

**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, 2021**

**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, 2021

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

Michael Meyer
Superintendent of Schools

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

December 15, 2021

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, 2021, 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 2020-2021 fiscal year with an enrollment of 863 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 and Pequannock Township's Academies program. During the 2020-2021 school year, 311 students attended Boonton High School, 58 students attended the Morris County Academies, and 38 students attended the Pequannock Academies. The Lincoln Park Board of Education was responsible for the education of 1,280 students, which includes 10 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, benchmark objectives were resumed, but since many students were working remotely for the entire year and the rest were only in school for a partial day schedule, the accuracy of this data is not as accurate as we are accustomed. As the district is moving forward with full-time, in-person instruction, benchmark data is more accurate, but reveals less progress than usual due to the effects of the pandemic. Our new curriculum director and our new teacher coach will be working with the staff to analyze Start Strong data (the assessment that NJ will require we administer early in the school year) as well as locally gathered data. This information will be used to target supplemental instruction in the classroom during the intervention/foundation periods in each school. The district continues to review and update the curricula throughout the district, assuring alignment with the New Jersey Student Learning Standards. During the 20-21 school year, all curriculum that was due for revision for the 21-22 school year was postponed for one year. This means for the 22-23 school year, the curriculum for the following content areas and their revised standards must be incorporated into the appropriate subject area curriculum: Career Readiness, Life, Literacy and Key Skills; Comprehensive Health and Physical Education; Computer Science & Design Thinking; Science; Social Studies; Visual and Performing Arts; and World Languages. The district has also placed a focus on Social Emotional Learning and Wellness as this was identified as a need among all of our stakeholder groups as we prepared to meet the challenges brought about by the pandemic. We will incorporate the Second Step program into both of our schools and we are also looking to incorporate Responsive Classroom at the elementary school. These programs address topics such as resilience, growth mindset, emotional management, empathy and problem solving.

At the end of the school year, the District entered into a shared services agreement with the Bergen County Technical School District, who provides our technology personnel, planning and support. While the district has done an excellent job of investing in technology over the past eight years, our investments have outpaced our infrastructure and support model that had been developed prior to the 21st century. We have seen, for the past several years, our network struggling to support so many individual devices in each building. The district is currently upgrading our network, which had reached its end of life period and we are now utilizing e-rate funding to ensure the new network has a sufficient number of switches and access points, not only to provide reliable WJFI for every device, but with the ability to grow to meet future needs as well.

Upcoming Referendum:

Our district will present a referendum to the Lincoln Park community in a special election in March or September of 2022. The referendum, if supported by the Borough taxpayers, will provide for major improvements at both schools. An addition of four classrooms at the elementary school as well as refurbishing the STEM lab at the middle school. The referendum will also include the creation of a vestibule at the middle school, allowing for better security as well as expanding the main office; a replacement boiler at the middle school; new sections of roof on each building; replacement of outdated windows; most importantly, a new HVAC system in each school, providing for air-conditioned classrooms throughout the building. Planning the strategy for the referendum has already begun and will begin implementation with an informational campaign in January of 2022.

Strategic Planning:

Lincoln Park has never undertaken a strategic planning project, but it allows the district to gather input from stakeholders from all aspects of the community, especially from groups who don't necessarily have a direct relationship with the school. As it opens lines of communication, it may provide new objectives and strategies for achieving newly formed or existing goals. This process will begin early in 2022.

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 three 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 will be accomplished by the required dates to ensure compliance.
- 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 health and 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, twenty-five 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, 2021.

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 Pooled Insurance Program of New Jersey (the "Fund"). The Fund is a public entity risk management pool. Additional information on the Fund is included in the "Notes to the Basic Financial Statements", in Note 12.

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*, 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,

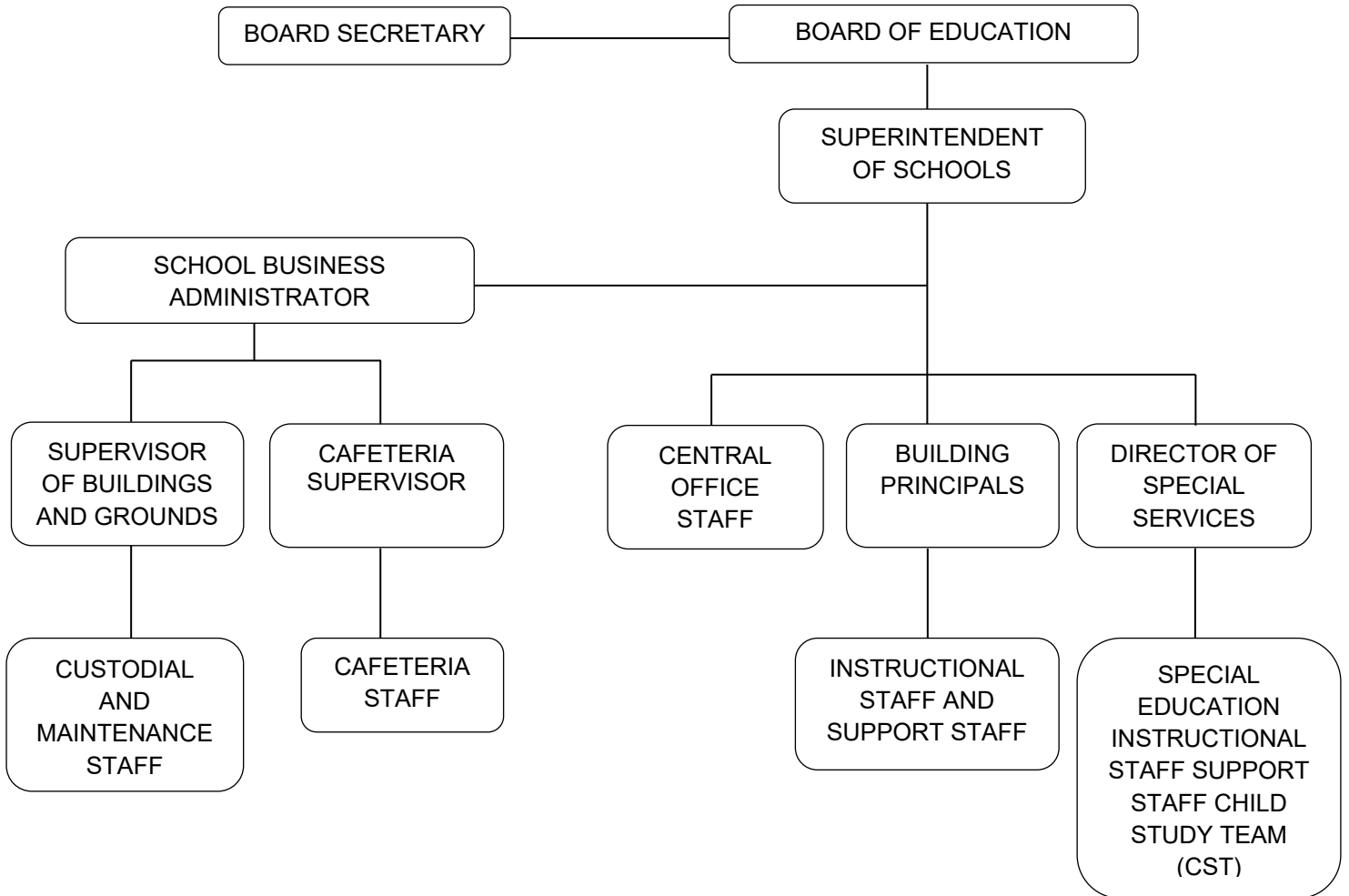


Michael Meyer
Superintendent



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, 2021

<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	2023
Juliana Nagle	1 Year	2021
Sandra Vucenovic	3 Years	2022
Jennifer Aiello	3 Years	2023

Other Officers

Michael Meyer, Superintendent (from 1/1/2021)

James W. Grube, Superintendent (to 12/31/2020)

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

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Schwartz, Simon, Edelstein and Celso, LLC
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Fairfield, New Jersey 07004

Valley National Bank
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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, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 19 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, 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 Honorable President and Members
of the Board of Education
Lincoln Park Borough School District
Page 3

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 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, 2021 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, 2021
Mount Arlington, New Jersey

Nisivoccia 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, 2021. 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.
- *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

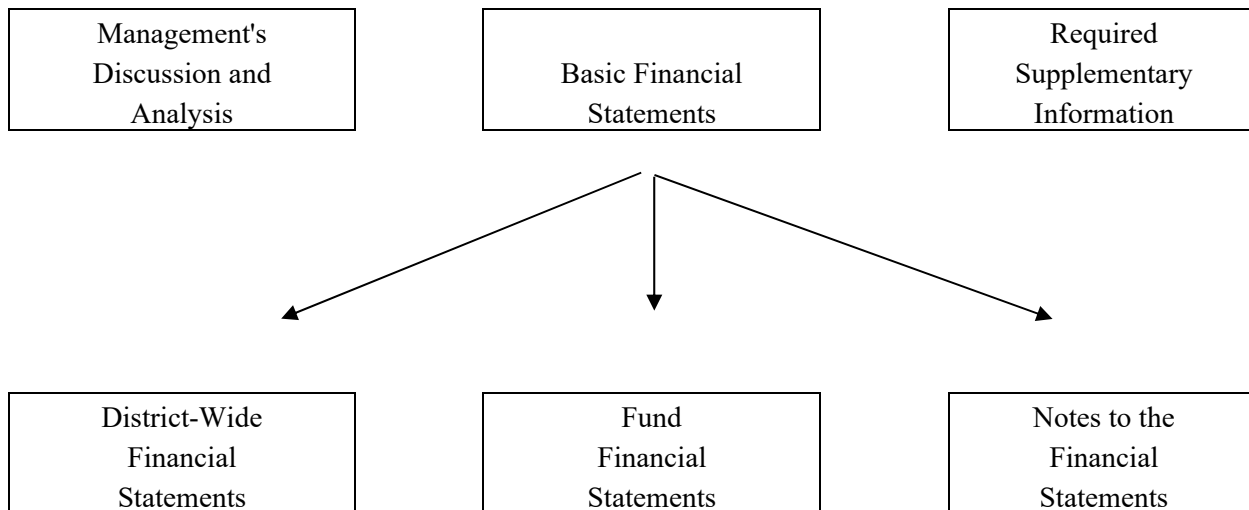


Table 2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents 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
Scope	Entire District	The activities of the District that are not proprietary such as special education and building maintenance	Activities the District operates similar to private businesses: food services
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
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
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
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

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 two 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.

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 District’s combined net position increased by \$343,176. Net position from governmental activities increased by \$339,415 and net position from business-type activities increased by \$3,761. Net investment in capital assets decreased by \$129,441, restricted net position decreased by \$992,648 and unrestricted net position increased by \$1,465,265.

**Table 3
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		% Change
	(Restated)				(Restated)		
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	
Current and Other Assets	\$ 3,717,093	\$ 4,556,286	\$ 31,635	\$ 54,762	\$ 3,748,728	\$ 4,611,048	
Capital Assets, Net	6,190,057	5,887,746	53,221	51,091	6,243,278	5,938,837	
Total Assets	<u>9,907,150</u>	<u>10,444,032</u>	<u>84,856</u>	<u>105,853</u>	<u>9,992,006</u>	<u>10,549,885</u>	5.58%
Deferred Outflows of Resources	888,423	644,620			888,423	644,620	-27.44%
Other Liabilities	250,746	880,267	19,774	17,236	270,520	897,503	
Long-term Liabilities	3,369,973	2,772,623			3,369,973	2,772,623	
Total Liabilities	<u>3,620,719</u>	<u>3,652,890</u>	<u>19,774</u>	<u>17,236</u>	<u>3,640,493</u>	<u>3,670,126</u>	0.81%
Deferred Inflows of Resources	1,476,688	1,398,181			1,476,688	1,398,181	-5.32%
Net Investment in Capital Assets	5,640,057	5,512,746	53,221	51,091	5,693,278	5,563,837	
Restricted	2,904,045	1,911,397			2,904,045	1,911,397	
Unrestricted/(Deficit)	<u>(2,845,936)</u>	<u>(1,386,562)</u>	<u>31,635</u>	<u>37,526</u>	<u>(2,814,301)</u>	<u>(1,349,036)</u>	
Total Net Position	<u>\$ 5,698,166</u>	<u>\$ 6,037,581</u>	<u>\$ 84,856</u>	<u>\$ 88,617</u>	<u>\$ 5,783,022</u>	<u>\$ 6,126,198</u>	5.93%

Changes in Net Position. The District’s combined net position was \$6,126,198 on June 30, 2021, an increase of \$343,176 or 5.93% over the previous year (see Table 3). Net Investment in Capital Assets decreased \$129,441 due to \$418,709 in depreciation expense; offset by the maturity of \$175,000 of serial bonds payable and \$114,268 in capital asset additions. Restricted net position decreased by \$992,648 primarily due to a decrease in Capital Reserve, Maintenance Reserve and Excess Surplus. The \$1,465,265 increase in unrestricted net position was primarily due to the changes in net position liability and related deferred outflows and inflows, as well as an increase in General Fund unassigned fund balance and an increase in designated for subsequent year’s expenditures.

Table 4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	
Revenue:							
Program Revenue:							
Charges for Services	\$ 85,095	\$ 65,059	\$ 175,002	\$ 2,198	\$ 260,097	\$ 67,257	
Operating Grants and Contributions	5,268,761	5,938,912	93,854	193,821	5,362,615	6,132,733	
General Revenue:							
Property Taxes	19,965,139	20,363,567			19,965,139	20,363,567	
Unrestricted State and Federal Aid	302,425	304,370			302,425	304,370	
Other	380,819	490,626	1,182	23	382,001	490,649	
Total Revenue	<u>26,002,239</u>	<u>27,162,534</u>	<u>270,038</u>	<u>196,042</u>	<u>26,272,277</u>	<u>27,358,576</u>	4.13%
Expenses:							
Instruction	11,407,851	12,131,755			11,407,851	12,131,755	
Pupil and Instruction Services	9,186,420	10,288,264			9,186,420	10,288,264	
Administrative and Business	1,908,587	1,826,044			1,908,587	1,826,044	
Maintenance and Operations	1,495,701	1,345,711			1,495,701	1,345,711	
Transportation	1,283,323	1,210,017			1,283,323	1,210,017	
Other	395,430	21,328	274,027	192,281	669,457	213,609	
Total Expenses	<u>25,677,312</u>	<u>26,823,119</u>	<u>274,027</u>	<u>192,281</u>	<u>25,951,339</u>	<u>27,015,400</u>	4.10%
Increase/(Decrease) in Net Position	<u>\$ 324,927</u>	<u>\$ 339,415</u>	<u>\$ (3,989)</u>	<u>\$ 3,761</u>	<u>\$ 320,938</u>	<u>\$ 343,176</u>	-6.93%

Governmental Activities

The financial position of the District improved. 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	
	2019/20	2020/21	2019/20	2020/21
Instruction	\$ 11,407,851	\$ 12,131,755	\$ 7,611,667	\$ 7,724,732
Pupil and Instruction Services	9,186,420	10,288,264	8,785,957	9,669,317
Administrative and Business	1,908,587	1,826,044	1,540,136	1,507,500
Maintenance and Operations	1,495,701	1,345,711	1,343,910	1,345,711
Transportation	1,283,323	1,210,017	646,356	550,560
Other	395,430	21,328	395,430	21,328
	<u>\$ 25,677,312</u>	<u>\$ 26,823,119</u>	<u>\$ 20,323,456</u>	<u>\$ 20,819,148</u>

Business-Type Activities

Net position from the District's business-type activity increased by \$3,761 (refer to Table 4). Factors contributing to these results included Food Service Fund revenue exceed expenses.

