,246)		(410,246)
Other Instruction	615,631		20,566	(595,065)		(595,065)
Support services:						
Tuition	6,325,135		405,618	(5,919,517)		(5,919,517)
Student & Instruction Related Services	1,239,515		158,533	(1,080,982)		(1,080,982)
General Administrative Services	546,611		233,992	(312,619)		(312,619)
School Administrative Services	874,253			(874,253)		(874,253)
Plant Operations and Maintenance	1,697,758		448,800	(1,248,958)		(1,248,958)
Pupil Transportation	1,084,694		650,705	(433,989)		(433,989)
Central Services	570,560			(570,560)		(570,560)
Interest on Long-Term Debt	47,442			(47,442)		(47,442)
Total Governmental Activities	26,327,715	38,983	6,958,830	(19,329,902)		(19,329,902)

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDING JUNE 30, 2017

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:						
Food Service	\$ 334,665	\$ 236,333	\$ 110,041		\$ 11,709	\$ 11,709
Total Business-Type Activities	334,665	236,333	110,041		11,709	11,709
Total Primary Government	\$ 26,662,380	\$ 275,316	\$ 7,068,871	\$ (19,329,902)	11,709	(19,318,193)
General Revenue and Other Item:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				18,053,764		18,053,764
Taxes Levied for Debt Service				130,596		130,596
Unrestricted Federal and State Aid				62,639		62,639
Investment Earnings				21,130	100	21,230
Other Item - Miscellaneous Income				1,012,677		1,012,677
Total General Revenue and Other Item				19,280,806	100	19,280,906
Change in Net Position				(49,096)	11,809	(37,287)
Additions to Capital Assets					25,817	25,817
Net Position - Beginning				4,226,466	27,142	4,253,608
Net Position - Ending				\$ 4,177,370	\$ 64,768	\$ 4,242,138

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

**FUND FINANCIAL STATEMENTS**

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,253,288		\$ 5,007	\$ 1	\$ 2,258,296
Receivables From State Government	66,397				66,397
Receivable From Federal Government		\$ 233,372			233,372
Tuition Receivable	560				560
Interfund Receivable	150,843		209,743	248	360,834
Restricted Cash and Cash Equivalents	1,447,640				1,447,640
<b>Total Assets</b>	<b>\$ 3,918,728</b>	<b>\$ 233,372</b>	<b>\$ 214,750</b>	<b>\$ 249</b>	<b>\$ 4,367,099</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 1,005,217	\$ 45,846	\$ 96,625		\$ 1,147,688
Payable to Federal Government		15,905			15,905
Interfund Payable	209,743	134,217	248	\$ 117	344,325
Unearned Revenue		37,404			37,404
<b>Total Liabilities</b>	<b>1,214,960</b>	<b>233,372</b>	<b>96,873</b>	<b>117</b>	<b>1,545,322</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve Account	1,006,190				1,006,190
Maintenance Reserve Account	441,450				441,450
Debt Service				132	132
Excess Surplus	358,526				358,526
Excess Surplus - For Subsequent Year's Expenditures	314,661				314,661
<b>Assigned:</b>					
For Subsequent Year's Expenditures	308,851				308,851
Year-end Encumbrances	1,857				1,857
Unassigned	272,233		117,877		390,110
<b>Total Fund Balances</b>	<b>2,703,768</b>		<b>117,877</b>	<b>132</b>	<b>2,821,777</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,918,728</b>	<b>\$ 233,372</b>	<b>\$ 214,750</b>	<b>\$ 249</b>	

Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are Different Because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$19,874,625 and the accumulated depreciation is \$13,765,274.	6,109,351
Interest expense on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.	(5,633)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(4,283,585)
Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:	
<b>Deferred Outflows:</b>	
Changes in Assumptions - Pensions	887,330
Changes in Proportions - Pensions	74,845
Difference Between Expected and Actual Experience - Pension	79,662
Difference Between Projected and Actual Earnings on Investments - Pension	163,337
<b>Deferred Inflows:</b>	
Changes in Proportions - Pensions	(336,168)
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	(1,333,546)
<b>Net Position of Governmental Activities</b>	<b>\$ 4,177,370</b>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 18,053,764			\$ 130,596	\$ 18,184,360
Tuition	38,983				38,983
Interest Earned	21,106		24		21,130
Unrestricted Miscellaneous Revenues	547,677		465,000		1,012,677
Total - Local Sources	18,661,530		465,024	130,596	19,257,150
State Sources	3,374,760		448,800	62,639	3,886,199
Federal Sources	3,434	\$ 347,600			351,034
Total Revenue	22,039,724	347,600	913,824	193,235	23,494,383
EXPENDITURES:					
Current:					
Regular Instruction	6,271,389	98,208			6,369,597
Special Education Instruction	2,319,622	249,392			2,569,014
Other Special Instruction	410,246				410,246
Other Instruction	115,591				115,591
Support Services and Undistributed Costs:					
Tuition	6,325,135				6,325,135
Student & Instruction Related Services	1,231,296				1,231,296
General Administrative Services	360,398				360,398
School Administrative Services	536,667				536,667

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>EXPENDITURES (Cont'd):</b>					
Support Services and Undistributed Costs (Cont'd):					
Plant Operations and Maintenance	\$ 1,172,928				\$ 1,172,928
Pupil Transportation	1,076,475				1,076,475
Central Services	365,753				365,753
Administrative Information Technology	124,370				124,370
Unallocated Benefits	1,705,971				1,705,971
Debt Service:					
Principal				\$ 145,000	145,000
Interest and Other Charges				48,235	48,235
Capital Outlay			\$ 347,123		347,123
Total Expenditures	<u>22,015,841</u>	<u>\$ 347,600</u>	<u>347,123</u>	<u>193,235</u>	<u>22,903,799</u>
Excess of Revenue over Expenditures	<u>23,883</u>		<u>566,701</u>		<u>590,584</u>
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfers In				24	24
Transfers Out			(24)		(24)
Total Other Financing Sources/(Uses)			<u>(24)</u>	<u>24</u>	
Net Change in Fund Balances	23,883		566,677	24	590,584
Fund Balance/(Deficit) - July 1	2,679,885	-0-	(448,800)	108	2,231,193
Fund Balance - June 30	<u>\$ 2,703,768</u>	<u>\$ -0-</u>	<u>\$ 117,877</u>	<u>\$ 132</u>	<u>\$ 2,821,777</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

LINCOLN PARK BOROUGH 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, 2017

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	590,584
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 capital outlays differ from depreciation in the period.		
Depreciation Expense	\$	(821,885)
Capital Outlay Additions		<u>347,123</u>
		(474,762)
Interest expense on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in the accrual is reflected on the Statement of Activities.		
		793
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		(85,026)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		(599,790)
Deferred Outflows:		
Changes in Assumptions		491,720
Changes In Proportions		(8,220)
Difference Between Expected and Actual Experience - Pension		(20,119)
Difference Between Projected and Actual Earnings on Investments - Pension		222,565
Deferred Inflows:		
Changes in Proportion		(311,841)
Repayment of serial bonds 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.		
		<u>145,000</u>
Change in Net Position of Governmental Activities (A-2)	\$	<u><u>(49,096)</u></u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017

	Business-type Activities - Enterprise Funds
	Food Service
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 58,887
Intergovernmental Accounts Receivable:	
Federal	5,646
State	210
Inventories	4,569
Total Current Assets	69,312
Non-Current Assets:	
Capital Assets	167,588
Less: Accumulated Depreciation	(127,187)
Total Non-Current Assets	40,401
Total Assets	109,713
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	24,153
Unearned Revenue - Donated Commodities	1,115
Unearned Revenue - Prepaid Sales	3,756
Interfund Payable	15,921
Total Liabilities	44,945
<u>NET POSITION:</u>	
Investment in Capital Assets	40,401
Unrestricted	24,367
Total Net Position	\$ 64,768

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	
School Lunch Program	\$ 172,704
Special Events	2,949
Daily Sales - Non-Reimbursable Programs	60,680
Total Operating Revenue	236,333
Operating Expenses:	
Cost of Sales - Reimbursable Programs	110,056
Cost of Sales - Nonreimbursable Programs	38,669
Salaries, Benefits & Payroll Taxes	148,094
Purchased Professional Services	4,681
Management Fee	17,725
Depreciation Expense	5,138
Supplies and Repairs	10,479
Total Operating Expenses	334,842
Operating Loss	(98,509)
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	3,012
Federal Sources:	
National School Lunch Program	81,334
School Breakfast Program	414
Food Distribution Program	25,458
Local Sources:	
Interest Income	100
Total Non-Operating Revenue	110,318
Change in Net Position Before Additions to Capital Assets	11,809
Additions to Capital Assets	25,817
Change in Net Position	37,626
Net Position - Beginning of Year	27,142
Net Position - End of Year	\$ 64,768

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Funds Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 236,333
Settlement of Prior Year Interfund Receivable	23,927
Payments to Food Service Vendor	(296,183)
Net Cash Used for Operating Activities	(35,923)
Cash Flows from Investing Activities:	
Local Sources:	
Interest Income	100
Net Cash Provided by Investing Activities	100
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program	2,998
Federal Sources:	
School Breakfast Program	431
National School Lunch Program	80,918
Net Cash Provided by Noncapital Financing Activities	84,347
Net Increase in Cash and Cash Equivalents	48,524
Cash and Cash Equivalents, July 1	10,363
Cash and Cash Equivalents, June 30	\$ 58,887
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating (Loss)	\$ (98,332)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	5,138
Federal Food Distribution Program	25,281
Changes in Assets and Liabilities:	
Decrease in Interfund Receivable	23,927
Decrease in Inventory	329
Increase in Interfunds Payable	15,921
(Decrease) in Accounts Payable	(11,766)
(Decrease) in Unearned Revenue - Donated Commodities	(177)
Increase in Unearned Revenue - Prepaid Sales	3,756
Net Cash Used for Operating Activities	\$ (35,923)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities through the Food Distribution Program valued at \$25,281 and utilized Commodities Valued at \$25,458.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2017

		Trust	
	Agency	Unemployment Compensation Trust	Flexible Spending Trust
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 64,448	\$ 31,013	\$ 14,869
Total Assets	64,448	31,013	14,869
<u>LIABILITIES:</u>			
Interfund Payable-General Fund	588		
Payroll Deductions and Withholdings	13,804		
Rental Deposit Payable	18,599		
Due to Student Groups	29,091		
Due Various Groups	2,366		
Total Liabilities	64,448	-0-	-0-
<u>NET POSITION:</u>			
Held in Trust for Unemployment Claims		31,013	
Held in Trust for Flexible Spending Claims			14,869
Total Net Position	\$ -0-	\$ 31,013	\$ 14,869

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
ADDITIONS:		
Contributions:		
Employee Contributions	\$ 23,203	\$ 61,948
District Contributions	<u>10,318</u>	<u>          </u>
Total Contributions	<u>33,521</u>	<u>61,948</u>
Investment Earnings:		
Interest	<u>101</u>	<u>70</u>
Net Investment Earnings	<u>101</u>	<u>70</u>
Total Additions	<u>33,622</u>	<u>62,018</u>
DEDUCTIONS:		
Unemployment Compensation Claims	25,892	
Flexible Spending Claims		<u>54,850</u>
Total Deductions	<u>25,892</u>	<u>54,850</u>
Change in Net Position	7,730	7,168
Net Position - Beginning of the Year	<u>23,283</u>	<u>7,701</u>
Net Position - End of the Year	<u>\$ 31,013</u>	<u>\$ 14,869</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Lincoln Park Borough School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. 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 District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition,

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses in the program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by the NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report on the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

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 temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

The District reports the following proprietary fund:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria program. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, the Payroll Agency Fund, the Flexible Spending Trust Fund, and the Unemployment Compensation Insurance Trust Fund.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting (Cont'd)

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service funds. The budget for the fiscal year ending June 30, 2017, was submitted to the County office and was approved by a vote of the Board of Education. 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. 6:20-2A.2(m)1. All budget amendments/transfers must be made by the School Board. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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 Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year end.

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

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 22,045,311	\$ 375,881
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis Does Not.		(28,281)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Statements	152,563	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(155,177)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 22,042,697	\$ 347,600

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

Uses/Outflows of Resources:

Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 22,015,841		\$ 375,881
Differences - Budget to GAAP			
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.			(28,281)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 22,015,841		\$ 347,600

E. Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of one year or less.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

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 depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions

Transfers between governmental and business-type activities on the district-wide statements are reported in the same manner as general revenue. 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 nonoperating revenue/expenses in the Enterprise Fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Interfund Transactions (Cont'd)

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

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

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year end.

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

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost, including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	Estimated Useful Life
Buildings and Building Improvements	30 years
Site Improvements	20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental funds upon acquisition. Capital assets are not capitalized and related depreciation is not reported on the fund financial statements.

L. Long-Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2017.

N. Compensated Absences:

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

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

In the district-wide *Statement of Net Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

O. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

P. Fund Balance Appropriated:

General Fund: Of the \$2,703,768 General Fund fund balance at June 30, 2017, \$1,006,190 is restricted in the capital reserve account; \$441,450 is restricted for the maintenance reserve account; \$308,851 is assigned for subsequent year's expenditures and \$1,857 is assigned for year-end encumbrances; \$358,526 is restricted for current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2019; \$314,661 is restricted for prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2018; and \$272,233 is unassigned which is \$155,177 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2018.

Capital Projects Fund: The Capital Projects Fund has an unassigned fund balance of \$117,877 at June 30, 2017.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2017 of \$132 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus at June 30, 2017 as noted above. The total excess surplus at June 30, 2017 was \$673,187.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$155,177, as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payments in the subsequent fiscal year, the school district cannot recognize the last state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final state aid payments and not the fund balance reported on the fund statement which excludes the last state aid payments.



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Q. Net Position

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2017 for the deferred amount on the refunding and items related to pensions. The District has deferred inflows of resources related to changes in proportion for pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

R. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned. Fund balance restrictions have been established for a capital reserve, a maintenance reserve, excess surplus and the debt service fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2017 on the GAAP basis.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for amounts designated for subsequent year's expenditures and encumbrances in the General Fund at June 30, 2017.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

S. Deficit Net Position

The District has a \$2,393,406 deficit in its governmental activities Unrestricted Net Position at June 30, 2017 primarily as a result of the net pension liability, accrual of interest and compensated absences payable offset by the assigned and unassigned General Fund fund balance. The deficits do not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

T. Revenue - Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified-accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest, and tuition.

