

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

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

**Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2022**

**Annual Comprehensive  
Financial Report**

**of the**

**Borough of Lincoln Park School District**

**Borough of Lincoln Park, New Jersey**

**For the Fiscal Year Ended June 30, 2022**

**Prepared by**

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2022

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal .....	1
Organizational Chart.....	5
Roster of Officials.....	6
Consultants and Advisors .....	7

FINANCIAL SECTION .....

Independent Auditors' Report.....	9
Required Supplementary Information.....	12
Management's Discussion and Analysis .....	13
Basic Financial Statements (Sections A. and B.).....	20
A. District-Wide Financial Statements.....	21
A-1 Statement of Net Position .....	22
A-2 Statement of Activities .....	23
B. Fund Financial Statements .....	25
B-1 Balance Sheet – Governmental Funds.....	26
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds .....	27
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	28
B-4 Statement of Net Position – Proprietary Funds .....	29
B-5 Statement of Revenue, Expenses and Changes in Net Position – Proprietary Funds .....	30
B-6 Statement of Cash Flows – Proprietary Funds .....	31
Notes to the Basic Financial Statements .....	32
Required Supplementary Information .....	71

L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other than Pensions.....	72
L-1 Schedule of District's Proportionate Share of the Net Pension Liability- Public Employees Retirement System .....	72
L-2 Schedule of District Contributions – Public Employees Retirement System .....	73
L-3 Schedule of State's Proportionate Share of the Net Pension Liability Associated with the District- Teachers' Pension and Annuity Fund .....	74
L-4 Schedule of State's Contributions- Teacher's Pension and Annuity Fund .....	75
L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios .....	76
Notes to Required Supplementary Information.....	77

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

FINANCIAL SECTION (Cont'd)

C. Budgetary Comparison Schedules.....	79
C-1 Budgetary Comparison Schedule – General Fund.....	80
C-2 Budgetary Comparison Schedule – Budgetary Basis – Special Revenue Fund .....	94
C-3 Budgetary Comparison Schedule – Note to RSI .....	95

Other Supplementary Schedules (D.-I.)

D. School Level Schedules (Not Applicable) .....	97
E. Special Revenue Fund .....	98
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis .....	99
E-2 Preschool Education Aid Schedule of Expenditures– Budgetary Basis (Not Applicable)	
F. Capital Projects Fund .....	103
F-1 Summary Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budgetary Basis.....	104
F-1a Summary Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budgetary Basis – Stage to Classroom Conversion Project.....	105
G. Proprietary Fund.....	106
Enterprise Fund:	
G-1 Statement of Net Position.....	107
G-2 Statement of Revenue, Expenses and Changes in Fund Net Position .....	108
G-3 Statement of Cash Flows.....	109
H. Fiduciary Activities (Not Applicable) .....	110
I. Long-Term Debt.....	111
I-1 Schedule of Serial Bonds.....	112
I-2 Schedule of Obligations Under Financed Purchases (Not Applicable) .....	113
I-3 Schedule of Obligations Under Leases (Not Applicable) .....	114
I-4 Debt Service Fund Budgetary Comparison Schedule.....	115

STATISTICAL SECTION (Unaudited)

J. Statistical Schedules .....	116
J-1 Net Position by Component.....	117
J-2 Changes in Net Position .....	118
J-3 Fund Balances – Governmental Funds .....	120
J-4 Changes in Fund Balances – Governmental Funds .....	121
J-5 General Fund Other Local Revenue by Source .....	123
J-6 Assessed Value and Actual Value of Taxable Property .....	124
J-7 Direct and Overlapping Property Tax Rates.....	125
J-8 Principal Property Tax Payers .....	126
J-9 Property Tax Levies and Collections.....	127
J-10 Ratios of Outstanding Debt by Type .....	128

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

STATISTICAL SECTION (Unaudited) (Cont'd)

