

**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, 2020**

**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, 2020

Prepared by

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

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INTRODUCTORY SECTION
(Unaudited)

Lincoln Park Public Schools

Preparing Tomorrow's Leaders at Lincoln Park Schools Today

James W. Grube
Superintendent of Schools

Nicole C. Schoening, CPA, SFO
Business Administrator/Board Secretary

December 15, 2020

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, 2020, 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 2019-2020 fiscal year with an enrollment of 914 students at LPES and 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 2019-2020 school year, 330 students attended Boonton High School, sixty-one students attended the Morris County Academies, and twenty students attended the Pequannock Academies. The Lincoln Park Board of Education was responsible for the education of 1,336 students, which includes eleven out of district placed students.

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:

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 elementary and middle school students in the areas of math and language arts were put in place. Both schools focused on using benchmark assessments to measure students' growth throughout the year. Due to the in person instruction being halted due to the Covid-19 pandemic, all benchmark assessments were not able to be completed. The plan is to continue the goal into the 2020-2021 school year. At this time we are still dealing with the issues Covid-19 is causing, but we will strive to meet this goal. The expanded use of the diagnostic software will assist the district with reaching its goals and objectives. During the 2019-2020 school year, the new science textbook series has continued to be used, which aligns with the new science standards. The district continues to review and update the curricula throughout the district, assuring alignment with the New Jersey Student Learning Standards. The district continues to increase the rigor of the instruction in order to better challenge the students. We have also placed a focus on Social Emotional Learning and Wellness to assure we are meeting all the needs of the students. Due to the pandemic, Social Emotional Learning and Wellness of the students and staff is going to be a major focus during the upcoming school year.

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 District currently has two computer labs, laptop carts, and iPad carts in the schools. The District has continued a one to one technology device initiative, with all students having an individual device assigned to them. Courses in computer literacy and problem solving using technology are offered to students and to professional staff. Interactive whiteboards and LCD projectors have been provided in the classrooms to enhance and enrich instruction. Computer hardware and software is continually assessed and updated as per the technology plan. Both the Google Education Platform and the Zoom Platform have been used and expanded to meet the virtual instructional needs of the students and staff. 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 NJSLA Assessments.

Ongoing school improvement initiatives included:

- The District strives to maintain class sizes at no more than twenty children in each primary grade (K-2) and twenty-five children in grades four through eight. With the tight budgets and trying to be fiscally conservative, this initiative is not being met in all grades, but the District continues to strive to achieve this goal.
- Updating the entire curricula to align with the New Jersey Student Learning Standards. This initiative has been accomplished. The District will continue this alignment as the State adopts new standards in future years.
- 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, science and the use of technology as an instructional tool in the classroom, which assists the staff in meeting the needs of all the students.
- The administration and teaching staff continue to utilize a state-approved evaluation system, assuring quality teaching is taking place in the schools.
- 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.

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, and approximately one hundred certified staff members, ten paraprofessionals, thirteen student aides, two guidance counselors, two school nurses, and five 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/colleges and online. Teachers continued to serve as leaders in curriculum development throughout the District and across disciplines.

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 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, 2020.

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.

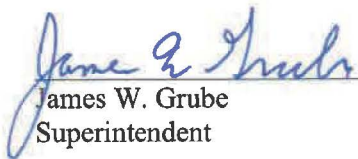
9) OTHER INFORMATION:


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:

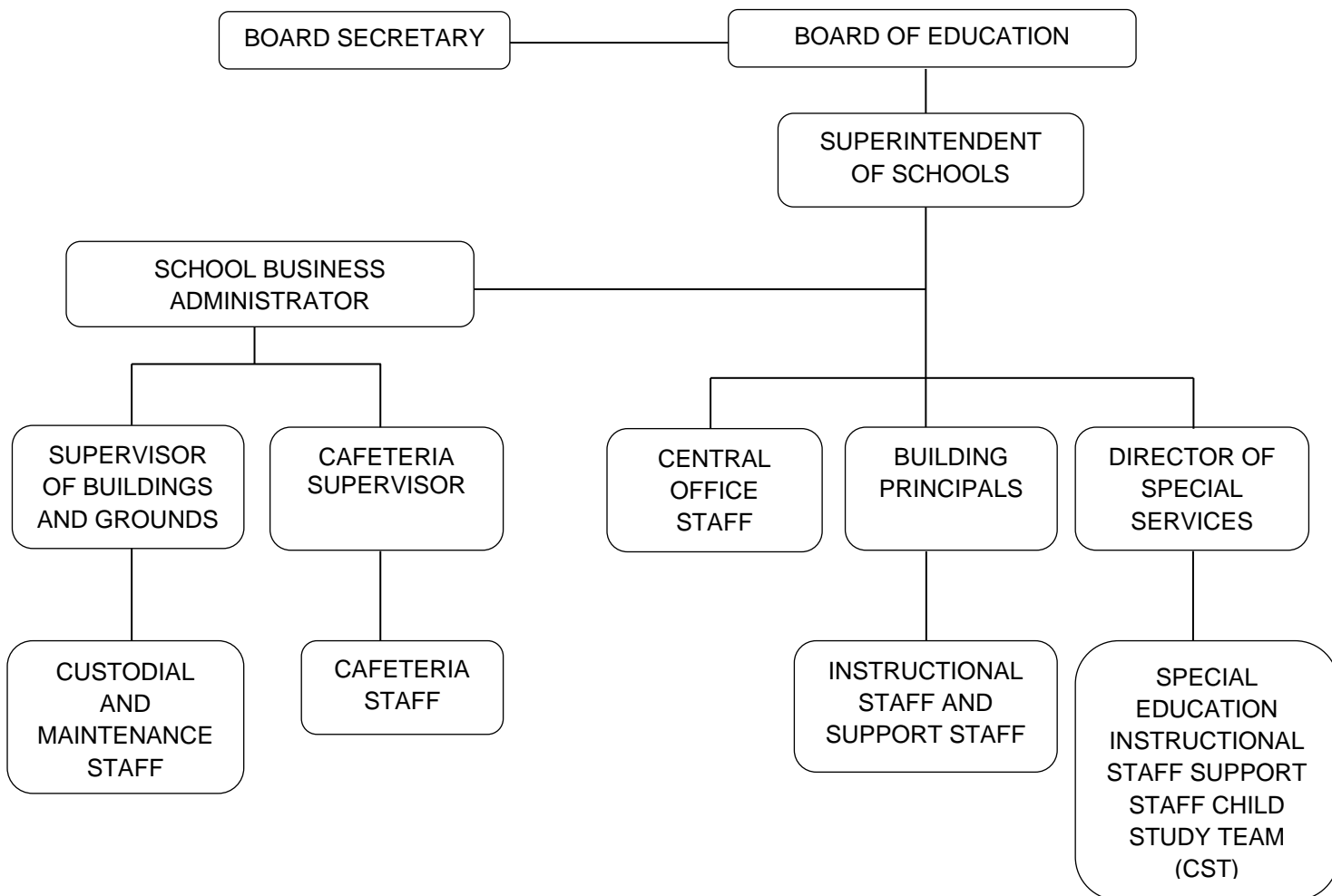
We would like to express our appreciation to the members of the Lincoln Park Borough School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. 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


Nicole C. Schoening, CPA, SFO
Business Administrator/Board Secretary

ORGANIZATIONAL CHART



Adopted: 11 June 1996
Revised: 24 January 2006

LINCOLN PARK BOROUGH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2020

<u>Members of the Board of Education</u>	<u>Term</u>	<u>Term Expires</u>
Frank Avena-Board President	3 Years	2021
Josh Kaufman-Vice President	3 Years	2021
Frank Raffa	3 Years	2022
Todd Henches	3 Years	2020
Juliana Nagle	1 Year	2020
Sandra Vucenovic	3 Years	2022
Patrick Antonetti	3 Years	2022

Other Officers

James W. Grube, Superintendent

Nicole C. Schoening, CPA, SFO, Business Administrator

Kelly Meehan, Treasurer of School Moneys

Nathanya Simon, Board Counsel

LINCOLN PARK BOROUGH SCHOOL DISTRICT
Consultants and Advisors

Attorney

Nathanya Simon, Esq.
Schwartz, Simon, Edelstein and Celso, LLC
100 South Jefferson Road
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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 Depositories

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, 2020, 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, 2020, 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 and postemployment benefits schedules in Exhibits L-1 through L-5 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 other supplementary schedules 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 other supplementary schedules 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

The Honorable President and Members
of the Board of Education
Lincoln Park Borough School District
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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 other 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 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 December 15, 2020 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

December 15, 2020
Mount Arlington, New Jersey

Nisiroccia LLP
NISIVOCCIA LLP

John J. Mooney

John J. Mooney
Licensed Public School Accountant #2602
Certified Public Accountant

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management’s Discussion and Analysis

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, 2020. 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.

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

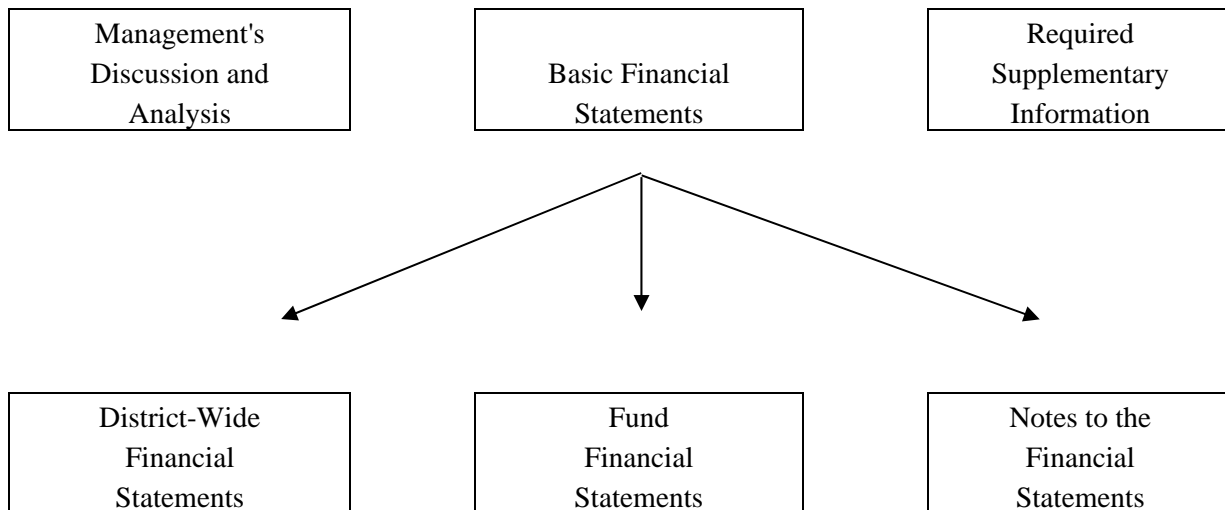


Table 2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents 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"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, 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
	2018/19*	2019/20	2018/19*	2019/20	2018/19*	2019/20	
Current and							
Other Assets	\$ 1,716,592	\$ 3,606,650	\$ 24,694	\$ 31,635	\$ 1,741,286	\$ 3,638,285	
Capital Assets, Net	6,508,026	6,190,057	60,151	53,221	6,568,177	6,243,278	
Total Assets	8,224,618	9,796,707	84,845	84,856	8,309,463	9,881,563	18.92%
Deferred Outflows of Resources	852,994	888,423			852,994	888,423	4.15%
Other Liabilities	248,609	250,746	6,776	19,774	255,385	270,520	
Long-term Liabilities	3,441,637	3,369,973			3,441,637	3,369,973	
Total Liabilities	3,690,246	3,620,719	6,776	19,774	3,697,022	3,640,493	-1.53%
Deferred Inflows of Resources	1,556,143	1,476,688			1,556,143	1,476,688	-5.11%
Net Investment in							
Capital Assets	5,793,026	5,640,057	60,151	53,221	5,853,177	5,693,278	
Restricted	2,619,910	2,793,602			2,619,910	2,793,602	
Unrestricted/(Deficit)	(3,150,140)	(2,845,936)	28,694	31,635	(3,121,446)	(2,814,301)	
Total Net Position	\$ 5,262,796	\$ 5,587,723	\$ 88,845	\$ 84,856	\$ 5,351,641	\$ 5,672,579	6.00%

*Restated

Changes in Net Position. The District’s combined net position was \$5,672,579 on June 30, 2020, \$320,938 or 6.00% more than the year before. (Table 3). The depreciation factored into the net position of the District as a decrease is \$418,709.

The net position of the governmental activities increased by \$324,927 which primarily resulted from cost savings as a result of schools closing due to the COVID-19 pandemic.

The net position of the business-type activities decreased \$3,989 due to the loss of revenue attributable to the shutdown of the school cafeteria due to the COVID-19 pandemic (See Table 4). The decrease in the net position of the business-type activities is attributable to expenses exceeding revenue.

Table 4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	
Revenue:							
Program Revenue:							
Charges for Services	\$ 50,960	\$ 85,095	\$ 247,593	\$ 175,002	\$ 298,553	\$ 260,097	
Operating Grants and Contributions	6,056,022	5,268,761	107,436	93,854	6,163,458	5,362,615	
General Revenue:							
Property Taxes	19,478,641	19,965,139			19,478,641	19,965,139	
Unrestricted State and Federal Aid	307,791	302,425			307,791	302,425	
Other	385,369	380,819	714	1,182	386,083	382,001	
Total Revenue	26,278,783	26,002,239	355,743	270,038	26,634,526	26,272,277	-1.36%
Expenses:							
Instruction	11,754,109	11,407,851			11,754,109	11,407,851	
Pupil and Instruction Services	9,166,755	9,186,420			9,166,755	9,186,420	
Administrative and Business	1,805,732	1,908,587			1,805,732	1,908,587	
Maintenance and Operations	1,720,903	1,495,701			1,720,903	1,495,701	
Transportation	1,166,681	1,283,323			1,166,681	1,283,323	
Other	58,874	395,430	332,235	274,027	391,109	669,457	
Total Expenses	25,673,054	25,677,312	332,235	274,027	26,005,289	25,951,339	-0.21%
Transfer	(4,284)		4,284		-0-	-0-	
Increase/(Decrease) in Net Position	\$ 601,445	\$ 324,927	\$ 27,792	\$ (3,989)	\$ 629,237	\$ 320,938	49.00%

Governmental Activities

As noted per Table 3, the financial position of the District increased by 6%. Maintaining existing instructional programs for a relatively stable student enrollment while providing a multitude of special education programs and services for disabled students placed great demands on District resources. Steps to reduce expenses that do not affect the quality of the educational program have generated some savings, but these have not been sufficient enough to offset rising costs of insurance premiums, special education program costs and utility expenses.

Among the many significant cost savings actions implemented and/or continued during the year were:

- An agreement with the Borough of Lincoln Park to provide lawn mowing and snow removal services
- Participation in Cooperative Purchasing agreements
- Transportation through the Morris County Educational Services Commission
- Participation in the ACES consortium for the bulk purchase of natural gas and electric generation
- E-rate which provides for 40% discounts on all telecommunication services and equipment
- Participation in the Morris County Educational Technology Training Center for professional development in technology

Table 5 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 5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2018/19	2019/20	2018/19	2019/20
Instruction	\$ 11,754,109	\$ 11,407,851	\$ 7,373,123	\$ 7,611,667
Pupil and Instruction Services	9,166,755	9,186,420	8,729,692	8,785,957
Administrative and Business	1,805,732	1,908,587	1,359,756	1,540,136
Maintenance and Operations	1,720,903	1,495,701	1,537,508	1,343,910
Transportation	1,166,681	1,283,323	507,119	646,356
Other	58,874	395,430	58,874	395,430
	<u>\$ 25,673,054</u>	<u>\$ 25,677,312</u>	<u>\$ 19,566,072</u>	<u>\$ 20,323,456</u>

Business-Type Activities

Net position from the District's business-type activity decreased by \$3,989 (refer to Table 4). Factors contributing to these results included food service expenses exceed revenue by \$2,245 accounting for the decrease in the unrestricted net position of the business-type activities primarily resulted from a decrease in revenue during the school closure caused by the COVID-19 pandemic.