Financial Analysis of the District's Funds

The District's financial position increased on a fund basis. 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.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments are due to changes made within budgetary line items for school-based needs for programs, supplies and equipment.

Table 6
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	
Land	\$ 719,980	\$ 719,980			\$ 719,980	\$ 719,980	
Site Improvements	107,238	96,136			107,238	96,136	
Buildings and Building Improvements	5,072,857	4,730,088			5,072,857	4,730,088	
Furniture, Machinery and Equipment	289,982	341,542	\$ 53,221	\$ 51,091	343,203	392,633	
	<u>\$ 6,190,057</u>	<u>\$ 5,887,746</u>	<u>\$ 53,221</u>	<u>\$ 51,091</u>	<u>\$ 6,243,278</u>	<u>\$ 5,938,837</u>	-4.88%

During the fiscal year, the District acquired or constructed \$114,268 in capital asset additions (\$109,468 from its governmental activities and \$4,800 from its business-type activities) for various capital projects; offset by

\$418,709 in current year depreciation (\$411,779 from its governmental activities and \$6,930 from its business-type activities).

Long-term Liabilities

Table 7
Outstanding Long-Term Liabilities

	Total School District		Total Percentage Change
	2019/20	2020/21	
General Obligation Bonds (Financed with Property Taxes)	\$ 550,000	\$ 375,000	
Net Pension Liability	2,646,129	2,304,516	
Other Long-Term Liabilities	173,844	93,107	
	<u>\$ 3,369,973</u>	<u>\$ 2,772,623</u>	-17.73%

- The District continued to pay down its bonded debt, retiring \$175,000 of outstanding bonds.
- Compensated absences payable decreased by a net amount of \$80,737.
- Net pension liability decreased by \$341,613.

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 again by 6%, or \$339,415. The district continues to be responsible in its spending in an effort to ensure annual deposits to their reserve accounts. As of June 30, 2021, the District was able to increase the balance in their Tuition Reserve account which will help support future tuition expenditures for students attending Boonton High School.

As of the date of this audit, the district is planning to hold a special election in either March or September 2022 to approve a multi-million dollar bond referendum to replace and upgrade the district's aging HVAC systems, boilers, roofs, and windows, upgrade and renovate the STEM lab and main office at the LPMS and build a four classroom addition at the LPES.

Due to new legislation which increased the balance districts may keep in their unassigned fund balance from 2% to 4%, the district is better suited to meet unforeseen mandates or needs that were unknown during budget development time.

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, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,614,588	\$ 37,462	\$ 2,652,050
Receivables from State Government	272,447	1,078	273,525
Receivables from Federal Government	68,372	10,677	79,049
Other Accounts Receivables	36,319		36,319
Internal Balances	(2,460)	2,460	
Inventory		3,085	3,085
Restricted Cash and Cash Equivalents	1,567,020		1,567,020
Capital Assets:			
Sites (Land)	719,980		719,980
Depreciable Site Improvements, Buildings and Building Improvements and Furniture, Machinery and Equipment	5,167,766	51,091	5,218,857
Total Assets	<u>10,444,032</u>	<u>105,853</u>	<u>10,549,885</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	<u>644,620</u>		<u>644,620</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	395,334	7,270	402,604
Payable to Federal Government	3,992		3,992
Unearned Revenue	476,839	9,966	486,805
Accrued Interest Payable	4,102		4,102
Noncurrent Liabilities:			
Due Within One Year	185,000		185,000
Due Beyond One Year	2,587,623		2,587,623
Total Liabilities	<u>3,652,890</u>	<u>17,236</u>	<u>3,670,126</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	<u>1,398,181</u>		<u>1,398,181</u>
NET POSITION			
Net Investment in Capital Assets	5,512,746	51,091	5,563,837
Restricted for:			
Capital Projects	782,668		782,668
Maintenance Reserve	249,351		249,351
Tuition Reserve	427,111		427,111
Unemployment Compensation	35,323		35,323
Excess Surplus	344,376		344,376
Student Activities	72,567		72,567
Debt Service	1		1
Unrestricted/(Deficit)	<u>(1,386,562)</u>	<u>37,526</u>	<u>(1,349,036)</u>
Total Net Position	<u>\$ 6,037,581</u>	<u>\$ 88,617</u>	<u>\$ 6,126,198</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, 2021

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 8,755,690	\$ 7,160	\$ 2,470,353	\$ (6,278,177)	\$	\$ (6,278,177)
Special Education	2,920,297	51,496	1,747,938	(1,120,863)		(1,120,863)
Other Special Instruction	397,420		130,076	(267,344)		(267,344)
Other Instruction	58,348			(58,348)		(58,348)
Support services:						
Tuition	7,930,405		227,605	(7,702,800)		(7,702,800)
Student & Instruction Related Services	2,357,859	6,403	384,939	(1,966,517)		(1,966,517)
General Administrative Services	533,072		92,593	(440,479)		(440,479)
School Administrative Services	702,422		154,128	(548,294)		(548,294)
Central Services	473,195		71,823	(401,372)		(401,372)
Administration Information Technology	117,355			(117,355)		(117,355)
Plant Operations and Maintenance	1,345,711			(1,345,711)		(1,345,711)
Pupil Transportation	1,210,017		659,457	(550,560)		(550,560)
Interest on Long-Term Debt	21,328			(21,328)		(21,328)
Total Governmental Activities	26,823,119	65,059	5,938,912	(20,819,148)		(20,819,148)
Business-Type Activities:						
Food Service	192,281	2,198	193,821		\$ 3,738	3,738
Total Business-Type Activities	192,281	2,198	193,821		3,738	3,738
Total Primary Government	\$ 27,015,400	\$ 67,257	\$ 6,132,733	(20,819,148)	3,738	(20,815,410)

LINCOLN PARK BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDING JUNE 30, 2021

	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
General Revenue:					
Taxes:					
Property Taxes, Levied for General Purposes, Net			\$ 20,231,622		\$ 20,231,622
Taxes Levied for Debt Service			131,945		131,945
Unrestricted Federal and State Aid			304,370		304,370
Interest Earnings			2,540	\$ 23	2,563
Miscellaneous Income			488,086		488,086
Total General Revenue			21,158,563	23	21,158,586
Change in Net Position			339,415	3,761	343,176
Net Position - Beginning (Restated)			5,698,166	84,856	5,783,022
Net Position - Ending			\$ 6,037,581	\$ 88,617	\$ 6,126,198

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, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 2,614,587			\$ 1	\$ 2,614,588
Receivables From State Government	272,447				272,447
Receivable From Federal Government		\$ 68,372			68,372
Other Receivable	21,959	14,360			36,319
Interfund Receivable	42,297				42,297
Restricted Cash and Cash Equivalents	1,494,453	72,567			1,567,020
Total Assets	\$ 4,445,743	\$ 155,299	\$ -0-	\$ 1	\$ 4,601,043
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 215,130	\$ 24,182			\$ 239,312
Payable to Federal Government		3,992			3,992
Interfund Payable	2,460	42,297			44,757
Unearned Revenue	464,578	12,261			476,839
Total Liabilities	682,168	82,732			764,900
Fund Balances:					
Restricted for:					
Capital Reserve Account	782,668				782,668
Maintenance Reserve Account	249,351				249,351
Tuition Reserve - Designated for 2022-2023	307,380				307,380
Tuition Reserve - Designated for 2021-2022	119,731				119,731
Unemployment Compensation	35,323				35,323
Excess Surplus 2021-2022	344,376				344,376
Student Activities		72,567			72,567
Debt Service				\$ 1	1
Assigned:					
Year-end Encumbrances	631,614				631,614
For Subsequent Year's Expenditures	650,000				650,000
Unassigned	643,132				643,132
Total Fund Balances	3,763,575	72,567		1	3,836,143
Total Liabilities and Fund Balances	\$ 4,445,743	\$ 155,299	\$ -0-	\$ 1	

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.	5,887,746
Interest on Long-Term Debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.	(4,102)
Long-Term Liabilities, including the Net Pension Liability for PERS and Bonds Payable are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(2,772,623)
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	(909,583)
Net Position of Governmental Activities	\$ 6,037,581

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, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 20,231,622			\$ 131,945	\$ 20,363,567
Tuition from Individuals	7,160				7,160
Tuition from Other LEAs	51,496				51,496
Rents and Royalties	319,884				319,884
Interest on Investments	1,771				1,771
Interest Earned on Maintenance Reserve Funds	191				191
Interest Earned on Capital Reserve Funds	578				578
Unrestricted Miscellaneous Revenues	158,313	\$ 15,510			173,823
Restricted Miscellaneous Revenue	9,889	6,403			16,292
Total - Local Sources	20,780,904	21,913		131,945	20,934,762
State Sources	5,052,879			63,288	5,116,167
Federal Sources	27,858	532,105			559,963
Total Revenue	25,861,641	554,018		195,233	26,610,892
EXPENDITURES:					
Current:					
Regular Instruction	6,109,139	181,816			6,290,955
Special Education Instruction	2,211,291	17,539			2,228,830
Other Special Instruction	260,126				260,126
Other Instruction	58,299				58,299
Support Services and Undistributed Costs:					
Tuition	7,702,800	227,605			7,930,405
Student & Instruction Related Services	1,909,133	139,500			2,048,633
General Administrative Services	445,826				445,826
School Administrative Services	537,764				537,764
Central Services	421,772				421,772
Administrative Information Technology	113,659				113,659
Plant Operations and Maintenance	1,304,713				1,304,713
Pupil Transportation	1,181,136				1,181,136
Unallocated Benefits	3,256,170				3,256,170
Capital Outlay	117,704				117,704
Debt Service:					
Principal				175,000	175,000
Interest and Other Charges				20,234	20,234
Total Expenditures	25,629,532	566,460		195,234	26,391,226
Excess/(Deficit) of Revenue Over/(Under) Expenditures	232,109	(12,442)		(1)	219,666
OTHER FINANCING SOURCES/(USES):					
Transfers	11,669		\$ (11,669)		
Total Other Financing Sources/(Uses)	11,669		(11,669)		
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	243,778	(12,442)	(11,669)	(1)	219,666
Fund Balance - July 1 (Restated)	3,519,797	85,009	11,669	2	3,616,477
Fund Balance - June 30	\$ 3,763,575	\$ 72,567	\$ -0-	\$ 1	\$ 3,836,143

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

LINCOLN PARK BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)		\$ 219,666
Amounts reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are different because:		
Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlays in the period.		
	Depreciation Expense	\$ (411,779)
	Capital Outlays	<u>109,468</u>
		(302,311)
In the Statement of Activities, interest on Long-Term Debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. When accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).		
		(1,094)
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.		
		175,000
In the Statement of Activities, certain operating expenses, e.g., compensated absences 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 (+).		
		80,737
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	341,613
	Changes in Deferred Outflows and Inflows Related to Pensions	<u>(174,196)</u>
Change in Net Position of Governmental Activities (Exhibit A-2)		<u>\$ 339,415</u>

THE ACCOMPANYING NOTES 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, 2021

	Business-type Activities - Enterprise Funds
	Food Service
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 37,462
Intergovernmental Accounts Receivable:	
Federal	10,677
State	1,078
Interfund Receivable	2,460
Inventories	3,085
	54,762
Total Current Assets	54,762
Non-Current Assets:	
Capital Assets	168,444
Less: Accumulated Depreciation	(117,353)
	51,091
Total Non-Current Assets	51,091
Total Assets	105,853
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	7,270
Unearned Revenue - Donated Commodities	1,187
Unearned Revenue - Prepaid Sales	8,779
	17,236
Total Liabilities	17,236
<u>NET POSITION:</u>	
Investment in Capital Assets	51,091
Unrestricted	37,526
	88,617
Total Net Position	\$ 88,617

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, 2021

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Daily Sales:	
Reimbursable Programs	\$ 2,198
Total Operating Revenue	2,198
Operating Expenses:	
Cost of Sales - Reimbursable Programs	69,548
Salaries	59,742
Benefits & Payroll Taxes	25,205
Purchased Professional Services	3,408
Management Fee	19,540
Supplies and Repairs	1,379
Miscellaneous Expense	6,529
Depreciation Expense	6,930
Total Operating Expenses	192,281
Operating Loss	(190,083)
Non-Operating Revenue:	
State Sources:	
COVID-19 - Seamless Summer Option	5,341
Federal Sources:	
COVID-19 - Seamless Summer Option	165,268
Food Distribution Program	23,212
Local Sources:	
Interest Income	23
Total Non-Operating Revenue	193,844
Change in Net Position	3,761
Net Position - Beginning of Year	84,856
Net Position - End of Year	\$ 88,617

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, 2021

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 206
Payments to Food Service Contractor	(151,662)
Payments to Food Service Vendor	(6,833)
Net Cash (Used for) Operating Activities	<u>(158,289)</u>
Cash Flows from Financing Activities:	
Interest Income	23
Net Cash Provided by Financing Activities	<u>23</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Equipment	(4,800)
Net Cash (Used for) Capital and Related Financing Activities	<u>(4,800)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources:	5,187
Federal Sources:	158,391
Net Cash Provided by Noncapital Financing Activities	<u>163,578</u>
Net Increase in Cash and Cash Equivalents	512
Cash and Cash Equivalents, July 1	<u>36,950</u>
Cash and Cash Equivalents, June 30	<u>\$ 37,462</u>
Adjustment to Reconcile Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (190,083)
Depreciation	6,930
Federal Food Distribution Program	23,212
Changes in Assets and Liabilities:	
Decrease in Inventory	4,190
Increase in Accounts Payable	431
(Decrease) in Unearned Revenue - Donated Commodities	(1,137)
(Decrease) in Unearned Revenue - Prepaid Sales	(1,832)
Net Cash (Used for) Operating Activities	<u>\$ (158,289)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$22,075 and utilized U.S.D.A. Commodities valued at \$23,212.