U. Operating Revenue and Expenses

Operating revenue is those revenue that are generated directly from the primary activity of the enterprise fund. For the School District, these revenue are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

V. Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. 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 State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions on which NJ school districts are permitted to invest their funds.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit, and

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (7) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2017, cash and cash equivalents of the District consisted of the following:

Accounts	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking and Savings Accounts	\$ 2,430,486	\$ 1,447,640	\$ 3,878,126
	\$ 2,430,486	\$ 1,447,640	\$ 3,878,126

During the period ended June 30, 2017, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2017, was \$3,878,126 and the bank balance was \$4,007,585.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance	\$	768,802
Increased by:		
Interest Earned		2,388
Board Resolution		700,000
		1,471,190
Decreased by:		
Withdrawal by Board Resolution		465,000
Ending Balance	\$	1,006,190

The June 30, 2017 LRFP balance of local support costs of uncompleted capital projects at June 30, 2017 is equal to or greater than \$1,006,190. The withdrawal from the capital reserve was for use in DOE approved facilities projects, consistent with the District’s LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$150,000 was established by the Lincoln Park Board of Education on June 29, 2010. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year’s budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance	\$ 441,450
Ending Balance	\$ 441,450

NOTE 6. TRANSFER TO CAPITAL OUTLAY:

During the year ended June 30, 2017, the District made no transfers to capital outlay.

NOTE 7. INTERFUND RECEIVABLES AND PAYABLES:

The following interfund balances remained on the fund financial statements at June 30, 2017:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 150,843	\$ 209,743
Special Revenue Fund		134,217
Capital Projects Fund	209,743	248
Debt Service Fund	248	117
Food Service Fund		15,921
Agency Fund		588
	\$ 360,834	\$ 360,834

The interfund payable from the Debt Service Fund to the General Fund consists of interest earned in the Debt Service Fund of \$117. There was \$588 due from the payroll agency fund which is also a part of a prior year interfund payable and interest earned due to the General Fund. The interfund between the Food Service Fund and the General Fund consists of federal and state lunch reimbursements collected in the General Fund and due to the Food Service Fund for prior years offset by amounts paid by the General Fund on behalf of the Food Service Fund in the current year. The interfund between the Capital Projects Fund and the Debt Service Fund is for interest earned for both current and prior years in the amount of \$248. The interfund between the General Fund and the Special Revenue fund of \$134,217 is for grant funds expended but not yet received in Special Revenue Fund. The interfund between General Fund and Capital Projects Fund is due to the ongoing project for the conversion of a stage to classroom space.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. CAPITAL ASSETS:

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 205,471
Other Instruction	123,283
Student and Instruction Related Services	8,219
School Administrative Services	65,750
Operations and Maintenance of Plant	410,943
Student Transportation	8,219
	<u>\$ 821,885</u>

Capital asset balances and activity for this fiscal year ended June 30, 2017 were as follows:

	Beginning Balance	Increases	Deletions	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 719,980			\$ 719,980
Construction in Progress		\$ 347,123		347,123
Total Capital Assets Not Being Depreciated	719,980	347,123		1,067,103
Capital Assets Being Depreciated:				
Buildings and Building Improvements	15,979,655			15,979,655
Machinery and Equipment	2,827,867			2,827,867
Total Capital Assets Being Depreciated	18,807,522			18,807,522
<b>Governmental Activities Capital Assets</b>	<b>19,527,502</b>	<b>347,123</b>		<b>19,874,625</b>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(10,938,471)	(720,371)		(11,658,842)
Machinery and Equipment	(2,004,918)	(101,514)		(2,106,432)
	(12,943,389)	(821,885)		(13,765,274)
<b>Governmental Activities Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 6,584,113</b>	<b>\$ (474,762)</b>	<b>\$ -0-</b>	<b>\$ 6,109,351</b>
<b>Business Type Activities:</b>				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 141,771	\$ 25,817		\$ 167,588
Less Accumulated Depreciation	(122,049)	(5,138)		(127,187)
<b>Business Type Activities Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 19,722</b>	<b>\$ 20,679</b>	<b>\$ -0-</b>	<b>\$ 40,401</b>

As of June 30, 2017, the District has \$117,877 in active construction projects including \$122,338 of encumbrances.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

**NOTE 9. LONG-TERM LIABILITIES:**

During the fiscal year ended June 30, 2017, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2016	Accrued	Retired	Balance 6/30/2017	Amounts Due in a Year
Serial Bond Payable	\$ 1,175,000		\$ 145,000	\$ 1,030,000	\$ 155,000
Net Pension Liability	3,683,795	\$ 599,790		4,283,585	
Compensated Absences Payable	215,520	88,026		303,546	
	<u>\$ 5,074,315</u>	<u>\$ 687,816</u>	<u>\$ 145,000</u>	<u>\$ 5,617,131</u>	<u>\$ 155,000</u>

**A. Bonds Payable:**

Bonds are authorized in accordance with State law by the voters of the school district through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be liquidated through the debt service fund.

The District had serial bonds outstanding as of June 30, 2017 as follows:

Purpose	Final Maturity Date	Interest Rate	Amount
Renovations to Elementary and Middle Schools and New Construction to Middle School	10/1/2022	4.38%	<u>\$ 1,030,000</u>

Debt service requirements on serial bonds payable at June 30, 2017 are as follows:

Fiscal Year	Principal	Interest	Total
2018	\$ 155,000	\$ 41,673	\$ 196,673
2019	160,000	34,781	194,781
2020	165,000	27,672	192,672
2021	175,000	20,234	195,234
2022	185,000	12,359	197,359
2023	190,000	4,157	194,157
	<u>\$ 1,030,000</u>	<u>\$ 233,183</u>	<u>\$ 1,833,183</u>

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

As of June 30, 2017, there were no bonds authorized but not issued.



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 9. LONG-TERM LIABILITIES: (Cont'd)

C. Compensated Absence Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. The current portion of the compensated absences balance of the governmental funds is \$-0-, and the long term portion is \$303,546. Compensated absences will be liquidated by the General Fund.

The liability for compensated absences of the proprietary fund types is recorded with these funds as benefits accrue to the employees. As of June 30, 2017, no liability existed for compensated absences in the Enterprise Fund.

D. Net Pension Liability

The Public Employee's Retirement System (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2017 is \$-0- and the long term portion is \$4,283,585. See Note 10 for further information on the PERS.

NOTE 10. PENSION PLANS:

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for PERS:

Tier	Definition
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

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$149,253 for 2016.

The employee contribution rate was 7.20% effective July 1, 2016. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the District's liability was \$4,283,585 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the District's proportion was 0.0145%, which was a decrease of 0.002% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized actual pension expense in the amount of \$354,167. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 53,845	
	2015	5.72	220,025	
	2016	5.57	613,460	
			<u>887,330</u>	
Difference Between Expected and Actual Experience	2015	5.72	61,045	
	2016	5.57	18,617	
			<u>79,662</u>	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00	(80,688)	
	2015	5.00	51,624	
	2016	5.00	192,401	
			<u>163,337</u>	
Changes in Proportion	2014	6.44		\$ (18,849)
	2015	5.72	74,845	
	2016	5.57		(317,319)
			<u>74,845</u>	<u>(336,168)</u>
District Contribution Subsequent to the Measurement Date	2016	1.00	<u>149,331</u>	
			<u>\$ 1,354,505</u>	<u>\$ (336,168)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2017	\$ 254,484
2018	254,483
2019	294,827
2020	247,698
2021	78,837
	<u>\$ 1,130,329</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2016 are summarized in the following table:

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex. U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2016 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate  
(Cont'd)

	June 30, 2016		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's proportionate share of the Net Pension Liability	\$ 5,249,033	\$ 4,283,585	\$ 3,486,524

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

Tier	Definition
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

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included 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 2016, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2017, the State of New Jersey contributed \$665,003 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$3,446,670.

The employee contribution rate was 7.20% effective July 1, 2016. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the State's proportionate share of the net pension liability associated with the District was \$45,872,366. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the District's proportion was 0.058%, which was a decrease of 0.0006% from its proportion measured as of June 30, 2015.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		<u>45,872,366</u>
Total	\$	<u>45,872,366</u>

For the fiscal year ended June 30, 2016, the State recognized pension expense on behalf of the District in the amount of \$3,446,670 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2017 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 1,691,524,165	
	2015	8.3	4,488,602,746	
	2016	8.3	9,522,623,964	
			<u>15,702,750,875</u>	
Difference Between Expected and Actual Experience	2014	8.5		\$ 16,110,615
	2015	8.3	277,221,464	
	2016	8.3		118,421,979
			<u>277,221,464</u>	<u>134,532,594</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5	(870,618,286)	
	2015	5	577,926,182	
	2016	5	1,727,420,767	
			<u>1,434,728,663</u>	
		<u>\$ 17,414,701,002</u>	<u>\$ 134,532,594</u>	

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Fiscal Year Ending June 30,	Total
2017	\$ 2,538,535,636
2018	2,538,535,636
2019	2,973,844,781
2020	2,781,202,718
2021	2,349,347,527
Thereafter	4,098,702,110
	\$ 17,280,168,408

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 years average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2016 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

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(Continued)

NOTE 10. PENSION PLANS:(Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

	June 30, 2016		
	At 1% Decrease (2.22%)	At Current Discount Rate (3.22%)	At 1% Increase (4.22%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 54,781,857	\$ 45,872,366	\$ 38,596,618

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$15,215 for the fiscal year ended June 30, 2017. Employee contributions to DCRP amounted to \$27,894 for the fiscal year ended June 30, 2017.

NOTE 11. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and 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. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 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 prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 11. POST-RETIREMENT BENEFITS (Cont'd)

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publically available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at <http://www.nj.gov/treasury/pensions/pdf/financial2015combined.pdf>.

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$554,099, \$555,917, and \$505,723 and for 2017, 2016 and 2015, respectively.

NOTE 12. DEFERRED COMPENSATION

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

Equitable Life Insurance Company	Metropolitan Life Insurance Company
Lincoln Investments	Copeland Companies
Lincoln National Life Insurance Company	Securities First Group

NOTE 13. RISK MANAGEMENT

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

Property and Liability

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

New Jersey Unemployment Compensation Insurance

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 13. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

The following is a summary of District contributions, employee contributions, interest earned and reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years.

<u>Fiscal Year</u>	<u>Interest</u>	<u>Employee Contributions</u>	<u>District Contribution</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ 101	\$ 23,203	\$ 10,318	\$ 25,892	\$ 31,013
2015-2016	33	23,313		18,493	23,283
2014-2015	11	21,474		9,027	18,430

Property and Liability

The District is a member of the New Jersey Schools Insurance Group (the "NJSIG"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The NJSIG is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the NJSIG are elected.

As a member of the NJSIG, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the NJSIG were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. The NJSIG can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Information for the NJSIG as of June 30, 2017 is as follows:

Total Assets	\$ 328,772,862
Net Position	\$ 78,662,630
Total Revenue	\$ 131,811,793
Total Expenses	\$ 121,371,527
Change in Net Position	\$ 10,440,266
Member Dividends	\$ -0-

Financial statements for the NJSIG are available at the Group's Executive Director's Office:

New Jersey Schools Insurance Group  
6000 Midlantic Drive Suite 300 North  
Mount Laurel, NJ 08054  
(609) 386-6060

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 14. CONTINGENT LIABILITIES:

Grant Programs

The School District participates in state and federal assisted grant programs. These programs are subject to compliance audits by the grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The District is periodically involved in pending lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2017, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 1,857	\$ 28,281	\$122,338	\$ 152,476

On the District's Governmental Funds Balance sheet as of June 30, 2017 \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$28,281 less than on a budgetary basis. On the GAAP basis, encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grant receivables or an increase in deferred revenue. In the Capital Projects Fund \$122,538 of year-end encumbrances on a budgetary basis are included in the \$117,877 unassigned fund balance at June 30, 2017.

NOTE 15. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined, agreed-upon schedule.

NOTE 16. ECONOMIC DEPENDENCY

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 17. ACCOUNTS PAYABLE

Payables as of June 30, 2017, were:

	<u>Governmental Funds</u>			<u>District Contribution Subsequent to the Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Business - Type Activities Proprietary Funds</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>			
Vendors	\$ 1,005,217	\$ 45,846	\$ 96,625		\$ 1,147,688	\$ 24,153
State				\$ 149,331	149,331	
	<u>\$ 1,005,217</u>	<u>\$ 45,846</u>	<u>\$ 96,625</u>	<u>\$ 149,331</u>	<u>\$ 1,297,019</u>	<u>\$ 24,153</u>

**REQUIRED SUPPLEMENTARY  
INFORMATION SCHEDULES**



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST THREE FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
District's proportion of the net pension liability	0.0158127037%	0.0164103502%	0.0144631997%
District's proportionate share of the net pension liability	\$ 2,960,533	\$ 3,683,795	\$ 4,283,585
District's covered employee payroll	\$ 1,119,346	\$ 1,020,600	\$ 1,018,783
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	264.49%	360.94%	420.46%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST THREE FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually required contribution	\$ 149,712	\$ 170,007	\$ 129,080
Contributions in relation to the contractually required contribution	<u>(149,712)</u>	<u>(170,007)</u>	<u>(129,080)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 1,096,959	\$ 1,119,346	\$ 1,020,600
Contributions as a percentage of covered employee payroll	13.65%	15.19%	12.65%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 201

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT  
TEACHERS' PENSION AND ANNUITY FUND  
LAST THREE FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
State's proportion of the net pension liability attributable to the District	0.0566971351%	0.0589242385%	0.0583125521%
State's proportionate share of the net pension liability attributable to the District	\$ 30,302,773	\$ 37,242,635	\$ 45,872,366
District's covered employee payroll	\$ 5,913,277	\$ 6,040,917	\$ 6,338,409
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	512.45%	616.51%	723.72%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.23%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE'S CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND  
LAST THREE FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$ 1,630,574	\$ 2,273,998	\$ 3,446,670
Contributions in relation to the contractually required contribution	<u>(318,566)</u>	<u>(466,873)</u>	<u>(641,751)</u>
Contribution deficiency/(excess)	<u>\$ 1,312,008</u>	<u>\$ 1,807,125</u>	<u>\$ 2,804,919</u>
District's covered employee payroll	\$ 5,913,277	\$ 6,040,917	\$ 6,338,409
Contributions as a percentage of covered employee payroll	5.39%	7.73%	10.12%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Unaudited)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.90% as of June 30, 2015 to 3.98% as of June 30, 2016. The municipal bond rate changed from 3.80% to 2.85%. The long-term expected rate of return on pension plan investments changed from 7.90% to 7.65%.