Financial Analysis of the District's Funds

The District's financial position did change significantly over the past year. The District continues to provide and enhance educational programs for its students while trying to balance increased fixed costs. Although out of district special education placement costs continue to increase, initiatives to provide for additional services to maintain students in district continue to be an important priority for the District.

The District continued again to end the year with audited excess surplus, which the District must use to offset the tax levy in the 2021-2022 school district budget. The use of these funds helps to stabilize the tax levy and tax rate. However, if the District cannot sustain the levels of excess surplus in future years, it will place a burden on the District to build its budget without this additional revenue in order to stay within the State imposed 2% tax levy cap. Reductions in expenditures would be required and make it difficult for the District to maintain its current level of student programs and services.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times through transfers

in line accounts. Some revisions were made to prevent the over expenditure of funds in specific line item accounts.

Many transfers were made within salary and benefit line item accounts to properly align staff and costs to appropriate budget line accounts.

Other transfers were necessitated in out-of-district special education line accounts due to a reduction in federal funding, which is used to offset these costs, and increased costs of placing students out of district. Budgeting for these students is established using existing and known incoming students; however, the influx of students into the District over the course of the school year and/or students newly classified can place an additional burden on the District, requiring additional revisions to be made.

Table 6
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2018/19*	2019/20	2018/19*	2019/20	2018/19*	2019/20	
Land	\$ 719,980	\$ 719,980			\$ 719,980	\$ 719,980	
Buildings and Building Improvements	5,480,597	5,180,095			5,480,597	5,180,095	
Furniture, Machinery and Equipment	307,449	289,982	\$ 60,151	\$ 53,221	367,600	343,203	
	<u>\$ 6,508,026</u>	<u>\$ 6,190,057</u>	<u>\$ 60,151</u>	<u>\$ 53,221</u>	<u>\$ 6,568,177</u>	<u>\$ 6,243,278</u>	-4.95%

* Restated

The decrease in capital assets is due to current year depreciation of \$411,779 in the governmental activities, capital additions for the governmental activities of \$93,810 and depreciation in business-type activities of \$6,930.

Long-term Liabilities

At year-end, the District had \$550,000 in general obligation bonds outstanding – a decrease of \$165,000 from last year – as shown in Table 7.

Table 7
Outstanding Long-Term Liabilities

	Total School District		Total Percentage Change
	2018/19	2019/20	
General Obligation Bonds (Financed with Property Taxes)	\$ 715,000	\$ 550,000	
Net Pension Liability	2,596,869	2,646,129	
Other Long-Term Liabilities	129,768	173,844	
	<u>\$ 3,441,637</u>	<u>\$ 3,369,973</u>	-2.08%

The District’s long-term liabilities decreased 2.08% or \$71,664 primarily due to the decrease in general obligation bonds. (More detailed information about the District’s long-term liabilities is presented in Note 9 to the basic financial statements.)

Factors Bearing on the District's Future Revenue/Expense Changes

Overall, the Lincoln Park School District is currently in good financial condition. As discussed earlier, the district's net position increased by 6%, or \$324,927. Although this increase is mainly due to reduced expenditures as it relates to the COVID-19 pandemic, such as transportation costs, utility costs, and costs for substitute teachers, the district was also responsible in its spending prior to school closure in an effort to ensure annual deposits to their reserve accounts.

As a result of its prudent spending and cost savings, the District was able to increase the balance in their Capital Reserve and Tuition Reserve accounts by \$350,000 and \$119,731 respectively. The Capital Reserve account will support future capital projects and the Tuition Reserve account will help support future tuition expenditures for students attending Boonton High School. As in the past, and again due to prudent spending and cost savings, the

District realized excess surplus in the amount of \$344,376, comparable to prior years, which will be appropriated in their budget for the 2021-2022 school year. This consistent infusion of surplus funds will help to offset the burden on the taxpayer as the reliance on local property taxes to support the budget still exists.

In the development of the 2021-2022 school budget, the District did plan and budget for a zero increase in State Aid. As of the date of this audit, the District did in fact lose \$11,345 in its State Aid for the 2021-2022 school year. As the State continues to move forward in implementing the State Aid formula for future State aid calculations, it is becoming clearer that the District may not maintain a level amount of State aid.

With no changes to the 2% tax levy cap, if coupled with a reduction in State Aid, will continue to place a tremendous burden on the District to maintain its current level of educational services and support to students as well as an increased burden on the taxpayers of the Borough.

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. Nicole C. Schoening, 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.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

LINCOLN PARK BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,271,185	\$ 36,950	\$ 1,308,135
Receivables from Other Governments	243,121	4,724	247,845
Other Receivables	1,444		1,444
Internal Balances	(2,460)	2,460	
Interfund Receivable	3,214		3,214
Inventory		7,275	7,275
Restricted Cash and Cash Equivalents	2,090,146		2,090,146
Capital Assets:			
Sites (Land)	719,980		719,980
Depreciable Buildings and Building Improvements and Furniture, Machinery and Equipment	5,470,077	53,221	5,523,298
Total Assets	<u>9,796,707</u>	<u>104,630</u>	<u>9,901,337</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	888,423		888,423
LIABILITIES			
Current Liabilities:			
Accounts Payable	238,298	6,839	245,137
Payable to Federal Government	102		102
Unearned Revenue	9,338	12,935	22,273
Accrued Interest Payable	3,008		3,008
Noncurrent Liabilities:			
Due Within One Year	175,000		175,000
Due Beyond One Year	3,194,973		3,194,973
Total Liabilities	<u>3,620,719</u>	<u>19,774</u>	<u>3,640,493</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	1,476,688		1,476,688
NET POSITION			
Net Investment in Capital Assets	5,640,057	53,221	5,693,278
Restricted for:			
Capital Projects	1,268,193		1,268,193
Debt Service	2		2
Maintenance Reserve	352,222		352,222
Tuition Reserve	469,731		469,731
Excess Surplus	703,454		703,454
Unrestricted/(Deficit)	(2,845,936)	31,635	(2,814,301)
Total Net Position	<u>\$ 5,587,723</u>	<u>\$ 84,856</u>	<u>\$ 5,672,579</u>

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDING JUNE 30, 2020

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 8,003,307	\$ 85,095	\$ 1,797,685		\$ (6,120,527)	\$	\$ (6,120,527)
Special Education	2,820,889		1,770,633		(1,050,256)		(1,050,256)
Other Special Instruction	431,428		117,152		(314,276)		(314,276)
Other Instruction	152,227		25,619		(126,608)		(126,608)
Support services:							
Tuition	6,773,725				(6,773,725)		(6,773,725)
Student & Instruction Related Services	2,412,695		400,463		(2,012,232)		(2,012,232)
General Administrative Services	489,892		95,723		(394,169)		(394,169)
School Administrative Services	700,564		114,667		(585,897)		(585,897)
Central Services	589,723		157,980		(431,743)		(431,743)
Administration Information Technology	128,408		81		(128,327)		(128,327)
Plant Operations and Maintenance	1,495,701		151,791		(1,343,910)		(1,343,910)
Pupil Transportation	1,283,323		636,967		(646,356)		(646,356)
Unallocated Depreciation	353,871				(353,871)		(353,871)
Capital Outlay	3,671				(3,671)		(3,671)
Special Schools	11,118				(11,118)		(11,118)
Interest on Long-Term Debt	26,770				(26,770)		(26,770)
Total Governmental Activities	25,677,312	85,095	5,268,761	\$ -0-	(20,323,456)		(20,323,456)

LINCOLN PARK BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDING JUNE 30, 2020

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:							
Food Service	\$ 274,027	\$ 175,002	\$ 93,854			\$ (5,171)	\$ (5,171)
Total Business-Type Activities	274,027	175,002	93,854			(5,171)	(5,171)
Total Primary Government	\$ 25,951,339	\$ 260,097	\$ 5,362,615	\$ -0-	\$ (20,323,456)	(5,171)	(20,328,627)
General Revenue:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					19,834,924		19,834,924
Taxes Levied for Debt Service					130,215		130,215
Unrestricted Federal and State Aid					302,425		302,425
Investment Earnings					68,486	1,182	69,668
Miscellaneous Income					312,333		312,333
Total General Revenue					20,648,383	1,182	20,649,565
Change in Net Position					324,927	(3,989)	320,938
Net Position - Beginning As Restated					5,262,796	88,845	5,351,641
Net Position - Ending					\$ 5,587,723	\$ 84,856	\$ 5,672,579

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, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,259,514		\$ 11,669	\$ 2	\$ 1,271,185
Receivables From State Government	142,734				142,734
Receivable From Federal Government	418	\$ 77,639			78,057
Other Receivable	22,330				22,330
Tuition Receivable	1,444				1,444
Interfund Receivable	24,340				24,340
Restricted Cash and Cash Equivalents	2,090,146				2,090,146
Total Assets	\$ 3,540,926	\$ 77,639	\$ 11,669	\$ 2	\$ 3,630,236
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 44,103	\$ 47,073			\$ 91,176
Payable to Federal Government		102			102
Interfund Payable	2,460	21,126			23,586
Unearned Revenue		9,338			9,338
Total Liabilities	46,563	77,639			124,202
Fund Balances:					
Restricted for:					
Capital Reserve Account	1,268,193				1,268,193
Maintenance Reserve Account	352,222				352,222
Tuition Reserve Account 2020-2021	350,000				350,000
Tuition Reserve Account 2021-2022	119,731				119,731
Debt Service				\$ 2	2
Excess Surplus 2021-2022	344,376				344,376
Excess Surplus 2020-2021	359,078				359,078
Committed:					
Capital Projects			\$ 11,669		11,669
Assigned:					
For Subsequent Year's Expenditures	150,000				150,000
Year-end Encumbrances	218,299				218,299
Unassigned	332,464				332,464
Total Fund Balances	3,494,363		11,669	2	3,506,034
Total Liabilities and Fund Balances	\$ 3,540,926	\$ 77,639	\$ 11,669	\$ 2	
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.					
					6,190,057
Interest expense on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.					
					(3,008)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.					
					(2,646,129)
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:					
Deferred Outflows					741,301
Deferred Inflows					(1,476,688)
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					
					(723,844)
Net Position of Governmental Activities					\$ 5,587,723

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, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 19,834,924			\$ 130,215	\$ 19,965,139
Tuition	85,095				85,095
Rents and Royalties	296,585				296,585
Interest Earned	68,486				68,486
Unrestricted Miscellaneous Revenues	15,748	\$ 5,832			21,580
Total - Local Sources	20,300,838	5,832		130,215	20,436,885
State Sources	4,245,989			62,457	4,308,446
Federal Sources	18,360	403,723			422,083
Total Revenue	24,565,187	409,555		192,672	25,167,414
EXPENDITURES:					
Current:					
Regular Instruction	6,059,298	144,219			6,203,517
Special Education Instruction	1,957,448	265,336			2,222,784
Other Special Instruction	305,420				305,420
Other Instruction	111,276				111,276
Support Services and Undistributed Costs:					
Tuition	6,773,725				6,773,725
Student & Instruction Related Services	2,012,992				2,012,992
General Administrative Services	408,941				408,941
School Administrative Services	530,792				530,792

LINCOLN PARK BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
EXPENDITURES (Cont'd):					
Support Services and Undistributed Costs (Cont'd):					
Plant Operations and Maintenance	\$ 1,337,941				\$ 1,337,941
Pupil Transportation	1,281,508				1,281,508
Central Services	421,681				421,681
Administrative Information Technology	105,415				105,415
Unallocated Benefits	2,690,432				2,690,432
Debt Service:					
Principal				\$ 165,000	165,000
Interest and Other Charges				27,672	27,672
Special Schools	11,118				11,118
Capital Outlay	97,481				97,481
Total Expenditures	<u>24,105,468</u>	<u>\$ 409,555</u>		<u>192,672</u>	<u>24,707,695</u>
Excess/ (Deficit) of Revenue over/(under) Expenditures	<u>459,719</u>				<u>459,719</u>
Net Change in Fund Balances	459,719				459,719
Fund Balance - July 1	3,034,644	-0-	\$ 11,669	2	3,046,315
Fund Balance - June 30	<u>\$ 3,494,363</u>	<u>\$ -0-</u>	<u>\$ 11,669</u>	<u>\$ 2</u>	<u>\$ 3,506,034</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, 2020

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	459,719
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	\$	(411,779)
Capital Outlay Additions		<u>93,810</u>
		(317,969)
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.		
		902
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 (+).		
		(44,076)
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		(49,260)
Change in Deferred Outflows		31,156
Change in Deferred Inflows		79,455
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>165,000</u>
Change in Net Position of Governmental Activities (A-2)	\$	<u><u>324,927</u></u>

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-type Activities - Enterprise Funds <hr/> Food Service
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 36,950
Intergovernmental Accounts Receivable:	
Federal	3,800
State	924
Interfund Receivable	2,460
Inventories	7,275
	<hr/>
Total Current Assets	51,409
	<hr/>
Non-Current Assets:	
Capital Assets	163,644
Less: Accumulated Depreciation	(110,423)
	<hr/>
Total Non-Current Assets	53,221
	<hr/>
Total Assets	104,630
	<hr/>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	6,839
Unearned Revenue - Donated Commodities	2,324
Unearned Revenue - Prepaid Sales	10,611
	<hr/>
Total Liabilities	19,774
	<hr/>
<u>NET POSITION:</u>	
Investment in Capital Assets	53,221
Unrestricted	31,635
	<hr/>
Total Net Position	\$ 84,856
	<hr/> <hr/>

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, 2020

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 141,752
Daily Sales - Non-Reimbursable Programs	33,250
	175,002
Total Operating Revenue	175,002
Operating Expenses:	
Cost of Sales - Reimbursable Programs	79,568
Cost of Sales - Nonreimbursable Programs	18,664
Salaries, Benefits & Payroll Taxes	126,444
Purchased Professional Services	4,263
Management Fee	19,165
Depreciation Expense	6,930
Supplies and Repairs	18,993
	274,027
Total Operating Expenses	274,027
Operating Loss	(99,025)
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	2,435
Seamless Summer Option	181
Additional State Aid - State School Lunch Program	884
Federal Sources:	
National School Lunch Program	61,021
Seamless Summer Option - Lunch	11,453
School Breakfast Program	911
Seamless Summer Option - Breakfast	4,970
Food Distribution Program	11,999
Local Sources:	
Interest Income	1,182
	95,036
Total Non-Operating Revenue	95,036
Change in Net Position	(3,989)
Net Position - Beginning of Year As Restated	88,845
Net Position - End of Year	\$ 84,856

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, 2020

	Business-type Activities - Enterprise Funds Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 175,002
Payments to Food Service Vendor	(243,537)
Net Cash (Used for) Operating Activities	(68,535)
Cash Flows from Investing Activities:	
Local Sources:	
Interest Income	1,182
Net Cash Provided by Investing Activities	1,182
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program	2,659
Seamless Summer Option	141
Federal Sources:	
National School Lunch Program	66,286
Seamless Summer Option - Lunch	8,906
National School Breakfast Program	911
Seamless Summer Option - Breakfast	3,717
Net Cash Provided by Noncapital Financing Activities	82,620
Net Increase in Cash and Cash Equivalents	15,267
Cash and Cash Equivalents, July 1	21,683
Cash and Cash Equivalents, June 30	\$ 36,950
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating (Loss)	\$ (99,025)
Adjustment to Reconcile Operating Loss to Net Cash (Used for) Operating Activities:	
Depreciation	6,930
Federal Food Distribution Program	11,999
Changes in Assets and Liabilities:	
(Increase) in Inventory	(1,437)
Increase in Accounts Payable	6,404
Increase in Unearned Revenue - Donated Commodities	839
Increase in Unearned Revenue - Prepaid Sales	5,755
Net Cash (Used for) Operating Activities	\$ (68,535)

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 \$12,838 and utilized Commodities Valued at \$11,999.