J-11	Ratios of Net General Bonded Debt Outstanding.....	129
J-12	Ratios of Overlapping Governmental Activities Debt.....	130
J-13	Legal Debt Margin Information .....	131
J-14	Demographic and Economic Statistics .....	132
J-15	Principal Employers .....	133
J-16	Full-Time Equivalent District Employees by Function/Program .....	134
J-17	Operating Statistics.....	135
J-18	School Building Information .....	136
J-19	Schedule of Required Maintenance for School Facilities.....	137
J-20	Insurance Schedule .....	138
K.	SINGLE AUDIT SECTION .....	141
K-1	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 <i>Government Auditing Standards</i> .....	142
K-2	Independent Auditors' Report on Compliance for Each Major Federal and State Program; Report on Internal Control over Compliance Required by the Uniform Guidance and NJOMB 15-08 .....	144
K-3	Schedule of Expenditures of Federal Awards .....	147
K-4	Schedule of Expenditures of State Awards .....	149
K-5	Notes to the Schedules of Expenditures of Federal and State Awards.....	151
K-6	Schedule of Findings and Questioned Costs .....	153
K-7	Summary Schedule of Prior Audit Findings.....	155

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

January 30, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Lincoln Park Borough School District (the "District") for the fiscal year ended June 30, 2022, 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 annual comprehensive 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 2021-2022 fiscal year with an enrollment of 879 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 2021-2022 school year, 314 students attended Boonton High School, 64 students attended the Morris County Academies, 44 students attended the Pequannock Academies, and 3 students attended choice schools. The Lincoln Park Board of Education was responsible for the education of 1,207 students, which includes 14 out of district placed students.

2) ECONOMIC CONDITION AND OUTLOOK: The community 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 growth will always be our overall goal for the district. While we have returned to pre-pandemic instructional practices, the effects of the pandemic are still impacting student performance. This year we implemented a new language arts program in grades K-5. Several days of training were provided to the elementary teachers. The new program requires a shift in our instructional practice with a focus on well-organized small group instruction in every class. Our teacher coach has been assisting teachers with the implementation of this program as well as helping to identify students as tier 1, 2 or 3, which helps our BSI and classroom teachers to provide targeted instruction to meet their students' needs.

In addition to academic growth, many students are struggling with social/emotional skills. We have been experiencing many more crisis interventions than we have in previous years. Our mental health staff on the child study team as well as our school counselors are working hard to keep up with the students' needs. We are exploring partnerships with community resources who may provide additional support to students and parents, funded by grants.

We are in our second year of working with Bergen County Technical School District, which provides our technology personnel, planning and support. Supply chain issues have prevented us from receiving certain elements of our district network, so the planned upgrade is still not completed. Once the new switches have arrived and are installed, the performance of the Wi-Fi network should improve considerably. The district owns 950 Chromebooks. Approximately 260 will be out of warranty at the end of this year. A 1:1 program will require a constant investment as a number of devices will reach their end-of-life period each year.

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 may not be met in all grades, but the District persists in its efforts to achieve this goal.
- Inclusion of special education children in the regular education program, while also concentrating on differentiated instruction to meet all students' needs, will remain a goal at all grade levels.
- A safe and secure learning environment will continue to be a primary concern for all district personnel. We will continue to work closely with the Lincoln Park Police, Morris County Prosecutor's Office and the NJ Office of School Preparedness and Emergency Planning to proactively upgrade our facilities and practices.
- Improving school climate for students, parents and staff has been and will continue to be a focal point. After utilizing the school climate survey in the spring we will analyze the data and identify areas for improvement.
- We are currently exploring all possibilities for universal preschool in Lincoln Park through the state's preschool expansion aide program. By planning for a possible implementation, we hope that the district is invited to apply in the spring of 2023 for a 2023-2024 implementation.
- The district continues to analyze our existing means and implementation of communication in the hope of reaching even more parents and community stakeholders in the near future.

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, nine paraprofessionals, thirty instructional aides, two school 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 pursuits toward advanced degrees both online and through area universities or colleges. Teachers continued to serve as leaders in curriculum development throughout the District and across disciplines.