The inflation rate changed from 3.04% as of June 30, 2015 to 3.08% as of June 30, 2016. The salary increases changed from 2.15% - 4.40% for 2012 – 2021 to 1.65%-4.15% through 2026 and from 3.15%-5.40% thereafter to 2.65%-5.15% thereafter.

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

The mortality rates in the July 1, 2015 actuarial valuation were based on the following:

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.13% as of June 30, 2015 to 3.22% as of June 30, 2016. The municipal bond rate changed from 3.80% to 2.85%. The long-term expected rate of return on pension plan investments changed from 7.90% to 7.65%.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Unaudited)

B. TEACHERS PENSION AND ANNUITY FUND (Cont'd)

Changes of Assumptions (Cont'd)

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements 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.

The mortality rates in the July 1, 2015 actuarial valuation were based on the following:

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 years average of Social Security data from 1953 to 2013.

**BUDGETARY COMPARISON SCHEDULES**

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 18,053,764		\$ 18,053,764	\$ 18,053,764	
Tuition From Individuals	41,000		41,000	38,983	\$ (2,017)
Interest on Investments				21,106	21,106
Unrestricted Miscellaneous Revenues	325,991		325,991	547,677	221,686
<b>Total - Local Sources</b>	<b>18,420,755</b>		<b>18,420,755</b>	<b>18,661,530</b>	<b>240,775</b>
State Sources:					
Transportation Aid	635,819		635,819	635,819	
Special Education Aid	715,271		715,271	715,271	
Security Aid	106,676		106,676	106,676	
Adjustment Aid	134,141		134,141	134,141	
PARCC Readiness Aid	12,400		12,400	12,400	
Per Pupil Growth Aid	12,400		12,400	12,400	
Professional Learning Community Aid	12,350		12,350	12,350	
Extraordinary Aid	43,487		43,487	27,460	(16,027)
Nonpublic Transportation Aid				14,886	14,886
TPAF Pension Contributions (non-budgeted)				641,751	641,751
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				554,099	554,099
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				23,252	23,252
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				1,861	1,861
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)				485,008	485,008
<b>Total State Sources</b>	<b>1,672,544</b>		<b>1,672,544</b>	<b>3,377,374</b>	<b>1,704,830</b>
Federal Sources:					
Medicaid Reimbursement	14,639		14,639	3,434	(11,205)
	14,639		14,639	3,434	(11,205)
<b>TOTAL REVENUES</b>	<b>20,107,938</b>		<b>20,107,938</b>	<b>22,042,338</b>	<b>1,934,400</b>



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 105,585	\$ (34,745)	\$ 70,840	\$ 67,679	\$ 3,161
Kindergarten - Salaries of Teachers	331,467	16,497	347,964	347,964	
Grades 1-5 - Salaries of Teachers	1,981,078	324,297	2,305,375	2,239,797	65,578
Grades 6-8 - Salaries of Teachers	1,517,001	59,373	1,576,374	1,523,853	52,521
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000	8,237	18,237	9,393	8,844
Purchased Professional Educational Services				384	(384)
Regular Program - Undistributed Instruction:					
Other Salaries for Instruction	54,845	(54,845)		1,980	10,325
Purchased Professional Educational Services	12,305		12,305	55,075	8,525
Purchased Technical Services	63,600		63,600	14,002	14,817
Other Purchased Services (400-500 series)	28,819		28,819	208,069	135,414
General Supplies	303,429	40,054	343,483	29,376	74,446
Textbooks	104,301	(479)	103,822		
<b>Total Regular Programs - Instruction</b>	<b>4,512,430</b>	<b>358,389</b>	<b>4,870,819</b>	<b>4,497,572</b>	<b>373,247</b>
<b>Special Education - Instruction:</b>					
<b>Learning and or Language Disabilities:</b>					
Salaries of Teachers	213,056	(6,156)	206,900	206,900	
Other Salaries for Instruction	26,118	172,645	198,763	211,854	(13,091)
General Supplies	2,696	2,519	5,215	5,215	
<b>Total Learning and or Language Disabilities</b>	<b>241,870</b>	<b>169,008</b>	<b>410,878</b>	<b>423,969</b>	<b>(13,091)</b>
<b>Behavioral Disabilities:</b>					
Salaries of Teachers		47,808	47,808	47,808	
<b>Total Behavioral Disabilities</b>		<b>47,808</b>	<b>47,808</b>	<b>47,808</b>	

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 621,021	\$ (64,264)	\$ 556,757	\$ 542,339	\$ 14,418
Other Salaries for Instruction	13,083	13,083	13,083	13,083	
General Supplies	5,668	5,668	5,668	5,638	30
<b>Total Resource Room/Resource Center</b>	<b>626,689</b>	<b>(51,181)</b>	<b>575,508</b>	<b>561,060</b>	<b>14,448</b>
Autism:					
Salaries of Teachers	115,037	(54,777)	60,260	60,260	
Other Salaries for Instruction	125,574	(38,375)	87,199	83,730	3,469
General Supplies	3,065	(2,519)	546	546	
<b>Total Autism</b>	<b>243,676</b>	<b>(95,671)</b>	<b>148,005</b>	<b>143,990</b>	<b>4,015</b>
Preschool Disabilities - Part-time:					
Salaries of Teachers	51,793	56,571	108,364	104,104	4,260
Other Salaries for Instruction	11,492	(11,492)			
General Supplies	5,557	5,557	5,557	3,974	1,583
<b>Total Preschool Disabilities - Part-time</b>	<b>68,842</b>	<b>45,079</b>	<b>113,921</b>	<b>108,078</b>	<b>5,843</b>
Preschool Disabilities - Full-time:					
Salaries of Teachers	60,899	(517)	60,382	60,010	372
General Supplies	1,756		1,756	440	1,316
<b>Total Preschool Disabilities - Full-time</b>	<b>62,655</b>	<b>(517)</b>	<b>62,138</b>	<b>60,450</b>	<b>1,688</b>
<b>Total Special Education Instruction</b>	<b>1,243,732</b>	<b>114,526</b>	<b>1,358,258</b>	<b>1,345,355</b>	<b>12,903</b>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	331,734	(63,083)	268,651	265,881	2,770
<b>Total Basic Skills/Remedial - Instruction</b>	<b>331,734</b>	<b>(63,083)</b>	<b>268,651</b>	<b>265,881</b>	<b>2,770</b>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 61,440	\$ (355)	\$ 61,085	\$ 61,085	
Other Salaries for Instruction	2,871	47,996	47,996	47,915	\$ 81
General Supplies	64,311	(1,451)	1,420	1,420	
Total Bilingual Education - Instruction		46,190	110,501	110,420	81
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	32,521		32,521	45,725	(13,204)
Total School-Sponsored Cocurricular Activities - Instruction	32,521		32,521	45,725	(13,204)
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	28,700	5,140	33,840	29,385	4,455
Supplies and Materials	3,555	1,534	5,089	4,083	1,006
Other Objects	7,400	(1,025)	6,375	6,375	
Total School-Sponsored Cocurricular Athletics - Instruction	39,655	5,649	45,304	39,843	5,461
Other Instructional Program - Instruction:					
Salaries				5,000	(5,000)
Total Other Instructional Program - Instruction				5,000	(5,000)
Total Instruction	6,224,383	461,671	6,686,054	6,309,796	376,258
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	5,642,508	(509,813)	5,132,695	5,052,094	80,601
Tuition to Other LEAs Within the State - Special	1,128,866	(531,106)	597,760	452,356	145,404
Tuition to Private Schools for the Handicapped - Within State	477,074	402,232	879,306	820,685	58,621
Total Undistributed Expenditures - Instruction	7,248,448	(638,687)	6,609,761	6,325,135	284,626

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Attendance & Social Work:					
Salaries	\$ 2,085	\$ (2,085)			
Total Attendance & Social Work	2,085	(2,085)			
Health Services:					
Salaries	150,513	(21,278)	\$ 129,235	\$ 129,235	\$ 100
Purchased Professional/Technical Services	275		275	175	350
Other Purchased Services (400-500 Series)	720		720	370	2,613
Supplies and Materials	4,288		4,288	1,675	3,063
Total Health Services	155,796	(21,278)	134,518	131,455	3,063
Speech, OT, PT and Related Services:					
Salaries	105,982	71,973	177,955	177,955	
Supplies and Materials	1,153	(8)	1,145	61	1,084
Total Speech, OT, PT and Related Services	107,135	71,965	179,100	178,016	1,084
Guidance:					
Salaries of Other Professional Staff	122,927	(17,973)	104,954	104,754	200
Purchased Professional - Educational Services	150		150	40	110
Other Purchased Services (400-500 Series)	150		150	150	150
Supplies and Materials	1,800		1,800	165	1,635
Total Guidance	125,027	(17,973)	107,054	104,959	2,095

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE -- BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Child Study Team:					
Salaries of Other Professional Staff	\$ 469,767	\$ (62,622)	\$ 407,145	\$ 407,144	\$ 1
Salaries of Secretarial and Clerical Assistants	47,848		47,848	47,848	
Purchased Professional/Educational Services	270,446	(7,419)	263,027	188,917	74,110
Purchased Technical Services	13,100	(4,000)	9,100	3,518	5,582
Other Purchased Services (400-500 Series)	1,147	4,000	5,147	2,404	2,743
Misc Purchased Services (400-500 Series Other Than Resident Costs)					
Supplies and Materials	9,108		9,108	2,273	6,835
Other Objects	2,625		2,625	2,045	580
<b>Total Child Study Team</b>	<b>814,041</b>	<b>(70,041)</b>	<b>744,000</b>	<b>654,149</b>	<b>89,851</b>
<b>Improvement of Instructional Services:</b>					
Salaries of Supervisors of Instruction	89,086		89,086	89,085	1
<b>Total Improvement of Instructional Services</b>	<b>89,086</b>		<b>89,086</b>	<b>89,085</b>	<b>1</b>
<b>Educational Media Services/School Library:</b>					
Salaries	59,923		59,923	59,421	502
Purchased Professional and Technical Services	1,000		1,000	195	805
Supplies and Materials	14,122		14,122	12,381	1,741
<b>Total Educational Media Services/School Library</b>	<b>75,045</b>		<b>75,045</b>	<b>71,997</b>	<b>3,048</b>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Instructional Staff Training Services:					
Purchased Professional/Educational Services	\$ 9,000	\$ (2,726)	\$ 6,274	\$ 1,635	\$ 4,639
Total Instructional Staff Training Services	9,000	(2,726)	6,274	1,635	4,639
Support Services - General Administration:					
Salaries	227,901		227,901	226,679	1,222
Legal Services	15,000	(2,050)	12,950	10,469	2,481
Audit Fees	22,950	2,050	25,000	25,000	
Purchased Technical Services	9,575		9,575	8,768	807
Communications/Telephone	9,600	24,899	34,499	29,002	5,497
BOE Other Purchased Services	4,641	1,404	6,045	1,476	4,569
Miscellaneous Purchased Services		71	71		
General Supplies	1,500	(224)	1,276	946	330
BOE In-House Training/Meeting Supplies	540	(257)	283		283
Miscellaneous Expenditures	8,000	257	8,257	8,257	
BOE membership Dues and Fees	13,000		13,000		13,000
Total Support Services - General Administration	312,707	26,150	338,857	310,668	28,189

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Administrative Information Technology:					
Salaries	\$ 77,335	\$ 1,321	\$ 78,656	\$ 78,656	
Purchased Technical Services	5,825	(486)	5,339	5,114	\$ 225
Other Purchased Services (400-500 series)	15,531	6,242	21,773	20,856	917
Supplies and Materials	17,565	(5,756)	11,809	6,942	4,867
Purchased Professional Services	15,600		15,600	1,389	14,211
<b>Total Administrative Information Technology</b>	<b>131,856</b>	<b>1,321</b>	<b>133,177</b>	<b>112,957</b>	<b>20,220</b>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	321,973	18,819	340,792	340,781	11
Salaries of Secretarial and Clerical Assistants	116,584	(12,543)	104,041	104,170	(129)
Purchased Professional Services	3,951	(3,951)		244	2,708
Other Purchased Services (400-500 Series)	12,000	(9,048)	2,952	1,786	2,656
Supplies and Materials	4,442		4,442	4,095	2,255
Other Objects	6,350		6,350		
<b>Total Support Services - School Administration</b>	<b>465,300</b>	<b>(6,723)</b>	<b>458,577</b>	<b>451,076</b>	<b>7,501</b>
Required Maintenance of School Facilities:					
Salaries	87,542	(525)	87,017	86,518	499
Cleaning, Repair and Maintenance Services	39,500	16,504	56,004	42,565	13,439
General Supplies	4,000	57,042	61,042	54,578	6,464
<b>Total Required Maintenance of School Facilities</b>	<b>131,042</b>	<b>73,021</b>	<b>204,063</b>	<b>183,661</b>	<b>20,402</b>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 413,689	\$ 12,900	\$ 426,589	\$ 415,942	\$ 10,647
Purchased Professional and Technical Services	28,700		28,700	16,880	11,820
Cleaning, Repair and Maintenance Services	2,300		2,300		2,300
Other Purchased Property Services	13,326	2,399	15,725	15,725	
Insurance	101,769	7,419	109,188	109,188	
Supplies and Materials	42,173	(2,399)	39,774	25,071	14,703
Energy (Electricity)	127,000		127,000	117,417	9,583
Energy (Natural Gas)	132,600		132,600	106,652	25,948
Other Objects	7,925		7,925	3,014	4,911
Total Custodial Services	869,482	20,319	889,801	809,889	79,912
Student Transportation Services:					
Salaries of Non- Instructional Aides	5,600	362	5,962	5,962	
Contracted Services:					
Aid in Lieu - Non Public Students	141,000	(28,097)	112,903	101,916	10,987
(Between Home and School) - Vendors	792,800	(19,907)	772,893	772,260	633
(Other than Between Home and School) Vendors	19,000		19,000	13,722	5,278
Special Education Students - Vendors	291,490	(60,000)	231,490	181,992	49,498
Total Student Transportation Services	1,249,890	(107,642)	1,142,248	1,075,852	66,396