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, 2020

	<u>Agency</u>	<u>Trust</u>	
		<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 100,897	\$ 25,434	\$ 10,876
Total Assets	<u>100,897</u>	<u>25,434</u>	<u>10,876</u>
<u>LIABILITIES:</u>			
Interfund Payable-General Fund	3,214		
Payroll Deductions and Withholdings	12,674		
Rental Deposit Payable	19,502		
Due to Student Groups	62,599		
Due Various Groups	2,908		
Total Liabilities	<u>100,897</u>	<u>-0-</u>	<u>-0-</u>
<u>NET POSITION:</u>			
Held in Trust for Unemployment Claims		25,434	
Held in Trust for Flexible Spending Claims			10,876
Total Net Position	<u>\$ -0-</u>	<u>\$ 25,434</u>	<u>\$ 10,876</u>

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, 2020

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
ADDITIONS:		
Contributions:		
Employee Contributions	\$ 38,884	\$ 29,770
Total Contributions	<u>38,884</u>	<u>29,770</u>
Investment Earnings:		
Interest	83	191
Net Investment Earnings	<u>83</u>	<u>191</u>
Total Additions	<u>38,967</u>	<u>29,961</u>
DEDUCTIONS:		
Unemployment Compensation Claims	17,124	
Flexible Spending Claims		30,129
Total Deductions	<u>17,124</u>	<u>30,129</u>
Change in Net Position	21,843	(168)
Net Position - Beginning of the Year	<u>3,591</u>	<u>11,044</u>
Net Position - End of the Year	<u>\$ 25,434</u>	<u>\$ 10,876</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, 2020

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, 2020
(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, 2020
(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, 2020
(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, 2020, 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	\$ 24,567,510	\$ 421,530
Differences - Budgetary 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.		(11,975)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Statements	156,024	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(158,347)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 24,565,187	\$ 409,555

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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	\$	24,105,468	\$	421,530
Differences - Budgetary 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.				(11,975)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$	24,105,468	\$	409,555

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

F. Interfund Transactions (Cont'd)

responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. 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, 2020.

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 acquisition. 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, 2020
(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
Furniture 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, 2020.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by (GASB). 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, 2020
(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 \$3,494,363 General Fund fund balance at June 30, 2020, \$1,268,193 is restricted in the capital reserve account; \$352,222 is restricted for the maintenance reserve account; \$350,000 is restricted for the tuition reserve account for fiscal year ending June 30, 2021, \$119,731 is restricted in the tuition reserve account for fiscal year ending June 30, 2022; \$218,299 is assigned for year-end encumbrances; \$344,376 is restricted for current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2022; \$359,078 is restricted for prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2021; and \$332,464 is unassigned which is \$158,347 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, 2021.

Capital Projects Fund: The Capital Projects Fund has a committed fund balance of \$11,669 at June 30, 2020.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2020 of \$2 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, 2020 as noted above. The total excess surplus at June 30, 2020 was \$703,454.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$158,347, 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, 2020
(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, 2020 for items related to pensions. The District has deferred inflows of resources related to 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, tuition 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 committed resources at June 30, 2020 in the Capital Projects Fund.

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 encumbrances, and amount assigned for subsequent years expenditures in the General Fund at June 30, 2020.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

S. Deficit Net Position:

The District has a \$2,845,936 deficit in its governmental activities Unrestricted Net Position at June 30, 2020 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 deficit does 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, 2020
(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, 2020
(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 of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) 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
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (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; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

Investments: (Cont'd)

- (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
- (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
- (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
- (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2020, 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	\$ 1,445,342	\$ 2,090,146	\$ 3,535,488
	\$ 1,445,342	\$ 2,090,146	\$ 3,535,488

During the period ended June 30, 2020, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2020, was \$3,535,488 and the bank balance was \$3,927,196.

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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance				\$ 1,074,481
Increased by:				
Interest Earned	\$	12,311		
Unexpended Funds Returned to Capital Reserve		55,973		
Board Resolution		350,000		
			418,284	
				1,492,765
Decreased by:				
Budgeted Withdrawal		83,100		
Withdrawal by Board Resolution		141,472		
			224,572	
Ending Balance				\$ 1,268,193

The June 30, 2020 LRFP balance of local support costs of uncompleted capital projects at June 30, 2020 is equal to or greater than \$1,268,193. 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.

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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

The activity of the maintenance reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance		\$	440,917
Increased by:			
Interest Earned			6,687
			447,604
Less:			
Budgeted Withdrawal	\$		72,000
Transferred by Board Resolution			23,382
			95,382
Ending Balance		\$	352,222

NOTE 6. TRANSFER TO CAPITAL OUTLAY:

During the year ended June 30, 2020, the District made transfers of \$3,093 to capital outlay for equipment which did not require county superintendence approval, and \$141,473 to facilities acquisition and construction services from Capital Reserve through an approved Board Resolution.

NOTE 7. INTERFUND RECEIVABLES AND PAYABLES:

The following interfund balances remained on the fund financial statements at June 30, 2020:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 24,340	\$ 2,460
Special Revenue Fund		21,126
Food Service Fund	2,460	
Agency Fund		3,214
	\$ 26,800	\$ 26,800

The \$3,214 due from the payroll agency fund is 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 General Fund and the Special Revenue fund of \$21,126 is for grant funds expended but not yet received in Special Revenue Fund.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. CAPITAL ASSETS:

Capital asset balances and activity for this fiscal year ended June 30, 2020 were as follows:

	Beginning Balance <u>As Restated</u>	<u>Increases</u>	<u>Deletions</u>	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 719,980			\$ 719,980
Total Capital Assets Not Being Depreciated	<u>719,980</u>			<u>719,980</u>
Capital Assets Being Depreciated:				
Buildings and Building Improvements	14,332,637	\$ 53,369		14,386,006
Machinery and Equipment	1,980,490	40,441		2,020,931
Total Capital Assets Being Depreciated	<u>16,313,127</u>	<u>93,810</u>		<u>16,406,937</u>
Governmental Activities Capital Assets	<u>17,033,107</u>	<u>93,810</u>		<u>17,126,917</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(8,852,040)	(353,871)		(9,205,911)
Machinery and Equipment	(1,673,041)	(57,908)		(1,730,949)
	<u>(10,525,081)</u>	<u>(411,779)</u>		<u>(10,936,860)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 6,508,026</u>	<u>\$ (317,969)</u>	<u>\$ -0-</u>	<u>\$ 6,190,057</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 163,644			\$ 163,644
Less Accumulated Depreciation	(103,493)	\$ (6,930)		(110,423)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 60,151</u>	<u>\$ (6,930)</u>	<u>\$ -0-</u>	<u>\$ 53,221</u>

As of June 30, 2020, the District has completed all active construction projects.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 43,184
Student and Instruction Related Services	4,968
School/General Administrative Services	7,341
Central Services	424
Operations and Maintenance of Plant	1,991
Unallocated	353,871
	<u>\$411,779</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 9. LONG-TERM LIABILITIES:

During the fiscal year ended June 30, 2020, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2019	Accrued	Retired	Balance 6/30/2020	Amounts Due in a Year
Serial Bond Payable	\$ 715,000		\$ 165,000	\$ 550,000	\$ 175,000
Net Pension Liability	2,596,869	\$ 49,260		2,646,129	
Compensated Absences Payable	129,768	54,576	10,500	173,844	
	<u>\$ 3,441,637</u>	<u>\$ 103,836</u>	<u>\$ 175,500</u>	<u>\$ 3,369,973</u>	<u>\$ 175,000</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, 2020 as follows:

Purpose	Final Maturity Date	Interest Rate	Amount
Renovations to Elementary and Middle Schools and New Construction to Middle School	10/1/2022	4.375%	<u>\$ 550,000</u>

Debt service requirements on serial bonds payable at June 30, 2020 are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 175,000	\$ 20,234	\$ 195,234
2022	185,000	12,359	197,359
2023	190,000	4,157	194,157
	<u>\$ 550,000</u>	<u>\$ 36,750</u>	<u>\$ 586,750</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2020, there were no bonds authorized but not issued.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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 \$173,844. 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, 2020, 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, 2020 is \$-0- and the long term portion is \$2,646,129. 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 tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

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/annual-reports.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. The following represents the membership tiers for PERS:

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 10. PENSION PLANS: (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 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 is being 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 \$159,838 for 2020.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2020, the District's liability was \$2,646,129 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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, 2019, the District's proportion was 0.015%, which was an increase of 0.001% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized actual pension expense in the amount of \$81,509. At June 30, 2020, 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, 2020

(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	\$ 6,993	
	2015	5.72	43,240	
	2016	5.57	213,993	
	2017	5.48		\$ (379,861)
	2018	5.63		(306,963)
	2019	5.21		(231,639)
				<u>264,226</u>
Difference Between Expected and Actual Experience	2015	5.72	11,997	
	2016	5.57	6,494	
	2017	5.48	11,297	
	2018	5.63		(11,689)
	2019	5.21	17,707	
				<u>47,495</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2015	5.00		
	2016	5.00		48,840
	2017	5.00		(58,611)
	2018	5.00		(40,769)
	2019	5.00		8,770
				<u>(41,770)</u>
Changes in Proportion	2014	6.44		(2,408)
	2015	5.72	14,479	
	2016	5.57		(109,004)
	2017	5.48	141,180	
	2018	5.63		(393,354)
	2019	5.21	273,921	
				<u>429,580</u>
District Contribution Subsequent to the Measurement Date	2019	1.00	147,122	
			<u>\$ 888,423</u>	<u>\$ (1,476,688)</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

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

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:

Fiscal Year Ending June 30,	Total
2020	\$ (76,407)
2021	(247,867)
2022	(221,330)
2023	(103,926)
2024	(10,671)
	\$ (660,201)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Management Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation 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 on

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

Discount Rate (Cont'd)

100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the 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, 2019 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:

	June 30, 2019		
	At 1% Decrease (5.28%)	At Current Discount Rate (6.28%)	At 1% Increase (7.28%)
District's proportionate share of the Net Pension Liability	\$ 3,365,744	\$ 2,646,129	\$ 2,073,672

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/annual-reports.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. 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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and 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 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 includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

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 2020, the State of New Jersey contributed \$1,369,171 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$2,195,250.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

Special Funding Situation (Cont'd)

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2020, the State's proportionate share of the net pension liability associated with the District was \$37,218,553. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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, 2019, the District's proportion was 0.060%, which was an decrease of 0.001% from its proportion measured as of June 30, 2018.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		<u>37,218,553</u>
Total	\$	<u><u>37,218,553</u></u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$2,195,250 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2020 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:

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 768,874,621	
	2015	8.3	2,351,172,865	
	2016	8.3	5,609,216,856	
	2017	8.3		\$ 8,483,527,374
	2018	8.29		5,172,258,445
	2019	8.04		3,507,345,617
			<u>8,729,264,342</u>	<u>17,163,131,436</u>
Difference Between Expected and Actual Experience	2014	8.5		7,323,009
	2015	8.3	145,211,243	
	2016	8.3		69,755,412
	2017	8.3	150,939,884	
	2018	8.29	907,352,137	
	2019	8.04		136,265,890
			<u>1,203,503,264</u>	<u>213,344,311</u>
Net Difference Between Projected and Actual	2016	5		(431,855,192)
Investment Earnings on Pension Plan Investments	2017	5		452,016,524
	2018	5		288,091,115
	2019	5		(144,882,771)
				<u>163,369,676</u>
			<u>\$ 9,932,767,606</u>	<u>\$ 17,539,845,423</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:

Fiscal Year Ending June 30,	Total
2020	\$ (272,405,510)
2021	(704,260,700)
2022	(630,562,767)
2023	(1,216,378,743)
2024	(2,381,316,232)
Thereafter	<u>(2,402,153,865)</u>
	<u>\$ (7,607,077,817)</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 10. PENSION PLANS:(Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation 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 on 70% of the actuarially determined contributions for the State. 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 2054. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2054, 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 State's proportionate share of the net pension liability associated with the District as of June 30, 2019 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:

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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
(Cont'd)

	June 30, 2019		
	At 1% Decrease (4.60%)	At Current Discount Rate (5.60%)	At 1% Increase (6.60%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 43,888,911	\$ 37,218,553	\$ 31,684,261

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 \$16,266 for the fiscal year ended June 30, 2020. Employee contributions to DCRP amounted to \$22,102 for the fiscal year ended June 30, 2020.

NOTE 11. 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 |

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 12. 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.

New Jersey Unemployment Compensation Insurance

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

The following is a summary of 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>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ 83	\$ 38,884	\$ 17,124	\$ 25,434
2018-2019	271	24,403	46,357	3,591
2017-2018	324	23,673	29,736	25,274

Property and Liability

The District maintains 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.

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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

The June 30, 2020 audit was not available as of the date of this report. Selected, summarized financial information for the Group as of June 30, 2019 is as follows.

Total Assets	\$ 359,852,548
Net Position	\$ 107,824,596
Total Revenue	\$ 140,293,549
Total Expenses	\$ 115,049,808
Change in Net Position	\$ 25,243,741
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

NOTE 13. 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, 2020, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 218,299	\$ 11,975	\$ 230,274

On the District's Governmental Funds Balance sheet as of June 30, 2020 \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$11,975 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 unearned revenue.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 14. TAX CALENDAR

Property taxes are levied as of November 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 15. 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.

NOTE 16. ACCOUNTS PAYABLE

Payables as of June 30, 2020, were:

	Governmental Funds		District Contribution Subsequent to the Measurement Date	Total Governmental Activities	Business - Type Activities Proprietary Funds
	General Fund	Special Revenue Fund			
Vendors	\$ 44,103	\$ 47,073		\$ 91,176	\$ 6,839
State			\$ 147,122	147,122	
Federal		102		102	
	\$ 44,103	\$ 47,175	\$ 147,122	\$ 238,400	\$ 6,839

NOTE 17. TUITION RESERVE ACCOUNT

A tuition reserve account may be established in accordance with N.J.A.C. 6A:23-3.1(f) for tuition between two Boards of Education that are in a formal sending/receiving relationship. The maximum amount that may be restricted at year end is 10% of the estimated contract year tuition. Upon certification of tuition rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be restricted and budgeted for tax relief.

As of June 30, 2020 the District has \$469,731 in the tuition reserve of which \$350,000 and \$119,731 will be used to pay for any tuition adjustments for the fiscal years ending June 30, 2021 and 2022, respectively.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	216,892
Total	364,943

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2017 which was rolled forward to June 30, 2018.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases: Through 2026	1.55 - 3.05% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 3.05% based on service years	3.00 - 7.00% based on service years

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2018	\$ 28,484,330
Changes for Year:	
Service Cost	1,006,026
Interest on the Total OPEB Liability	1,126,616
Changes of Assumptions	382,874
Differences between Expected and Actual Experience	(4,556,108)
Gross Benefit Payments by the State	(788,264)
Contributions from Members	23,366
Net Changes	(2,805,490)
Balance at June 30, 2019	\$ 25,678,840

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District 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:

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 30,336,858	\$ 25,678,840	\$ 21,978,766

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 21,158,220	\$ 25,678,840	\$ 31,663,213

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

For the fiscal year ended June 30, 2020 the District recognized OPEB expense of \$525,788 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2019 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 2,989,536
	2018	9.51		2,571,406
	2019	9.29	\$ 341,660	
			341,660	5,560,942
Differences Between Expected and Actual Experience	2018	9.51		2,430,779
	2019	9.29		4,021,358
				6,452,137
Changes in Proportion	N/A	N/A		285,207
			\$ 341,660	\$ 12,298,286

N/A - Not Available

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2020	\$ (1,567,058)
2021	(1,567,058)
2022	(1,567,057)
2023	(1,567,057)
2024	(1,567,057)
Thereafter	<u>(3,836,132)</u>
	<u>\$ (11,671,419)</u>

NOTE 19. PRIOR PERIOD ADJUSTMENTS

The prior period balance for the capital assets was restated as a result of a recent independent appraisal done to complete a full inventory of the District's capital assets.