### **Facilities:**

Our maintenance staff currently consists of one supervisor of buildings and grounds, two head custodians, five full-time custodians and one part-time custodian. The district was notified this year that the Borough will no longer be able to mow the fields for LPMS, LPES and Chapel Hill at the end of this school year. This will result in additional costs to the district, regardless of which approach is taken to maintain the landscape.

### **Referendum:**

Bids have been accepted for the roof replacements and the boilers. The boiler replacement at the middle school will begin just after the heat is turned off for the year on May 15. The roof replacement will begin after school is over in June, but supplies will begin to arrive for storage at some point in May. We will be going out to bid again on the HVAC system as the few bids that came in far exceeded our budget. The architect is still planning the four classroom addition at LPES as well as the LPMS secure vestibule and main office renovations.

**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, 2022.

**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 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*. 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,

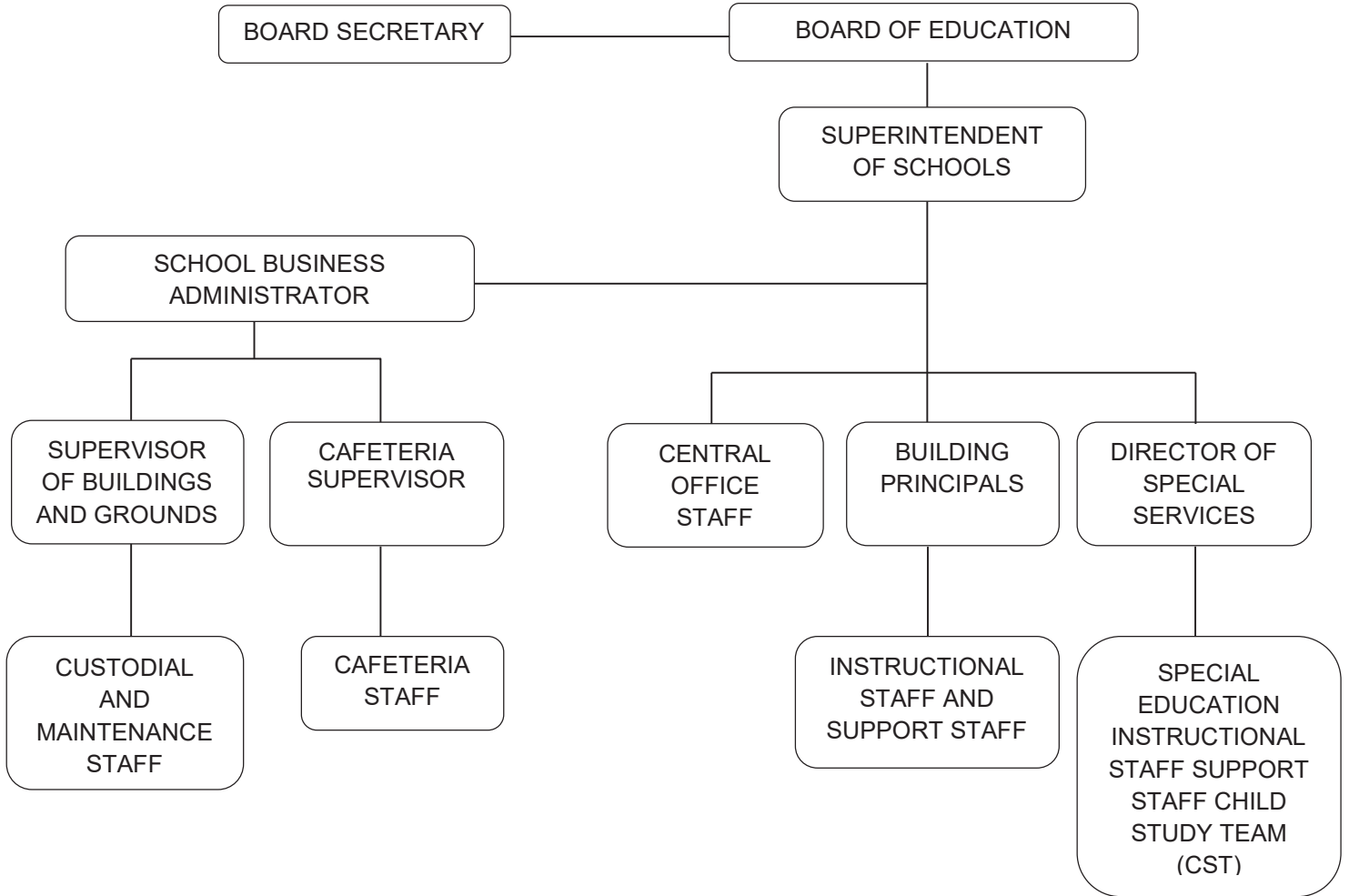


Michael Meyer  
Superintendent



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

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
ORGANIZATIONAL CHART



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2022

<u>Members of the Board of Education</u>	<u>Term</u>	<u>Term Expires</u>
Todd Henches-Board President	3 Years	2023
Jennifer Aiello-Vice President	3 Years	2023
Frank Raffa	3 Years	2022
Dawn Caicedo	1 Year	2022
Sandra Vucenovic	3 Years	2022
Dana Everest	3 Years	2024
Donna Harney	3 Years	2024

Other Officers

Michael Meyer, Superintendent  
 Nicole C. Schoening, CPA, SFO, Business Administrator  
 Kelly Meehan, Treasurer of School Moneys  
 Nathanya Simon, Board Counsel

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

**Attorney**

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

**Audit Firm**

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

**Official Depository**

Valley National Bank  
1455 Valley Road  
Wayne, NJ 07470

FINANCIAL SECTION

## Independent Auditors' Report

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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 (the “District”), in the County of Morris, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the “Office”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

As discussed in Note 19 to the financial statements, the District implemented GASB Statement No. 87, *Leases*, during the fiscal year ended June 30, 2022. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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 post-retirement 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 is the responsibility of management and, although not a part of the basic financial statements, are 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.



### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information 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.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2023 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 District's internal control over financial reporting and compliance.

January 30, 2023  
Mount Arlington, New Jersey

*Nisiroccia LLP*  
NISIVOCIA 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, 2022. 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**