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Central Services:					
Salaries	\$ 300,763	\$ (6,431)	\$ 294,332	\$ 282,800	\$ 11,532
Purchased Technical Services	16,536	11,664	28,200	26,976	1,224
Miscellaneous Purchased Services (400-500 Series)	4,000	13,747	17,747	5,054	12,693
Supplies and Materials	5,000	(411)	4,589	1,790	2,799
Other Objects	5,650		5,650	892	4,758
<b>Total Central Services</b>	<b>331,949</b>	<b>18,569</b>	<b>350,518</b>	<b>317,512</b>	<b>33,006</b>
<b>Total Undistributed Expenditures</b>	<b>12,117,889</b>	<b>(655,810)</b>	<b>11,462,079</b>	<b>10,818,046</b>	<b>644,033</b>
<b>Regular Instruction - Allocated Benefits:</b>					
Social Security	9,500	3,292	12,792	17,501	(4,709)
Unemployment Compensation	27,305	(27,305)			
Workers Compensation	47,339	(9,458)	37,881	37,880	1
Tuition Reimbursement	21,000		21,000	21,000	
Health Benefits	1,476,120	(204,154)	1,271,966	1,697,436	(425,470)
<b>Total Regular Programs - Allocated Benefits</b>	<b>1,581,264</b>	<b>(237,625)</b>	<b>1,343,639</b>	<b>1,773,817</b>	<b>(430,178)</b>
<b>Special Education - Instruction - Allocated Benefits:</b>					
Social Security	22,145	7,472	29,617	37,231	(7,614)
Workers Compensation	29,228		29,228	29,228	
Health Benefits	238,452	64,872	303,324	364,343	(61,019)
<b>Total Special Education - Allocated Benefits</b>	<b>289,825</b>	<b>72,344</b>	<b>362,169</b>	<b>430,802</b>	<b>(68,633)</b>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Other Instructional Program - Instruction - Allocated Benefits:					
Social Security	\$ 3,579	\$ (731)	\$ 2,848	\$ 6,128	\$ (3,280)
Workers Compensation	1,305	(565)	740		740
Total Other Instructional Program - Allocated Benefits	<u>4,884</u>	<u>(1,296)</u>	<u>3,588</u>	<u>6,128</u>	<u>(2,540)</u>
Attendance & Social Work - Allocated Benefits:					
Social Security	164		164		164
Total Attendance & Social Work - Allocated Benefits	<u>164</u>		<u>164</u>		<u>164</u>
Health Services - Allocated Benefits:					
Social Security	10,786	(6,021)	4,765	3,249	1,516
Workers Compensation	1,836		1,836	1,836	
Health Benefits	20,378	180	20,558	22,732	(2,174)
Total Health Benefits - Allocated Benefits	<u>33,000</u>	<u>(5,841)</u>	<u>27,159</u>	<u>27,817</u>	<u>(658)</u>
Speech, OT, PT and Related Services - Allocated Benefits:					
Workers Compensation	2,105	(2,105)			
Health Benefits	36,819	(36,819)			
Total Speech, OT, PT and Related Services - Allocated Benefits	<u>38,924</u>	<u>(38,924)</u>			
Guidance - Allocated Benefits:					
Social Security		109	109	223	(114)
Workers Compensation	2,087		2,087	2,087	
Health Benefits	12,240	(412)	11,828	15,853	(4,025)
Total Guidance - Allocated Benefits	<u>14,327</u>	<u>(303)</u>	<u>14,024</u>	<u>18,163</u>	<u>(4,139)</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Child Study Team - Allocated Benefits:					
Social Security	\$ 4,780	\$ 558	\$ 5,338	\$ 6,113	\$ (775)
Workers Compensation	6,834		6,834	6,834	
Health Benefits	122,962	381,728	504,690	530,518	(25,828)
Total Child Study Team - Allocated Benefits	134,576	382,286	516,862	543,465	(26,603)
Improvement of Instructional Services - Allocated Benefits:					
Social Security		191	191	383	(192)
Health Benefits		2,500	2,500	5,000	(2,500)
Total Improvement of Instructional Services - Allocated Benefits		2,691	2,691	5,383	(2,692)
Educational Media Services/School Library- Allocated Benefits:					
Social Security	3,085	(1,817)	1,268	1,268	
Health Benefits	5,900	(5,900)			
Total Educational Media School/Library - Allocated Benefits	8,985	(7,717)	1,268	1,268	
Instructional Staff Training - Allocated Benefits:					
Social Security				209	(209)
Total Instructional Staff Training - Allocated Benefits				209	(209)
Administrative Information Technology - Allocated Benefits:					
Social Security	5,927		5,927	6,413	(486)
Health Benefits	5,864	(3,364)	2,500	5,000	(2,500)
Total Administrative Information Technology - Allocated Benefits	11,791	(3,364)	8,427	11,413	(2,986)
Support Services - General Administration - Allocated Benefits:					
Social Security	14,775	(7,951)	6,824	6,824	
Workers Compensation	2,361		2,361	2,361	
Health Benefits	58,404	(26,045)	32,359	40,545	(8,186)
Total Support Services - General Administration - Allocated Benefits	75,540	(33,996)	41,544	49,730	(8,186)

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Support Services - School Administration - Allocated Benefits:					
Social Security	\$ 8,407		\$ 8,407	\$ 9,517	\$ (1,110)
Health Benefits	113,985	(51,978)	62,007	76,074	(14,067)
Total Support Services-School Administration-Allocated Benefits	122,392	(51,978)	70,414	85,591	(15,177)
Required Maintenance of School Facilities - Allocated Benefits:					
Social Security	42,488	(4,896)	37,592	37,007	585
Workers Compensation	12,570	(50)	12,520	12,520	
Tuition Reimbursement	500		500		500
Health Benefits	196,302	(68,956)	127,346	129,851	(2,505)
Other Employee Benefits	500		500		500
Total Required Maintenance of School Facilities - Allocated Benefits	252,360	(73,902)	178,458	179,378	(920)
Student Transportation Services - Allocated Benefits:					
Social Security	227	118	345	456	(111)
Workers Compensation	167		167	167	
Total Student Transportation Services - Allocated Benefits	394	118	512	623	(111)

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Central Services - Allocated Benefits:					
Social Security	\$ 23,086	\$ (10,049)	\$ 13,037	\$ 13,022	\$ 15
Workers Compensation	3,121		3,121	3,121	
Health Benefits	113,985	(89,729)	24,256	32,098	(7,842)
Total Central Services - Allocated Benefits	140,192	(99,778)	40,414	48,241	(7,827)
Total Allocated Benefits	2,708,618	(97,285)	2,611,333	3,182,028	(570,695)
Unallocated Benefits:					
Other Retirement Contributions- PERS	162,400	(162,400)			
Total Unallocated Benefits	162,400	(162,400)			
On-Behalf Contributions:					
TPAF Pension Contributions (non-budgeted)				641,751	(641,751)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				554,099	(554,099)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				23,252	(23,252)
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				1,861	(1,861)
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)				485,008	(485,008)
Total On-Behalf Contributions				1,705,971	(1,705,971)
Total Personal Services - Employee Benefits	2,871,018	(259,685)	2,611,333	4,887,999	(2,276,666)
Total Undistributed Expenditures	14,988,907	(915,495)	14,073,412	15,706,045	(1,632,633)
TOTAL CURRENT EXPENSE	21,213,290	(453,824)	20,759,466	22,015,841	(1,256,375)

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY:</b>					
Facilities Acquisition and Construction Services:					
Assessment for Debt Service- SDA Funding	\$ 3,671	\$ (3,671)			
Total Facilities Acquisition and Construction Services	3,671	(3,671)			
<b>TOTAL CAPITAL OUTLAY</b>	<u>3,671</u>	<u>(3,671)</u>			
<b>TOTAL EXPENDITURES</b>	21,216,961	(457,495)	\$ 20,759,466	\$ 22,015,841	\$ (1,256,375)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,109,023)	457,495	(651,528)	26,497	678,025
Fund Balance, July 1	2,832,448		2,832,448	2,832,448	
Fund Balance, June 30	<u>\$ 1,723,425</u>	<u>\$ 457,495</u>	<u>\$ 2,180,920</u>	<u>\$ 2,858,945</u>	<u>\$ 678,025</u>
<u>Recapitulation:</u>					
Restricted for:					
Capital Reserve				\$ 1,006,190	
Maintenance Reserve				441,450	
Excess Surplus - For Subsequent Year's Expenditures				314,661	
Excess Surplus				358,526	
Assigned:					
Year-end Encumbrances				1,857	
For Subsequent Year's Expenditures				308,851	
Unassigned				<u>427,410</u>	
				<u>2,858,945</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Final Two State Aid Payments not Recognized on GAAP Basis			(155,177)		
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,703,768</u>	

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Federal Sources	\$ 279,388	\$ 107,436	\$ 386,824	\$ 375,881	\$ (10,943)
<b>Total Revenues</b>	<u>279,388</u>	<u>107,436</u>	<u>386,824</u>	<u>375,881</u>	<u>(10,943)</u>
<b>EXPENDITURES:</b>					
Instruction					
Salaries of Teachers	44,270	18,472	62,742	62,742	
Tuition	225,138	(3,658)	221,480	221,480	
General Supplies	6,930	27,052	33,982	33,922	60
<b>Total Instruction</b>	<u>276,338</u>	<u>41,866</u>	<u>318,204</u>	<u>318,144</u>	<u>60</u>
Support Services					
Salaries of Other Professional Staff		7,200	7,200	7,200	
Personal Service - Employee Benefits		15,610	15,610	12,806	2,804
Purchased Professional/Educational Services		30,200	30,200	30,200	
Other Purchased Services	3,050	12,560	15,610	7,531	8,079
<b>Total Support Services</b>	<u>3,050</u>	<u>65,570</u>	<u>68,620</u>	<u>57,737</u>	<u>10,883</u>
<b>Total Expenditures</b>	<u>\$ 279,388</u>	<u>\$ 107,436</u>	<u>\$ 386,824</u>	<u>\$ 375,881</u>	<u>\$ 10,943</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Unaudited)

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 22,045,311	\$ 375,881
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis Does Not.		(28,281)
Prior Year State Aid Payments Recognized for GAAP Statements, Not Recognized for Budgetary Statements	152,563	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(155,177)	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 22,042,697	\$ 347,600
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 22,015,841	\$ 375,881
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		(28,281)
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 22,015,841	\$ 347,600

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets for the fiscal year ending June 30, 2017, was submitted to the County office and was approved by a vote of the Board of Education. 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. 6:20-2A.2(m)l. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are not substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The General Fund budgetary revenue differs from the GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.



**SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)**

**SPECIAL REVENUE FUND**

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	No Child Left Behind		IDEA	IDEA	Totals
	Title I	Title II	Title III	Part B Preschool	
REVENUE:					
Federal Sources	\$ 91,495	\$ 11,531	\$ 15,883	\$ 248,080	\$ 375,881
Total Revenue	91,495	11,531	15,883	248,080	375,881
EXPENDITURES:					
Instruction:					
Salaries of Teachers	60,042		2,700		62,742
Tuition				221,480	221,480
General Supplies	11,447		12,983	600	33,922
Total Instruction	71,489		15,683	222,080	318,144
Support Services:					
Salaries of Other Professional Staff	7,200				7,200
Personal Service - Employee Benefits	12,806				12,806
Purchased Professional - Educational Services		4,000	200	26,000	30,200
Other Purchased Services (400-500 series)		7,531			7,531
Total Support Services	20,006	11,531	200	26,000	57,737
Total Expenditures	\$ 91,495	\$ 11,531	\$ 15,883	\$ 248,080	\$ 375,881

**CAPITAL PROJECTS FUND**

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE- BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Revenue and Other Financing Sources:	
Transfer from Capital Reserve	\$ 465,000
Interest Earned	24
	<hr/>
Total Revenue and Other Financing Sources	465,024
	<hr/>
Expenditures:	
Purchased Professional and Technical Services	29,151
Construction Services	317,972
	<hr/>
Total Expenditures	347,123
	<hr/>
Other Financing Uses:	
Transfer to Debt Service Fund	24
	<hr/>
Total Other Financing Uses	347,147
	<hr/>
Excess of Revenue and Other Financing Sources Over Other Financing Uses	117,877
	<hr/>
Fund Balance - Beginning of Year	-0-
	<hr/>
Fund Balance - End of Year	\$ 117,877
	<hr/> <hr/>
Recapitulation of Fund Balance:	
Committed - Year-End Encumbrances	\$ 122,338
Unassigned/(Deficit)	(4,461)
Fund Balance per Governmental Funds (Budgetary Basis)	117,877
Fund Balance per Governmental Funds (GAAP)	\$ 117,877
	<hr/> <hr/>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
ELEMENTARY SCHOOL SECTIONAL ROOF REPLACEMENT - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Prior Periods	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:			
State Sources - SDA Grant	\$ 227,862	\$ 227,862	\$ 227,862
Transfer from Capital Reserve	333,138	333,138	333,138
Total Revenue and Other Financing Sources	561,000	561,000	561,000
Expenditures:			
Construction Services	561,000	561,000	561,000
Total Expenditures and Other Financing Uses	561,000	561,000	561,000
Excess/(deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-

Additional Project Information:

Project Number:	2650-035-14-1001
Elementary School Sectional Roof Repair	
Grant Date	3/26/2014
Original Authorized Cost	\$ 740,000
Revised Authorized Cost	561,000
Percentage Completion	100.00%
Original Target Completion Date	6/30/2015