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, 2021

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. 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, 2021
(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. Separate statements for each fund category – governmental and proprietary - 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, 2021
(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.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary 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, 2021
(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, 2021, 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 except for student activities. 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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 25,855,947	\$ 545,606
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not.		
Current Year Encumbrances		(889)
Cancellation of Prior Year Encumbrances		(3,920)
Prior Year Encumbrances		13,221
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	158,347	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(152,653)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 25,861,641	\$ 554,018
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 25,629,532	\$ 558,048
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.		
Current Year Encumbrances		(889)
Cancellation of Prior Year Encumbrances		(3,920)
Prior Year Encumbrances		13,221
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 25,629,532	\$ 566,460

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

E. Cash and Cash Equivalents and Investments

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

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions

Transfers between governmental and business-type activities on the district-wide statements are reported in the same manner as general revenue. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenue/expenses in the Enterprise Fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. 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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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, 2021.

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. 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:

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

K. Capital Assets: (Cont'd)

	<u>Estimated Useful Life</u>
Site Improvements	20 years
Buildings and Building Improvements	20 to 50 years
Machinery/Furniture and Equipment	10 to 15 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, 2021.

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, 2021
(Continued)

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

O. Unearned Revenue:

Unearned revenue in the general fund and special revenue fund represents cash which has been received but not yet earned.

P. Fund Balance Appropriated:

General Fund: Of the \$3,763,575 General Fund fund balance at June 30, 2021, \$782,668 is restricted in the capital reserve account; \$249,351 is restricted for the maintenance reserve account; \$307,380 is restricted in the tuition reserve account for fiscal year ending June 30, 2023; \$119,731 is restricted for the tuition reserve account for fiscal year ending June 30, 2022; \$35,323 is restricted for unemployment compensation; \$344,376 is restricted for prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2022; \$631,614 is assigned for year-end encumbrances; \$650,000 is assigned and included as anticipated budget revenue for the fiscal year ending June 30, 2022; and \$643,132 is unassigned which is \$152,653 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, 2022.

Special Revenue Fund: The \$72,567 fund balance in the Special Revenue Fund at June 30, 2021 is restricted for student activities.

Debt Service Fund: The \$1 fund balance in the Debt Service Fund at June 30, 2021 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 as outlined above.

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 noted above.

Q. Net Position:

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

Q. Net Position: (Cont'd)

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 has deferred outflows and inflows of resources related to pensions at June 30, 2021.

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 have been restricted, committed or assigned.

Fund balance restrictions have been established for capital reserve, maintenance reserve, tuition reserve, unemployment compensation, student activities, excess surplus and debt service.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed funds at June 30, 2021.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

R. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

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 fiscal year-end encumbrances and amounts designated for subsequent fiscal year's expenditures in the General Fund at June 30, 2021.

S. Deficit Net Position:

The District has a deficit in unrestricted net position of \$1,386,562 in its governmental activities, which is primarily due to deferred inflows, outflows and liabilities related to pensions and compensated absences. 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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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.

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 in the section of this note on investments.

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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

Deposits: (Cont'd)

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.

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

Investments: (Cont'd)

- (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;
 - (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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

As of June 30, 2021, cash and cash equivalents of the District consisted of the following:

Accounts	Restricted Cash and Cash Equivalents	Cash and Cash Equivalents	Total
Checking and Savings Accounts	\$ 1,567,020	\$ 2,652,050	\$ 4,219,070
	\$ 1,567,020	\$ 2,652,050	\$ 4,219,070

The carrying amount of the Board's cash and cash equivalents at June 30, 2021, was \$4,219,070 and the bank balance was \$4,528,340. During the period ended June 30, 2021, the District did not hold any investments.

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.

Beginning Balance, July 1, 2020		\$ 1,268,193
Increased by:		
Interest Earned	\$ 578	
Return of Unexpended Balance from Capital Outlay	197,391	
Return of Unexpended Balance from Capital Projects Fund	11,669	
		209,638
		1,477,831
Decreased by:		
Budgeted Withdrawal	567,250	
Withdrawal by Board Resolution	127,913	
		695,163
Ending Balance, June 30, 2021		\$ 782,668

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The balance in the capital reserve account at June 30, 2021 does not exceed the local support costs of uncompleted capital projects in the District's approved LRFP. Withdrawals from the capital reserve were 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.

Beginning Balance		\$ 352,222
Increased by:		
Interest Earned		191
		352,413
Decreased by:		
Budgeted Withdrawal	\$ 75,000	
Withdrawal by Board Resolution	28,062	
		103,062
Ending Balance		\$ 249,351

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 6. TRANSFER TO CAPITAL OUTLAY:

During the fiscal year ended June 30, 2021, the District transferred a net \$132,234 to the capital outlay accounts. \$4,321 was transferred to equipment which did not require County Superintendent approval. The remaining \$127,913 transferred to facilities and construction services was a Board approved withdrawal from Capital Reserve and also has County Superintendent approval.

NOTE 7. INTERFUND BALANCES:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 42,297	\$ 2,460
Special Revenue Fund		42,297
Enterprise Fund:		
Food Service Fund	2,460	
	\$ 44,757	\$ 44,757

The interfund between the General Fund and the Special Revenue Fund is due to a deficit in cash and cash equivalents in the Special Revenue Fund due to the timing of grant receipts. 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 prior year.

NOTE 8. CAPITAL ASSETS:

Capital asset balances and activity for this fiscal year ended June 30, 2021 were as follows:

	Beginning Balance	Increases	Deletions	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 719,980			\$ 719,980
Total Capital Assets Not Being Depreciated	719,980			719,980
Capital Assets Being Depreciated:				
Site Improvements	606,249			606,249
Buildings and Building Improvements	13,779,757			13,779,757
Machinery and Equipment	2,020,931	\$ 109,468		2,130,399
Total Capital Assets Being Depreciated	16,406,937	109,468		16,516,405
Governmental Activities Capital Assets	17,126,917	109,468		17,236,385
Less Accumulated Depreciation for:				
Site Improvements	(499,011)	(11,102)		(510,113)
Buildings and Building Improvements	(8,706,900)	(342,769)		(9,049,669)
Machinery and Equipment	(1,730,949)	(57,908)		(1,788,857)
	(10,936,860)	(411,779)		(11,348,639)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 6,190,057	\$ (302,311)	\$ -0-	\$ 5,887,746

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. CAPITAL ASSETS: (Cont'd)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 163,644	\$ 4,800		\$ 168,444
Less Accumulated Depreciation	<u>(110,423)</u>	<u>(6,930)</u>		<u>(117,353)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 53,221</u>	<u>\$ (2,130)</u>	<u>\$ -0-</u>	<u>\$ 51,091</u>

The District expended \$109,468 on various capital projects during the fiscal year. As of June 30, 2021, the District has completed all active construction projects.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 191,811
Special Education	53,080
Other Special Instruction	7,077
Student and Instruction Related Services	50,971
General Administration	12,620
School Administration	19,492
Central Services	11,040
Administrative Information Technology	3,539
Operations and Maintenance of Plant	33,839
Student Transportation	<u>28,310</u>
	<u>\$ 411,779</u>

NOTE 9. LONG-TERM LIABILITIES:

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance 6/30/2020</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance 6/30/2021</u>	<u>Due Within One Year</u>
Serial Bond Payable	\$ 550,000		\$ 175,000	\$ 375,000	\$ 185,000
Net Pension Liability	2,646,129		341,613	2,304,516	
Compensated Absences Payable	<u>173,844</u>		<u>80,737</u>	<u>93,107</u>	
	<u>\$ 3,369,973</u>	<u>\$ -0-</u>	<u>\$ 597,350</u>	<u>\$ 2,772,623</u>	<u>\$ 185,000</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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, 2021 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>\$ 375,000</u>

Debt service requirements on serial bonds payable at June 30, 2021 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 185,000	\$ 12,359	\$ 197,359
2023	190,000	4,157	194,157
	<u>\$ 375,000</u>	<u>\$ 16,516</u>	<u>\$ 391,516</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2021, there were no bonds authorized but not issued.

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 \$93,107. 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, 2021, 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, 2021 is \$-0- and the long term portion is \$2,304,516. See Note 10 for further information on the PERS.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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 annual financial statements 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:

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

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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

Contributions (Cont'd)

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 \$154,594 for 2021.

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, 2021, the District's liability was \$2,304,516 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2020, the District's proportion was 0.014%, which was a decrease of 0.001% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized actual pension benefit in the amount of \$12,836. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	5.57	\$ 74,761	
	2017	5.48		\$ 218,140
	2018	5.63		214,012
	2019	5.21		169,956
	2020	5.16		362,814
				74,761
Difference Between Expected and Actual Experience	2016	5.57	2,268	
	2017	5.48	6,487	
	2018	5.63		8,150
	2019	5.21	12,992	
	2020	5.16	20,214	
				41,961

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	\$ (28,200)	
	2018	5.00	(26,154)	
	2019	5.00	6,329	
	2020	5.00	126,795	
			<u>78,770</u>	
Changes in Proportion	2016	5.57		\$ 39,577
	2017	5.48	84,249	
	2018	5.63		284,993
	2019	5.21	208,857	
	2020	5.16		100,539
			<u>293,106</u>	<u>425,109</u>
District Contribution Subsequent to the Measurement Date	2020	1.00	156,022	
			<u>\$ 644,620</u>	<u>\$ 1,398,181</u>

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

Fiscal Year Ending June 30,	Total
2021	\$ (289,175)
2022	(263,639)
2023	(150,663)
2024	(60,926)
2025	(13,177)
	<u>\$ (777,580)</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 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, 2020) 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, 2020 are summarized in the following table:

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

A. Public Employees' Retirement System (PERS) (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>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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, 2020 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:

	<u>June 30, 2020</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
District's proportionate share of the Net Pension Liability	\$ 2,894,574	\$ 2,304,516	\$ 1,794,398

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

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 annual financial statements 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.

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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
 (Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

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 2021, the State of New Jersey contributed \$1,917,759 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$2,556,064.

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, 2021, the State's proportionate share of the net pension liability associated with the District was \$41,104,679. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2020, the District's proportion was 0.062%, which was an increase of 0.002% from its proportion measured as of June 30, 2019.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		41,104,679
Total	\$	41,104,679

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$2,556,064 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 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, 2021
(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)

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	8.50	\$ 461,324,773	
	2015	8.30	1,638,696,238	
	2016	8.30	4,304,747,820	
	2017	8.30		\$ 6,882,861,832
	2018	8.29		4,349,959,805
	2019	8.04		3,009,143,115
	2020	7.99	<u>1,411,170,422</u>	
			<u>7,815,939,253</u>	<u>14,241,964,752</u>
Difference Between Expected and Actual Experience	2014	8.50		4,393,807
	2015	8.30	101,207,836	
	2016	8.30		53,533,223
	2017	8.30	122,460,660	
	2018	8.29	763,099,015	
	2019	8.04		116,909,940
	2020	7.99		7,520,890
			<u>986,767,511</u>	<u>182,357,860</u>
Net Difference Between Projected and Actual Actual Investment Earnings on Pension Plan Investments	2017	5.00	(226,008,261)	
	2018	5.00	(192,060,744)	
	2019	5.00	108,662,078	
	2020	5.00	965,582,162	
			<u>656,175,235</u>	
			<u>\$ 9,458,881,999</u>	<u>\$ 14,424,322,612</u>

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	(335,285,618)
	\$ (4,965,440,613)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (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, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 78% 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 2062. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2020 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:

	June 30, 2020		
	At 1% Decrease (4.40%)	At Current Discount Rate (5.40%)	At 1% Increase (6.40%)
Total Net Pension Liability	\$ 48,282,259	\$ 41,104,679	\$ 35,144,903

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 \$14,892 for the fiscal year ended June 30, 2021. Employee contributions to DCRP amounted to \$20,224 for the fiscal year ended June 30, 2021.

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, 2021
(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.

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 obtains commercial insurance coverage for general liability, property and automobile coverage from National Union Fire Insurance Company of Pittsburgh and is a member of the Pooled Insurance Program of New Jersey (the "Fund") for workers' compensation insurance. This public entity risk management pool provides 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 Fund 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 Fund are elected.

As a member of the Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. The Fund 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.

The June 30, 2021 audit was not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2020 is as follows:

Total Assets	\$ 20,786,398
Net Position	\$ 8,063,082
Total Revenue	\$ 8,824,359
Total Expenses	\$ 8,681,780
Change in Net Position	\$ (869,746)
Member Dividends	\$ 1,012,325

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

Office of the Executive Director
44 Bergen Street
P.O. Box 270
Westwood, NJ 07675

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

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 the District’s contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District’s Unemployment Compensation Restricted Fund Balance in the General 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>
2020-2021	\$ 10	\$ 43,382	\$ 33,503	\$ 35,323
2019-2020	83	38,884	17,124	25,434
2018-2019	271	24,403	46,357	3,591

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, 2021, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>\$ 631,614</u>	<u>\$ 889</u>	<u>\$ 632,503</u>

On the District’s Governmental Funds Balance sheet as of June 30, 2021 \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$889 less than on a budgetary 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, 2021
(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

Accounts payable recorded in the District's Governmental Activities as of June 30, 2021 consisted of:

	<u>Governmental Funds</u>	District Contribution	Total	Business- Type Activities
	General Fund	Special Revenue Fund	Governmental Activities	Proprietary Funds
		Subsequent to the Measure- ment Date		
Due to State of New Jersey		\$ 156,022	\$ 180,204	
Vendors	\$ 190,551		190,551	\$ 7,270
Payroll Deductions and Withholdings	24,579		24,579	
	<u>\$ 215,130</u>	<u>\$ 156,022</u>	<u>\$ 395,334</u>	<u>\$ 7,270</u>

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, 2021 the District has \$427,111 in the tuition reserve of which \$119,731 and \$307,380 will be used to pay for any tuition adjustments for the fiscal years ending June 30, 2022 and 2023, respectively.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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	<u>216,892</u>
Total	<u><u>364,943</u></u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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.

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.

		TPAF/ABP	PERS
Inflation Rate	2.50%		
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%.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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.

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
Differences between Expected and Actual Experience	(4,556,108)
Changes of Assumptions	382,874
Contributions from Members	23,366
Gross Benefit Payments by the State	(788,264)
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

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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	\$ 21,225,057	\$ 25,678,840	\$ 31,569,139

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

For the fiscal year ended June 30, 2021 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, 2021
(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:

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

NOTE 19. PRIOR PERIOD ADJUSTMENT

GASB 84, *Fiduciary Activities*, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund is now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to this implementation as follows.