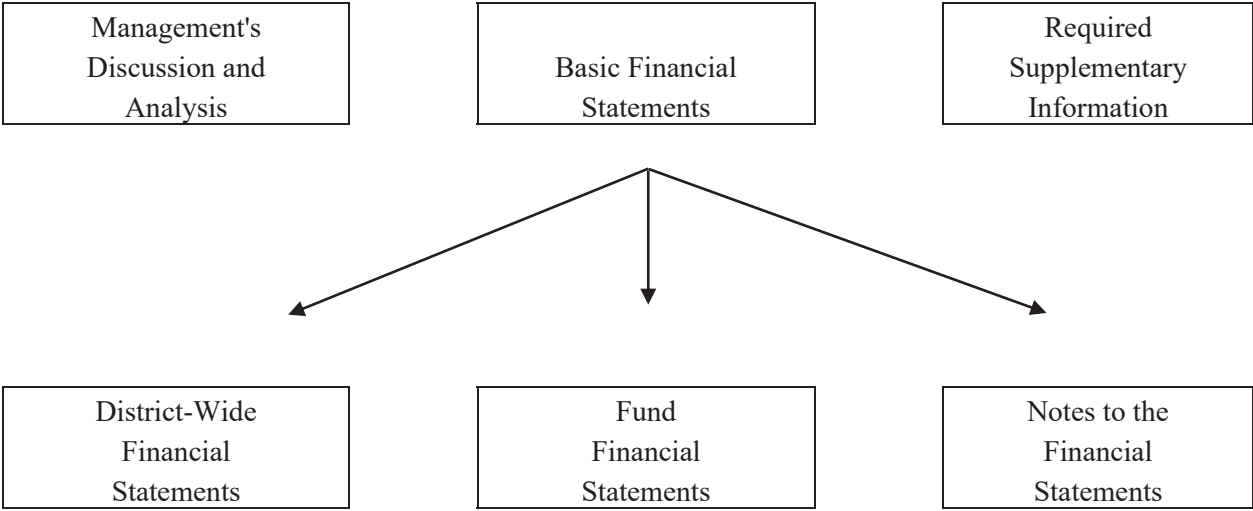


Table 2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents 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"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>
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, lease 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 decreased by \$178,352. Net position from governmental activities decreased by \$275,197 and net position from business-type activities increased by \$96,845. Net investment in capital assets increased by \$385,240, restricted net position decreased by \$181,207 and unrestricted net position decreased by \$382,385.

**Table 3  
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		% Change
	(Restated) 2020/21	2021/22	2020/21	2021/22	(Restated) 2020/21	2021/22	
Current and Other Assets	\$5,692,448	\$4,306,199	\$ 54,762	\$ 157,562	\$5,747,210	\$4,463,761	
Capital Assets, Net	5,887,746	6,069,278	51,091	69,799	5,938,837	6,139,077	
Total Assets	11,580,194	10,375,477	105,853	227,361	11,686,047	10,602,838	-9.27%
Deferred Outflows of Resources	644,620	364,229			644,620	364,229	-43.50%
Other Liabilities	880,267	896,711	17,236	41,899	897,503	938,610	
Long-term Liabilities	2,772,623	1,848,912			2,772,623	1,848,912	
Total Liabilities	3,652,890	2,745,623	17,236	41,899	3,670,126	2,787,522	-24.05%
Deferred Inflows of Resources	2,534,343	2,231,699			2,534,343	2,231,699	-11.94%
Net Investment in Capital Assets	5,512,746	5,879,278	51,091	69,799	5,563,837	5,949,077	
Restricted	1,911,397	1,730,190			1,911,397	1,730,190	
Unrestricted/(Deficit)	(1,386,562)	(1,847,084)	37,526	115,663	(1,349,036)	(1,731,421)	
Total Net Position	\$6,037,581	\$5,762,384	\$ 88,617	\$ 185,462	\$6,126,198	\$5,947,846	-2.91%