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
MIDDLE SCHOOL SECTIONAL ROOF REPLACEMENT - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Prior Periods	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:			
State Sources - SDA Grant	\$ 227,862	\$ 227,862	\$ 227,862
Transfer from Capital Reserve	333,138	333,138	333,138
Total Revenue and Other Financing Sources	<u>561,000</u>	<u>561,000</u>	<u>561,000</u>
Expenditures:			
Construction Services	561,000	561,000	561,000
Total Expenditures and Other Financing Uses	<u>561,000</u>	<u>561,000</u>	<u>561,000</u>
Excess/(deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number:	2650-035-14-1001
Middle School Sectional Roof Repair	
Grant Date	3/26/2014
Original Authorized Cost	\$ 740,000
Revised Authorized Cost	561,000
Percentage Completion	100.00%
Original Target Completion Date	6/30/2015

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
STAGE TO CLASSROOM CONVERSION PROJECT - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Current Year	Totals	Authorized Cost
Revenue and Other Financing Sources:			
Transfer from Capital Reserve	\$ 465,000	\$ 465,000	\$ 465,000
Total Revenue and Other Financing Sources	465,000	465,000	465,000
Expenditures:			
Purchased Professional and Technical Services	29,151	29,151	32,031
Construction Services	317,972	317,972	432,969
Total Expenditures and Other Financing Uses	347,123	347,123	465,000
Excess/(deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 117,877	\$ 117,877	\$ -0-

Additional Project Information:

Project Name:	
Stage to Classroom Conversion Project	
Grant Date	N/A
Original Authorized Cost	\$ 465,000
Revised Authorized Cost	465,000
Percentage Completion	74.65%
Original Target Completion Date	9/30/2017



**PROPRIETARY FUNDS**

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2017

ASSETS:

Current Assets:	
Cash and Cash Equivalents	\$ 58,887
Intergovernmental Accounts Receivable:	
Federal	5,646
State	210
Inventories	4,569
	<hr/>
Total Current Assets	69,312
	<hr/>
Non-Current Assets:	
Capital Assets	167,588
Less: Accumulated Depreciation	(127,187)
	<hr/>
Total Non-Current Assets	40,401
	<hr/>
Total Assets	109,713
	<hr/>

LIABILITIES:

Current Liabilities:	
Accounts Payable - Vendors	24,153
Unearned Revenue - Donated Commodities	1,115
Unearned Revenue - Prepaid Sales	3,756
Interfund Payable	15,921
	<hr/>
Total Current Liabilities	44,945
	<hr/>

NET POSITION:

Investment in Capital Assets	40,401
Unrestricted	24,367
	<hr/>
Total Net Position	\$ 64,768
	<hr/> <hr/>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 233,384
Special events	2,949
Daily Sales - Non-Reimbursable Programs	
	<hr/>
Total Operating Revenue	236,333
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	110,056
Cost of Sales - Nonreimbursable Programs	38,669
Salaries, Benefits & Payroll Taxes	148,094
Purchased Professional and Technical Services	4,681
Management Fee	17,725
Depreciation Expense	5,138
Supplies and Repairs	10,479
	<hr/>
Total Operating Expenses	334,842
	<hr/>
Operating Loss	(98,509)
	<hr/>
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	3,012
Federal Sources:	
National School Lunch Program	81,334
National School Breakfast Program	414
Food Distribution Program	25,458
Local Sources:	
Interest Income	100
	<hr/>
Total Non-Operating Revenue	110,318
	<hr/>
Change in Net Position Before Additions to Capital Assets	11,809
	<hr/>
Additions to Capital Assets	25,817
	<hr/>
Change in Net Position	37,626
	<hr/>
Net Position - Beginning of Year	27,142
	<hr/>
Net Position - End of Year	\$ 64,768
	<hr/> <hr/>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 236,333
Settlement of Prior Year Interfund Receivable	23,927
Payments to Suppliers	<u>(296,183)</u>
Net Cash Used for Operating Activities	<u>(35,923)</u>
Cash Flows from Investing Activities:	
Local Sources:	
Interest Revenue	<u>100</u>
Net Cash Provided by Investing Activities	<u>100</u>
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program	2,998
Federal Sources:	
National School Breakfast Program	431
National School Lunch Program	<u>80,918</u>
Net Cash Provided by Noncapital Financing Activities	<u>84,347</u>
Net Increase in Cash and Cash Equivalents	48,524
Cash and Cash Equivalents, July 1	<u>10,363</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 58,887</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating (Loss)	\$ (98,509)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	5,138
Federal Food Distribution Program	25,458
Changes in Assets and Liabilities:	
Decrease in Interfund Receivable	23,927
Decrease in Inventory	329
Increase in Interfunds Payable	15,921
(Decrease) in Accounts Payable	(11,766)
(Decrease) in Unearned Revenue - Donated Commodities	(177)
Increase in Unearned Revenue - Prepaid Sales	<u>3,756</u>
Net Cash Used for Operating Activities	<u><u>\$ (35,923)</u></u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities Through the Food Distribution Program valued at \$25,281 and utilized Commodities Valued at \$25,458.

**FIDUCIARY FUNDS**

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2017

	Student Activity	Agency			Total	Trust	
		Payroll	Rental Deposit	Athletic Account		Unemployment Compensation Trust	Flexible Spending Trust
Cash and Cash Equivalents	\$ 29,091	\$ 14,392	\$ 18,599	\$ 2,366	\$ 64,448	\$ 31,013	\$ 14,869
Total Assets	29,091	14,392	18,599	2,366	64,448	31,013	14,869
<u>LIABILITIES:</u>							
Interfund Payable-General Fund		588			588		
Payroll Deductions and Withholdings		13,804			13,804		
Rental Deposit Payable			18,599		18,599		
Due to Student Groups	29,091				29,091		
Due Various Groups				2,366	2,366		
Total Liabilities	29,091	14,392	18,599	2,366	64,448		
<u>NET POSITION:</u>							
Held in Trust for Unemployment Claims						31,013	14,869
Held in Trust for Flexible Spending Claims							
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 31,013	\$ 14,869

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
ADDITIONS:		
Contributions:		
Employee Contributions	\$ 23,203	\$ 61,948
District Contributions	10,318	
Total Additions	<u>33,521</u>	<u>61,948</u>
Investment Earnings:		
Interest	101	70
Net Investment Earnings	<u>101</u>	<u>70</u>
Total Additions	<u>33,622</u>	<u>62,018</u>
DEDUCTIONS:		
Unemployment Compensation Claims	25,892	
Flexible Spending Claims		54,850
Total Deductions	<u>25,892</u>	<u>54,850</u>
Change in Net Position	7,730	7,168
Net Position - Beginning of the Year	<u>23,283</u>	<u>7,701</u>
Net Position - End of the Year	<u>\$ 31,013</u>	<u>\$ 14,869</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 29,359	\$ 65,772	\$ 66,040	\$ 29,091
Total Assets	<u>\$ 29,359</u>	<u>\$ 65,772</u>	<u>\$ 66,040</u>	<u>\$ 29,091</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 29,359	\$ 65,772	\$ 66,040	\$ 29,091
Total Liabilities	<u>\$ 29,359</u>	<u>\$ 65,772</u>	<u>\$ 66,040</u>	<u>\$ 29,091</u>



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
PAYROLL AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 18,879	\$ 12,342,220	\$ 12,346,707	\$ 14,392
<b>Total Assets</b>	<u>\$ 18,879</u>	<u>\$ 12,342,220</u>	<u>\$ 12,346,707</u>	<u>\$ 14,392</u>
<b>Liabilities</b>				
Payroll Deductions & Withholdings	\$ 18,291	\$ 12,342,220	\$ 12,346,707	\$ 13,804
Interfund Payable - General Fund	588			588
<b>Total Liabilities</b>	<u>\$ 18,879</u>	<u>\$ 12,342,220</u>	<u>\$ 12,346,707</u>	<u>\$ 14,392</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
RENTAL DEPOSIT AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	<u>\$ 18,520</u>	<u>\$ 91</u>	<u>\$ 12</u>	<u>\$ 18,599</u>
Total Assets	<u><u>\$ 18,520</u></u>	<u><u>\$ 91</u></u>	<u><u>\$ 12</u></u>	<u><u>\$ 18,599</u></u>
<u>LIABILITIES:</u>				
Rental Deposits Payable	<u>\$ 18,520</u>	<u>\$ 91</u>	<u>\$ 12</u>	<u>\$ 18,599</u>
Total Liabilities	<u><u>\$ 18,520</u></u>	<u><u>\$ 91</u></u>	<u><u>\$ 12</u></u>	<u><u>\$ 18,599</u></u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
ATHLETIC ACCOUNT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b><u>ASSETS:</u></b>				
Cash and Cash Equivalents	\$ 1,148	\$ 5,599	\$ 4,381	\$ 2,366
Total Assets	<u>\$ 1,148</u>	<u>\$ 5,599</u>	<u>\$ 4,381</u>	<u>\$ 2,366</u>
<b><u>LIABILITIES:</u></b>				
Due to Various Groups	\$ 1,148	\$ 5,599	\$ 4,381	\$ 2,366
Total Liabilities	<u>\$ 1,148</u>	<u>\$ 5,599</u>	<u>\$ 4,381</u>	<u>\$ 2,366</u>

**LONG-TERM DEBT**

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS

Issue	Date of Issue	Amount of Issue	Maturities of Bonds Outstanding		Interest Rate	Matured	Balance June 30, 2017
			Date	Amount			
Renovations to Elementary and Middle Schools and New Construction to Middle School	10/1/2007	\$ 2,146,000	10/1/17	\$ 155,000	4.375%	\$ 145,000	\$ 1,030,000
			10/1/18	160,000	4.375%		
			10/1/19	165,000	4.375%		
			10/1/20	175,000	4.375%		
			10/1/21	185,000	4.375%		
			10/1/22	190,000	4.375%		
						\$ 1,175,000	\$ 1,030,000

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOT APPLICABLE

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 130,596		\$ 130,596	\$ 130,596	
State Sources:					
Debt Service State Aid Support	62,639		62,639	62,639	
Total Revenue	193,235		193,235	193,235	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	48,235		48,235	48,235	
Redemption of Principal	145,000		145,000	145,000	
Total Regular Debt Service	193,235		193,235	193,235	
Total Expenditures	193,235		193,235	193,235	
Excess/(Deficit) of Revenues Over/(Under) Expenditures					
Other Financing Sources:					
Transfer In from Capital Projects Fund				24	24
Total Other Financing Sources				24	24
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures				24	24
Fund Balance, July 1	108		108	108	
Fund Balance, June 30	\$ 108	\$ -0-	\$ 108	\$ 132	\$ 24
<u>Recapitulation:</u>					
Restricted				\$ 132	\$ 132

**STATISTICAL SECTION**  
**(UNAUDITED)**

This part of the School's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School's overall financial health.

**Contents**

	<b><u>Exhibit</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School's financial performance and well-being have changed over time.	J-1 thru J-5
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the School's ability to generate its property taxes.	J-6 thru J-9
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School's current levels of outstanding debt and the School's ability to issue additional debt in the future.	J-10 thru J-13
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
<b>Operating Information</b> These schedules contain information about the School's operations and resources to help the reader understand how the School's financial information relates to the services the School provides and the activities it performs.	J-16 thru J-20

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.



LINCOLN PARK BOROUGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

UNAUDITED

	June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities</b>										
Net investment in capital assets	\$ 4,844,978	\$ 4,635,357	\$ 4,614,867	\$ 4,425,427	\$ 4,246,711	\$ 4,489,839	\$ 4,623,806	\$ 5,572,629	\$ 5,409,113	\$ 5,079,351
Restricted	581,394	318,965	1,216,983	1,788,716	1,702,565	1,708,356	2,022,108	1,546,545	1,673,075	1,565,649
Unrestricted/(Deficit)	417,526	461,093	83,301	63,170	1,140,454	877,378	(2,571,339)	(2,671,310)	(2,727,233)	(2,467,630)
Total governmental activities net position	\$ 5,843,898	\$ 5,415,415	\$ 5,915,151	\$ 6,277,313	\$ 7,089,730	\$ 7,075,573	\$ 4,074,575	\$ 4,447,864	\$ 4,354,955	\$ 4,177,370
<b>Business-type activities</b>										
Investment in capital assets	\$ 8,708	\$ 7,143	\$ 5,578	\$ 4,013	\$ 2,448	\$ 883	\$ 8,406	\$ 16,396	\$ 19,722	\$ 40,401
Unrestricted/(Deficit)	102,072	156,151	150,211	160,728	140,358	148,407	108,743	113,162	7,420	24,367
Total business-type activities net position	\$ 110,780	\$ 163,294	\$ 155,789	\$ 164,741	\$ 142,806	\$ 149,290	\$ 117,149	\$ 129,558	\$ 27,142	\$ 64,768
<b>District-wide</b>										
Net investment in capital assets	\$ 4,853,686	\$ 4,642,500	\$ 4,620,445	\$ 4,429,440	\$ 4,249,159	\$ 4,490,722	\$ 4,632,212	\$ 5,589,025	\$ 5,428,835	\$ 5,119,752
Restricted	581,394	318,965	1,216,983	1,788,716	1,702,565	1,708,356	2,022,108	1,546,545	1,673,075	1,565,649
Unrestricted/(Deficit)	519,598	617,244	233,512	223,898	1,280,812	1,025,785	(2,462,596)	(2,558,148)	(2,719,813)	(2,443,263)
Total district net position	\$ 5,954,678	\$ 5,578,709	\$ 6,070,940	\$ 6,442,054	\$ 7,232,536	\$ 7,224,863	\$ 4,191,724	\$ 4,577,422	\$ 4,382,097	\$ 4,242,138

Source: Borough of Lincoln Park School District records

**LINCOLN PARK BOROUGH SCHOOL DISTRICT**  
**CHANGES IN NET POSITION, LAST TEN FISCAL YEARS**  
(accrual basis of accounting)