	June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 as Restated
<u>Statement of Net Activities - Governmental Activities:</u>			
Net Position - Ending	\$ 5,587,723	\$ 110,443	\$ 5,698,166
<u>Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	3,494,363	25,434	3,519,797
Special Revenue Fund:			
Fund Balance - June 30	-0-	85,009	85,009
<u>Statement of Changes in Fiduciary Net Position - Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	25,434	(25,434)	-0-

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 20: SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey continues to cause disruption of the District's 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. There have been additional operating expenses in the General Fund due to schools re-opening on a full-time basis.

The District's Food Service Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2022 as the District continues to offer free lunch to all students under the Seamless Summer Option.

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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 SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.0158127037%	0.0164103502%	0.0144631997%	0.0158940070%	0.0131891100%	0.0146856381%	0.0141317301%
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	\$ 2,304,516
District's covered employee payroll	\$ 1,119,346	\$ 1,020,600	\$ 1,018,783	\$ 993,668	\$ 1,021,518	\$ 981,957	\$ 1,015,246
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%	226.99%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

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 SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 149,712	\$ 170,007	\$ 129,080	\$ 147,241	\$ 131,189	\$ 159,838	\$ 154,594
Contributions in relation to the contractually required contribution	(149,712)	(170,007)	(129,080)	(147,241)	(131,189)	(159,838)	(154,594)
Contribution deficiency/(excess)	\$ -0-	\$ -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	\$ 1,018,326
Contributions as a percentage of covered employee payroll	14.67%	16.69%	12.99%	14.41%	13.36%	15.74%	15.18%

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 SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
State's proportion of the net pension liability attributable to the District	0.0566971351%	0.0589242385%	0.0583125521%	0.0591217103%	0.0625150605%	0.0606452344%	0.0624228246%
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	\$ 41,104,679
District's covered employee payroll	\$ 5,913,277	\$ 6,040,917	\$ 6,338,409	\$ 6,447,870	\$ 6,651,203	\$ 7,075,152	\$ 7,199,209
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%	570.96%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.23%	25.41%	26.49%	26.95%	24.60%

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 SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 1,630,574	\$ 2,273,998	\$ 3,446,670	\$ 2,761,437	\$ 2,318,495	\$ 2,195,250	\$ 2,556,064
Contributions in relation to the contractually required contribution	(318,566)	(466,873)	(641,751)	(920,627)	(1,192,745)	(1,369,171)	(1,917,759)
Contribution deficiency/(excess)	\$ 1,312,008	\$ 1,807,125	\$ 2,804,919	\$ 1,840,810	\$ 1,125,750	\$ 826,079	\$ 638,305
District's covered employee payroll	\$ 6,040,917	\$ 6,338,409	\$ 6,447,870	\$ 6,651,203	\$ 7,075,152	\$ 7,199,209	\$ 7,384,578
Contributions as a percentage of covered employee payroll	5.27%	7.37%	9.95%	13.84%	16.86%	19.02%	25.97%

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
Differences between Expected and Actual Experiences		(3,079,153)	(4,556,108)
Changes in Assumptions	(4,408,035)	(3,268,719)	382,874
Member Contributions	28,335	26,324	23,366
Gross Benefit Payments	(769,491)	(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>
District'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, 2021

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020. The municipal bond rate changed from 3.50% to 2.21%.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

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, 2021

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, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 20,231,622	\$	20,231,622	20,231,622	\$
Tuition From Individuals	52,000		52,000	7,160	(44,840)
Tuition From other LEA's Within the State	181,401		181,401	51,496	(129,905)
Rents and Royalties	275,748		275,748	319,884	44,136
Interest on Investments				1,771	1,771
Interest Earned on Maintenance Reserve Funds	6,000		6,000	191	(5,809)
Interest Earned on Capital Reserve Funds	12,000		12,000	578	(11,422)
Unrestricted Miscellaneous Revenues	75,750		75,750	158,313	82,563
Restricted Miscellaneous Revenues				9,889	9,889
Total - Local Sources	20,834,521		20,834,521	20,780,904	(53,617)
State Sources:					
Transportation Aid	635,819		635,819	635,819	
Special Education Aid	849,359	\$ (11,345)	838,014	838,014	
Security Aid	136,362		136,362	136,362	
Adjustment Aid	103,853		103,853	103,853	
Extraordinary Aid	85,000		85,000	225,109	140,109
Nonpublic Transportation Aid	16,526		16,526	21,344	4,818
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				612,431	612,431
TPAF Pension Contributions (Non-Budgeted)				1,917,759	1,917,759
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				36,488	36,488
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				1,317	1,317
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)				518,689	518,689
Total State Sources	1,826,919	(11,345)	1,815,574	5,047,185	3,231,611
Federal Sources:					
Medicaid Reimbursement	18,843		18,843	27,858	9,015
Total Federal Sources	18,843		18,843	27,858	9,015
TOTAL REVENUES	22,680,283	(11,345)	22,668,938	25,855,947	3,187,009

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 121,467	\$ 7,186	\$ 128,653	\$ 127,575	\$ 1,078
Kindergarten - Salaries of Teachers	421,213	(29,000)	392,213	392,161	52
Grades 1-5 - Salaries of Teachers	2,171,543	64,727	2,236,270	2,224,479	11,791
Grades 6-8 - Salaries of Teachers	1,775,027	20,481	1,795,508	1,795,508	
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000	(3,129)	6,871		6,871
Purchased Professional Educational Services	2,500	3,221	5,721	5,221	500
Regular Program - Undistributed Instruction:					
Purchased Professional Educational Services	233,237	(30,609)	202,628	162,449	40,179
Purchased Technical Services	104,075	(27,369)	76,706	57,596	19,110
Other Purchased Services (400-500 series)	59,585	575	60,160	46,868	13,292
General Supplies	109,695	53,705	163,400	97,543	65,857
Textbooks	27,404	1	27,405	27,405	
Other Objects	400		400	49	351
Total Regular Programs - Instruction	5,036,146	59,789	5,095,935	4,936,854	159,081
Special Education - Instruction:					
Learning and or Language Disabilities:					
Salaries of Teachers	142,272	16,691	158,963	156,701	2,262
Other Salaries for Instruction	105,076	50,159	155,235	93,712	61,523
Purchased Professional Educational Services	5,000		5,000	1,469	3,531
General Supplies	2,826	(2,489)	337	337	
Total Learning and or Language Disabilities	255,174	64,361	319,535	252,219	67,316
Behavioral Disabilities:					
Salaries of Teachers	130,380		130,380	122,070	8,310
Other Salaries for Instruction	3,502	43,449	46,951	41,619	5,332
Purchased Professional Educational Services	1,500	363	1,863	1,863	
General Supplies	4,046	(3,887)	159	159	
Total Behavioral Disabilities	139,428	39,925	179,353	165,711	13,642

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 657,442	\$ (44,091)	\$ 613,351	\$ 613,350	\$ 1
Other Salaries for Instruction	87,083	186,640	273,723	222,067	51,656
Purchased Professional Educational Services	10,000	(1,464)	8,536	1,745	6,791.00
General Supplies	7,064		7,064	2,360	4,704
Total Resource Room/Resource Center	761,589	141,085	902,674	839,522	63,152
Autism:					
Salaries of Teachers	258,213	2,502	260,715	240,423	20,292
Other Salaries for Instruction	24,388	32,748	57,136	53,400	3,736
Purchased Professional Educational Services	3,600		3,600	244	3,356
General Supplies	5,643		5,643	1,664	3,979
Total Autism	291,844	35,250	327,094	295,731	31,363
Preschool Disabilities - Full-time:					
Salaries of Teachers	140,386	(9,415)	130,971	130,831	140
Other Salaries for Instruction	33,859	27,683	61,542	51,659	9,883
Purchased Professional-Educational Services		2,299	2,299	2,299	
General Supplies	4,452	6,375	10,827	10,106	721
Total Preschool Disabilities - Full-time	178,697	26,942	205,639	194,895	10,744
Home Instruction:					
Purchased Professional-Educational Services	5,000		5,000	220	4,780
Total Home Instruction	5,000		5,000	220	4,780
Total Special Education Instruction	1,631,732	307,563	1,939,295	1,748,298	190,997
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	231,369	(63,148)	168,221	168,221	
General Supplies	765		765	240	525
Total Basic Skills/Remedial - Instruction	232,134	(63,148)	168,986	168,461	525

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 83,158	\$ 9,594	\$ 92,752	\$ 89,809	\$ 2,943
Purchased Professional Educational Services	1,002	(2)	1,000	847	153
General Supplies	4,602	2	4,604	1,009	3,595
Total Bilingual Education - Instruction	<u>88,762</u>	<u>9,594</u>	<u>98,356</u>	<u>91,665</u>	<u>6,691</u>
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	67,885	(500)	67,385	50,456	16,929
Total School-Sponsored Cocurricular Activities - Instruction	<u>67,885</u>	<u>(500)</u>	<u>67,385</u>	<u>50,456</u>	<u>16,929</u>
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	35,387	(99)	35,288	1,292	33,996
Supplies and Materials	5,062		5,062	1,913	3,149
Other Objects	7,450		7,450		7,450
Total School-Sponsored Cocurricular Athletics - Instruction	<u>47,899</u>	<u>(99)</u>	<u>47,800</u>	<u>3,205</u>	<u>44,595</u>
Total Instruction	<u>7,104,558</u>	<u>313,199</u>	<u>7,417,757</u>	<u>6,998,939</u>	<u>418,818</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	5,991,577	51,737	6,043,314	6,043,314	
Tuition to Other LEAs Within the State - Special	566,917	145,375	712,292	712,292	
Tuition to County Voc. School District - Regular	461,562	8,263	469,825	469,825	
Tuition to County Special Services Schools and Regional Day School	136,427	79,438	215,865	202,300	13,565
Tuition to Private Schools for the Handicapped - Within State	672,906	(397,837)	275,069	275,069	
Total Undistributed Expenditures - Instruction	<u>7,829,389</u>	<u>(113,024)</u>	<u>7,716,365</u>	<u>7,702,800</u>	<u>13,565</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Health Services:					
Salaries	\$ 163,803	\$ 878	\$ 164,681	\$ 164,681	\$ 5,774
Purchased Professional/Technical Services		24,300	24,300	18,526	5,774
Other Purchased Services (400-500 Series)	1,855		1,855	544	1,311
Supplies and Materials	3,738		3,738	1,995	1,743
Other Objects	600		600		600
Total Health Services	169,996	25,178	195,174	185,746	9,428
Speech, OT, PT and Related Services:					
Salaries	131,664	48,246	179,910	179,910	
Purchased Professional-Educational Services	238,000	20,556	258,556	238,255	20,301
Supplies and Materials	1,730		1,730	1,652	78
Total Speech, OT, PT and Related Services	371,394	68,802	440,196	419,817	20,379
Extraordinary Services:					
Salaries	292,470	(292,470)			
Purchased Professional Educational Services		83,725	83,725	83,358	367
Total Extraordinary Services	292,470	(208,745)	83,725	83,358	367
Guidance:					
Salaries of Other Professional Staff	141,673	6,395	148,068	148,068	
Purchased Professional - Educational Services	5,150		5,150	4,500	650
Other Purchased Services (400-500 Series)	150		150		150
Supplies and Materials	710		710	166	544
Total Guidance	147,683	6,395	154,078	152,734	1,344

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Child Study Team:					
Salaries of Other Professional Staff	\$ 553,070	\$ (72,718)	\$ 480,352	\$ 466,849	\$ 13,503
Salaries of Secretarial and Clerical Assistants	53,488		53,488	53,228	260
Purchased Professional/Educational Services	18,050	(1,761)	16,289	2,616	13,673
Purchased Technical Services	36,958	1,669	38,627	38,627	
Other Purchased Services (400-500 Series)	8,299		8,299	2,961	5,338
Supplies and Materials	8,396	(658)	7,738	5,638	2,100
Other Objects	2,825		2,825	999	1,826
Total Child Study Team	681,086	(73,468)	607,618	570,918	36,700
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	171,651	(22,218)	149,433	113,215	36,218
Other Purchased Services (400-500)	3,000	(2,937)	63		63
Supplies and Materials		2,937	2,937	2,937	
Other Objects	1,245		1,245	995	250
Total Improvement of Instructional Services	175,896	(22,218)	153,678	117,147	36,531
Educational Media Services/School Library:					
Salaries	82,834		82,834	66,447	16,387
Purchased Professional and Technical Services	6,144		6,144	4,484	1,660
Supplies and Materials	10,656		10,656	5,855	4,801
Total Educational Media Services/School Library	99,634		99,634	76,786	22,848
Instructional Staff Training Services:					
Purchased Professional/Educational Services	3,000		3,000		3,000
Total Instructional Staff Training Services	3,000		3,000		3,000

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - General Administration:					
Salaries	\$ 250,038	\$ (2,796)	\$ 247,242	247,242	
Legal Services	16,000	8,370	24,370	24,370	
Audit Fees	30,000	7,540	37,540	37,540	
Architectural/Engineering Services		18,500	18,500		\$ 18,500
Purchased Technical Services	16,045	9,451	25,496	22,796	2,700
Communications/Telephone	4,000	1,414	5,414	5,414	
BOE Other Purchased Services	6,150	(5,450)	700	700	
Miscellaneous Purchased Services	44,152	(26,315)	17,837	13,837	4,000
General Supplies	3,015	204	3,219	3,219	
BOE In-House Training/Meeting Supplies	250	(72)	178	178	
Miscellaneous Expenditures	5,150	1,048	6,198	6,198	
BOE membership Dues and Fees	10,600	(672)	9,928	9,916	12
Total Support Services - General Administration	385,400	11,222	396,622	371,410	25,212
Administrative Information Technology:					
Salaries	89,552	1,657	91,209	91,209	
Purchased Technical Services	9,200	(151)	9,049	6,856	2,193
Supplies and Materials	5,000		5,000	2,341	2,659
Other Objects	900		900	880	20
Total Administrative Information Technology	104,652	1,506	106,158	101,286	4,872
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	332,321	(25,360)	306,961	305,741	1,220
Salaries of Secretarial and Clerical Assistants	113,256	6,781	120,037	119,606	431
Other Salaries		23,850	23,850	14,625	9,225
Other Purchased Services (400-500 Series)	15,504	(942)	14,562	8,700	5,862
Supplies and Materials	5,948	2,486	8,434	7,577	857
Other Objects	5,850	(886)	4,964	2,627	2,337
Total Support Services - School Administration	472,879	5,929	478,808	458,876	19,932