	<u>Balance</u> <u>6/30/2019</u> <u>as Previously</u> <u>Reported</u>	<u>Retroactive</u> <u>Adjustments</u>	<u>Balance</u> <u>6/30/2019</u> <u>as</u> <u>Restated</u>
Governmental Activities:			
Capital Assets Being Depreciated:			
Buildings and Building Improvements	\$ 16,490,178	\$ (2,157,541)	\$ 14,332,637
Machinery and Equipment	2,885,319	(904,829)	1,980,490
Accumulated Depreciation for:			
Buildings and Building Improvements	(12,795,848)	3,943,808	(8,852,040)
Machinery and Equipment	(2,223,176)	550,135	(1,673,041)
Total Net Position - Governmental Activities	3,831,223	1,431,573	5,262,796
Business Type Activities:			
Capital Assets Being Depreciated:			
Furniture and Equipment	171,872	(8,228)	163,644
Accumulated Depreciation	(137,511)	34,018	(103,493)
Total Net Position - Business Activities	63,055	25,790	88,845

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 20: SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the District's normal financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. The District's state aid in the General Fund was reduced after their budget was adopted due to the reduction of state aid provided to certain school districts by the State of New Jersey. Also, there have been additional operating expenses in the General Fund not planned for or expected at the time of the adoption of the District's 2020-21 budget related to COVID-19. Additionally, the District's cash flow in the Governmental Funds may be affected by the timing of the collection of the District's tax levy as well as certain State aid payments.

The District's Food Service Enterprise Fund likely will be impacted by COVID-19 for the fiscal year ending June 30, 2021.

**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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability	0.0158127037%	0.0164103502%	0.0144631997%	0.0158940070%	0.0131891100%	0.0146856381%
District's proportionate share of the net pension liability	\$ 2,960,533	\$ 3,683,795	\$ 4,283,585	\$ 3,699,871	\$ 2,596,869	\$ 2,646,129
District's covered employee payroll	\$ 1,119,346	\$ 1,020,600	\$ 1,018,783	\$ 993,668	\$ 1,021,518	\$ 981,957
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	264.49%	360.94%	420.46%	372.34%	254.22%	269.48%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 149,712	\$ 170,007	\$ 129,080	\$ 147,241	\$ 131,189	\$ 159,838
Contributions in relation to the contractually required contribution	(149,712)	(170,007)	(129,080)	(147,241)	(131,189)	(159,838)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 1,020,600	\$ 1,018,783	\$ 993,668	\$ 1,021,518	\$ 981,957	\$ 1,015,246
Contributions as a percentage of covered employee payroll	14.67%	16.69%	12.99%	14.41%	13.36%	15.74%

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 PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
State's proportion of the net pension liability attributable to the District	0.0566971351%	0.0589242385%	0.0583125521%	0.0591217103%	0.0625150605%	0.0606452344%
State's proportionate share of the net pension liability attributable to the District	\$ 30,302,773	\$ 37,242,635	\$ 45,872,366	\$ 39,861,989	\$ 39,770,739	\$ 37,218,553
District's covered employee payroll	\$ 5,913,277	\$ 6,040,917	\$ 6,338,409	\$ 6,447,870	\$ 6,651,203	\$ 7,075,152
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%	618.22%	597.95%	526.05%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.23%	25.41%	26.49%	26.95%

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 1,630,574	\$ 2,273,998	\$ 3,446,670	\$ 2,761,437	\$ 2,318,495	\$ 2,195,250
Contributions in relation to the contractually required contribution	(318,566)	(466,873)	(641,751)	(920,627)	(1,192,745)	(1,369,171)
Contribution deficiency/(excess)	<u>\$ 1,312,008</u>	<u>\$ 1,807,125</u>	<u>\$ 2,804,919</u>	<u>\$ 1,840,810</u>	<u>\$ 1,125,750</u>	<u>\$ 826,079</u>
District's covered employee payroll	\$ 6,040,917	\$ 6,338,409	\$ 6,447,870	\$ 6,651,203	\$ 7,075,152	\$ 7,199,209
Contributions as a percentage of covered employee payroll	5.27%	7.37%	9.95%	13.84%	16.86%	19.02%

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 CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST THREE FISCAL YEARS

	Fiscal Year Ending June 30,		
	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 1,367,556	\$ 1,128,870	\$ 1,006,026
Interest Cost	1,053,078	1,216,713	1,126,616
Changes in Assumptions	(4,408,035)	(3,268,719)	382,874
Differences between Expected and Actual Experiences	28,335	(3,079,153)	(4,556,108)
Member Contributions	(769,491)	26,324	23,366
Gross Benefit Payments		(761,661)	(788,264)
Net Change in Total OPEB Liability	(2,728,557)	(4,737,626)	(2,805,490)
Total OPEB Liability - Beginning	35,950,513	33,221,956	28,484,330
Total OPEB Liability - Ending	<u>\$ 33,221,956</u>	<u>\$ 28,484,330</u>	<u>\$ 25,678,840</u>
State's Covered Employee Payroll *	\$ 7,357,192	\$ 7,441,538	\$ 7,672,721
Total OPEB Liability as a Percentage of Covered Employee Payroll	452%	383%	335%

* - Covered payroll for the fiscal years ending June 30, 2017, June 30, 2018 and June 30, 2019 are based on the payroll on the June 30, 2016, June 30, 2017, and June 30, 2018 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%.

The inflation rate was 2.25% as of June 30, 2018. As of June 30, 2019, the inflation rate was as follows – Price – 2.75% and Wage – 3.25%. The salary increases as of June 30, 2018 were as follows: Through 2026 – 1.65% - 4.15% based on age and Thereafter – 2.65% - 5.15% based on age. The salary increases as of June 30, 2019 are as follows: Through 2026 – 2.00% - 6.00% based on years of service and Thereafter – 3.00% - 7.00% based on years of service.

The July 1, 2017 actuarial valuation utilized the following mortality rate assumptions:

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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the plan actuary's modified MP-2014 projection scale thereafter. 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 July 1, 2018 actuarial valuation utilized the following mortality rate assumptions:

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%. The inflation rate as of June 30, 2018 was 2.25%. The inflation rate as of June 30, 2019 was as follows: Price – 2.75% and Wage – 3.25%.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

Changes of Actuarial Assumptions (Cont'd)

The salary increases in the July 1, 2018 valuation were as follows: Through 2026 - 1.55 – 4.45% based on years of service and thereafter - 2.75 – 5.65% based on years of service. The salary increases in the July 1, 2017 valuation were as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

The mortality rates utilized in the July 1, 2018 valuation were as follows: Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 19,834,924		\$ 19,834,924	\$ 19,834,924	
Tuition From Individuals	58,013		58,013	45,880	\$ (12,133)
Tuition From other LEA's Within the State				39,215	39,215
Rents and Royalties	275,748		275,748	296,585	20,837
Interest on Investments				48,988	48,988
Interest Earned on Maintenance Reserve Funds	6,000		6,000	6,687	687
Interest Earned on Capital Reserve Funds	12,000		12,000	12,311	311
Interest Earned on Tuition Reserve Funds				500	500
Unrestricted Miscellaneous Revenues	59,750		59,750	15,748	(44,002)
Total - Local Sources	20,246,435		20,246,435	20,300,838	54,403
State Sources:					
Transportation Aid	635,819		635,819	635,819	
Special Education Aid	832,729		832,729	832,729	
Security Aid	136,362		136,362	136,362	
Adjustment Aid	103,853		103,853	103,853	
Extraordinary Aid	60,785		60,785	117,919	57,134
Nonpublic Transportation Aid	21,957		21,957	15	(21,942)
TPAF Pension Contributions (non-budgeted)				1,369,171	1,369,171
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				517,041	517,041
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				24,541	24,541
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				1,463	1,463
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)				509,399	509,399
Total State Sources	1,791,505		1,791,505	4,248,312	2,456,807
Federal Sources:					
Medicaid Reimbursement	18,360		18,360	18,360	
Total Federal Sources	18,360		18,360	18,360	
TOTAL REVENUES	22,056,300		22,056,300	24,567,510	2,511,210

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 152,469	\$ (33,980)	\$ 118,489	\$ 116,967	\$ 1,522
Kindergarten - Salaries of Teachers	396,126	7,859	403,985	400,905	3,080
Grades 1-5 - Salaries of Teachers	2,214,710	(120,765)	2,093,945	2,075,689	18,256
Grades 6-8 - Salaries of Teachers	1,729,980	(59,335)	1,670,645	1,644,030	26,615
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000	(7,530)	2,470	2,227	243
Purchased Professional Educational Services	2,000	7,310	9,310	6,310	3,000
Regular Program - Undistributed Instruction:					
Purchased Professional Educational Services	130,600	67,150	197,750	128,409	69,341
Purchased Technical Services	130,750	(7,114)	123,636	115,828	7,808
Other Purchased Services (400-500 series)	47,550	14,589	62,139	50,387	11,752
General Supplies	262,775	89,572	352,347	337,408	14,939
Textbooks	131,400	(10,516)	120,884	82,300	38,584
Other Objects	400		400		400
Total Regular Programs - Instruction	5,208,760	(52,760)	5,156,000	4,960,460	195,540
Special Education - Instruction:					
Learning and or Language Disabilities:					
Salaries of Teachers	128,645	5,600	134,245	134,245	
Other Salaries for Instruction	86,090	45,056	131,146	127,609	3,537
Purchased Professional Educational Services	5,000	(795)	4,205	4,205	
General Supplies	1,211		1,211	1,211	
Total Learning and or Language Disabilities	220,946	49,861	270,807	267,270	3,537
Behavioral Disabilities:					
Salaries of Teachers	65,285	33,509	98,794	98,794	
Other Salaries for Instruction		2,831	2,831	2,831	
Purchased Professional Educational Services	1,500	8,281	9,781	9,781	
General Supplies	849	14	863	863	
Total Behavioral Disabilities	67,634	44,635	112,269	112,269	

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 582,339	\$ 53,811	\$ 636,150	\$ 636,150	
Other Salaries for Instruction	93,599	(8,813)	84,786	84,786	
Unused Vacation Pay to Terminated/Retired Staff		8,000	8,000	8,000	
Purchased Professional Educational Services	10,000	8,074	18,074	18,074	
General Supplies	6,041		6,041	5,332	\$ 709
Total Resource Room/Resource Center	691,979	61,072	753,051	752,342	709
Autism:					
Salaries of Teachers	195,280	(5,250)	190,030	190,030	
Other Salaries for Instruction		16,166	16,166	12,044	4,122
Purchased Professional Educational Services		2,216	2,216	2,197	19
General Supplies	9,856	(371)	9,485	5,121	4,364
Total Autism	205,136	12,761	217,897	209,392	8,505
Preschool Disabilities - Full-time:					
Salaries of Teachers	129,070	6,270	135,340	135,340	
Other Salaries for Instruction	54,633	(17,583)	37,050	19,300	17,750
Purchased Professional-Educational Services		686	686	686	
General Supplies	1,763		1,763	1,594	169
Total Preschool Disabilities - Full-time	185,466	(10,627)	174,839	156,920	17,919
Home Instruction:					
Purchased Professional-Educational Services		220	220	220	
Total Home Instruction		220	220	220	
Total Special Education Instruction	1,371,161	157,922	1,529,083	1,498,413	30,670
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	362,827	(139,012)	223,815	223,615	200
Purchased Professional Educational Services	1,500		1,500	1,020	480
Total Basic Skills/Remedial - Instruction	364,327	(139,012)	225,315	224,635	680

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 80,266	\$ (77)	\$ 80,189	\$ 79,998	\$ 191
Purchased Professional Educational Services	1,000		1,000	511	489
General Supplies	3,346	(1)	3,345	276	3,069
Total Bilingual Education - Instruction	<u>84,612</u>	<u>(78)</u>	<u>84,534</u>	<u>80,785</u>	<u>3,749</u>
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	63,761	(22)	63,739	62,169	1,570
Supplies and Materials		22	22		22
Total School-Sponsored Cocurricular Activities - Instruction	<u>63,761</u>		<u>63,761</u>	<u>62,169</u>	<u>1,592</u>
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	35,387		35,387	34,983	404
Supplies and Materials	4,143		4,143	3,050	1,093
Other Objects	8,950		8,950	3,070	5,880
Total School-Sponsored Cocurricular Athletics - Instruction	<u>48,480</u>		<u>48,480</u>	<u>41,103</u>	<u>7,377</u>
Total Instruction	<u>7,141,101</u>	<u>(33,928)</u>	<u>7,107,173</u>	<u>6,867,565</u>	<u>239,608</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	5,108,591	46,000	5,154,591	5,154,591	
Tuition to Other LEAs Within the State - Special	554,980	32,218	587,198	587,196	2
Tuition to County Voc. School District - Regular	421,991	42,476	464,467	464,467	
Tuition to County Special Services Schools and Regional Day School	85,000	60,046	145,046	143,146	1,900
Tuition to Private Schools for the Handicapped - Within State	799,790	(325,609)	474,181	424,325	49,856
Total Undistributed Expenditures - Instruction	<u>6,970,352</u>	<u>(144,869)</u>	<u>6,825,483</u>	<u>6,773,725</u>	<u>51,758</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Health Services:					
Salaries	\$ 161,785		\$ 161,785	\$ 160,711	\$ 1,074
Purchased Professional/Technical Services	100		100		100
Other Purchased Services (400-500 Series)	2,120		2,120	186	1,934
Supplies and Materials	6,170	\$ 221	6,391	5,806	585
Total Health Services	170,175	221	170,396	166,703	3,693
Speech, OT, PT and Related Services:					
Salaries	127,745	7,361	135,106	134,746	360
Purchased Professional-Educational Services		162,765	162,765	136,506	26,259
Supplies and Materials	1,796		1,796	1,516	280
Total Speech, OT, PT and Related Services	129,541	170,126	299,667	272,768	26,899
Extraordinary Services:					
Salaries	311,127	(2,000)	309,127	258,756	50,371
Purchased Professional Educational Services	20,000	32,000	52,000	35,517	16,483
Total Extraordinary Services	331,127	30,000	361,127	294,273	66,854
Guidance:					
Salaries of Other Professional Staff	135,735	750	136,485	136,485	
Purchased Professional - Educational Services	150	4,350	4,500	4,500	
Other Purchased Services (400-500 Series)	150		150		150
Supplies and Materials	783		783		783
Total Guidance	136,818	5,100	141,918	140,985	933

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Child Study Team:					
Salaries of Other Professional Staff	\$ 545,543	\$ (750)	\$ 544,793	\$ 544,504	\$ 289
Salaries of Secretarial and Clerical Assistants	52,031	(101)	51,930	51,930	
Purchased Professional/Educational Services	230,080	(158,307)	71,773	5,031	66,742
Purchased Technical Services	28,700	(392)	28,308	24,802	3,506
Other Purchased Services (400-500 Series)	9,302	901	10,203	5,797	4,406
Supplies and Materials	6,569		6,569	4,148	2,421
Other Objects	2,350	(291)	2,059	1,224	835
Total Child Study Team	874,575	(158,940)	715,635	637,436	78,199
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	168,118	(928)	167,190	105,576	61,614
Other Salaries		113	113	113	
Supplies and Materials		280	280	280	
Other Objects	1,250		1,250	995	255
Total Improvement of Instructional Services	169,368	(535)	168,833	106,964	61,869
Educational Media Services/School Library:					
Salaries	80,701		80,701	80,670	31
Purchased Professional and Technical Services	5,318		5,318	2,327	2,991
Other Purchased Services (400-500 Series)	100		100	100	
Supplies and Materials	11,681		11,681	10,680	1,001
Total Educational Media Services/School Library	97,800		97,800	93,677	4,123

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Instructional Staff Training Services:					
Purchased Professional/Educational Services	\$ 11,000	\$ (4,350)	\$ 6,650	245	\$ 6,405
Total Instructional Staff Training Services	11,000	(4,350)	6,650	245	6,405
Support Services - General Administration:					
Salaries	248,195	(116)	248,079	248,079	
Legal Services	16,000		16,000	11,228	4,772
Audit Fees	30,000	(3,000)	27,000	27,000	
Purchased Technical Services	10,500	6,964	17,464	7,464	10,000
Communications/Telephone	4,000	458	4,458	3,710	748
BOE Other Purchased Services	6,150	(739)	5,411	3,305	2,106
Miscellaneous Purchased Services	42,055	(4,368)	37,687	34,968	2,719
General Supplies	3,000	684	3,684	3,669	15
BOE In-House Training/Meeting Supplies	250	1	251	251	
Miscellaneous Expenditures	4,900		4,900	4,097	803
BOE membership Dues and Fees	10,600		10,600	9,992	608
Total Support Services - General Administration	375,650	(116)	375,534	353,763	21,771