UNAUDITED

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 5,557,259	\$ 5,394,709	\$ 5,710,472	\$ 4,767,816	\$ 5,185,141	\$ 5,852,111	\$ 6,044,460	\$ 7,340,354	\$ 8,344,994	\$ 9,220,767
Special education	1,776,710	1,557,804	1,651,064	1,576,753	1,841,343	1,746,192	1,710,704	1,981,593	2,643,512	3,390,433
Other special education	542,506	487,811	490,294	374,751	362,561	417,311	368,058	481,020	596,896	714,916
Other instruction	285,660	204,986	184,394	53,194	105,115	104,384	92,178	168,211	104,776	615,631
Support Services:										
Tuition	6,033,399	6,046,648	5,975,632	7,027,729	6,905,474	6,929,435	6,746,997	6,762,743	6,732,655	6,325,135
Student & instruction related services	1,674,695	1,674,363	1,594,648	1,280,274	1,351,359	1,296,672	1,303,443	1,408,460	1,410,575	1,239,515
School administrative services	530,952	526,612	543,864	642,514	506,310	395,172	659,184	392,568	534,437	546,611
General administrative services	495,491	495,414	488,749	508,797	547,936	642,893	690,516	791,007	826,296	874,253
Plant operations and maintenance	1,141,699	1,056,821	999,086	1,205,138	1,216,739	1,251,747	1,107,503	1,195,259	1,070,048	1,697,758
Pupil transportation	1,175,584	1,178,615	1,278,923	1,150,905	1,177,417	1,204,558	1,216,713	1,477,084	1,199,032	1,084,694
Central services	521,792	513,490	592,878	510,251	538,486	682,517	622,020	556,431	514,846	570,560
Capital Outlay	11,698	121,611	6,442	1,659	1,735	2,381	3,671	3,671	3,671	3,671
Special Schools	11,698	11,900	6,442	147	147	147	147	147	147	147
Interest on long-term debt	161,684	295,104	225,801	208,930	190,939	178,978	41,481	125,410	103,451	47,442
Unallocated depreciation	557,302	556,744	556,744	556,744	556,744	556,744	556,744	556,744	597,693	597,693
Total governmental activities expenses	20,466,431	20,122,632	20,298,991	19,865,602	20,487,299	21,261,095	21,163,672	23,240,555	24,682,882	26,327,715
Business-type activities:										
Food service	326,555	314,062	300,994	280,589	320,040	329,456	366,934	329,266	430,008	334,665
Total business-type activities expense	326,555	314,062	300,994	280,589	320,040	329,456	366,934	329,266	430,008	334,665
Total district expenses	20,792,986	20,436,694	20,599,985	20,146,191	20,807,339	21,590,551	21,530,606	23,569,821	25,112,890	26,662,380
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	-	-	-	-	-	-	-	-	-	38,983
Operating grants and contributions	3,867,235	3,219,020	3,583,235	2,508,437	3,240,817	2,555,460	3,188,433	4,412,547	5,423,328	6,958,830
Total governmental activities program revenues	3,867,235	3,219,020	3,583,235	2,508,437	3,240,817	2,555,460	3,188,433	4,412,547	5,423,328	6,997,813
Business-type activities:										
Charges for services										
Food service	209,797	219,364	207,896	213,356	210,042	228,807	220,881	230,882	217,520	236,333
Operating grants and contributions	66,661	67,692	85,593	76,181	88,018	107,105	113,893	110,780	110,027	110,041
Total business type activities program revenues	276,458	287,056	293,489	289,537	298,060	335,912	334,774	341,662	327,547	346,374
Total district program revenues	4,143,693	3,506,076	3,876,724	2,797,974	3,538,877	2,891,372	3,523,207	4,754,209	5,750,875	7,344,187

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS  
(accrual basis of accounting)

UNAUDITED  
(Continued)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (16,599,196)	\$ (16,903,612)	\$ (16,715,756)	\$ (17,357,165)	\$ (17,246,482)	\$ (18,705,635)	\$ (17,975,239)	\$ (18,828,008)	\$ (19,259,554)	\$ (19,329,902)
Business-type activities	(50,097)	(27,006)	(7,505)	8,948	(21,980)	6,456	(32,160)	12,396	(102,461)	11,709
Total district-wide net expense	<u>(16,649,293)</u>	<u>(16,930,618)</u>	<u>(16,723,261)</u>	<u>(17,348,217)</u>	<u>(17,268,462)</u>	<u>(18,699,179)</u>	<u>(18,007,399)</u>	<u>(18,815,612)</u>	<u>(19,362,015)</u>	<u>(19,318,193)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	14,938,389	15,485,425	16,104,842	16,749,035	17,050,518	16,916,122	17,172,154	17,481,253	17,699,769	18,053,764
Taxes levied for debt service	625,458	743,578	656,953	682,061	666,959	643,124	623,913	598,938	663,881	130,596
Unrestricted grants and contributions		91,445	74,684	63,598	63,647	743,154	63,489	63,284	63,011	62,639
Investment earnings	5,468	1,037	4,129	2,064	292	326	158	5,165	6,895	21,130
Miscellaneous income	393,700	233,164	236,771	222,569	277,483	388,752	297,215	628,467	733,089	1,012,677
Transfers	(81,700)	(79,520)								
Disposition/Adjustment of Capital Assets			138,113							
Reimbursement of Prior Year Tuition				17,719,327				424,190		
Total governmental activities	<u>15,881,315</u>	<u>16,475,129</u>	<u>17,215,492</u>	<u>17,719,327</u>	<u>18,058,899</u>	<u>18,691,478</u>	<u>18,156,929</u>	<u>19,201,297</u>	<u>19,166,645</u>	<u>19,280,806</u>
Business-type activities:										
Investment earnings				4	45	28	19	13	45	100
Transfers	81,700	79,520								
Disposition/Adjustment of Capital Assets										
Total business-type activities	<u>81,700</u>	<u>79,520</u>		<u>4</u>	<u>45</u>	<u>28</u>	<u>19</u>	<u>13</u>	<u>45</u>	<u>25,817</u>
Total district-wide	<u>15,963,015</u>	<u>16,554,649</u>	<u>17,215,492</u>	<u>17,719,331</u>	<u>18,058,944</u>	<u>18,691,506</u>	<u>18,156,948</u>	<u>19,201,310</u>	<u>19,166,690</u>	<u>19,306,723</u>
<b>Change in Net Position</b>										
Governmental activities	(717,881)	(428,483)	499,736	362,162	812,417	(14,157)	181,690	373,289	(92,909)	(49,096)
Business-type activities	31,603	52,514	(7,505)	8,952	(21,935)	6,484	(32,141)	12,409	(102,416)	37,626
Total district	<u>(686,278)</u>	<u>(375,969)</u>	<u>492,231</u>	<u>371,114</u>	<u>790,482</u>	<u>(7,673)</u>	<u>149,549</u>	<u>385,698</u>	<u>(195,325)</u>	<u>(11,470)</u>

Source: Borough of Lincoln Park School District records

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS,  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)  
 UNAUDITED

	June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 529,306	\$ 266,197	\$ 1,209,198							
Unreserved	536,354	614,973	240,943							
Restricted				\$ 1,529,766	\$ 1,702,523	\$ 1,708,271	\$ 2,021,983	\$ 1,995,245	\$ 2,121,767	\$ 2,120,827
Assigned				248,907	1,054,279	776,353	362,283	338,956	300,074	310,708
Unassigned				269,499	238,290	268,049	275,314	257,866	258,044	272,233
Total general fund	<u>\$ 1,065,660</u>	<u>\$ 881,170</u>	<u>\$ 1,450,141</u>	<u>\$ 2,048,172</u>	<u>\$ 2,995,092</u>	<u>\$ 2,752,673</u>	<u>\$ 2,659,580</u>	<u>\$ 2,592,067</u>	<u>\$ 2,679,885</u>	<u>\$ 2,703,768</u>
All Other Governmental Funds										
Unreserved, reported in:										
Special Revenue Fund/(Deficit)	\$ (1,444)									
Capital Projects Fund	1,667,210	\$ 264,221	\$ 41,545							
Debt Service Fund	53,532	51,167	7,785							
Restricted:										
Debt Service Fund				\$ 43	\$ 42	\$ 85	\$ 125	\$ 100	\$ 108	\$ 132
Unassigned:										
Capital Projects Fund/(Deficit)								(448,800)	(448,800)	117,877
Total all other governmental funds/(Deficit)	<u>\$ 1,719,298</u>	<u>\$ 315,388</u>	<u>\$ 49,330</u>	<u>\$ 43</u>	<u>\$ 42</u>	<u>\$ 85</u>	<u>\$ 125</u>	<u>\$ (448,700)</u>	<u>\$ (448,692)</u>	<u>\$ 118,009</u>

Source: Borough of Lincoln Park School District records

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)  
UNAUDITED

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Tax levy	\$ 15,563,847	\$ 16,229,003	\$ 16,761,795	\$ 17,431,096	\$ 17,717,477	\$ 17,559,246	\$ 17,796,067	\$ 18,080,191	\$ 18,363,650	\$ 18,184,360
Tuition charges	29,540	17,550	17,750	16,842	22,356	32,692	35,335	38,070	61,286	38,983
Interest earnings	59,000	22,396	4,064	2,074	5,499	5,947	5,001	5,165	6,895	21,130
Rentals	202,873	193,218	215,228	205,238	214,835	221,685	230,231	236,008	243,500	
Miscellaneous	107,755	1,037	3,858	479	35,085	128,754	26,806	133,636	489,589	1,012,677
State sources	3,463,518	2,922,865	3,082,752	2,228,612	2,630,403	2,871,534	2,830,173	3,010,428	3,219,236	3,886,199
Federal sources	403,717	387,601	575,167	343,423	674,061	427,080	421,749	374,148	398,689	351,034
Total revenue	19,830,250	19,773,670	20,660,614	20,227,764	21,299,716	21,246,938	21,345,362	21,877,646	22,782,845	23,494,383
<b>Expenditures</b>										
Instruction										
Regular Instruction	4,767,975	4,826,368	5,143,619	4,212,955	4,573,884	5,090,460	5,222,643	5,467,693	6,027,992	6,369,597
Special education instruction	1,571,224	1,426,465	1,513,941	1,458,815	1,690,390	1,556,502	1,545,920	1,426,668	1,888,996	2,569,014
Other special instruction	475,047	439,651	448,546	340,028	317,479	356,837	323,193	306,510	385,678	410,246
Other instruction	241,252	179,848	162,501	41,893	86,439	83,829	75,377	145,887	73,580	115,591
Support Services:										
Tuition	6,033,399	6,046,648	5,975,632	7,027,729	6,905,474	6,929,435	6,746,997	6,762,743	6,732,655	6,325,135
Student & instruction related services	1,470,615	1,540,663	1,461,602	1,158,447	1,211,614	1,144,803	1,174,946	1,294,867	1,299,931	1,231,296
General administrative services	484,085	497,559	518,035	591,698	493,589	355,689	577,910	368,737	553,500	360,398
School Administrative services	408,269	421,164	421,403	437,241	470,174	535,841	596,223	605,224	566,133	536,667
Plant operations and maintenance	1,057,418	1,004,954	944,116	1,145,034	1,146,410	1,168,692	1,451,855	1,184,568	1,053,036	1,172,928
Pupil transportation	1,173,449	1,170,817	1,271,094	1,142,992	1,169,256	1,195,988	1,208,510	1,470,369	1,192,003	1,076,475
Central services	461,607	481,617	553,556	473,147	527,915	669,559	611,170	419,898	369,462	365,753
Administrative Information Technology										
Unallocated Benefits	1,382,659	865,157	891,280	827,715	987,496	1,225,412	1,212,599	1,426,958	1,678,907	1,705,971
Special Schools	9,950	11,900	5,834	132				127,544	138,971	124,370
Capital outlay	536,536	1,524,600	271,491	67,783	42,038	469,528	3,671	1,148,200	7,284	347,123
Debt service:										
Principal	505,000	591,000	590,000	585,000	580,000	575,000	575,000	570,000	655,000	145,000
Interest and other charges	120,458	254,139	185,051	168,411	150,639	131,739	112,401	92,308	71,891	48,235
Total expenditures	20,698,943	21,282,550	20,357,701	19,679,020	20,352,797	21,489,314	21,438,415	22,818,174	22,695,019	22,903,799
Excess (Deficiency) of revenues over (under) expenditures	(868,693)	(1,508,880)	302,913	548,744	946,919	(242,376)	(93,053)	(940,528)	87,826	590,584

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

UNAUDITED

(Continued)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Other Financing sources (uses)</b>										
Special Item - Reimbursement of Prior Year Tuition								\$ 424,190		
Bond Proceeds	\$ 2,146,000									
Transfers in	53,532	\$ 7,751	\$ 32	\$ 10	\$ 32	\$ 43	\$ 39	673,261	\$ 7	\$ 24
Transfers out	(135,232)	(87,271)	(32)	(10)	(32)	(43)	(39)	(673,261)	(7)	(24)
Total other financing sources (uses)	2,064,300	(79,520)	-	-	-	-	-	424,190	-	-
Net change in fund balances	\$ 1,195,607	\$ (1,588,400)	\$ 302,913	\$ 548,744	\$ 946,919	\$ (242,376)	\$ (93,053)	\$ (516,338)	\$ 87,826	\$ 590,584
Debt service as a percentage of noncapital expenditures	2.58%	3.12%	3.06%	3.10%	2.96%	2.83%	2.77%	2.71%	2.98%	0.65%

Source: Borough of Lincoln Park School District records

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
*(modified accrual basis of accounting)*  
UNAUDITED

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Rentals- Use of Facilities	Prior Year Refunds	Cancellation of Prior Year Accounts Payable	Other	Total
2007	\$ 142,676	\$ 74,092	\$ 196,964				\$ 413,732
2008	160,444	29,540	202,873			6,311	399,168
2009	15,682	17,550	193,218				226,450
2010	4,032	17,750	215,228			3,858	240,868
2011	2,064	16,842	205,238			479	224,623
2012	5,499	22,356	214,835	\$ 28,625		6,428	277,743
2013	5,904	32,692	221,685			128,754	389,035
2014	4,962	35,335	230,231	12,854		13,952	297,334
2015	5,104	38,070	236,008			137,307	416,489
2016	6,888	61,286	243,500		\$ 247,360	242,229	801,263
2017	21,106	38,983	276,942			270,735	607,766