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Required Maintenance of School Facilities:					
Salaries	\$ 96,598	\$	\$ 96,598	\$ 96,134	\$ 464
Cleaning, Repair and Maintenance Services	92,982	10,149	103,131	97,309	5,822
General Supplies	38,273	15,251	53,524	52,626	898
Other Objects		3,175	3,175	475	2,700
Total Required Maintenance of School Facilities	227,853	28,575	256,428	246,544	9,884
Custodial Services:					
Salaries	449,395	(150)	449,245	418,422	30,823
Salaries of Non-Instructional Aides	53,377	1	53,378	53,378	53,378
Purchased Professional and Technical Services		10,725	10,725	10,050	675
Cleaning, Repair and Maintenance Services	8,250	(7,950)	300	300	
Other Purchased Property Services	15,500	(1,872)	13,628	9,278	4,350
Insurance	85,680	14,652	100,332	100,332	
Miscellaneous Purchased Services	500	1,204	1,704	1,268	436
General Supplies	48,950	(3,232)	45,718	27,636	18,082
Energy (Electricity)	148,000	(40,159)	107,841	96,655	11,186
Energy (Natural Gas)	142,000	42,260	184,260	177,492	6,768
Energy (Gasoline)	2,100		2,100		2,100
Energy (Oil)	2,100	(2,100)			
Other Objects	1,525		1,525	1,095	430
Total Custodial Services	957,377	13,379	970,756	842,528	128,228
Security:					
Purchased Professional and Technical Services		2,862	2,862	2,862	
Cleaning, Repair and Maintenance		1,000	1,000	1,000	
General Supplies	400	589	989	989	
Total Security	400	4,451	4,851	4,851	

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Student Transportation Services:					
Salaries of Non- Instructional Aides	\$ 12,051	\$ (15)	\$ 12,036	\$ 5,772	\$ 6,264
Other Purchased Professional and Technical Services	4,200	19,308	23,508	6,018	17,490
Contracted Services:					
Aid in Lieu - Non Public Students	72,500	(1,917)	70,583	58,816	11,767
(Between Home and School) - Vendors	1,015,380	1	1,015,381	968,787	46,594
(Other than Between Home and School) Vendors	24,800	(17,490)	7,310	7,310	7,310
Special Education Students - Vendors	374,327		374,327	141,133	233,194
General Supplies		99	99	99	
Total Student Transportation Services	1,503,258	(14)	1,503,244	1,180,625	322,619
Central Services:					
Salaries	321,474	8,442	329,916	329,916	
Purchased Technical Services	18,517	96	18,613	18,004	609
Miscellaneous Purchased Services (400-500 Series)	12,785	(1,162)	11,623	8,961	2,662
Supplies and Materials	6,950	1,604	8,554	7,913	641
Other Objects	3,800	(750)	3,050	2,229	821
Total Central Services	363,526	8,230	371,756	367,023	4,733
Total Undistributed Expenditures	13,785,893	(243,802)	13,542,091	12,882,449	659,642
Regular Instruction - Allocated Benefits:					
Social Security	4,259	7,955	12,214	12,214	
Workers Compensation	31,177		31,177	27,631	3,546
Tuition Reimbursement	27,000	1,833	28,833	28,833	
Health Benefits	1,145,083	22,114	1,167,197	1,091,182	76,015
Unused Sick		12,425	12,425	12,425	
Total Regular Instruction - Allocated Benefits	1,207,519	44,327	1,251,846	1,172,285	79,561
Special Education - Instruction - Allocated Benefits:					
Social Security	22,493	32,663	55,156	55,156	
Workers Compensation	13,791		13,791	11,652	2,139
Health Benefits	485,199	(67,772)	417,427	396,185	21,242
Total Special Education Instruction - Allocated Benefits	521,483	(35,109)	486,374	462,993	23,381

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Other Instructional Program - Instruction - Allocated Benefits:					
Social Security	\$ 7,900	\$ (3,896)	\$ 4,004	\$ 4,004	\$ 81
Workers Compensation	715		715	634	81
Total Other Instructional Program - Instruction - Allocated Benefits	8,615	(3,896)	4,719	4,638	81
Health Services - Allocated Benefits:					
Social Security	943	328	1,271	1,271	
Workers Compensation	1,173		1,173	1,006	167
Health Benefits	41,397	(3,506)	37,891	34,270	3,621
Total Health Benefits - Allocated Benefits	43,513	(3,178)	40,335	36,547	3,788
Speech, OT,PT and Related Services - Allocated Benefits:					
Social Security	153	479	632	632	
Workers Compensation	927		927	809	118
Health Benefits	54,608	37,323	91,931	88,852	3,079
Total Speech, OT,PT and Related Services - Allocated Benefits	55,688	37,802	93,490	90,293	3,197
Extraordinary Services - Allocated Benefits:					
Social Security	20,635	(20,635)			
Workers Compensation	1,869		1,869	1,793	76
Total Extraordinary Services - Allocated Benefits	22,504	(20,635)	1,869	1,793	76
Guidance - Allocated Benefits:					
Social Security	230	308	538	538	
Workers Compensation	982		982	870	112
Health Benefits	39,589	(588)	39,001	38,154	847
Total Guidance - Allocated Benefits	40,801	(280)	40,521	39,562	959
Child Study Team - Allocated Benefits:					
Social Security	5,090	461	5,551	5,551	
Workers Compensation	4,203		4,203	3,725	478
Health Benefits	139,957	(36,277)	103,680	94,570	9,110
Total Child Study Team - Allocated Benefits	149,250	(35,816)	113,434	103,846	9,588

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Improvement of Instructional Services - Allocated Benefits:					
Social Security	\$	552	\$ 552	\$ 552	
Workers Compensation	1,189		1,189	1,054	135
Health Benefits	32,908	(20,786)	12,122		12,122
Total Improvement of Instructional Services - Allocated Benefits	<u>34,097</u>	<u>(20,234)</u>	<u>13,863</u>	<u>1,606</u>	<u>12,257</u>
Educational Media Services/School Library- Allocated Benefits:					
Social Security	1,370	(911)	459	459	
Workers Compensation	574		574	509	65
Health Benefits	27,908	949	28,857	27,776	1,081
Total Educational Media Services/School Library - Allocated Benefits	<u>29,852</u>	<u>38</u>	<u>29,890</u>	<u>28,744</u>	<u>1,146</u>
Instructional Staff Training - Allocated Benefits:					
Social Security		236	236	236	
Total Instructional Staff Training - Allocated Benefits		<u>236</u>	<u>236</u>	<u>236</u>	
Administrative Information Technology - Allocated Benefits:					
Social Security	6,851	442	7,293	7,293	
Workers Compensation	621		621	550	71
Health Benefits	5,550	(4,999)	551	515	36
Unused Sick		4,015	4,015	4,015	
Total Administrative Information Technology - Allocated Benefits	<u>13,022</u>	<u>(542)</u>	<u>12,480</u>	<u>12,373</u>	<u>107</u>
Support Services - General Administration - Allocated Benefits:					
Social Security	5,161	597	5,758	5,758	
Workers Compensation	1,643	(107)	1,536	1,536	
Health Benefits	50,873	(14,292)	36,581	36,581	
Unused Sick		30,542	30,542	30,541	1
Total Support Services - General Administration - Allocated Benefits	<u>57,677</u>	<u>16,740</u>	<u>74,417</u>	<u>74,416</u>	<u>1</u>
Support Services - School Administration - Allocated Benefits:					
Social Security	8,664	5,740	14,404	14,404	
Workers Compensation	3,088	(351)	2,737	2,737	
Health Benefits	84,731	(13,401)	71,330	61,747	9,583
Total Support Services-School Administration-Allocated Benefits	<u>96,483</u>	<u>(8,012)</u>	<u>88,471</u>	<u>78,888</u>	<u>9,583</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Required Maintenance of School Facilities - Allocated Benefits:					
Social Security	\$ 7,390	\$ (36)	\$ 7,354	7,354	
Workers Compensation	4,834	(4,241)	593	593	
Health Benefits	23,953	305	24,258	23,402	\$ 856
Other Employee Benefits		653	653	653	
Total Required Maintenance of School Facilities - Allocated Benefits	36,177	(3,319)	32,858	32,002	856
Custodial Services - Allocated Benefits:					
Social Security	39,010	(8,582)	30,428	30,428	
Workers Compensation	22,495	(19,407)	3,088	3,088	
Health Benefits	153,239	(1,313)	151,926	142,426	9,500
Other Employee Benefits	3,300	(1,556)	1,744	1,533	211
Unused Sick Pay to Term/Retired Staff		1,313	1,313	1,313	
Total Custodial Services - Allocated Benefits:	218,044	(29,545)	188,499	178,788	9,711
Student Transportation Services - Allocated Benefits:					
Social Security	922	(485)	437	437	
Workers Compensation	603		603	74	529
Total Student Transportation Services - Allocated Benefits	1,525	(485)	1,040	511	529
Central Services - Allocated Benefits:					
Social Security	13,929	412	14,341	14,341	
Workers Compensation	2,288		2,288	1,974	314
Health Benefits	52,791	(5,672)	47,119	38,434	8,685
Total Central Services - Allocated Benefits	69,008	(5,260)	63,748	54,749	8,999
Total Allocated Benefits	2,605,258	(67,168)	2,538,090	2,374,270	163,820
Unallocated Benefits:					
Social Security Contributions	7,650	(7,650)			
Other Retirement Contributions- PERS	154,377	2,925	157,302	154,594	2,708
Other Retirement Contributions - Regular		14,892	14,892	14,892	
Total Unallocated Benefits	162,027	10,167	172,194	169,486	2,708

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
On-Behalf Contributions:					
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)			\$	612,431	\$ (612,431)
TPAF Pension Contributions (Non-Budgeted)				1,917,759	(1,917,759)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				36,488	(36,488)
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				1,317	(1,317)
TPAF Social Security Contributions (Reimbursed - Non-Budgeted)				518,689	(518,689)
Total On-Behalf Contributions				3,086,684	(3,086,684)
Total Personal Services - Employee Benefits	\$ 2,767,285	\$ (57,001)	\$ 2,710,284	5,630,440	(2,920,156)
Total Undistributed Expenditures	16,553,178	(300,803)	16,252,375	18,512,889	(2,260,514)
TOTAL CURRENT EXPENSE	23,657,736	12,396	23,670,132	25,511,828	(1,841,696)
CAPITAL OUTLAY:					
Equipment:					
Undistributed Expenditures:					
Required Maintenance for School Facilities		4,321	4,321	4,321	
Support Services - Child Study Team	4,000	(1,644)	2,356		2,356
Total Equipment	4,000	2,677	6,677	4,321	2,356
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	8,008	1,644	9,652	2,490	7,162
Construction Services	674,473	127,913	802,386	107,222	695,164
Assessment for Debt Service- SDA Funding	3,671		3,671	3,671	
Total Facilities Acquisition and Construction Services	686,152	129,557	815,709	113,383	702,326
TOTAL CAPITAL OUTLAY	690,152	132,234	822,386	117,704	704,682
Transfer of Funds to Charter Schools	34,022		34,022		34,022
TOTAL EXPENDITURES	24,381,910	144,630	24,526,540	25,629,532	(1,102,992)

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (1,701,627)	\$ (155,975)	\$ (1,857,602)	\$ 226,415	\$ 2,084,017
Other Financing Sources:					
Capital Reserve - Unexpended Funds Returned from Capital Projects Fund				11,669	11,669
Total Other Financing Sources				11,669	11,669
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	(1,701,627)	(155,975)	(1,857,602)	238,084	2,095,686
Fund Balance, July 1 (Restated)	3,678,144		3,678,144	3,678,144	
Fund Balance, June 30	<u>\$ 1,976,517</u>	<u>\$ (155,975)</u>	<u>\$ 1,820,542</u>	<u>\$ 3,916,228</u>	<u>\$ 2,095,686</u>

Recapitulation:

Restricted for:

Capital Reserve	\$ 782,668
Maintenance Reserve	249,351
Tuition Reserve - Designated for 2022-2023	307,380
Tuition Reserve - Designated for 2021-2022	119,731
Unemployment Compensation	35,323
Excess Surplus for 2021-2022	344,376
Assigned:	
Year-end Encumbrances	631,614
For Subsequent Year's Expenditures	650,000
Unassigned	795,785
	<u>3,916,228</u>
Reconciliation to Governmental Funds Statement (GAAP):	
Final Two State Aid Payments not Recognized on GAAP Basis	(152,653)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 3,763,575</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 30,476	\$ 30,476	\$ 20,763	\$ (9,713)
Federal Sources	\$ 412,466	485,266	897,732	524,843	(372,889)
Total Revenues	412,466	515,742	928,208	545,606	(382,602)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	70,138	163,945	234,083	59,808	174,275
Salaries of Other Professional Staff		5,705	5,705	3,220	2,485
Purchased Professional - Educational Services	10,000	30,000	40,000	40,000	
Other Purchased Services		9,314	9,314	9,114	200
Tuition	231,500	(3,895)	227,605	227,605	
General Supplies	32,354	122,412	154,766	86,611	68,155
Total Instruction	343,992	327,481	671,473	426,358	245,115
Support Services:					
Salaries		5,000	5,000		5,000
Personal Services - Employee Benefits	20,996	60,740	81,736	24,182	57,554
Purchased Professional - Educational Services	37,228	16,003	53,231	34,491	18,740
Other Purchased Services	10,250	15	10,265	2,794	7,471
Supplies and Materials		100,100	100,100	51,378	48,722
Student Activities		18,845	18,845	18,845	
Total Support Services	68,474	200,703	269,177	131,690	137,487
Total Expenditures	\$ 412,466	\$ 528,184	\$ 940,650	\$ 558,048	\$ 382,602
Excess (Deficiency) of Revenues Over (Under)	\$ -0-	\$ (12,442)	\$ (12,442)	\$ (12,442)	\$ -0-

LINCOLN PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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	\$ 25,855,947	\$ 545,606
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not:		
Current Year Encumbrances		(889)
Cancellation of Prior Year Encumbrances		(3,920)
Prior Year Encumbrances		13,221
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	158,347	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(152,653)	
	<u>\$ 25,861,641</u>	<u>\$ 554,018</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds		
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 25,629,532	\$ 558,048
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:		
Current Year Encumbrances		(889)
Cancellation of Prior Year Encumbrances		(3,920)
Prior Year Encumbrances		13,221
	<u>\$ 25,629,532</u>	<u>\$ 566,460</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		

LINCOLN PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 ended June 30, 2021 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. 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 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 except for student activities. 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.