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Administrative Information Technology:					
Salaries	\$ 86,465	\$ (622)	\$ 85,843	\$ 85,842	\$ 1
Purchased Technical Services	14,489	(3,074)	11,415	6,380	5,035
Supplies and Materials	5,000	(3,445)	1,555	6	1,549
Purchased Professional Services	495	15	510	510	
Other Objects	880		880	880	
Total Administrative Information Technology	107,329	(7,126)	100,203	93,618	6,585
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	323,427	(785)	322,642	322,642	
Salaries of Secretarial and Clerical Assistants	110,148	2,048	112,196	112,196	
Purchased Professional and Technical Services	1,000		1,000		1,000
Other Purchased Services (400-500 Series)	15,900	(393)	15,507	8,423	7,084
Supplies and Materials	5,927	6	5,933	4,165	1,768
Other Objects	5,450	285	5,735	3,065	2,670
Total Support Services - School Administration	461,852	1,161	463,013	450,491	12,522
Required Maintenance of School Facilities:					
Salaries	93,092	722	93,814	93,814	
Cleaning, Repair and Maintenance Services	108,100	27,896	135,996	76,286	59,710
General Supplies	35,250	(1,254)	33,996	28,078	5,918
Total Required Maintenance of School Facilities	236,442	27,364	263,806	198,178	65,628

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 431,112	\$ (387)	\$ 430,725	\$ 430,114	\$ 611
Salaries of Non-Instructional Aides	52,705	(1,010)	51,695	51,695	
Cleaning, Repair and Maintenance Services	8,250	(4,000)	4,250	4,250	
Other Purchased Property Services	15,000	(1,163)	13,837	12,741	1,096
Insurance	83,050	(3,644)	79,406	79,406	
Miscellaneous Purchased Services	12,590	(7,215)	5,375	3,590	1,785
Supplies and Materials	58,950	3,700	62,650	54,840	7,810
Energy (Electricity)	143,000	(19,977)	123,023	110,359	12,664
Energy (Natural Gas)	137,000	25,343	162,343	142,033	20,310
Energy (Gasoline)		2,100	2,100	1,523	577
Other Objects	9,150	(7,138)	2,012	325	1,687
Total Custodial Services	950,807	(13,391)	937,416	890,876	46,540
Security					
Purchased Professional and Technical Services		2,862	2,862	2,862	
Cleanin, Repair and Maintenance		1,000	1,000	1,000	
General Supplies		261	261	261	
Total Security		4,123	4,123	4,123	
Student Transportation Services:					
Salaries of Non- Instructional Aides	11,721	(1,543)	10,178	6,778	3,400
Other Purchased Professional and Technical Services	4,500	(435)	4,065	4,065	
Contracted Services:					
Aid in Lieu - Non Public Students (Between Home and School) - Vendors (Other than Between Home and School) Vendors	110,000	(36,916)	73,084	46,847	26,237
Special Education Students - Vendors	857,500	72,406	929,906	898,597	31,309
	24,800	(933)	23,867	15,018	8,849
	270,000	85,000	355,000	309,165	45,835
Total Student Transportation Services	1,278,521	117,579	1,396,100	1,280,470	115,630

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Central Services:					
Salaries	\$ 311,768	\$ 362	\$ 312,130	\$ 312,122	\$ 8
Purchased Technical Services	18,700	17,944	36,644	36,644	
Miscellaneous Purchased Services (400-500 Series)	22,657	(4,959)	17,698	10,732	6,966
Supplies and Materials	8,682	(589)	8,093	6,606	1,487
Other Objects	3,800		3,800	2,572	1,228
Total Central Services	365,607	12,758	378,365	368,676	9,689
Total Undistributed Expenditures	12,666,964	39,105	12,706,069	12,126,971	579,098
Regular Instruction - Allocated Benefits:					
Social Security	3,734	9,026	12,760	12,760	
Workers Compensation	34,274	(3,070)	31,204	25,989	5,215
Tuition Reimbursement	27,000		27,000	25,000	2,000
Health Benefits	1,183,902	(114,302)	1,069,600	1,035,089	34,511
Total Regular Programs - Allocated Benefits	1,248,910	(108,346)	1,140,564	1,098,838	41,726
Special Education - Instruction - Allocated Benefits:					
Social Security	19,991	9,156	29,147	28,934	213
Workers Compensation	9,250	1,376	10,626	9,201	1,425
Health Benefits	326,682	132,652	459,334	420,900	38,434
Total Special Education - Allocated Benefits	355,923	143,184	499,107	459,035	40,072

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Other Instructional Program - Instruction - Allocated Benefits:					
Social Security	\$ 7,583	\$ (151)	\$ 7,432	\$ 7,432	
Workers Compensation	687		687	572	\$ 115
Total Other Instructional Program - Allocated Benefits	<u>8,270</u>	<u>(151)</u>	<u>8,119</u>	<u>8,004</u>	<u>115</u>
Health Services - Allocated Benefits:					
Social Security	979	82	1,061	1,061	
Workers Compensation	1,159		1,159	965	194
Health Benefits	38,932	(1,306)	37,626	35,545	2,081
Total Health Benefits - Allocated Benefits	<u>41,070</u>	<u>(1,224)</u>	<u>39,846</u>	<u>37,571</u>	<u>2,275</u>
Speech, OT,PT and Related Services - Allocated Benefits:					
Social Security	153	240	393	393	
Workers Compensation	899		899	749	150
Health Benefits	18,435	33,658	52,093	52,093	
Total Speech, OT,PT and Related Services - Allocated Benefits	<u>19,487</u>	<u>33,898</u>	<u>53,385</u>	<u>53,235</u>	<u>150</u>
Extraordinary Services - Allocated Benefits:					
Social Security	23,801	(4,109)	19,692	19,692	
Workers Compensation	2,156		2,156	1,796	360
Total Extraordinary Services - Allocated Benefits	<u>25,957</u>	<u>(4,109)</u>	<u>21,848</u>	<u>21,488</u>	<u>360</u>
Guidance - Allocated Benefits:					
Social Security	230	(46)	184	184	
Workers Compensation	941		941	784	157
Health Benefits	41,979	(8,757)	33,222	33,222	
Total Guidance - Allocated Benefits	<u>43,150</u>	<u>(8,803)</u>	<u>34,347</u>	<u>34,190</u>	<u>157</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Child Study Team - Allocated Benefits:					
Social Security	\$ 5,131	\$ 408	\$ 5,539	\$ 5,539	
Workers Compensation	4,141		4,141	3,449	\$ 692
Health Benefits	134,361	(19,683)	114,678	114,678	
Total Child Study Team - Allocated Benefits	<u>143,633</u>	<u>(19,275)</u>	<u>124,358</u>	<u>123,666</u>	<u>692</u>
Improvement of Instructional Services - Allocated Benefits:					
Workers Compensation	1,165		1,165	970	195
Health Benefits	27,841	(27,841)			
Total Improvement of Instructional Services - Allocated Benefits	<u>29,006</u>	<u>(27,841)</u>	<u>1,165</u>	<u>970</u>	<u>195</u>
Educational Media Services/School Library- Allocated Benefits:					
Social Security	1,332	42	1,374	1,374	
Workers Compensation	560		560	466	94
Health Benefits	28,654	(1,817)	26,837	26,837	
Total Educational Media School/Library - Allocated Benefits	<u>30,546</u>	<u>(1,775)</u>	<u>28,771</u>	<u>28,677</u>	<u>94</u>
Instructional Staff Training - Allocated Benefits:					
Workers Compensation		144	144	144	
Total Instructional Staff Training - Allocated Benefits		<u>144</u>	<u>144</u>	<u>144</u>	
Administrative Information Technology - Allocated Benefits:					
Social Security	6,615	62	6,677	6,677	
Workers Compensation	599	4,658	5,257	4,378	879
Health Benefits		935	935	742	193
Total Administrative Information Technology - Allocated Benefits	<u>7,214</u>	<u>5,655</u>	<u>12,869</u>	<u>11,797</u>	<u>1,072</u>
Support Services - General Administration - Allocated Benefits:					
Social Security	5,020	269	5,289	5,276	13
Workers Compensation	1,720	(287)	1,433	1,433	
Health Benefits	55,682		55,682	48,469	7,213
Total Support Services - General Administration - Allocated Benefits	<u>62,422</u>	<u>(18)</u>	<u>62,404</u>	<u>55,178</u>	<u>7,226</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - School Administration - Allocated Benefits:					
Social Security	\$ 8,427	\$ 219	\$ 8,646	\$ 8,646	
Workers Compensation	3,005	(360)	2,645	2,502	\$ 143
Health Benefits	81,850		81,850	69,153	12,697
Total Support Services-School Administration-Allocated Benefits	<u>93,282</u>	<u>(141)</u>	<u>93,141</u>	<u>80,301</u>	<u>12,840</u>
Required Maintenance of School Facilities - Allocated Benefits:					
Social Security	7,122	62	7,184	7,184	
Workers Compensation	4,658	(4,658)			
Health Benefits	24,151	(1,095)	23,056	23,056	
Total Required Maintenance of School Facilities - Allocated Benefits	<u>35,931</u>	<u>(5,691)</u>	<u>30,240</u>	<u>30,240</u>	
Custodial Services:					
Social Security	37,012	393	37,405	37,339	66
Workers Compensation	24,211	(6,013)	18,198	18,198	
Health Benefits	161,487	(885)	160,602	152,849	7,753
Other Employee Benefits		3,138	3,138	3,138	
Unused Sick Pay to Term/Retired Staff		3,000	3,000	3,000	
Total Custodial Services	<u>222,710</u>	<u>(367)</u>	<u>222,343</u>	<u>214,524</u>	<u>7,819</u>
Student Transportation Services - Allocated Benefits:					
Social Security	897	(348)	549	549	
Workers Compensation	587	(98)	489	489	
Total Student Transportation Services - Allocated Benefits	<u>1,484</u>	<u>(446)</u>	<u>1,038</u>	<u>1,038</u>	

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Central Services - Allocated Benefits:					
Social Security	\$ 13,186	\$ 638	\$ 13,824	\$ 13,824	
Workers Compensation	2,160	(361)	1,799	1,799	
Health Benefits	68,674	(6,827)	61,847	37,382	\$ 24,465
Total Central Services - Allocated Benefits	84,020	(6,550)	77,470	53,005	24,465
Total Allocated Benefits	2,453,015	(1,856)	2,451,159	2,311,901	139,258
Unallocated Benefits:					
Unemployment Compensation		7,733	7,733	7,733	
Other Retirement Contributions- PERS	159,785	11,601	171,386	159,838	11,548
Other Employee Benefits	95,000	6,246	101,246	101,246	
Total Unallocated Benefits	254,785	25,580	280,365	268,817	11,548
On-Behalf Contributions:					
TPAF Pension Contributions (non-budgeted)				1,369,171	(1,369,171)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				517,041	(517,041)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				24,541	(24,541)
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				1,463	(1,463)
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)				509,399	(509,399)
Total On-Behalf Contributions				2,421,615	(2,421,615)
Total Personal Services - Employee Benefits	2,707,800	23,724	2,731,524	5,002,333	(2,270,809)
Total Undistributed Expenditures	15,374,764	62,829	15,437,593	17,129,304	(1,691,711)
TOTAL CURRENT EXPENSE	22,515,865	28,901	22,544,766	23,996,869	(1,452,103)

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Equipment:					
Regular Programs - Instruction:					
Grades 6-8		\$ 3,093	\$ 3,093	\$ 3,093	
Undistributed Expenditures:					
Required Maintenance for School Facilities	\$ 37,348		37,348	37,348	
Support Services - Child Study Team	4,000		4,000		\$ 4,000
Total Equipment	41,348	3,093	44,441	40,441	4,000
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services	8,800		8,800	7,470	1,330
Architectural/Engineering Services		34,250	34,250	26,242	8,008
Construction Services	74,300	107,223	181,523	19,657	161,866
Assessment for Debt Service- SDA Funding	3,671		3,671	3,671	
Total Facilities Acquisition and Construction Services	86,771	141,473	228,244	57,040	171,204
TOTAL CAPITAL OUTLAY	128,119	144,566	272,685	97,481	175,204
Transfer of Funds to Charter Schools	22,237		22,237	11,118	11,119
TOTAL EXPENDITURES	22,666,221	173,467	22,839,688	24,105,468	(1,265,780)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(609,921)	(173,467)	(783,388)	462,042	1,245,430
Fund Balance, July 1	3,190,668		3,190,668	3,190,668	
Fund Balance, June 30	\$ 2,580,747	\$ (173,467)	\$ 2,407,280	\$ 3,652,710	\$ 1,245,430

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Recapitulation:</u>					
<u>Restricted for:</u>					
Capital Reserve				\$ 1,268,193	
Maintenance Reserve				352,222	
Tuition Reserve - Designated for 2020-2021				350,000	
Tuition Reserve - Designated for 2021-2022				119,731	
Excess Surplus for 2020-2021				359,078	
Excess Surplus for 2021-2022				344,376	
<u>Assigned:</u>					
Year-end Encumbrances				218,299	
For Subsequent Year's Expenditures				150,000	
Unassigned				490,811	
				<u>3,652,710</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Final Two State Aid Payments not Recognized on GAAP Basis				(158,347)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,494,363</u>	

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 338,164	\$ 10,400	\$ 10,400	\$ 7,012	\$ (3,388)
Federal Sources		146,329	484,493	414,518	(69,975)
Total Revenues	338,164	156,729	494,893	421,530	(73,363)
EXPENDITURES:					
Instruction					
Salaries of Teachers	88,882	(18,660)	70,222	68,682	1,540
Purchased Professional/Educational Services		30,000	30,000		30,000
Tuition	219,782	11,718	231,500	231,500	
General Supplies	15,000	33,105	48,105	47,330	775
Total Instruction	323,664	56,163	379,827	347,512	32,315
Support Services					
Personal Service - Employee Benefits	9,500	12,077	21,577	21,569	8
Purchased Professional/Educational Services		48,739	48,739	42,314	6,425
Other Purchased Services	5,000	39,750	44,750	10,135	34,615
Total Support Services	14,500	100,566	115,066	74,018	41,048
Total Expenditures	\$ 338,164	\$ 156,729	\$ 494,893	\$ 421,530	\$ 73,363
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

LINCOLN PARK BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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	\$ 24,567,510	\$ 421,530
Differences - Budgetary 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.		(11,975)
Prior Year State Aid Payments Recognized for GAAP Statements, Not Recognized for Budgetary Statements	156,024	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(158,347)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 24,565,187	\$ 409,555
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 24,105,468	\$ 421,530
Differences - Budgetary 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.		(11,975)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 24,105,468	\$ 409,555

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, 2020, 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, 2020

	Elementary and Secondary Education Act				
	Title I	Title II	Title III	Title III - Immigrant	Title IV
REVENUE:					
Local Sources					
Federal Sources	\$ 87,661	\$ 23,539	\$ 17,767	\$ 1,615	\$ 10,000
Total Revenue	<u>87,661</u>	<u>23,539</u>	<u>17,767</u>	<u>1,615</u>	<u>10,000</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	65,084		3,038	560	
Tuition					
General Supplies	1,008		14,594	1,055	
Total Instruction	<u>66,092</u>		<u>17,632</u>	<u>1,615</u>	
Support Services:					
Personal Service - Employee Benefits	21,569				
Purchased Professional - Educational Services		13,539			10,000
Other Purchased Services (400-500 series)		10,000	135		
Total Support Services	<u>21,569</u>	<u>23,539</u>	<u>135</u>		<u>10,000</u>
Total Expenditures	<u>\$ 87,661</u>	<u>\$ 23,539</u>	<u>\$ 17,767</u>	<u>\$ 1,615</u>	<u>\$ 10,000</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Emergency CARES Relief</u>	<u>IDEA Part B Basic</u>	<u>IDEA Part B Preschool</u>	<u>Local Grants</u>	<u>Totals</u>
REVENUE:					
Local Sources				\$ 7,012	\$ 7,012
Federal Sources	\$ 8,600	\$ 255,954	\$ 9,382		414,518
Total Revenue	<u>8,600</u>	<u>255,954</u>	<u>9,382</u>	<u>7,012</u>	<u>421,530</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers					68,682
Tuition		231,500			231,500
General Supplies	8,600	5,679	9,382	7,012	47,330
Total Instruction	<u>8,600</u>	<u>237,179</u>	<u>9,382</u>	<u>7,012</u>	<u>347,512</u>
Support Services:					
Personal Service - Employee Benefits					21,569
Purchased Professional - Educational Services		18,775			42,314
Other Purchased Services (400-500 series)					10,135
Total Support Services		<u>18,775</u>			<u>74,018</u>
Total Expenditures	<u>\$ 8,600</u>	<u>\$ 255,954</u>	<u>\$ 9,382</u>	<u>\$ 7,012</u>	<u>\$ 421,530</u>