Source: Borough of Lincoln Park School District records

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2007	\$ 4,327,000	\$ 618,197,100	\$ 2,953,000	\$ 329,700	\$ 49,887,600	\$ 38,831,800	\$ 22,954,100	\$ 737,480,300	\$ 686,618	\$ 738,166,918	\$ 2.06	\$ 1,597,048,889
2008	5,160,800	618,574,400	2,953,000	318,400	49,887,600	38,154,800	22,954,100	738,003,100	711,977	738,715,077	2.16	1,710,788,744
2009 *	10,446,700	1,310,840,600	6,698,300	348,900	120,983,400	77,469,500	48,109,400	1,574,896,800	1,753,935	1,576,650,735	1.05	1,709,551,504
2010	8,920,500	1,308,042,400	6,698,300	353,500	122,053,800	76,689,100	48,109,400	1,570,867,000	1,682,839	1,572,549,839	1.10	1,604,006,429
2011	8,517,400	1,302,107,000	6,581,700	353,500	120,319,600	75,047,100	48,109,400	1,561,035,700		1,561,035,700	1.11	1,545,175,879
2012	7,401,000	1,152,812,300	5,879,500	355,400	109,742,000	64,994,600	37,896,700	1,379,081,500		1,379,081,500	1.28	1,480,564,104
2013	7,260,000	1,184,170,900	6,234,900	355,400	109,681,800	64,942,600	36,083,800	1,408,729,400		1,372,290,200	1.29	1,480,564,104
2014	6,501,300	1,143,842,500	5,879,500	355,400	114,499,400	64,210,500	36,896,700	1,372,185,300		1,372,185,300	1.32	1,340,717,718
2015	6,531,500	1,132,999,600	5,879,500	355,400	114,815,900	62,000,500	36,896,700	1,359,479,100		1,359,479,100	1.35	1,331,789,820
2016	6,411,400	1,132,273,600	5,132,600	347,900	114,157,800	59,708,400	36,896,700	1,354,928,400		1,354,928,400	1.34	1,346,706,502

\* Revaluation year

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
*(rate per \$100 of assessed value)*  
UNAUDITED

Year Ended December 31,	Lincoln Park School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Lincoln Park	Morris County	
2007	\$ 2.05	\$ 0.01	\$ 2.06	\$ 1.27	\$ 0.51	\$ 3.84
2008	2.15	0.01	2.16	1.46	0.54	4.16
2009 *	1.04	0.01	1.05	0.75	0.25	2.04
2010	1.06	0.04	1.10	0.78	0.23	2.11
2011	1.07	0.04	1.11	0.79	0.23	2.13
2012	1.23	0.05	1.28	0.92	0.26	2.46
2013	1.24	0.05	1.29	0.94	0.26	2.49
2014	1.27	0.04	1.32	0.95	0.25	2.51
2015	1.30	0.05	1.35	0.97	0.24	2.56
2016	1.33	0.01	1.34	0.99	0.25	2.58

\* Revaluation year

Source: Municipal Tax Collector and School Business Administrator

Note:

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

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

b Rates for debt service are based on each year's requirements.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

INFORMATION NOT AVAILABLE

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Taxes Levied for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy<sup>a</sup></u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2008	\$ 15,563,847	\$ 15,563,847	100.00%	-0-
2009	16,229,003	16,229,003	100.00%	-0-
2010	16,761,795	16,761,795	100.00%	-0-
2011	17,431,096	17,431,096	100.00%	-0-
2012	17,717,477	17,717,477	100.00%	-0-
2013	17,559,246	17,559,246	100.00%	-0-
2014	18,105,166	18,105,166	100.00%	-0-
2015	18,080,191	18,080,191	100.00%	-0-
2016	18,363,650	18,363,650	100.00%	-0-
2017	18,184,360	18,184,360	100.00%	-0-

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

a. 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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)			
2008	\$ 5,896,000				\$ 5,896,000	0.75%	\$ 557
2009	5,305,000				5,305,000	0.71%	501
2010	4,715,000				4,715,000	0.62%	448
2011	4,130,000				4,130,000	0.51%	392
2012	3,550,000				3,550,000	0.43%	337
2013	2,975,000				2,975,000	0.36%	284
2014	2,400,000				2,400,000	0.28%	229
2015	1,830,000				1,830,000	0.20%	176
2016	1,175,000				1,175,000	0.13%	113
2017	1,030,000				1,030,000	0.11%	99

Source: School District Financial Reports

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

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2008	\$ 5,896,000	-0-	\$ 5,896,000	0.799%	\$ 557
2009	5,305,000	-0-	5,305,000	0.718%	501
2010	4,715,000	-0-	4,715,000	0.299%	448
2011	4,130,000	-0-	4,130,000	0.263%	392
2012	3,550,000	-0-	3,550,000	0.227%	337
2013	2,975,000	-0-	2,975,000	0.216%	284
2014	2,400,000	-0-	2,400,000	0.175%	229
2015	1,830,000	-0-	1,830,000	0.133%	176
2016	1,175,000	-0-	1,175,000	0.086%	113
2017	1,030,000	-0-	1,030,000	0.076%	99

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.  
a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the previous calendar year.

b Population data can be found in Exhibit J-14. This ratio is calculated using population estimate for the previous calendar year.

Source: School District Financial Reports

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2016  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Lincoln Park	\$ 23,225,564	100.00%	\$ 23,225,564
Morris County General Obligation Debt	221,180,986	1.468%	<u>3,246,790</u>
Subtotal, overlapping debt			26,472,354
Lincoln Park School District Direct Debt			<u>1,030,000</u>
Total direct and overlapping debt			<u>\$ 27,502,354</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Morris County Board of Taxation; debt outstanding data provided by each governmental unit.

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

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized valuation basis
	2016 \$ 1,362,558,729
	2015 1,347,887,269
	2014 1,340,810,338
	<u>\$ 4,051,256,336</u>
Average equalized valuation of taxable property	<u>\$ 1,350,418,779</u>
Debt limit (3% of average equalization value)	\$ 40,512,563
Net bonded school debt	1,030,000
Legal debt margin	<u>\$ 39,482,563</u>

Fiscal Year

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 47,205,866	\$ 49,901,093	\$ 49,996,151	\$ 48,463,481	\$ 46,283,925	\$ 44,306,594	\$ 42,172,057	\$ 40,821,385	\$ 40,259,517	\$ 40,512,563
Total net debt applicable to limit	5,896,000	5,305,000	4,715,000	4,130,000	3,550,000	2,975,000	2,400,000	1,830,000	1,175,000	1,030,000
Legal debt margin	<u>\$ 31,370,100</u>	<u>\$ 36,274,388</u>	<u>\$ 41,309,866</u>	<u>\$ 44,596,093</u>	<u>\$ 45,281,151</u>	<u>\$ 44,333,481</u>	<u>\$ 39,772,057</u>	<u>\$ 38,991,385</u>	<u>\$ 39,084,517</u>	<u>\$ 39,482,563</u>
Total net debt applicable to the limit as a percentage of debt limit	12.49%	10.63%	9.43%	8.52%	7.67%	6.71%	5.69%	4.48%	2.92%	2.54%

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

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Year</u>	<u>Borough Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Morris County Per Capita Personal Income <sup>c</sup></u>	<u>Borough Unemployment Rate <sup>d</sup></u>
2008	10,581	\$ 789,723,516	\$ 74,636	4.20%
2009	10,580	746,059,280	70,516	7.10%
2010	10,531	766,446,180	72,780	7.10%
2011	10,546	803,541,924	76,194	7.20%
2012	10,529	828,558,597	78,693	7.00%
2013	10,467	827,876,898	79,094	6.90%
2014	10,494	869,008,140	82,810	5.90%
2015	10,405	900,885,710	86,582	4.90%
2016	10,442	904,089,244	86,582 *	4.30%
2017	10,442 **	904,089,244 *	86,582 *	N/A

\* - Latest Morris County per capita personal income available (2015) was used for calculation purposes.

\*\* - Latest population data available (2016) was used for calculation purposes.

N/A - Information Unavailable

Source: School District Reports

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income has been estimated based upon the municipal population and per capita personal income presented

c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

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



LINCOLN PARK BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS - MORRIS COUNTY  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

INFORMATION NOT AVAILABLE

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,  
 LAST TEN FISCAL YEARS  
UNAUDITED

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Instruction</b>										
Regular	63.0	62.0	64.6	60.0	52.6	56.0	54.0	55.0	56.0	64.2
Special education	17.0	17.0	23.0	20.0	21.4	23.4	20.5	27.0	29.5	20.4
<b>Support Services:</b>										
Student & instruction related services	25.0	25.0	15.0	11.0	11.0	10.8	10.8	10.8	10.8	28.0
School administrative services	4.0	4.0	4.0	4.0	4.1	4.1	4.1	4.1	4.1	4.0
General and administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.1
Plant operations and maintenance	9.5	9.5	8.9	9.0	8.5	8.5	8.5	8.5	8.5	8.5
Pupil transportation	0.5	0.5	0.5	1.0	0.3	0.3	0.3	0.3	0.3	0.3
Business and other support services	6.0	6.0	5.5	7.0	6.8	6.0	6.0	6.0	6.0	5.0
<b>Food Service</b>										
Total	2.0	2.0	2.6				8.0	8.0	8.0	7.0
<b>Total</b>	<u>128.0</u>	<u>127.0</u>	<u>125.1</u>	<u>113.0</u>	<u>105.7</u>	<u>110.1</u>	<u>113.2</u>	<u>120.7</u>	<u>124.2</u>	<u>139.5</u>
										*

\* 2017 includes student shadows in student & instructional related services

Source: District Personnel Records

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2008	913	\$ 19,526,999	\$ 21,388	9.37%	80	1:12	1:12	913	879	-1.72%	96.28%
2009	907	18,890,185	20,827	-2.94%	80	1:12	1:10	907	877	-0.66%	96.37%
2010	887	19,311,159	21,771	3.48%	79	1:13	1:9	887	859	-2.21%	96.84%
2011	890	18,857,826	21,189	-1.02%	73	1:13	1:10	890	856	0.34%	96.18%
2012	875	19,580,120	22,377	5.27%	77	1:12	1:10	875	857	-1.69%	97.94%
2013	899	20,313,047	22,595	0.97%	79	1:11	1:09	899	876	2.74%	97.44%
2014	934	20,747,343	22,213	-1.69%	80	1:12	1:10	942	906	4.78%	96.18%
2015	953	21,007,666	22,044	-0.76%	82	1:12	1:11	953	917	1.17%	96.22%
2016	934	21,960,844	23,513	6.66%	85	1:12	1:12	933	910	-2.10%	97.53%
2017	937	22,363,441	23,867	1.51%	85	1:12	1:12	920	880	-1.39%	95.65%

Sources: Borough of Lincoln Park School District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d The cost per pupil calculated above is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>District Building</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Chapel Hill School (1923)										
Square Feet	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Elementary School (1966)										
Square Feet	66,640	66,640	66,640	66,640	66,640	66,640	66,640	66,640	66,640	66,640
Capacity (students)	533	533	533	533	533	533	533	533	533	533
Enrollment	484	493	522	526	516	527	505	568	536	536
Middle School (1959)										
Square Feet	79,120	79,120	79,120	79,120	79,120	79,120	79,120	79,120	79,120	79,120
Capacity (students)	603	603	603	603	603	603	603	603	603	603
Enrollment	429	414	365	364	359	372	435	396	398	398
Number of Schools at June 30, 2017										
Elementary = 1										
Middle School = 1										
Other = 0										

N/A - Not available or applicable

Note: Enrollment is based on the annual October district count.

Source: Lincoln Park Borough School District Central Office

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS  
UNAUDITED

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES\*  
 11-000-261-xxx

Fiscal Year Ended June 30,	Chapel Hill School	Elementary School	Middle School	Total
2008	\$ 4,633	\$ 59,557	\$ 65,355	\$ 129,545
2009	1,785	35,695	51,758	89,238
2010	2,138	42,754	61,993	106,885
2011	4,638	92,756	134,496	231,889
2012	2,531	50,630	73,413	126,574
2013	3,409	68,187	98,871	170,467
2014	3,374	67,478	97,842	168,694
2015	3,553	71,055	81,828	156,436
2016	1,500	61,394	73,097	135,991
2017	250	92,074	91,337	183,661

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

Source: Borough of Lincoln Park School District records

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2017  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - NJ Schools Insurance Group (NJSIG):		
Policy Number - P283AG		
<u>PROPERTY SECTION:</u>		
Blanket Building and Contents (fund limit)	\$ 450,000,000	\$ 5,000
Accounts Receivable	250,000	5,000
Automobile Physical Damage	In Blanket Limit	1,000
Electronic Data Processing Equipment	2,500,000	1,000
<u>LIABILITY SECTION:</u>		
Comprehensive General Liability	11,000,000	1,000
Automobile Liability	11,000,000	1,000
Employee Benefit Liability	11,000,000	1,000
<u>CRIME:</u>		
Blanket Employee Dishonesty	250,000	1,000
Forgery	50,000	500
Theft/Disappearance/Destruction:	100,000	500
Inside		
Outside	50,000	500
	50,000	500
<u>SCHOOL BOARD LEGAL LIABILITY - NJSIG (E283AG)</u>		
	11,000,000	5,000
Zurich Insurance Company (NJSIG):		
<u>ENVIRONMENTAL IMPAIRMENT LIABILITY:</u>		
Limit of Liability:		
Incident		
Fund Annual Aggregate	1,000,000	10,000
	25,000,000	
<u>WORKERS' COMPENSATION (NJSIG - W283AG):</u>		
(a) Statutory Benefits		
(a) Employer's Liability		
Supplemental Coverage (optional)	Included	
	6,654,700	
	Included	
<u>BONDS</u>		
Public Employees' Faithful Performance Blanket Position Bond -		
Board Secretary - A Pollio		
Treasurer -K Geisler	220,000	1,000
	210,000	
STUDENT ACCIDENT (Axis Insurance Company)		
Mandatory (KAMB-111083-0029-M)		
Catastrophic (KAMB-111079-0029-C)	25,000	
	6,000,000	25,000

Source: Lincoln Park Borough School District records.