The general fund budgetary revenue differs from the GAAP revenue due to a difference in the 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.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Local Donations	Student Activities	I.D.E.A.	
			Basic	Preschool
REVENUES:				
Local Sources	\$ 14,360	\$ 6,403	\$ 255,290	\$ 9,114
Federal Sources				
Total Revenues	14,360	6,403	255,290	9,114
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Salaries of Other Professional Staff				
Purchased Professional - Educational Services				
Other Purchased Services				9,114
Tuition			227,605	
General Supplies	14,360		8,425	
Total Instruction	14,360		236,030	9,114
Support Services:				
Personal Services - Employee Benefits			19,260	
Purchased Professional - Educational Services				
Other Purchased Services				
Supplies and Materials		18,845		
Student Activities		18,845		
Total Support Services			19,260	
Total Expenditures	14,360	18,845	\$ 255,290	\$ 9,114

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CARES Emergency Relief	Bridging Digital Divide	Coronavirus Relief Fund	ESSER II	CRRSA Learning Accelerating
REVENUES:					
Local Sources					
Federal Sources	\$ 59,077	\$ 7,280	\$ 57,340	\$ 18,828	\$ 103
Total Revenues	59,077	7,280	57,340	18,828	103
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Salaries of Other Professional Staff					
Purchased Professional - Educational Services	30,000				
Other Purchased Services					
Tuition					
General Supplies	6,960	7,280	41,880	371	103
Total Instruction	36,960	7,280	41,880	371	103
Support Services:					
Personal Services - Employee Benefits					
Purchased Professional - Educational Services	4,656				
Other Purchased Services					
Supplies and Materials	17,461		15,460	18,457	
Student Activities					
Total Support Services	22,117		15,460	18,457	
Total Expenditures	\$ 59,077	\$ 7,280	\$ 57,340	\$ 18,828	\$ 103

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Elementary and Secondary Education Act				Total
	Title I	Title II A	Title III	Title IV	
REVENUES:					
Local Sources	84,820	13,369	9,622	10,000	\$ 20,763
Federal Sources		\$ 13,369	\$ 9,622	\$ 10,000	524,843
Total Revenues	84,820	13,369	9,622	10,000	545,606
EXPENDITURES:					
Instruction:					
Salaries of Teachers	56,380		3,428		59,808
Salaries of Other Professional Staff	3,220			10,000	3,220
Purchased Professional - Educational Services					40,000
Other Purchased Services					9,114
Tuition					227,605
General Supplies	1,038		6,194		86,611
Total Instruction	60,638		9,622	10,000	426,358
Support Services:					
Personal Services - Employee Benefits	24,182				24,182
Purchased Professional - Educational Services		10,575			34,491
Other Purchased Services		2,794			2,794
Supplies and Materials					51,378
Student Activities					18,845
Total Support Services	24,182	13,369			131,690
Total Expenditures	84,820	13,369	9,622	10,000	\$ 558,048

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, 2021

Other Financing Uses:	
Transfer to General Fund	<u>\$ 11,669</u>
Total Other Financing Uses	<u>11,669</u>
Deficit of Revenue and Other Financing Sources	
Under Other Financing Uses	(11,669)
Fund Balance - Beginning of Year	<u>11,669</u>
Fund Balance - End of Year	<u><u>\$ -0-</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, 2021

	<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	\$ (11,669)	\$ 478,331	\$ 478,331
Total Revenue and Other Financing Sources	<u>490,000</u>	<u>(11,669)</u>	<u>478,331</u>	<u>478,331</u>
Expenditures:				
Purchased Professional and Technical Services	32,031		32,031	32,031
Construction Services	446,300		446,300	446,300
Total Expenditures	<u>478,331</u>		<u>478,331</u>	<u>478,331</u>
Excess/(deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 11,669</u>	<u>\$ (11,669)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Name:	
Stage to Classroom Conversion Project	
Grant Date	N/A
Bonds Authorized Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 465,000
Additional Authorized Cost - Capital Reserve	25,000
Unexpended Balance Cancelled	<u>(11,669)</u>
Revised Authorized Cost	<u>\$ 478,331</u>

Percentage Increase over Original Authorized Cost	5.38%
Percentage Completion	100.00%
Original Target Completion Date	9/30/2017
Revised Target Completion Date	9/30/2021

PROPRIETARY FUNDS

LINCOLN PARK BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS:

Current Assets:	
Cash and Cash Equivalents	\$ 37,462
Intergovernmental Accounts Receivable:	
Federal	10,677
State	1,078
Interfund Receivable	2,460
Inventories	3,085
	<hr/>
Total Current Assets	54,762
	<hr/>
Non-Current Assets:	
Capital Assets	168,444
Less: Accumulated Depreciation	(117,353)
	<hr/>
Total Non-Current Assets	51,091
	<hr/>
Total Assets	105,853
	<hr/>

LIABILITIES:

Current Liabilities:	
Accounts Payable	7,270
Unearned Revenue - Donated Commodities	1,187
Unearned Revenue - Prepaid Sales	8,779
	<hr/>
Total Current Liabilities	17,236
	<hr/>

NET POSITION:

Investment in Capital Assets	51,091
Unrestricted	37,526
	<hr/>
Total Net Position	\$ 88,617
	<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, 2021

Operating Revenue:	
Daily Sales:	
Reimbursable Programs	\$ 2,198
Total Operating Revenue	<u>2,198</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	69,548
Salaries	59,742
Benefits & Payroll Taxes	25,205
Purchased Professional and Technical Services	3,408
Management Fee	19,540
Supplies and Repairs	1,379
Miscellaneous Expense	6,529
Depreciation Expense	6,930
Total Operating Expenses	<u>192,281</u>
Operating Loss	<u>(190,083)</u>
Non-Operating Revenue:	
State Sources:	
COVID-19 - Seamless Summer Option	5,341
Federal Sources:	
COVID-19 - Seamless Summer Option	165,268
Food Distribution Program	23,212
Local Sources:	
Interest Income	23
Total Non-Operating Revenue	<u>193,844</u>
Change in Net Position	3,761
Net Position - Beginning of Year	<u>84,856</u>
Net Position - End of Year	<u><u>\$ 88,617</u></u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 206
Payments to Food Service Contractor	(151,662)
Payments to Suppliers	(6,833)
Net Cash (Used for) Operating Activities	<u>(158,289)</u>
Cash Flows from Financing Activities:	
Interest Income	23
Net Cash Provided by Financing Activities	<u>23</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Equipment	(4,800)
Net Cash (Used for) Capital and Related Financing Activities	<u>(4,800)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources:	5,187
Federal Sources:	158,391
Net Cash Provided by Noncapital Financing Activities	<u>163,578</u>
Net Increase in Cash and Cash Equivalents	512
Cash and Cash Equivalents, July 1	<u>36,950</u>
Cash and Cash Equivalents, June 30	<u>\$ 37,462</u>
Adjustment to Reconcile Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (190,083)
Depreciation	6,930
Federal Food Distribution Program	23,212
Changes in Assets and Liabilities:	
Decrease in Inventory	4,190
Increase in Accounts Payable	431
(Decrease) in Unearned Revenue - Donated Commodities	(1,137)
(Decrease) in Unearned Revenue - Prepaid Sales	(1,832)
Net Cash (Used for) Operating Activities	<u>\$ (158,289)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$22,075 and utilized U.S.D.A. Commodities valued at \$23,212.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

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		Interest Rate	Balance June 30, 2020	Matured	Balance June 30, 2021
			Date	Amount				
Renovations to Elementary and Middle Schools and New Construction to Middle School	10/1/2007	\$ 2,146,000	10/1/21	\$ 185,000	4.375%			
			10/1/22	190,000	4.375%	\$ 550,000	\$ 175,000	\$ 375,000
						<u>\$ 550,000</u>	<u>\$ 175,000</u>	<u>\$ 375,000</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 131,945		\$ 131,945	\$ 131,945	
State Sources:					
Debt Service State Aid Support	63,288		63,288	63,288	
Total Revenue	195,233		195,233	195,233	
EXPENDITURES:					
Regular Debt Service:					
Interest	20,234		20,234	20,234	
Redemption of Principal	175,000		175,000	175,000	
Total Regular Debt Service	195,234		195,234	195,234	
Total Expenditures	195,234		195,234	195,234	
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(1)		(1)	(1)	
Fund Balance, July 1	2		2	2	
Fund Balance, June 30	\$ 1	\$ -0-	\$ 1	\$ 1	\$ -0-
<u>Recapitulation:</u>					
Restricted			\$ 1	\$ 1	

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,

	2012	2013	2014	2015	2016	2017	2018	2019	(Restated) 2020	2021
Governmental activities										
Net investment in capital assets	\$ 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	\$ 5,512,746
Restricted	1,702,565	1,708,356	2,022,108	1,546,545	1,673,075	1,565,649	2,190,395	2,619,910	2,904,045	1,911,397
Unrestricted/(Deficit)	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)	(1,386,562)
Total governmental activities net position	\$ 7,089,730	\$ 7,075,573	\$ 4,074,575	\$ 4,447,864	\$ 4,354,955	\$ 4,177,370	\$ 3,229,778	\$ 5,262,796	\$ 5,698,166	\$ 6,037,581
Business-type activities										
Investment in capital assets	\$ 2,448	\$ 883	\$ 8,406	\$ 16,396	\$ 19,722	\$ 40,401	\$ 35,263	\$ 60,151	\$ 53,221	\$ 51,091
Unrestricted	140,358	148,407	108,743	113,162	7,420	24,367		28,694	31,635	37,526
Total business-type activities net position	\$ 142,806	\$ 149,290	\$ 117,149	\$ 129,558	\$ 27,142	\$ 64,768	\$ 35,263	\$ 88,845	\$ 84,856	\$ 88,617
District-wide										
Net investment in capital assets	\$ 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	\$ 5,563,837
Restricted	1,702,565	1,708,356	2,022,108	1,546,545	1,673,075	1,565,649	2,190,395	2,619,910	2,904,045	1,911,397
Unrestricted/(Deficit)	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)	(1,349,036)
Total district net position	\$ 7,232,536	\$ 7,224,863	\$ 4,191,724	\$ 4,577,422	\$ 4,382,097	\$ 4,242,138	\$ 3,265,041	\$ 5,351,641	\$ 5,783,022	\$ 6,126,198

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 8,755,690
Special education	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	2,920,297
Other special education	362,561	417,311	368,058	481,020	596,896	714,916	637,827	659,428	431,428	397,420
Other instruction	105,115	104,384	92,178	168,211	104,776	615,631	241,608	153,962	152,227	58,348
Support Services:										
Tuition	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	7,930,405
Student & instruction related services	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	2,357,859
General administrative services	547,936	642,893	690,516	791,007	826,296	874,253	553,837	505,174	489,892	533,072
School administrative services	506,310	395,172	659,184	392,568	534,437	546,611	828,446	799,071	828,972	702,422
Central services	538,486	682,517	622,020	556,431	514,846	570,560	783,395	501,487	589,723	473,195
Administration Information Technology										117,355
Plant operations and maintenance	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	1,345,711
Pupil transportation	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	1,210,017
Capital Outlay	1,735	2,381	3,671	3,671	3,671		3,671	21,297	3,671	3,671
Special Schools										11,118
Interest on long-term debt	190,939	178,978	41,481	125,410	103,451	47,442	40,823	33,906	26,770	21,328
Unallocated depreciation	556,744	556,744	556,744	556,744	597,693					
Unallocated activities expenses	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	26,823,119
Business-type activities:										
Food service	320,040	329,456	366,934	329,266	430,008	334,665	385,318	332,235	274,027	192,281
Total business-type activities expense	320,040	329,456	366,934	329,266	430,008	334,665	385,318	332,235	274,027	192,281
Total district expenses	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	27,015,400
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (Tuition)						38,983	72,868	50,960	85,095	58,656
Student & Instruction Related Services										6,403
Operating grants and contributions	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	5,938,912
Total governmental activities program revenues	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	6,003,971
Business-type activities:										
Charges for services										
Food service	210,042	228,807	220,881	230,882	217,520	236,333	238,084	247,593	175,002	2,198
Operating grants and contributions	88,018	107,105	113,893	110,780	110,027	110,041	117,101	107,436	93,854	193,821
Total business type activities program revenues	298,060	335,912	334,774	341,662	327,547	346,374	355,185	355,029	268,856	196,019
Total district program revenues	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	6,199,990

LINCOLN PARK BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

(accrual basis of accounting)
UNAUDITED
(Continued)

	Fiscal year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (20,819,148)
Business-type activities	(21,980)	6,456	(32,160)	12,396	(102,461)	11,709	(30,133)	22,794	(5,171)	3,738
Total district-wide net expense	<u>(17,268,462)</u>	<u>(18,699,179)</u>	<u>(18,007,399)</u>	<u>(18,815,612)</u>	<u>(19,362,015)</u>	<u>(19,318,193)</u>	<u>(20,408,727)</u>	<u>(19,543,278)</u>	<u>(20,328,627)</u>	<u>(20,815,410)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	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	20,231,622
Taxes levied for debt service	666,959	643,124	623,913	598,938	663,881	130,596	132,810	131,617	130,215	131,945
Unrestricted grants and contributions	63,647	743,154	63,489	63,284	63,011	62,639	341,751	307,791	302,425	304,370
Investment earnings	292	326	158	5,165	6,895	21,130	48,108	60,515	68,486	2,540
Miscellaneous income	277,483	388,752	297,215	628,467	733,089	1,012,677	493,494	324,854	312,333	488,086
Transfers								(4,284)		
Reimbursement of Prior Year Tuition				424,190						
Total governmental activities	<u>18,058,899</u>	<u>18,691,478</u>	<u>18,156,929</u>	<u>19,201,297</u>	<u>19,166,645</u>	<u>19,280,806</u>	<u>19,431,002</u>	<u>20,167,517</u>	<u>20,648,383</u>	<u>21,158,563</u>
Business-type activities:										
Investment earnings	45	28	19	13	45	100	628	714	1,182	23
Transfers								4,284		
Disposition/Adjustment of Capital Assets						25,817				
Total business-type activities	<u>45</u>	<u>28</u>	<u>19</u>	<u>13</u>	<u>45</u>	<u>25,917</u>	<u>628</u>	<u>4,998</u>	<u>1,182</u>	<u>23</u>
Total district-wide	<u>18,058,944</u>	<u>18,691,506</u>	<u>18,156,948</u>	<u>19,201,310</u>	<u>19,166,690</u>	<u>19,306,723</u>	<u>19,431,630</u>	<u>20,172,515</u>	<u>20,649,565</u>	<u>21,158,586</u>
Change in Net Position										
Governmental activities	812,417	(14,157)	181,690	373,289	(92,909)	(49,096)	(947,592)	601,445	324,927	339,415
Business-type activities	(21,935)	6,484	(32,141)	12,409	(102,416)	37,626	(29,505)	27,792	(3,989)	3,761
Total district	<u>790,482</u>	<u>(7,673)</u>	<u>149,549</u>	<u>385,698</u>	<u>(195,325)</u>	<u>(11,470)</u>	<u>(977,097)</u>	<u>629,237</u>	<u>320,938</u>	<u>343,176</u>