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, 2020

Fund Balance - Beginning of Year	<u>\$ 11,669</u>
Fund Balance - End of Year	<u><u>\$ 11,669</u></u>
Recapitulation of Fund Balance:	
Committed	<u>\$ 11,669</u>
Total Fund Balance per Governmental Funds (Budgetary Basis)	<u><u>\$ 11,669</u></u>

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, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 490,000		\$ 490,000	\$ 490,000
Total Revenue and Other Financing Sources	490,000		490,000	490,000
Expenditures:				
Purchased Professional and Technical Services	32,031		32,031	32,031
Construction Services	446,300		446,300	457,969
Total Expenditures	478,331		478,331	490,000
Excess/(deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 11,669	\$ -0-	\$ 11,669	\$ -0-

Additional Project Information:

Project Name:	
Stage to Classroom Conversion Project	
Grant Date	N/A
Original Authorized Cost	\$ 465,000
Additional Authorized Cost - Capital Reserve	\$ 25,000
Revised Authorized Cost	<u>\$ 490,000</u>
Percentage Completion	97.62%
Original Target Completion Date	9/30/2017
Percentage Increase over Original Authorized Cost	5.38%
Revised Target Completion Date	9/30/2021

PROPRIETARY FUNDS

LINCOLN PARK BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2020

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 36,950
Intergovernmental Accounts Receivable:	
Federal	3,800
State	924
Interfund Receivable	2,460
Inventories	7,275
	<hr/>

Total Current Assets

51,409

Non-Current Assets:

Capital Assets	163,644
Less: Accumulated Depreciation	(110,423)
	<hr/>

Total Non-Current Assets

53,221

Total Assets

104,630

LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors	6,839
Unearned Revenue - Donated Commodities	2,324
Unearned Revenue - Prepaid Sales	10,611
	<hr/>

Total Current Liabilities

19,774

NET POSITION:

Investment in Capital Assets	53,221
Unrestricted	31,635
	<hr/>
Total Net Position	\$ 84,856
	<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, 2020

Operating Revenue:

Local Sources:

Daily Sales - Reimbursable Programs	\$ 141,752
Daily Sales - Non-Reimbursable Programs	33,250

Total Operating Revenue	<u>175,002</u>
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Operating Expenses:

Cost of Sales - Reimbursable Programs	79,568
Cost of Sales - Nonreimbursable Programs	18,664
Salaries, Benefits & Payroll Taxes	126,444
Purchased Professional and Technical Services	4,263
Management Fee	19,165
Depreciation Expense	6,930
Supplies and Repairs	18,993

Total Operating Expenses	<u>274,027</u>
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Operating Loss	<u>(99,025)</u>
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Non-Operating Revenue:

State Sources:

State School Lunch Program	2,435
Seamless Summer Option	181
Additional State Aid - State School Lunch Program	884

Federal Sources:

National School Lunch Program	61,021
Seamless Summer Option - Lunch	11,453
National School Breakfast Program	911
Seamless Summer Option - Breakfast	4,970
Food Distribution Program	11,999

Local Sources:

Interest Income	1,182
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Total Non-Operating Revenue	<u>95,036</u>
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Change in Net Position	(3,989)
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Net Position - Beginning of Year As Restated	<u>88,845</u>
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Net Position - End of Year	<u>\$ 84,856</u>
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LINCOLN PARK BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 175,002
Payments to Suppliers	(243,537)
Net Cash (Used for) Operating Activities	<u>(68,535)</u>
Cash Flows from Investing Activities:	
Local Sources:	
Interest Revenue	1,182
Net Cash Provided by Investing Activities	<u>1,182</u>
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program	2,659
Seamless Summer Option	141
Federal Sources:	
National School Lunch Program	66,286
Seamless Summer Option - Lunch	8,906
National School Breakfast Program	911
Seamless Summer Option - Breakfast	3,717
Net Cash Provided by Noncapital Financing Activities	<u>82,620</u>
Net Increase in Cash and Cash Equivalents	15,267
Cash and Cash Equivalents, July 1	<u>21,683</u>
Cash and Cash Equivalents, June 30	<u>\$ 36,950</u>
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating (Loss)	\$ (99,025)
Adjustment to Reconcile Operating Loss to Net Cash (Used for) Operating Activities:	
Depreciation	6,930
Federal Food Distribution Program	11,999
Changes in Assets and Liabilities:	
(Increase) in Inventory	(1,437)
Increase in Accounts Payable	6,404
Increase in Unearned Revenue - Donated Commodities	839
Increase in Unearned Revenue - Prepaid Sales	5,755
Net Cash (Used for) Operating Activities	<u>\$ (68,535)</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 \$12,838 and utilized Commodities Valued at \$11,999.

FIDUCIARY FUNDS

LINCOLN PARK BOROUGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

	Agency			Trust			
	Student Activity	Payroll	Rental Deposit	Athletic Account	Total	Unemployment Compensation Trust	Flexible Spending Trust
<u>ASSETS:</u>							
Cash and Cash Equivalents	\$ 62,599	\$ 15,888	\$ 19,502	\$ 2,908	\$ 100,897	\$ 25,434	\$ 10,876
Total Assets	62,599	15,888	19,502	2,908	100,897	25,434	10,876
<u>LIABILITIES:</u>							
Interfund Payable-General Fund		3,214			3,214		
Payroll Deductions and Withholdings		12,674			12,674		
Rental Deposit Payable			19,502		19,502		
Due to Student Groups	62,599				62,599		
Due Various Groups				2,908	2,908		
Total Liabilities	62,599	15,888	19,502	2,908	100,897		
<u>NET POSITION:</u>							
Held in Trust for Unemployment Claims						25,434	10,876
Held in Trust for Flexible Spending Claims							
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 25,434	\$ 10,876

LINCOLN PARK BOROUGH SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Unemployment Compensation Trust	Flexible Spending Trust
	<hr/>	<hr/>
ADDITIONS:		
Contributions:		
Employee Contributions	\$ 38,884	\$ 29,770
	<hr/>	<hr/>
Total Additions	38,884	29,770
	<hr/>	<hr/>
Investment Earnings:		
Interest	83	191
Net Investment Earnings	83	191
	<hr/>	<hr/>
Total Additions	38,967	29,961
	<hr/>	<hr/>
DEDUCTIONS:		
Unemployment Compensation Claims	17,124	
Flexible Spending Claims		30,129
	<hr/>	<hr/>
Total Deductions	17,124	30,129
	<hr/>	<hr/>
Change in Net Position	21,843	(168)
Net Position - Beginning of the Year	3,591	11,044
	<hr/>	<hr/>
Net Position - End of the Year	\$ 25,434	\$ 10,876
	<hr/> <hr/>	<hr/> <hr/>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 38,979	\$ 46,272	\$ 22,652	\$ 62,599
Total Assets	<u>\$ 38,979</u>	<u>\$ 46,272</u>	<u>\$ 22,652</u>	<u>\$ 62,599</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 38,979	\$ 46,272	\$ 22,652	\$ 62,599
Total Liabilities	<u>\$ 38,979</u>	<u>\$ 46,272</u>	<u>\$ 22,652</u>	<u>\$ 62,599</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
PAYROLL AGENCY FUND

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Assets:				
Cash and Cash Equivalents	\$ 15,198	\$ 10,299,657	\$ 10,298,967	\$ 15,888
Total Assets	<u>\$ 15,198</u>	<u>\$ 10,299,657</u>	<u>\$ 10,298,967</u>	<u>\$ 15,888</u>
Liabilities				
Payroll Deductions & Withholdings	\$ 13,129	\$ 10,298,512	\$ 10,298,967	\$ 12,674
Interfund Payable - General Fund	2,069	1,145		3,214
Total Liabilities	<u>\$ 15,198</u>	<u>\$ 10,299,657</u>	<u>\$ 10,298,967</u>	<u>\$ 15,888</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
RENTAL DEPOSIT AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 19,232	\$ 270	_____	\$ 19,502
Total Assets	<u>\$ 19,232</u>	<u>\$ 270</u>	<u>\$ -0-</u>	<u>\$ 19,502</u>
<u>LIABILITIES:</u>				
Rental Deposits Payable	\$ 19,232	\$ 270	_____	\$ 19,502
Total Liabilities	<u>\$ 19,232</u>	<u>\$ 270</u>	<u>\$ -0-</u>	<u>\$ 19,502</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
ATHLETIC ACCOUNT

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 5,950	\$ 65	\$ 3,107	\$ 2,908
Total Assets	<u>\$ 5,950</u>	<u>\$ 65</u>	<u>\$ 3,107</u>	<u>\$ 2,908</u>
 <u>LIABILITIES:</u>				
Due to Various Groups	\$ 5,950	\$ 65	\$ 3,107	\$ 2,908
Total Liabilities	<u>\$ 5,950</u>	<u>\$ 65</u>	<u>\$ 3,107</u>	<u>\$ 2,908</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, 2019	Balance June 30, 2020
			Date	Amount				
Renovations to Elementary and Middle Schools and New Construction to Middle School	10/1/2007	\$ 2,146,000	10/1/20	\$ 175,000	4.375%	\$ 165,000	\$ 715,000	\$ 550,000
			10/1/21	185,000	4.375%			
			10/1/22	190,000	4.375%			
						\$ 165,000	\$ 715,000	\$ 550,000

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 130,215	\$	130,215	\$ 130,215	
State Sources:					
Debt Service State Aid Support	62,457		62,457	62,457	
Total Revenue	192,672		192,672	192,672	
EXPENDITURES:					
Regular Debt Service:					
Interest	27,672		27,672	27,672	
Redemption of Principal	165,000		165,000	165,000	
Total Regular Debt Service	192,672		192,672	192,672	
Total Expenditures	192,672		192,672	192,672	
Excess/(Deficit) of Revenues Over/(Under) Expenditures					
Fund Balance, July 1	2		2	2	
Fund Balance, June 30	\$ 2	\$ -0-	\$ 2	\$ 2	\$ -0-
Recapitulation:					
Restricted				\$ 2	

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

	<u>Exhibit</u>
Financial Trends 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
Revenue Capacity 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
Debt Capacity 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
Demographic and Economic Information 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
Operating Information 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,

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 4,425,427	\$ 4,246,711	\$ 4,489,839	\$ 4,623,806	\$ 5,572,629	\$ 5,409,113	\$ 5,079,351	\$ 4,427,581	\$ 5,793,026	\$ 5,640,057
Restricted	1,788,716	1,702,565	1,708,356	2,022,108	1,546,545	1,673,075	1,565,649	2,190,395	2,619,910	2,793,602
Unrestricted/(Deficit)	63,170	1,140,454	877,378	(2,571,339)	(2,671,310)	(2,727,233)	(2,467,630)	(3,388,198)	(3,150,140)	(2,845,936)
Total governmental activities net position	\$ 6,277,313	\$ 7,089,730	\$ 7,075,573	\$ 4,074,575	\$ 4,447,864	\$ 4,354,955	\$ 4,177,370	\$ 3,229,778	\$ 5,262,796	\$ 5,587,723
Business-type activities										
Investment in capital assets	\$ 4,013	\$ 2,448	\$ 883	\$ 8,406	\$ 16,396	\$ 19,722	\$ 40,401	\$ 35,263	\$ 60,151	\$ 53,221
Unrestricted	160,728	140,358	148,407	108,743	113,162	7,420	24,367		28,694	31,635
Total business-type activities net position	\$ 164,741	\$ 142,806	\$ 149,290	\$ 117,149	\$ 129,558	\$ 27,142	\$ 64,768	\$ 35,263	\$ 88,845	\$ 84,856
District-wide										
Net investment in capital assets	\$ 4,429,440	\$ 4,249,159	\$ 4,490,722	\$ 4,632,212	\$ 5,589,025	\$ 5,428,835	\$ 5,119,752	\$ 4,462,844	\$ 5,853,177	\$ 5,693,278
Restricted	1,788,716	1,702,565	1,708,356	2,022,108	1,546,545	1,673,075	1,565,649	2,190,395	2,619,910	2,793,602
Unrestricted/(Deficit)	223,898	1,280,812	1,025,785	(2,462,596)	(2,558,148)	(2,719,813)	(2,443,263)	(3,388,198)	(3,121,446)	(2,814,301)
Total district net position	\$ 6,442,054	\$ 7,232,536	\$ 7,224,863	\$ 4,191,724	\$ 4,577,422	\$ 4,382,097	\$ 4,242,138	\$ 3,265,041	\$ 5,351,641	\$ 5,672,579

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	4,767,816	5,185,141	5,852,111	6,044,460	7,340,354	8,344,994	9,220,767	9,344,543	8,325,384	8,003,307
Special education	1,576,753	1,841,343	1,746,192	1,710,704	1,981,593	2,643,512	3,390,433	3,221,994	2,615,335	2,820,889
Other special education	374,751	362,561	417,311	368,058	481,020	596,896	714,916	637,827	659,428	431,428
Other instruction	53,194	105,115	104,384	92,178	168,211	104,776	615,631	241,608	153,962	152,227
Support Services:										
Tuition	7,027,729	6,905,474	6,929,435	6,746,997	6,762,743	6,732,655	6,325,135	7,080,889	6,909,505	6,773,725
Student & instruction related services	1,280,274	1,351,359	1,296,672	1,303,443	1,408,460	1,410,575	1,239,515	2,064,768	2,257,250	2,412,695
School administrative services	642,514	506,310	395,172	659,184	392,568	534,437	546,611	828,446	799,071	828,972
General administrative services	508,797	547,936	642,893	690,516	791,007	874,253	874,253	553,837	505,174	489,892
Plant operations and maintenance	1,205,138	1,216,739	1,251,747	1,107,503	1,195,259	1,070,048	1,697,758	1,897,849	1,720,903	1,495,701
Pupil transportation	1,150,905	1,177,417	1,204,558	1,216,713	1,477,084	1,199,032	1,084,694	1,134,783	1,166,681	1,283,323
Central services	510,251	538,486	682,517	622,020	556,431	514,846	570,560	783,395	501,487	589,723
Capital Outlay	1,659	1,735	2,381	3,671	3,671	3,671	3,671	3,671	3,671	3,671
Special Schools	147									
Interest on long-term debt	208,930	190,939	178,978	41,481	125,410	103,451	47,442	40,823	21,297	11,118
Unallocated depreciation	556,744	556,744	556,744	556,744	556,744	597,693	47,442	40,823	33,906	26,770
Total governmental activities expenses	19,865,602	20,487,299	21,261,095	21,163,672	23,240,555	24,682,882	26,327,715	27,834,433	25,673,054	25,677,312
Business-type activities:										
Food service	280,589	320,040	329,456	366,934	329,266	430,008	334,665	385,318	332,235	274,027
Total business-type activities expense	280,589	320,040	329,456	366,934	329,266	430,008	334,665	385,318	332,235	274,027
Total district expenses	20,146,191	20,807,339	21,590,551	21,530,606	23,569,821	25,112,890	26,662,380	28,219,751	26,005,289	25,951,339
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	2,508,437	3,240,817	2,555,460	3,188,433	4,412,547	5,423,328	6,958,830	7,382,971	6,056,022	5,268,761
Operating grants and contributions	2,508,437	3,240,817	2,555,460	3,188,433	4,412,547	5,423,328	6,997,813	7,455,839	6,106,982	5,353,856
Total governmental activities program revenues	5,016,874	6,481,634	5,110,920	6,376,866	8,825,094	10,846,656	13,956,643	14,838,810	12,163,004	10,622,617
Business-type activities:										
Charges for services										
Food service	213,356	210,042	228,807	220,881	230,882	217,520	236,333	238,084	247,593	175,002
Operating grants and contributions	76,181	88,018	107,105	113,893	110,780	110,027	110,041	117,101	107,436	93,854
Total business type activities program revenues	289,537	298,060	335,912	334,774	341,662	327,547	346,374	355,185	355,029	268,856
Total district program revenues	2,797,974	3,538,877	2,891,372	3,523,207	4,754,209	5,750,875	7,344,187	7,811,024	6,462,011	5,622,712