*Changes in Net Position.* The District’s combined net position was \$5,947,846 on June 30, 2022, a decrease of \$178,352 or 2.91% over the previous year (see Table 3). Net Investment in Capital Assets increased \$385,240 due to \$414,751 in depreciation expense; offset by the maturity of \$185,000 of serial bonds payable and \$614,991 in capital asset additions. Restricted net position decreased by \$181,207 primarily due to a decrease in Capital Reserve, Maintenance Reserve and Excess Surplus. The \$382,385 decrease in unrestricted net position was primarily due to the changes in net position liability and related deferred outflows and inflows, as well as a decrease in General Fund unassigned fund balance and a decrease 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
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	
Revenue:							
Program Revenue:							
Charges for Services	\$ 65,059	\$ 307,787	\$ 2,198	\$ 55,515	\$ 67,257	\$ 363,302	
Operating Grants and Contributions	5,938,912	5,926,736	193,821	511,540	6,132,733	6,438,276	
General Revenue:							
Property Taxes	20,363,567	20,769,638			20,363,567	20,769,638	
Unrestricted State and Federal Aid	304,370	350,866			304,370	350,866	
Other	490,626	433,398	23	210	490,649	433,608	
Total Revenue	<u>27,162,534</u>	<u>27,788,425</u>	<u>196,042</u>	<u>567,265</u>	<u>27,358,576</u>	<u>28,355,690</u>	3.64%
Expenses:							
Instruction	12,131,755	12,205,926			12,131,755	12,205,926	
Pupil and Instruction Services	10,288,264	11,275,179			10,288,264	11,275,179	
Administrative and Business	1,826,044	1,610,336			1,826,044	1,610,336	
Maintenance and Operations	1,345,711	1,288,083			1,345,711	1,288,083	
Transportation	1,210,017	1,673,763			1,210,017	1,673,763	
Other	21,328	10,335	192,281	470,420	213,609	480,755	
Total Expenses	<u>26,823,119</u>	<u>28,063,622</u>	<u>192,281</u>	<u>470,420</u>	<u>27,015,400</u>	<u>28,534,042</u>	5.62%
Increase/(Decrease) in Net Position	<u>\$ 339,415</u>	<u>\$ (275,197)</u>	<u>\$ 3,761</u>	<u>\$ 96,845</u>	<u>\$ 343,176</u>	<u>\$ (178,352)</u>	151.97%