Source: Borough of Lincoln Park School District records

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

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	(Restated) 2020	2021
General Fund										
Restricted	\$ 1,702,523	\$ 1,708,271	\$ 2,021,983	\$ 1,995,245	\$ 2,121,767	\$ 2,120,827	\$ 2,190,370	\$ 2,619,908	\$ 2,819,034	\$ 1,838,829
Assigned	1,054,279	776,353	362,283	338,956	300,074	310,708	132,273	77,389	368,299	1,281,614
Unassigned	238,290	268,049	275,314	257,866	258,044	272,233	340,864	337,347	332,464	643,132
Total general fund	<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>\$ 3,519,797</u>	<u>\$ 3,763,575</u>
All Other Governmental Funds										
Restricted	\$ 42	\$ 85	\$ 125	\$ 100	\$ 108	\$ 132	\$ 25	\$ 2	\$ 85,011	\$ 72,568
Committed						117,877	11,669	11,669	11,669	
Unassigned/(Deficit)				(448,800)	(448,800)					
Total All Other Governmental Funds/(Deficit)	<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>\$ 96,680</u>	<u>\$ 72,568</u>
Total Governmental Funds	<u>\$ 2,995,134</u>	<u>\$ 2,752,758</u>	<u>\$ 2,659,705</u>	<u>\$ 2,143,367</u>	<u>\$ 2,231,193</u>	<u>\$ 2,821,777</u>	<u>\$ 2,675,201</u>	<u>\$ 3,046,315</u>	<u>\$ 3,616,477</u>	<u>\$ 3,836,143</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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 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	\$ 20,363,567
Tuition charges	22,356	32,692	35,335	38,070	61,286	38,983	72,868	50,960	85,095	58,656
Rentals	214,835	221,685	230,231	236,008	243,500	259,144	296,585	267,323	296,585	319,884
Interest earnings	5,499	5,947	5,001	5,165	6,895	21,130	48,108	60,515	68,486	2,540
Miscellaneous	35,085	128,754	26,806	133,636	489,589	1,012,677	234,650	66,731	21,580	190,115
State sources	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	5,116,167
Federal sources	674,061	427,080	421,749	374,148	398,689	351,034	424,999	423,728	422,083	559,963
Total revenue	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	26,610,892
Expenditures										
Instruction										
Regular Instruction	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	6,290,955
Special Education Instruction	1,690,390	1,556,502	1,545,920	1,426,668	1,888,996	2,369,014	2,075,719	1,902,863	2,222,784	2,228,830
Other Special Instruction	317,479	356,837	323,193	306,510	385,678	410,246	390,514	434,153	305,420	260,126
School-Sponsored/Other Instruction	86,439	83,829	75,377	145,887	73,580	115,591	172,164	117,560	111,276	58,299
Support Services:										
Tuition	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	7,930,405
Student & instruction related services	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	2,048,633
General administrative services	493,589	355,689	577,910	368,737	553,500	360,398	424,164	420,768	408,941	445,826
School Administrative services	470,174	535,841	596,223	605,224	566,133	536,667	528,951	518,664	530,792	537,764
Central services	527,915	669,559	611,170	419,898	369,462	365,753	352,725	371,397	421,681	421,772
Administrative Information Technology				127,544	138,971	124,370	117,975	122,554	105,415	113,659
Plant operations and maintenance	1,146,410	1,168,692	1,451,855	1,184,568	1,053,036	1,172,928	1,103,125	1,337,516	1,337,941	1,304,713
Pupil transportation	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	1,181,136
Unallocated Benefits	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	3,256,170
Special Schools								21,297	11,118	
Capital outlay	42,038	469,528	3,671	1,148,200	7,284	347,123	618,773	239,106	97,481	117,704
Debt service:										
Principal	580,000	575,000	575,000	570,000	655,000	145,000	155,000	160,000	165,000	175,000
Interest and other charges	150,639	131,739	112,401	92,308	71,891	48,235	41,671	34,781	27,672	20,234
Total expenditures	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	26,391,226
Excess/(Deficit) of Revenues Over/(Under) Expenditures	946,919	(242,376)	(93,053)	(940,528)	87,826	590,584	(146,576)	375,398	459,719	219,666

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing Sources/(Uses)										
Special Item - Reimbursement of Prior Year Tuition Transfers				\$ 424,190				\$ (4,284)		
Total Other Financing Sources/(Uses)	\$ -0-	\$ -0-	\$ -0-	424,190	\$ -0-	\$ -0-	\$ -0-	(4,284)	\$ -0-	\$ -0-
Net Change in Fund Balances	\$ 946,919	\$ (242,376)	\$ (93,053)	\$ (516,338)	\$ 87,826	\$ 590,584	\$ (146,576)	\$ 371,114	\$ 459,719	\$ 219,666
Debt Service as a % of Noncapital Expenditures	2.96%	2.83%	2.77%	2.71%	2.98%	0.65%	0.68%	0.82%	0.68%	0.67%

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
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
2021	2,540	58,656	319,884	160,892		7,310	549,282

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 Dec. 31,	Vacant Land		Farm Residential		Farm Regular		Farm Qualified		Commercial		Industrial		Apartment		Total Assessed Value		Public Utilities		Net Valuation Taxable		Total Direct School Tax Rate ^b		Estimated Actual (County Equalized Value)	
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	-0-	-0-	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	-0-	-0-	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	-0-	-0-	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	-0-	-0-	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	-0-	-0-	1,354,928,400	1.34	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	-0-	-0-	1,354,047,700	1.37	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	-0-	-0-	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	-0-	-0-	1,354,169,000	1.47	1,436,479,262											
2020	7,649,600	1,134,589,800	4,777,200	322,600	112,361,700	59,752,400	36,996,700	1,356,450,000	-0-	-0-	1,356,450,000	1.50	1,468,973,359											

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

Source: Municipal Tax Assessor

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	
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
2020	1.49	0.01	1.50	1.06	0.28	2.84

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.

Source: Municipal Tax Collector and School Business Administrator

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

	2020		2011	
	Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value
209 Comly Road	\$ 36,183,800	2.67%		
499 Pine Brook Road	16,246,900	1.20%		
60 Beaver Brook Road	15,500,000	1.14%		
521 Pine Brook Road	9,958,400	0.73%		
188 Lincoln Boulevard	8,639,800	0.64%		
Ryerson Road	8,098,700	0.60%		
261 Comly Road	7,662,600	0.56%		
600 Ryerson Road	7,100,000	0.52%		
510 Ryerson Road	6,600,000	0.49%		
274 Pine Brook Road	6,516,100	0.48%		
Total	\$ 122,506,300	9.03%		

INFORMATION IS NOT AVAILABLE

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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-
2021	20,363,567	20,363,567	100.00%	-0-

- 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.

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

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

Fiscal Year Ended June 30,	Governmental Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Total District		
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	0.05%	55
2021	375,000	375,000	0.04%	37

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.

Source: School District Financial Reports

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		
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%	55
2021	375,000	-0-	375,000	0.028%	37

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, 2020
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	\$ 17,684,246	100.00%	\$ 17,684,246
Morris County General Obligation Debt	250,902,245	1.46%	<u>3,665,310</u>
Subtotal, Overlapping Debt			21,349,556
Lincoln Park School District Direct Debt			<u>375,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 21,724,556</u></u>

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.

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.

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.

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

Legal Debt Margin Calculation for Fiscal Year 2021	
Year Ended December 31,	Equalized Valuation Basis
2020	\$ 1,468,973,359
2019	1,436,479,262
2018	1,408,014,253
	<u>\$ 4,313,466,874</u>
Average Equalized Valuation of Taxable Property	
	<u>\$ 1,437,822,291</u>
Debt Limit (3% of Average Equalization Value) ^a	
	\$ 43,134,669
	<u>375,000</u>
	<u>\$ 42,759,669</u>

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 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	\$ 43,134,669
Total Net Debt Applicable to Limit	<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>	<u>375,000</u>
Legal Debt Margin	<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>	<u>\$ 42,759,669</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.67%	6.71%	5.69%	4.48%	2.92%	2.54%	2.14%	1.72%	1.30%	0.87%

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

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

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

Year	Population ^a	Personal Income ^c	Morris County Per Capital Personal Income ^b	Borough Unemployment Rate ^d
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	1,027,742,706	101,646	3.20%
2020	10,064	1,022,965,344	101,646 *	9.70%
2021	10,064 **	1,022,965,344 ***	101,646 *	N/A

* - Latest Morris County per capita personal income available (2019) was used for calculation purposes.

** - Latest population data available (2020) was used for calculation purposes.

*** - Latest available population data (2020) and latest available Morris County per capita personal income (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

	2020		2011		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
Atlantic Health System		7,642	Novartis	6,200	2.44%
Picatunny Arsenal		6,000	U.S. Army Armament Research and Development	5,274	2.08%
Novartis		5,200	Atlantic Health Systems	5,013	1.98%
Bayer		3,483	United Parcel Service	2,332	0.92%
Barclays		2,560	County of Morris	1,928	0.76%
ADP		2,400	ADP	1,924	0.76%
Accenture		1,826	St. Clare's Health System	1,841	0.73%
Honeywell		1,704	AT&T	1,550	0.61%
Saint Clare's Health		1,638	Chilton Memorial	1,440	0.57%
County of Morris		1,469	BASF	1,400	0.55%
		<u>33,922</u>		<u>28,902</u>	<u>11.39%</u>
Total Employment *		<u>232,958</u>		<u>253,719</u>	

* - 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>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	52.6	56.0	54.0	55.0	56.0	64.2	64.2	64.2	64.2	64.2
Special education	21.4	23.4	20.5	27.0	29.5	20.4	20.4	20.4	20.4	20.4
Support Services:										
Student & instruction related services	11.0	10.8	10.8	10.8	10.8	28.0	28.0	28.0	28.0	28.0
School administrative services	4.1	4.1	4.1	4.1	4.1	4.0	4.0	4.0	4.0	4.0
General and administrative services	1.0	1.0	1.0	1.0	1.0	2.1	2.1	2.0	2.0	2.0
Plant operations and maintenance	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Pupil transportation	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Business and other support services	6.8	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0
Food Service			8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0
Total	105.7	110.1	113.2	120.7	124.2	139.5	139.5	139.4	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	School				
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	940	20,747,343	22,072	-2.32%	80	1:12	1:10	942	906	4.78%	96.18%	
2015	964	21,007,666	21,792	-1.27%	82	1:12	1:11	953	917	1.17%	96.22%	
2016	934	21,960,844	23,513	7.90%	85	1:12	1:12	933	910	-2.10%	97.53%	
2017	934	22,363,441	23,944	1.83%	85	1:12	1:12	920	880	-1.39%	95.65%	
2018	934	22,782,785	24,393	1.88%	85	1:12	1:12	939	898	2.07%	95.63%	
2019	908	23,700,081	26,101	7.00%	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%	
2021	884	26,078,288	29,500	10.43%	85	1:12	1:12	884	854	-5.05%	96.61%	

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.

Sources: Borough of Lincoln Park School District records

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

<u>District Building</u>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Chapel Hill School (1923)	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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)	66,640	66,640	66,640	66,640	66,640	66,640	66,640	66,640	66,640	66,640
Square Feet	533	533	533	533	533	533	533	533	533	533
Capacity (students)	516	527	505	568	536	536	536	501	507	483
Enrollment	79,120	79,120	79,120	79,120	79,120	79,120	79,120	79,120	79,120	79,120
Middle School (1959)	603	603	603	603	603	603	603	603	603	603
Square Feet	359	372	435	396	398	398	398	407	407	401
Capacity (students)										
Enrollment										

Number of Schools at June 30, 2021

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*
Account #11-000-261-XXX:

Fiscal Year Ended June 30,	Chapel Hill School	Elementary School	Middle School	Total
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
2021	2,574	99,768	144,202	246,544

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

Source: Borough of Lincoln Park School District records

LINCOLN PARK BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021
UNAUDITED

<u>COVERAGE</u>	<u>LIMITS</u>	<u>TERMS IN YEARS</u>	<u>EXPIRES</u>	<u>COMPANY</u>	<u>POLICY NUMBER</u>	<u>PREMIUM</u>	<u>COMMENTS</u>
COMMERCIAL PACKAGE POLICY		1 YEAR	7/1/2021	National Union Fire Ins. Co. of Pittsburgh	GPNU-EP-0018353-00	\$ 61,677	
PROPERTY						497	Surcharge
BLANKET BUILDING & CONTENTS(Per Fund)	\$ 53,348,118						Per Occurrence
BUSINESS INCOME & EXTRA EXPENSE	\$ 250,000						PTO's & PTA's incl. As
VALUABLE PAPERS & RECORDS	\$ 250,000						Additional Insured
							Per Occurrence
FINE ARTS	\$ 50,000						
TREES, SHRUBS, PLANTS AND LAWNS	\$ 25,000						
IN TRANSIT OR OFF PREMISES	\$ 100,000						
OUTDOOR PROPERTY	\$ 150,000						
SOFTWARE	\$ 500,000						
FLOOD EACH OCCURRENCE	\$ 5,000,000						
DEDUCTIBLE	\$ 50,000						
EARTHQUAKE PER OCCURRENCE	\$ 5,000,000						
EARTHQUAKE AGGREGATE	\$ 5,000,000						
DEDUCTIBLES PER OCCURRENCE:	\$ 25,000						
REAL AND PERSONAL PROPERTY	\$ 5,000						
CRIME							
PUBLIC EMPLOYEE DISHONESTY	\$ 250,000						
W/FAITHFUL PERFORMANCE	\$ 250,000						
FORGERY OR ALTERATION	\$ 250,000						
MONEY ORDERS & COUNTERFEIT	\$ 250,000						
COMPUTER FRAUD	\$ 250,000						
DEDUCTIBLE	\$ 1,000						
BOILER & MACHINERY		1 YEAR	7/1/2021	National Union Fire Ins. Co. of Pittsburgh	GPNU-EP-0018353-00		Included in Package
Limit per Breakdown	included						
Property Damage	included						
Expediting Expense	\$ 100,000						
Business Income & Extra Expense	included						
Spoilage Damage	\$ 100,000						
Hazardous Substances	\$ 250,000						
Data Restoration	\$ 500,000						
Deductible	\$ 5,000						
INLAND MARINE							
Blanket Tools & Equipment	\$ 25,000						
Rented or Borrowed Equipment	\$ 100,000						
Deductible	\$ 1,000						

LINCOLN PARK BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021
UNAUDITED
(Continued)