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

UNAUDITED
(Continued)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental activities	\$ (17,357,165)	\$ (17,246,482)	\$ (18,705,635)	\$ (17,975,239)	\$ (18,828,008)	\$ (19,259,554)	\$ (19,329,902)	\$ (20,378,594)	\$ (19,566,072)	\$ (20,323,456)
Business-type activities	8,948	(21,980)	6,456	(32,160)	12,396	(102,461)	11,709	(30,133)	22,794	(5,171)
Total district-wide net expense	(17,348,217)	(17,268,462)	(18,699,179)	(18,007,399)	(18,815,612)	(19,362,015)	(19,318,193)	(20,408,727)	(19,543,278)	(20,328,627)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	16,749,035	17,050,518	16,916,122	17,172,154	17,481,253	17,699,769	18,053,764	18,414,839	19,347,024	19,834,924
Taxes levied for debt service	682,061	666,959	643,124	623,913	598,938	663,881	130,596	132,810	131,617	130,215
Unrestricted grants and contributions	63,598	63,647	743,154	63,489	63,284	63,011	62,639	341,751	307,791	302,425
Investment earnings	2,064	292	326	158	5,165	6,895	21,130	48,108	60,515	68,486
Miscellaneous income	222,569	277,483	388,752	297,215	628,467	733,089	1,012,677	493,494	324,854	312,333
Transfers										
Reimbursement of Prior Year Tuition					424,190				(4,284)	
Total governmental activities	17,719,327	18,058,899	18,691,478	18,156,929	19,201,297	19,166,645	19,280,806	19,431,002	20,167,517	20,648,383
Business-type activities:										
Investment earnings	4	45	28	19	13	45	100	628	714	1,182
Transfers									4,284	
Disposition/Adjustment of Capital Assets							25,817			
Total business-type activities	4	45	28	19	13	45	25,917	628	4,998	1,182
Total district-wide	17,719,331	18,058,944	18,691,506	18,156,948	19,201,310	19,166,690	19,306,723	19,431,630	20,172,515	20,649,565
Change in Net Position										
Governmental activities	362,162	812,417	(14,157)	181,690	373,289	(92,909)	(49,096)	(947,592)	601,445	324,927
Business-type activities	8,952	(21,935)	6,484	(32,141)	12,409	(102,416)	37,626	(29,505)	27,792	(3,989)
Total district	\$ 371,114	\$ 790,482	\$ (7,673)	\$ 149,549	\$ 385,698	\$ (195,325)	\$ (11,470)	\$ (977,097)	\$ 629,237	\$ 320,938

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ 1,529,766	\$ 1,702,523	\$ 1,708,271	\$ 2,021,983	\$ 1,995,245	\$ 2,121,767	\$ 2,120,827	\$ 2,190,370	\$ 2,619,908	\$ 2,329,493
Assigned	248,907	1,054,279	776,353	362,283	338,956	300,074	310,708	132,273	77,389	-
Unassigned	269,499	238,290	268,049	275,314	257,866	258,044	272,233	340,864	337,347	150,000
Total general fund	<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>	<u>\$ 2,663,507</u>	<u>\$ 3,034,644</u>	<u>\$ 2,479,493</u>
All Other Governmental Funds										
Restricted:										
Debt Service Fund	\$ 43	\$ 42	\$ 85	\$ 125	\$ 100	\$ 108	\$ 132	\$ 25	\$ 2	\$ 2
Committed:										
Capital Projects Fund							117,877	11,669	11,669	11,669
Unassigned:										
Capital Projects Fund/(Deficit)					(448,800)	(448,800)				
Total all other governmental funds/(Deficit)	<u>\$ 43</u>	<u>\$ 42</u>	<u>\$ 85</u>	<u>\$ 125</u>	<u>\$ (448,700)</u>	<u>\$ (448,692)</u>	<u>\$ 118,009</u>	<u>\$ 11,694</u>	<u>\$ 11,671</u>	<u>\$ 11,671</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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$ 17,431,096	\$ 17,717,477	\$ 17,559,246	\$ 17,796,067	\$ 18,080,191	\$ 18,363,650	\$ 18,184,360	\$ 18,547,649	\$ 19,478,641	\$ 19,965,139
Tuition charges	16,842	22,356	32,692	35,335	38,070	61,286	38,983	72,868	50,960	85,095
Interest earnings	2,074	5,499	5,947	5,001	5,165	6,895	21,130	48,108	60,515	68,486
Rentals	205,238	214,835	221,685	230,231	236,008	243,500	259,144	267,323	296,585	296,585
Miscellaneous	479	35,085	128,754	26,806	133,636	489,589	1,012,677	234,650	66,731	21,580
State sources	2,228,612	2,630,403	2,871,534	2,830,173	3,010,428	3,219,236	3,886,199	3,864,235	4,161,468	4,308,446
Federal sources	343,423	674,061	427,080	421,749	374,148	398,689	351,034	424,999	423,728	422,083
Total revenue	20,227,764	21,299,716	21,246,938	21,345,362	21,877,646	22,782,845	23,494,383	23,451,653	24,509,366	25,167,414
Expenditures										
Instruction										
Regular Instruction	4,212,955	4,573,884	5,090,460	5,222,643	5,467,693	6,027,992	6,369,597	5,622,385	6,000,959	6,203,517
Special education instruction	1,458,815	1,690,390	1,556,502	1,545,920	1,426,668	1,888,996	2,569,014	2,075,719	1,902,863	2,222,784
Other special instruction	340,028	317,479	356,837	323,193	306,510	385,678	410,246	390,514	434,153	305,420
Other instruction	41,893	86,439	83,829	75,377	145,887	73,580	115,591	172,164	117,560	111,276
Support Services:										
Tuition	7,027,729	6,905,474	6,929,435	6,746,997	6,762,743	6,732,655	6,325,135	7,080,889	6,909,505	6,773,725
Student & instruction related services	1,158,447	1,211,614	1,144,803	1,174,946	1,294,867	1,299,931	1,231,296	1,591,339	1,848,756	2,012,992
General administrative services	591,698	493,589	355,689	577,910	368,737	553,500	360,398	424,164	420,768	408,941
School Administrative services	437,241	470,174	535,841	596,223	605,224	566,133	536,667	528,951	518,664	530,792
Plant operations and maintenance	1,145,034	1,146,410	1,168,692	1,451,855	1,184,568	1,053,086	1,172,928	1,103,125	1,337,516	1,337,941
Pupil transportation	1,142,992	1,169,256	1,195,988	1,208,510	1,470,369	1,192,003	1,076,475	1,123,653	1,160,339	1,281,508
Central services	473,147	527,915	669,559	611,170	419,898	369,462	365,753	352,725	371,397	421,681
Administrative Information Technology					127,544	138,971	124,370	117,975	122,554	105,415
Unallocated Benefits	827,715	987,496	1,225,412	1,212,599	1,426,958	1,678,907	1,705,971	2,199,182	2,533,750	2,690,432
Special Schools	132								21,297	11,118
Capital outlay	67,783	42,038	469,528	3,671	1,148,200	7,284	347,123	618,773	239,106	97,481
Debt service:										
Principal	585,000	580,000	575,000	575,000	570,000	655,000	145,000	155,000	160,000	165,000
Interest and other charges	168,411	150,639	131,739	112,401	92,308	71,891	48,235	41,671	34,781	27,672
Total expenditures	19,679,020	20,352,797	21,489,314	21,438,415	22,818,174	22,695,019	22,903,799	23,598,229	24,133,968	24,707,695
Excess (Deficiency) of revenues over (under) expenditures	548,744	946,919	(242,376)	(93,053)	(940,528)	87,826	590,584	(146,576)	375,398	459,719

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing sources (uses)										
Special Item - Reimbursement of Prior Year Tuition					\$ 424,190					
Transfers in	\$ 10	\$ 32	\$ 43	\$ 39	\$ 673,261	\$ 7	\$ 24	\$ 25,018		
Transfers out	(10)	(32)	(43)	(39)	(673,261)	(7)	(24)	(25,018)	\$ (4,284)	\$
Total other financing sources (uses)	-0-	-0-	-0-	-0-	424,190	-0-	-0-	-0-	(4,284)	-0-
Net change in fund balances	\$ 548,744	\$ 946,919	\$ (242,376)	\$ (93,053)	\$ (516,338)	\$ 87,826	\$ 590,584	\$ (146,576)	\$ 371,114	\$ 459,719
Debt service as a percentage of noncapital expenditures	3.10%	2.96%	2.83%	2.77%	2.71%	2.98%	0.65%	0.68%	0.82%	0.68%

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
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
2018	48,090	72,868	259,144	49,279		185,071	614,452
2019	60,515	50,960	267,323			57,531	436,329
2020	68,486	85,095	296,585			15,748	465,914

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	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
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	1.37	1,346,706,502
2017	7,183,800	1,131,423,900	5,132,600	337,400	113,820,900	59,252,400	36,896,700	1,354,047,700		1,354,047,700	1.34	1,365,006,098
2018	7,567,700	1,130,390,700	5,132,600	322,300	113,820,900	59,252,400	36,896,700	1,353,383,300		1,353,383,300	1.44	1,408,014,253
2019	6,695,300	1,131,929,100	4,777,200	322,600	113,695,700	59,752,400	36,996,700	1,354,169,000		1,354,169,000	1.47	1,436,479,262

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 ^a	General Obligation Debt Service ^b	Total Direct	Borough of Lincoln Park	Morris County	
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
2017	1.36	0.01	1.37	0.99	0.25	2.61
2018	1.43	0.01	1.44	1.02	0.27	2.72
2019	1.46	0.01	1.47	1.02	0.27	2.76

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 TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2020		2011		
	Taxpayer	Assessed Value	Taxpayer	% of Total District Net Assessed Value	
209 Comly Road	\$ 36,183,800	2.67%	209 Comly Road	\$ 36,183,800	2.32%
499 Pine Brook Road	16,246,900	1.20%	60 Beaver Brook Road	15,500,000	0.99%
60 Beaver Brook Road	15,500,000	1.14%	499 Pine Brook Road	16,246,900	1.04%
521 Pine Brook Road	9,958,400	0.74%	600 Ryerson Road	7,100,000	0.45%
261 Comly Road	7,662,600	0.57%	261 Comly Road	7,662,600	0.49%
510 Ryerson Road	6,600,000	0.49%	510 Ryerson Road	6,600,000	0.42%
600 Ryerson Road	7,100,000	0.52%	107 Beaver Brook Road	4,450,000	0.29%
132 Beaver Brook Road	3,682,600	0.27%	1 Frassetto Way	4,200,000	0.27%
107 Beaver Brook Road	4,450,000	0.33%	521 Pine Brook Road	9,958,400	0.64%
1 Frassetto Way	4,200,000	0.31%	2 Ungerer Way	3,000,000	0.19%
Total	\$ 111,584,300	8.24%	Total	\$ 110,901,700	7.10%

Source: Municipal Tax Assessor

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

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy ^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
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-
2018	18,547,649	18,547,649	100.00%	-0-
2019	19,478,641	19,478,641	100.00%	-0-
2020	19,965,139	19,965,139	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 ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)			
2011	\$ 4,130,000				\$ 4,130,000	0.51%	\$ 392
2012	3,550,000				3,550,000	0.42%	338
2013	2,975,000				2,975,000	0.35%	285
2014	2,400,000				2,400,000	0.28%	230
2015	1,830,000				1,830,000	0.20%	177
2016	1,175,000				1,175,000	0.13%	113
2017	1,030,000				1,030,000	0.11%	99
2018	875,000				875,000	0.09%	85
2019	715,000				715,000	0.07%	71
2020	550,000				550,000	0.06%	54

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 ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 4,130,000	-0-	\$ 4,130,000	0.263%	\$ 392
2012	3,550,000	-0-	3,550,000	0.227%	338
2013	2,975,000	-0-	2,975,000	0.216%	285
2014	2,400,000	-0-	2,400,000	0.175%	230
2015	1,830,000	-0-	1,830,000	0.133%	177
2016	1,175,000	-0-	1,175,000	0.086%	113
2017	1,030,000	-0-	1,030,000	0.076%	99
2018	875,000	-0-	875,000	0.065%	85
2019	715,000	-0-	715,000	0.053%	71
2020	550,000	-0-	550,000	0.041%	54

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, 2019
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Lincoln Park	\$ 19,212,376	100.00%	\$ 19,212,376
Morris County General Obligation Debt	216,220,009	1.55%	<u>3,360,368</u>
Subtotal, overlapping debt			22,572,744
Lincoln Park School District Direct Debt			<u>550,000</u>
Total direct and overlapping debt			<u><u>\$ 23,122,744</u></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 2020

	2019	2018	2017
Equalized valuation basis	\$ 1,436,479,262	1,408,014,253	1,384,506,851
	<u>\$ 4,229,000,366</u>		
Average equalized valuation of taxable property	<u>\$ 1,409,666,789</u>		
Debt limit (3% of average equalization value)	\$ 42,290,004		
Net bonded school debt	550,000		
Legal debt margin	<u>\$ 41,740,004</u>		

Fiscal Year

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 48,463,481	\$ 46,283,925	\$ 44,306,594	\$ 42,172,057	\$ 40,821,385	\$ 40,259,517	\$ 40,512,563	\$ 40,949,528	\$ 41,550,798	\$ 42,290,004
Total net debt applicable to limit	<u>4,130,000</u>	<u>3,550,000</u>	<u>2,975,000</u>	<u>2,400,000</u>	<u>1,830,000</u>	<u>1,175,000</u>	<u>1,030,000</u>	<u>875,000</u>	<u>715,000</u>	<u>550,000</u>
Legal debt margin	<u>\$ 41,309,866</u>	<u>\$ 44,596,093</u>	<u>\$ 45,281,151</u>	<u>\$ 44,333,481</u>	<u>\$ 38,991,385</u>	<u>\$ 39,084,517</u>	<u>\$ 39,482,563</u>	<u>\$ 40,074,528</u>	<u>\$ 40,835,798</u>	<u>\$ 41,740,004</u>
Total net debt applicable to the limit as a percentage of debt limit	8.52%	7.67%	6.71%	5.69%	4.48%	2.92%	2.54%	2.14%	1.72%	1.30%

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^a</u>	<u>Personal Income (thousands of dollars)^b</u>	<u>Morris County Per Capita Personal Income^c</u>	<u>Borough Unemployment Rate^d</u>
2011	10,544	\$ 814,070,608	\$ 77,207	7.20%
2012	10,511	841,163,797	80,027	7.00%
2013	10,425	843,048,900	80,868	6.90%
2014	10,426	872,520,662	83,687	5.90%
2015	10,320	907,086,720	87,896	4.90%
2016	10,353	922,089,945	89,065	4.30%
2017	10,357	976,240,463	94,259	4.00%
2018	10,246	1,012,735,132	98,842	3.80%
2019	10,111	999,391,462	98,842 *	3.20%
2020	10,111 **	999,391,462 **	98,842 *	N/A

* - Latest Morris County per capita personal income available (2018) was used for calculation purposes.

** - Latest population data available (2019) 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 - COUNTY OF MORRIS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2019		2010		Percentage of Total Employment	
	Employer	Employees	Percentage of Total Employment	Employer		Employees
Atlantic Health Systems		6,140	2.43%	Novartis	4,990	1.99%
Picatinny Arsenal		6,000	2.37%	Atlantic Health System	4,933	1.97%
Novartis		4,900	1.94%	U.S. Army Armament R&D	4,442	1.77%
ADP		2,690	1.06%	UPS	2,332	0.93%
Bayer		2,400	0.95%	County of Morris	1,959	0.78%
Accenture		1,865	0.74%	ADP	1,924	0.77%
Barclays		1,800	0.71%	AT&T	1,550	0.62%
Honeywell		1,704	0.67%	St. Clare's Health System	1,531	0.61%
Allergan		1,627	0.64%	BASF Corporation	1,400	0.56%
St. Clare's Health System		1,565	0.62%	Avis Budget Group, Inc.	1,378	0.55%
		<u>30,691</u>	<u>12.13%</u>		<u>26,439</u>	<u>10.55%</u>
Total Employment *		<u>252,984</u>			<u>250,640</u>	

N/A - Total amount of employment is not available in order to do the percentage calculation.