**SINGLE AUDIT SECTION**



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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 Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 Lincoln Park Borough School District  
 County of Morris, New Jersey

We have audited, in accordance with the 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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lincoln Park Board of Education, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 10, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2017-01, which we consider to be a significant deficiency.



The Honorable President and Members  
of the Board of Education  
Lincoln Park Borough School District  
Page 2

### **Compliance and Other Matters**

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

### **The District's Response to the Finding**

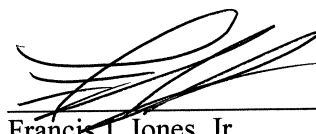
The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

November 10, 2017  
Mount Arlington, New Jersey

  
NISIVOCCIA LLP



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Francis J. Jones, Jr.  
Licensed Public School Accountant #01154  
Certified Public Accountant



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Report on Compliance For Each Major State Program:  
Report on Internal Control Over Compliance

Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 Lincoln Park Borough School District  
 County of Morris, New Jersey

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

We have audited Lincoln Park Board of Education's (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on the District's major state program for the fiscal year ended June 30, 2017. The District's major state program is identified in the summary of auditors' 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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the District's major state program 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the 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 the major state program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major State Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the fiscal year ended June 30, 2017.

The Honorable President and Members  
of the Board of Education  
Lincoln Park Borough School District  
Page 2

### Report on Internal Control Over Compliance

Management of the 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 District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.


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

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

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

November 10, 2017  
Mount Arlington, New Jersey

  
NISIVOCCIA LLP

  
Francis J. Jones, Jr.  
Licensed Public School Accountant #01154  
Certified Public Accountant

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Unearned Revenue/ (Accounts Receivable) 6/30/2016	Due to Grantor 6/30/2016	Carryover Amount	Adjustments	Cash Received	Budgetary Expenditures	Cancellation of Prior Year's Accounts Payable/Receivable	Cancellation of Prior Year's Encumbrances	Repayment of Prior Years' Balances	Balance 6/30/2017 Accounts Receivable	Unearned Revenue 6/30/2017	Due to Grantor 6/30/2017
<b>Enterprise Fund:</b>																
<b>U.S. Department of Agriculture</b>																
Passed-through State Department of Agriculture:																
Child Nutrition Cluster																
Food Distribution Program	10.555	N/A	7/1/15-6/30/16	\$ 23,389	\$ 1,292				\$ 25,281	\$ (1,292)					\$ 1,115	
Food Distribution Program	10.555	N/A	7/1/16-6/30/17	25,281	1,292				25,281	(24,166)					1,115	
Total Food Distribution Program																
National School Lunch Program	10.555	N/A	7/1/15-6/30/16	83,926	(5,211)				5,211	(81,334)				\$ (5,627)		
National School Lunch Program	10.555	N/A	7/1/16-6/30/17	81,334					75,707							
School Breakfast Program	10.553	N/A	7/1/15-6/30/16	284	(36)				36							
School Breakfast Program	10.553	N/A	7/1/16-6/30/17	414					395	(414)				(19)		
Total Child Nutrition Cluster					(5,247)				81,349	(81,748)				(5,646)		
Total U.S. Department of Agriculture					(3,955)				106,630	(107,206)				(5,646)	1,115	
<b>Special Revenue Fund:</b>																
<b>U.S. Department of Education</b>																
Passed-through State Department of Education:																
No Child Left Behind:																
Title I	84.010A	NCLB265017	7/1/16-6/30/17	94,299					42,510	(91,495)				(48,985)		\$ 1,361
Title I	84.010A	NCLB265016	7/1/15-6/30/16	94,428	(37,322)	\$ 31			37,322		1,361					31
Title I	84.010A	NCLB265015	7/1/14-6/30/15	95,203		1,992										1,992
Title I - ARRA	84.010A	NCLB265008	9/1/07-8/31/08	63,605	(3,866)						3,866					
Title I - ARRA	84.389A	ARRA265010	7/1/09-8/31/11	17,306	(41,188)	2,023			79,832	(91,495)				(48,985)		3,384
Total Title I																
Title II	84.367A	NCLB265017	7/1/16-6/30/17	11,531					9,271	(11,531)				(2,260)		
Title II	84.367A	NCLB265016	7/1/15-6/30/16	13,026	(3,726)	1,065			3,726							1,675
Title II	84.367A	NCLB265015	7/1/14-6/30/15	14,388	610	2,379										2,379
Title II	84.367A	NCLB265008	9/1/07-8/31/08	20,617	(3,116)	3,444			12,997	(11,531)				(2,260)		4,054
Total Title II																
Title III	84.365A	NCLB265017	7/1/16-6/30/17	15,943					1,654	(15,883)				(14,229)		4,158
Title III	84.365A	NCLB265016	7/1/15-6/30/16	17,910	(16,835)	4			13,988		7,005					4
Title III	84.365A	NCLB265015	7/1/14-6/30/15	16,369		443										443
Title III	84.365A	NCLB265014	7/1/13-6/30/14	16,743	(16,835)	447			15,642	(15,883)				(14,229)		4,605
Total Title III																
<b>Special Education Cluster:</b>																
IDEA Part B, Basic Regular	84.027	IDEA265017	7/1/16-6/30/17	248,080					88,651	(248,080)				(159,429)		
IDEA Part B, Basic Regular	84.027	IDEA265016	7/1/15-6/30/16	263,067	(26,603)				26,603							
IDEA Part B, Basic Regular	84.027	IDEA265015	7/1/14-6/30/15	250,320	8,247	1,000										8,247
IDEA Part B, Basic Regular	84.027	IDEA265014	7/1/13-6/30/14	275,765		134										1,000
IDEA Part B, Basic Regular	84.027	IDEA265013	9/1/12-8/31/13	278,085												134
IDEA Part B, Preschool	84.173	IDEA265017	7/1/16-6/30/17	8,892	(2,823)				423	(8,892)				(8,469)		
IDEA Part B, Preschool	84.173	IDEA265016	7/1/15-6/30/16	8,883	(21,179)	1,134			2,823					(167,898)		9,381
IDEA Part B, Preschool	84.173	IDEA265015	7/1/14-6/30/15	8,883					118,500	(256,972)						
IDEA Part B, Preschool	84.173	IDEA265014	7/1/13-6/30/14	8,883												
Total Special Education Cluster																
Total Special Revenue Fund/U.S. Department of Education					(82,318)	7,048			226,971	(375,881)	12,232			(233,372)		21,424
Total Federal Awards					\$ (86,273)	\$ 7,048	\$ -0-	\$ -0-	\$ 333,601	\$ (483,087)	\$ 12,232	\$ -0-	\$ -0-	\$ (239,018)	\$ 1,115	\$ 21,424

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

N/A - Not applicable

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance Due Grantor/ (Accounts Receivable) 6/30/2016	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	GAAP (Accounts Receivable)	June 30, 2017 Budgetary Unearned Revenue	Due to Grantor	Memo	
											(Budgetary Receivable)	Cumulative Total Expenditures
NJ Department of Education:												
General Fund:												
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	\$ 635,819			\$ 575,254	\$ (635,819)			\$ (60,565)	\$ 635,819	
Transportation Aid - Non-public reimbursement	17-495-034-5120-014	7/1/16-6/30/17	14,886				(14,886)			(14,886)	14,886	
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	715,271			647,137	(715,271)	(14,886)		(68,134)	715,271	
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	106,676			96,515	(106,676)			(10,161)	106,676	
Adjustment Aid	17-495-034-5120-088	7/1/16-6/30/17	134,141			121,363	(134,141)			(12,778)	134,141	
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	12,400			11,219	(12,400)			(1,181)	12,400	
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	12,400			11,219	(12,400)			(1,181)	12,400	
Professional Learning Community Aid	17-495-034-5120-097	7/1/16-6/30/17	12,350			11,173	(12,350)			(1,177)	12,350	
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	27,460				(27,460)			(27,460)	27,460	
TPAF Pension Contributions (non-budgeted)	17-495-034-5094-002	7/1/16-6/30/17	641,751			641,751	(641,751)				641,751	
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)	17-495-034-5094-001	7/1/16-6/30/17	554,099			554,099	(554,099)				554,099	
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)	17-495-034-5094-004	7/1/16-6/30/17	23,252			23,252	(23,252)				23,252	
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)	17-495-034-5094-004	7/1/16-6/30/17	1,861			1,861	(1,861)				1,861	
Reimbursed TPAF Social Security Contributions	17-495-034-5095-003	7/1/16-6/30/17	485,008			460,957	(485,008)			(24,051)	485,008	
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	640,100			60,780		(24,051)			640,100	
Transportation Aid - Non-public reimbursement	16-495-034-5120-014	7/1/15-6/30/16	9,396			9,396					9,396	
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	702,643			66,719					702,643	
Security Aid	16-495-034-5120-088	7/1/15-6/30/16	105,026			9,973					105,026	
Adjustment Aid	16-495-034-5120-084	7/1/15-6/30/16	134,141			12,737					134,141	
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	12,400			1,177					12,400	
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	12,400			1,177					12,400	
Extraordinary Aid	16-495-034-5120-044	7/1/15-6/30/16	27,265			27,265					27,265	
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15-6/30/16	486,110			23,827					486,110	
Total General Fund State Aid			3,368,851	(213,051)		3,368,851	(3,377,374)	(66,397)		(221,574)	5,506,855	
Special Revenue Fund												
Anti Bullying Aid			3,604	3,604					\$ 3,604		3,604	
Total Special Revenue Fund			3,604	3,604					3,604		3,604	
Debt Service Fund:												
Debt Service State Aid Support	16-495-034-5120-017	7/1/16-6/30/17	62,639			62,639	(62,639)				63,011	
Total Debt Service Fund			62,639			62,639	(62,639)				63,011	
Enterprise Fund:												
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	3,114	(196)		196					3,114	
State School Lunch Program	15-100-010-3350-023	7/1/16-6/30/17	3,012			2,802	(3,012)	(210)		(210)	3,012	
Total Enterprise Fund			6,126	(196)		2,998	(3,012)	(210)		(210)	6,126	
Capital Projects Fund:												
NJ Schools Development Authority:												
Elementary School Sectional Roof Replacement	2650-035-14-1001	3/26/14-6/30/16	224,400	(224,400)		224,400					224,400	
Middle School Sectional Roof Replacement	2650-035-14-1002	3/26/14-6/30/16	224,400	(224,400)		224,400					224,400	
Total Capital Projects Fund			448,800	(448,800)		448,800					448,800	
Total State Awards			\$ 3,883,288	\$ (658,443)	\$ -0-	\$ 3,883,288	\$ (3,445,025)	\$ (66,607)	\$ 3,604	\$ -0-	\$ 6,028,396	
N/A - Not available												
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	17-495-034-5094-001	7/1/16-6/30/17	\$ (641,751)				\$ 641,751					
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	7/1/16-6/30/17	(554,099)				554,099					
On-Behalf TPAF Non-Contributory Insurance	17-495-034-5094-004	7/1/16-6/30/17	(23,252)				23,252					
On-Behalf TPAF Long-Term Disability Insurance	17-495-034-5094-004	7/1/16-6/30/17	(1,861)				1,861					
Subtotal - On-Behalf TPAF Pension System Contributions												
			1,220,963									
Total State Awards Subject to Single Audit Major Program Determination			\$ (2,222,062)									

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include federal and state grant activity of the Board of Education, Lincoln Park Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2017. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$2,614) for the General Fund and (\$28,281) for the Special Revenue Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented on the following page.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,374,760	\$ 3,374,760
Special Revenue Fund	\$ 347,600		347,600
Capital Projects Fund		448,800	448,800
Debt Service Fund		62,639	62,639
Food Service Fund	107,206	3,012	110,218
Total Awards	<u>\$ 454,806</u>	<u>\$ 3,889,211</u>	<u>\$ 4,344,017</u>

NOTE 5. 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 6. NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District received grants from the New Jersey Schools Development Authority (SDA) totaling \$448,800 for the roof placement projects at the Elementary and Middle Schools. During the fiscal year ended June 30, 2015, the District realized these grants in full and has \$448,800 grants receivable on the budgetary basis of accounting. The District realizes grant revenue on the GAAP basis of accounting when the funds are expended and submitted for reimbursement. Although the District completed the projects during fiscal year 2015, grant reimbursement requests have been submitted and \$448,800 has been realized as revenue and grants receivable on the GAAP basis as of June 30, 2017.

NOTE 7. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2017.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over each major state program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for each major state program for the District expresses an unmodified opinion on each major state program.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2017 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.156(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following awards:

	State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
State:				
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	\$ 635,819	\$ 635,819
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	715,271	715,271
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	106,676	106,676
Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	134,141	134,141
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	12,400	12,400
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	12,400	12,400
Professional Learning Community Aid	17-495-034-5120-097	7/1/16-6/30/17	12,350	12,350

- The threshold used for distinguishing between Type A and Type B state programs was \$750,000.

- The District was determined to be a "low-risk" auditee for state programs.



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit disclosed the following significant deficiency required to be reported under *Generally Accepted Governmental Accounting Standards*:

Finding 2017-01

School Districts are prohibited from over-expending budget line items. Purchase orders should not be issued that would cause an over-expenditure in the line item account to be charged prior to the Board of Education approving a requested transfer of appropriations to cover such purchase orders. Several budget line items were over-expended including *Regular Instruction – Allocated Benefits – Health Benefits* in the amount of \$425,470. While the over-expenditures do exist, they did not cause the District to operate at a deficit. It appears that the lack of appropriation transfers to cover the budget line item over-expenditures was caused by the resignation of the School Business Administrator. As a result, the District was not in compliance with state regulations requiring Districts to transfer appropriations prior to approving purchase orders which would cause a budget line item to be over-expended. We recommend that the District avoid approving purchase orders which would cause a budget line item to be over-expended.

Management's Response:

The District will not approve any purchase orders which would cause a budget line item to be over-expended.

Findings and Questioned Costs for Federal Awards:

- Not Applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Status of Prior Year Findings:

The District had no prior year audit findings.