	<u>LIMITS</u>	<u>TERMS IN YEARS</u>	<u>EXPIRES</u>	<u>COMPANY</u>	<u>POLICY NUMBER</u>	<u>PREMIUM</u>	<u>COMMENTS</u>
COVERAGE							
COMPREHENSIVE GENERAL LIABILITY							
EACH OCCURRENCE	\$ 1,000,000						
DAMAGE TO PREMISES RENTED TO YOU	\$ 1,000,000						
MEDICAL EXPENSE	\$ 10,000						
PERSONAL INJURY & ADVERTISING Injury	\$ 1,000,000						
GENERAL AGGREGATE	\$ 3,000,000						
PRODUCTS COMPLETED OPERATIONS	\$ 3,000,000						
EMPLOYEE BENEFITS LIABILITY	\$ 1,000,000						
EMPLOYEE BENEFITS LIABILITY AGGREGATE	\$ 2,000,000						
ABUSE OR MOLESTATION LIABILITY	\$ 1,000,000	EACH ACT					
ABUSE OR MOLESTATION AGGREGATE	\$ 2,000,000						
AUTOMOBILE COVERAGE							
SYMBOL 1 ANY AUTO							
COMBINED SINGLE LIMIT FOR BODILY INJURY AND PROPERTY DAMAGE PER ACCIDENT	\$ 1,000,000		7/1/2021	National Union Fire Ins. Co. of Pittsburgh	GPNU-EP-0018353-00	Included in Package	
SYMBOL 6 UNINSURED/UNDERINSURED MOTORIST	\$ 1,000,000						
SYMBOL 6 UNINSURED/UNDERINSURED MOTORIST	\$ 1,000,000						
SYMBOL 5 PERSONAL INJ. PROTECTION	STATUTORY						
MEDICAL PAYMENTS	\$ 5,000						
PHYSICAL DAMAGE- SYMBOL 8							
SCHEDULED VEHICLES ONLY	\$ 1,000						
COMPREHENSIVE DEDUCTIBLE	\$ 1,000						
COLLISION DEDUCTIBLE							
CYBER LIABILITY							
EACH EVENT LIMIT	\$ 1,000,000	1 YEAR	7/1/2021	National Union Fire Ins. Co. of Pittsburgh	GPNU-EP-0018353-00	Included in Package	
PRIVACY CRISIS MGMT EXPENSE	\$ 100,000						
CYBER EXTORTION EXPENSE	\$ 20,000						
PRIVACY AND CYBER EXTORTION AGGREGATE	\$ 100,000						
EDUCATORS LEGAL LIABILITY							
EACH WONGFUL ACT	\$ 1,000,000	1 YEAR	7/1/2021	National Union Fire Ins. Co. of Pittsburgh	GPNU-EP-0018353-00	\$ 11,673	
PROFESSIONAL INCIDENT AGGREGATE	\$ 3,000,000						
DEDUCTIBLE	\$ 25,000						
COVERAGE B	\$ 100,000	EACH ACTION					
COVERAGE B	\$ 300,000	AGGREGATE					
DEDUCTIBLE WRONGFUL ACTS	\$ 5,000						
DEDUCTIBLE EMPLOYMENT OFFENSE	\$ 5,000						
DEDUCTIBLE INJUNCTIVE OR DECLARATORY RELIEF	\$ 5,000						

LINCOLN PARK BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021
UNAUDITED
(Continued)

<u>COVERAGE</u>	<u>LIMITS</u>	<u>TERMS IN YEARS</u>	<u>EXPIRES</u>	<u>COMPANY</u>	<u>POLICY NUMBER</u>	<u>PREMIUM</u>	<u>COMMENTS</u>
UMBRELLA POLICY							
EACH OCCURRENCE LIMIT	\$ 10,000,000	1 YEAR	7/1/2021	National Union Fire Ins. Co.	GPNL-EP-0018353-00	\$ 9,447	
AGGREGATE	\$ 10,000,000			of Pittsburgh			
PREMISES POLLUTION LIABILITY INS.							
PER POLLUTION CONDITION OR INDOOR ENVIRONMENTAL CONDITION	\$ 1,000,000	1 YEAR	7/1/2021	ACE American Ins. Co.	G71814257 001	\$ 11,725	
AGGREGATE ALL POLLUTION CONDITIONS RETENTION	\$ 2,000,000						
	\$ 10,000						
WORKERS COMPENSATION							
WORKERS COMPENSATION EMPLOYERS LIABILITY	STATUTORY						
SELF INSURED RETENTION PER OCCURRENCE	\$ 1,000,000	1 YEAR	7/1/2021	POOLED INS. PROGRAM OF NJ		\$ 60,235	
	\$ 700,000						
SUPPLEMENTAL WORKERS COMPENSATION							
EXCESS UMBRELLA - NJUEP							
	\$ 10,000,000	1 YEAR	7/1/2021	FEDERAL INS. CO.		\$ 3,338	
	\$ 10,000,000	1 YEAR	7/1/2021	Hudson Excess Ins. Co.	EPGA 000073-00	\$ 12,209	
	\$ 10,000,000	1 YEAR	7/1/2021	Allied World Assur. Co.	0312-3938		
	\$ 10,000,000	1 YEAR	7/1/2021	Evanston Ins. Co.	MKLV3EUE100572		
BONDS							
NICOLE SCHOENING, BUSINESS ADMINISTRATOR	\$ 220,000	1 YEAR	7/1/2021	TRAVELERS CASUALTY & SUR.	107277760	\$ 770	
KELLY MEEHAN, TREASURER	\$ 215,000	1 YEAR	7/1/2021	TRAVELERS CASUALTY & SUR.	107277755	\$ 602	
STUDENT ACCIDENT							
		1 YEAR	07/01/21	MCCLOSKEY		\$ 7,250	

Source: Lincoln Park Borough School District records

SINGLE AUDIT SECTION

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2021.

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, 2021
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

John J. Mooney

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

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, 2021. 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 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, 2021.

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, 2021
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, 2021

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020			Cash Received	Budgetary Expenditures	Adjustments	Cancellation of Prior Years Encumbrances	Balance at June 30, 2021		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
U.S. Department of Education:														
Special Revenue Fund:														
Elementary and Secondary Education Act:														
Title I	84.010A	ESEA265021	7/1/20-9/30/21	\$ 87,951			\$ 52,521	\$ (84,820)				\$ (32,299)		
Title I	84.010A	ESEA265020	7/1/19-9/30/20	87,669			25,890							
Total Title I							78,411	(84,820)				(32,299)		
Title II	84.367A	ESEA265021	7/1/20-9/30/21	20,840			10,667	(13,369)				(2,702)		
Title II	84.367A	ESEA265020	7/1/19-9/30/20	23,539			1,707							
Total Title II							12,374	(13,369)				(2,702)		
Title III	84.365A	ESEA265021	7/1/20-9/30/21	17,932			5,432	(9,622)				(4,190)		
Title III	84.365A	ESEA265020	7/1/19-9/30/20	19,422			4,881			\$ 3,890			\$ 3,890	
Title III	84.365A	ESEA265018	7/1/17-6/30/18	10,258										43
Title III - Immigrant	84.365A	ESEA265020	7/1/19-9/30/20	1,615			700							
Total Title III							11,013	(9,622)			3,890	(4,190)		3,933
Title IV	84.424A	ESEA265021	7/1/20-9/30/21	10,000			10,000	(10,000)						
Total Title IV							10,000	(10,000)						
Education Stabilization Fund:														
COVID-19 - CARES Emergency Relief	84.425D	CARES265022	3/13/20-9/30/22	74,338			58,566	(59,077)				(9,111)		
COVID-19 - CRRSA ESSER II	84.425D	CARES265023	3/13/20-9/30/23	288,409				(18,828)				(18,828)		
COVID-19 - CRRSA Learning Accelerating	84.425D	CARES265023	3/13/20-9/30/23	25,000				(103)				(103)		
COVID-19 - Bridging Digital Divide	84.425D	S377A130031	7/16/20-10/31/20	7,378			7,280	(7,280)						
Total Education Stabilization Fund							65,846	(85,288)				(28,042)		
Special Education Cluster:														
IDEA Part B, Basic Regular	84.027	IDEA265021	7/1/20-9/30/21	263,030			253,262	(255,290)				(2,028)		
IDEA Part B, Basic Regular	84.027	IDEA265020	7/1/19-9/30/20	262,379			42,394							
IDEA Part B, Preschool	84.173	IDEA265021	7/1/20-9/30/21	9,114			9,114	(9,114)						
IDEA Part B, Preschool	84.173	IDEA265020	7/1/19-9/30/20	9,382			5,508		\$ 1					59
IDEA Part B, Preschool	84.173	IDEA265018	7/1/17-6/30/18	8,819										59
Total Special Education Cluster							310,278	(264,404)				(2,028)		59
Total U.S. Department of Education							487,922	(467,503)		1	3,890	(69,261)		3,992
U.S. Department of Treasury:														
Special Revenue Fund:														
Passed-through State Department of Education:														
COVID 19 - Coronavirus Relief Fund	21.019	N/A	3/1/20-12/30/20	57,340			57,340	(57,340)						
Total U.S. Department of Treasury							57,340	(57,340)						

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020			Cash Received	Budgetary Expenditures	Adjustments	Cancellation of Prior Years' Encumbrances	Balance at June 30, 2021		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
U.S. Department of Agriculture:														
Passed-through State Department of Agriculture:														
Child Nutrition Cluster														
Food Distribution Program	10.555	N/A	7/1/20-6/30/21	\$ 22,075			\$ 22,075	\$ (20,888)				\$ 1,187		
Food Distribution Program	10.555	N/A	7/1/19-6/30/20	12,838				(2,324)						
COVID-19 - Seamless Summer Option	10.555	N/A	7/1/20-6/30/21	165,268			154,591	(165,268)			\$ (10,677)			
COVID-19 - Seamless Summer Option	10.555	N/A	3/1/20-6/30/20	11,453	\$ (3,800)		3,800							
Total Child Nutrition Cluster					(3,800)		180,466	(188,480)			(10,677)		1,187	
Total U.S. Department of Agriculture					(3,800)		180,466	(188,480)			(10,677)		1,187	
U.S. Department of Health and Human Services:														
Medicaid Cluster:														
Medicaid Assistance Program	93.778	N/A	7/1/20-6/30/21	27,858			27,858	(27,858)	\$ 418					
Medicaid Assistance Program	93.778	N/A	7/1/19-6/30/20	18,360	(418)									
Total U.S. Department of Health and Human Services					(418)		27,858	(27,858)	418					
Total Federal Awards					\$ (93,899)		\$ 753,586	\$ (741,181)	\$ 419	\$ 3,890	\$ (79,938)	\$ 1,187	\$ 3,992	\$ -0-

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, 2021

State Grantor/Program Title	Project Number	Grant or State	Grant Period	Award Amount	Balance at June 30, 2020			Balance at June 30, 2021			Memo	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	GAAP Accounts Receivable	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund State Aid:												
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	\$ 635,819		\$ 579,193	\$ (635,819)			\$ (56,626)	\$ 635,819		
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	838,014		763,380	(838,014)			(74,634)	838,014		
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	136,362		124,218	(136,362)			(12,144)	136,362		
Adjustment Aid	21-495-034-5120-085	7/1/20-6/30/21	103,853		94,604	(103,853)			(9,249)	103,853		
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	225,109			(225,109)		\$ (225,109)	(225,109)	225,109		
Transportation Aid - Non-public reimbursement	21-495-034-5120-014	7/1/20-6/30/21	21,344			(21,344)		(21,344)	(21,344)	21,344		
Reimbursed TPAF Social Security Contributions	21-495-034-5095-003	7/1/20-6/30/21	518,689		492,695	(518,689)		(25,994)	(25,994)	518,689		
On-Behalf TPAF Post Retirement Contributions	21-495-034-5094-001	7/1/20-6/30/21	612,431		612,431	(612,431)				612,431		
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	1,917,759		1,917,759	(1,917,759)				1,917,759		
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	36,488		36,488	(36,488)				36,488		
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	1,317		1,317	(1,317)				1,317		
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	635,819	\$ (58,920)	58,920					635,819		
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	832,729	(77,167)	77,167					832,729		
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	136,362	(12,636)	12,636					136,362		
Adjustment Aid	20-495-034-5120-085	7/1/19-6/30/20	103,853	(9,624)	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		
Transportation Aid - Non-public reimbursement	20-495-034-5120-014	7/1/19-6/30/20	15	(15)	15					15		
Reimbursed TPAF Social Security Contributions	20-495-034-5095-003	7/1/19-6/30/20	509,399	(24,800)	24,800					509,399		
Total General Fund State Aid				(301,081)	4,923,166	(5,047,185)		(272,447)	(425,100)	7,383,281		
Special Revenue Fund												
Anti Bullying Aid	N/A	7/1/13-6/30/21	3,604		\$ 3,604				\$ 3,604			
Total Special Revenue Fund					3,604				3,604			
Debt Service Fund:												
Debt Service State Aid Support	21-495-034-5120-017	7/1/20-6/30/21	63,288		63,288	(63,288)				63,288		
Total Debt Service Fund					63,288	(63,288)				63,288		
Enterprise Fund:												
Seamless Summer Program	21-100-010-3350-023	7/1/20-6/30/21	5,341		4,263	(5,341)		(1,078)	(1,078)	5,341		
Seamless Summer Program	20-100-010-3350-023	3/1/20-6/30/20	1,065	(924)	924					1,065		
Total Enterprise Fund				(924)	5,187	(5,341)		(1,078)	(1,078)	6,406		
Total State Awards				(302,005)	\$4,991,641	\$(5,115,814)		\$(273,525)	\$(426,178)	\$ 7,452,975		

N/A - Not available

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020			Balance at June 30, 2021			Memo	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	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	21-495-034-5094-001	7/1/20-6/30/21	\$ (612,431)				\$ 612,431				
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	(1,917,759)				1,917,759				
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	(36,488)				36,488				
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	(1,317)				1,317				
Subtotal - On-Behalf TPAF Pension System Contributions							2,567,995				
Total State Awards Subject to Single Audit Major Program Determination							<u>\$ (2,547,819)</u>				

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021. 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 elected not 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 \$5,694 for the General Fund and \$8,412 (of which \$1,150 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, 2021

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 27,858	\$ 5,052,879	\$ 5,080,737
Special Revenue Fund	532,105		532,105
Debt Service Fund		63,288	63,288
Food Service Fund	188,480	5,341	193,821
Total Awards	<u>\$ 748,443</u>	<u>\$ 5,121,508</u>	<u>\$ 5,869,951</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, 2021.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021 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:

	<u>State</u> <u>Grant Number</u>	<u>Grant Period</u>	<u>Award</u> <u>Amount</u>	<u>Budgetary</u> <u>Expenditures</u>
State:				
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	\$ 838,014	\$ 838,014
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	136,362	136,362
Adjustment Aid	21-495-034-5120-085	7/1/20-6/30/21	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, 2021

(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, 2021

Status of Prior Year Findings:

The District had no prior year audit findings.