* - Employment data provided by the NJ Department of Labor and Workforce Development.

Note - Information is for Morris County

Source: Morris County Economic Development Corporation.

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

<u>Function/Program</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction	60.0	52.6	56.0	54.0	55.0	56.0	64.2	64.2	64.2	64.2
Regular	20.0	21.4	23.4	20.5	27.0	29.5	20.4	20.4	20.4	20.4
Special education										
Support Services:										
Student & instruction related services	11.0	11.0	10.8	10.8	10.8	10.8	28.0	28.0	28.0	28.0
School administrative services	4.0	4.1	4.1	4.1	4.1	4.1	4.0	4.0	4.0	4.0
General and administrative services	1.0	1.0	1.0	1.0	1.0	1.0	2.1	2.1	2.0	2.0
Plant operations and maintenance	9.0	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Pupil transportation	1.0	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Business and other support services	7.0	6.8	6.0	6.0	6.0	6.0	5.0	5.0	5	5
Food Service				8.0	8.0	8.0	7.0	7.0	7.0	7.0
Total	113.0	105.7	110.1	113.2	120.7	124.2	139.5	139.5	139.4	139.4

* 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 ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School					
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%	
2018	939	22,782,785	24,263	1.66%	85	1:12	1:12	939	898	2.07%	95.63%	
2019	908	23,700,081	26,101	7.58%	85	1:12	1:12	914	871	-2.66%	95.30%	
2020	914	24,417,542	26,715	2.35%	85	1:12	1:12	931	900	1.86%	96.67%	

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>District Building</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	526	516	527	505	568	536	536	536	501	507
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	364	359	372	435	396	398	398	398	407	407
Number of Schools at June 30, 2020										
Elementary = 1										
Middle School = 1										
Other = 1										

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Chapel Hill</u> <u>School</u>	<u>Elementary School</u>	<u>Middle School</u>	<u>Total</u>
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
2018		73,129	99,097	172,226
2019	4,956	111,699	117,077	233,732
2020	1,364	111,842	115,213	228,419

* 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 BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2020
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Commercial Package Policy - New Jersey Schools Insurance Group (NJSIG)		
Real & Personal Property (per occurrence)	\$500,000,000	\$5,000
Blanket Extra Expense	\$50,000,000	\$5,000
Blanket Valuable Paper & Records	\$10,000,000	\$5,000
Demolition & Increased Cost of Construction	\$25,000,000	
Limited Builders Risk	\$10,000,000	
Fire Dept. Service Charge	\$10,000	
Arson Reward	\$10,000	
Pollution Cleanup & Removal	\$250,000	
Flood/Earthquake:		
Flood Zone A & V	\$25,000,000	\$500,000
All Other Flood Zones	\$75,000,000	\$10,000
Earthquake	\$50,000,000	\$1,000
Terrorism	\$1,000,000	
Electronic Data Processing:		
Blanket Hardware/Software, Extra Expense, Business Income, Transit, Debris Removal	\$2,500,000	\$1,000
Flood (Deductible for Zone A & Z)		\$500,000
(Deductible All Other Flood Zones)		\$10,000
Equipment Breakdown		
Combined Single Limit/Accident for Property Damage & Business Income	\$100,000,000	\$5,000
Property Damage	Included	
Off Premises Property Damage	\$1,000,000	\$5,000
Extra Expense	\$10,000,000	\$5,000
Service Interruption	\$10,000,000	\$5,000
Perishable Goods	\$1,000,000	\$5,000
Data Restoration	\$1,000,000	\$5,000
Demolition	\$1,000,000	\$5,000
Ordinance or Law	\$1,000,000	\$5,000
Expediting Expense	\$1,000,000	\$5,000
Hazardous Substances	\$1,000,000	\$5,000
Newly Acquired Locations - 120 Days Notice	\$1,000,000	\$5,000
Crime Coverage:		
Public Employee Dishonesty	\$100,000	\$500
Theft, Disapp. & Destruction/Money Orders & Counterfeit Currency	\$50,000	\$500
Forgery or Alteration	\$50,000	\$500
Computer Fraud	\$50,000	
Public Officials Bond		
Business Administrator - J Petty (NJSIG)	\$220,000	\$1,000
Treasurer - G Stranz - (RLI)	\$210,000	
General Liability:		
Bodily Injury & Property Damage	\$11,000,000	
Products & Completed Operations	\$11,000,000	
Sexual Abuse	\$11,000,000	
Personal Injury & Advertising Injury	\$11,000,000	
Employee Benefits Liability	\$11,000,000	\$1,000
Premises Medical Payments	\$10,000 per accident	
	\$5,000 per person	
Terrorism	\$1,000,000	
Automotive Coverage:		
Combined Single Limit for Bodily Injury & Property Damage	\$11,000,000	\$1,000
Personal Injury Protection	\$250,000	\$1,000
Medical Payments	\$10,000	\$1,000
Underinsured	\$1,000,000	\$1,000
Terrorism	\$1,000,000	\$1,000
Garagekeepers	Included	
School Leaders Errors & Omissions		
Coverage A - protection againsts "loss"/Wrongful Acts	\$11,000,000	\$5,000
Coverage B - defense costs for specific administrative actions	\$100,000/claim	\$5,000
	\$300,000/agg	\$5,000
Retro Date	7/1/1986	
Workers' Compensation		
Part One	Statutory	
Part Two		
Bodily Injury by Accident	\$2,000,000	
Bodily Injury by Disease	\$2,000,000	
Supplemental Indemnity		
30% Wage Reimbursement		
52 Week Benefit Period		
7 day waiting period		
Travel Accident - National Union Fire Insurance Company:		
Accidental Death Dismemberment	\$250,000	-0-
Aggregate limit of Indemnity	\$1,250,000	-0-
Student/Athletic Volunteer Accident:		
All School - US Fire Ins Co	\$25,000	-0-
Excess Coverage - Medical Expense benefits - AIG	\$7,500,000	\$25,000
Volunteer Workers	\$25,000	\$1,000

Source: Borough of Lincoln Park School District records

SINGLE AUDIT SECTION



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Independent Member
BKR International

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, 2020, 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 3, 2020.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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. 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.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

December 15, 2020
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

John J. Mooney

John J. Mooney
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BKR International

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 each of the District's major state programs for the fiscal year ended June 30, 2020. The District's major state programs are 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 each 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 each of its major state programs for the fiscal year ended June 30, 2020.

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.

December 15, 2020
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

John J. Mooney

John J. Mooney
Licensed Public School Accountant #2602
Certified Public Accountant

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance Unearned Revenue/(Accounts Receivable) 6/30/2019	Due to Grantor 6/30/2019	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance 6/30/2020 Accounts Receivable	Unearned Revenue 6/30/2020	Due to Grantor 6/30/2020	Amount Provided to Subrecipient
Enterprise Fund:													
U.S. Department of Agriculture													
Passed-through State Department of Agriculture:													
Child Nutrition Cluster													
Food Distribution Program	10.555	N/A	7/1/18-6/30/19	\$ 20,666	\$ 1,485		\$ 12,838	\$ (1,485)			\$ 2,324		
Food Distribution Program	10.555	N/A	7/1/19-6/30/20	12,838	1,485		12,838	(10,514)			2,324		
Total Food Distribution Program								(11,999)					
National School Lunch Program	10.555	N/A	7/1/18-6/30/19	83,638	(5,265)		5,265	(61,021)					
National School Lunch Program	10.555	N/A	7/1/19-6/30/20	61,021			61,021	(61,021)					
COVID-19 - Seamless Summer Option	10.555	N/A	3/1/20-6/30/20	11,453			8,906	(11,453)		\$ (2,547)			
School Breakfast Program	10.553	N/A	7/1/19-6/30/20	911			911	(911)					
COVID-19 - Seamless Summer Option	10.553	N/A	3/1/20-6/30/20	4,970			3,717	(4,970)		(1,253)			
Total Child Nutrition Cluster					(5,265)		79,820	(78,355)		(3,800)			
Total U.S. Department of Agriculture					(3,780)		92,658	(90,354)		(3,800)	2,324		
U.S. Department of Health and Human Services:													
Medicaid Cluster:													
Medicaid Assistance Program	93.778	N/A	7/1/19-6/30/20	18,360			17,942	(18,360)		(418)			
Total General Fund							17,942	(18,360)		(418)			
Special Revenue Fund:													
U.S. Department of Education													
Passed-through State Department of Education:													
Elementary and Secondary Education Act Consolidated:													
Title I	84.010A	ESEA265020	7/1/19-9/30/20	87,669			61,771	(87,661)		(25,890)			
Title I	84.010A	ESEA265019	7/1/18-9/30/19	93,817	(34,269)		34,269						
Title I	84.010A	ESEA265016	7/1/15-6/30/16	94,428		\$ 1,361	96,040	(87,661)	\$ 1,361	(25,890)			
Total Title I					(34,269)	1,361			1,361				
Title II	84.367A	ESEA265020	7/1/19-9/30/20	23,539			21,832	(23,539)		(1,707)			
Title II	84.367A	ESEA265019	7/1/18-9/30/19	21,099	(1,106)		1,106			(1,707)			
Total Title II					(1,106)		22,938	(23,539)		(1,707)			
Title III	84.365A	ESEA265020	7/1/19-9/30/20	19,422			12,886	(17,767)		(4,881)			
Title III	84.365A	ESEA265019	7/1/18-9/30/19	23,395	(2,911)		2,911						
Title III	84.365A	ESEA265018	7/1/17-6/30/18	10,258	(2,181)	43	2,181					\$ 43	
Title III	84.365A	ESEA265016	7/1/15-6/30/16	17,910		4,158			4,158	(700)			
Title III - Immigrant	84.365A	ESEA265020	7/1/19-9/30/20	1,615	(314)		915	(1,615)					
Title III - Immigrant	84.365A	ESEA265019	7/1/18-9/30/19	1,679	(5,406)	4,201	314			(5,581)		43	
Total Title III					(5,406)	4,201	19,207	(19,382)	4,158	(5,581)		43	
Title IV	84.424A	ESEA265020	7/1/19-9/30/20	10,000			10,000	(10,000)					
Total Title IV							10,000	(10,000)					
COVID 19 - CARES Emergency Relief Grant	84.425D	ESEA359020	3/13/20-9/30/22	70,487				(8,600)		(8,600)			
Special Education Cluster:													
IDEA Part B, Basic Regular	84.027	IDEA265020	7/1/19-9/30/20	262,379			213,560	(255,954)		(42,394)			
IDEA Part B, Basic Regular	84.027	IDEA265019	7/1/18-9/30/19	245,622	(4,960)		4,960						
IDEA Part B, Preschool	84.173	IDEA265020	7/1/19-9/30/20	9,382			3,873	(9,382)		(5,509)			
IDEA Part B, Preschool	84.173	IDEA265019	7/1/18-9/30/19	9,015	(1,880)		1,880						
IDEA Part B, Preschool	84.173	IDEA265018	7/1/17-6/30/18	8,819	(6,840)	59	224,273	(265,336)		(47,903)		59	
Total Special Education Cluster					(6,840)	59							
Total Special Revenue Fund/U.S. Department of Education					(47,621)	5,621	372,458	(414,518)	5,519	(89,681)		102	
Total Federal Awards					\$ (51,401)	\$ 5,621	\$ 483,058	\$ (523,232)	\$ 5,519	\$ (93,481)	\$ 2,324	\$ 102	
N/A - Not applicable													

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance Due Grantor/ (Accounts Receivable) 6/30/2019	Cash Received	Budgetary Expenditures	June 30, 2020		Memo	
							GAAP (Accounts Receivable)	Budgetary Unearned Revenue	(Budgetary Receivable)	Cumulative Total Expenditures
NJ Department of Education:										
General Fund										
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	\$ 635,819	\$	\$ 576,899	\$ (635,819)	\$	\$	\$ (58,920)	\$ 635,819
Transportation Aid - Non-public reimbursement	20-495-034-5120-014	7/1/19-6/30/20	15			(15)			(15)	15
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	832,729		755,562	(832,729)			(77,167)	832,729
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	136,362		123,726	(136,362)			(12,636)	136,362
Adjustment Aid	20-495-034-5120-085	7/1/19-6/30/20	103,853		94,229	(103,853)			(9,624)	103,853
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	117,919			(117,919)			(117,919)	117,919
Reimbursed TPAF Social Security Contributions	20-495-034-5095-003	7/1/19-6/30/20	509,399		484,599	(509,399)			(24,800)	509,399
TPAF Pension Contributions (non-budgeted)	20-495-034-5094-002	7/1/19-6/30/20	1,369,171		1,369,171	(1,369,171)				1,369,171
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)	20-495-034-5094-001	7/1/19-6/30/20	517,041		517,041	(517,041)				517,041
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)	20-495-034-5094-004	7/1/19-6/30/20	24,541		24,541	(24,541)				24,541
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)	20-495-034-5094-004	7/1/19-6/30/20	1,463		1,463	(1,463)				1,463
Total General Fund State Aid										
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	635,819	\$ (58,266)	58,266					635,819
Transportation Aid - Non-public reimbursement	19-495-034-5120-014	7/1/18-6/30/19	19,442	(19,442)	19,442					19,442
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	826,572	(75,745)	75,745					826,572
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	136,362	(12,496)	12,496					136,362
Adjustment Aid	19-495-034-5120-085	7/1/18-6/30/19	103,853	(9,517)	9,517					103,853
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	96,629	(96,629)	96,629					96,629
Reimbursed TPAF Social Security Contributions	19-495-034-5095-003	7/1/18-6/30/19	508,891	(24,993)	24,993					508,891
Total Special Revenue Fund										
Special Revenue Fund										
Anti Bullying Aid	N/A	7/1/13-6/30/20	3,604	3,604				\$ 3,604		
Total Special Revenue Fund										
Debt Service Fund:										
Debt Service State Aid Support	20-495-034-5120-017	7/1/19-6/30/20	62,457		62,457	(62,457)				62,457
Total Debt Service Fund										
Enterprise Fund:										
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	3,471	(224)	224					3,471
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	3,319		2,435	(3,319)			(884)	3,319
Seamless Summer Program	20-100-010-3350-023	3/1/20-6/30/20	181		141	(181)			(40)	181
Total Enterprise Fund										
Total State Awards			\$ (293,708)	\$ 4,309,576	\$ (4,314,269)	\$ (143,658)	\$ (302,005)	\$ -	\$ (924)	\$ 6,645,308

N/A - Not available

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance Due Grantor/ (Accounts Receivable) 6/30/2019	Cash Received	Budgetary Expenditures	June 30, 2020		Memo	
							GAAP (Accounts Receivable)	Budgetary Unearned Revenue	(Budgetary Receivable)	Cumulative Total Expenditures
Less: State Awards Not Subject to Single Audit Major Program Determination										
On-Behalf TPAF Pension System Contributions:										
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/19-6/30/20	\$ (1,369,171)			\$ 1,369,171				
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19-6/30/20	(517,041)			517,041				
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19-6/30/20	(24,541)			24,541				
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	(1,463)			1,463				
Subtotal - On-Behalf TPAF Pension System Contributions						1,912,216				
Total State Awards Subject to Single Audit Major Program Determination						\$ (2,402,053)				

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, 2020

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, 2020. 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 (\$2,323) for the General Fund and (\$11,975) of which \$1,180 is attributable to local grants 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, 2020
(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 18,360	\$ 4,245,989	\$ 4,264,349
Special Revenue Fund	403,723		403,723
Debt Service Fund		62,457	62,457
Food Service Fund	<u>90,354</u>	<u>3,500</u>	<u>93,854</u>
Total Awards	<u>\$ 512,437</u>	<u>\$ 4,311,946</u>	<u>\$ 4,824,383</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. 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, 2020.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2020 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 200.516(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:				
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 832,729	\$ 832,729
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	136,362	136,362
Adjustment Aid	20-495-034-5120-085	7/1/19-6/30/20	103,853	103,853

- 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, 2020
(Continued)

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

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

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 findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Status of Prior Year Findings:

The District had no prior year audit findings.