**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	
	2020/21	2021/22	2020/21	2021/22
Instruction	\$ 12,131,755	\$ 12,205,926	\$ 7,724,732	\$ 7,763,366
Pupil and Instruction Services	10,288,264	11,275,179	9,669,317	10,420,053
Administrative and Business	1,826,044	1,610,336	1,507,500	1,326,791
Maintenance and Operations	1,345,711	1,288,083	1,345,711	1,288,083
Transportation	1,210,017	1,673,763	550,560	1,020,471
Other	21,328	10,335	21,328	10,335
	<u>\$ 26,823,119</u>	<u>\$ 28,063,622</u>	<u>\$ 20,819,148</u>	<u>\$ 21,829,099</u>

***Business-Type Activities***

Net position from the District's business-type activity increased by \$96,845 (refer to Table 4). Factors contributing to these results included Food Service Fund revenue exceed expenses and due to the District's participation in the Seamless Summer Option meal program.

**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
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	
Land	\$ 719,980	\$ 719,980			\$ 719,980	\$ 719,980	
Construction in Progress		104,528				104,528	
Site Improvements	96,136	484,595			96,136	484,595	
Buildings and Building Improvements	4,730,088	4,388,172			4,730,088	4,388,172	
Furniture, Machinery and Equipment	341,542	372,003	\$ 51,091	\$ 69,799	392,633	441,802	
	<u>\$5,887,746</u>	<u>\$6,069,278</u>	<u>\$ 51,091</u>	<u>\$ 69,799</u>	<u>\$5,938,837</u>	<u>\$ 6,139,077</u>	3.37%



During the fiscal year, the District acquired or constructed \$614,991 in capital asset additions (\$587,476 from its governmental activities and \$27,515 from its business-type activities) for various capital projects; offset by \$414,751 in current year depreciation (\$405,944 from its governmental activities and \$8,807 from its business-type activities).

**Long-term Liabilities**

**Table 7  
Outstanding Long-Term Liabilities**

	Total School District		Total Percentage Change
	2020/21	2021/22	
General Obligation Bonds (Financed with Property Taxes)	\$ 375,000	\$ 190,000	
Net Pension Liability	2,304,516	1,578,250	
Other Long-Term Liabilities	93,107	80,662	
	<u>\$ 2,772,623</u>	<u>\$ 1,848,912</u>	-33.32%

- The District continued to pay down its bonded debt, retiring \$185,000 of outstanding bonds.
- Compensated absences payable decreased by a net amount of \$12,445.
- Net pension liability decreased by \$726,266.

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

The District continues to be responsible in its spending in an effort to ensure annual deposits to their Capital, Maintenance and Tuition reserve accounts. For the period ending June 30, 2022, the district was able to increase the balances in these accounts.

The Lincoln Park taxpayers supported and approved this past March a \$10.2 million dollar referendum which includes the replacement of aging HVAC systems, boilers, roofs, windows, a four classroom addition at the Lincoln Park Elementary School, the renovation of the STEM lab and the main office at the Lincoln Park Middle school. As of the date of this audit, the District has already awarded a contract for the boiler replacement and roof projects.

As the District begins budget development for the 2023-2024 school year, the challenges are maintaining the level of support our students and staff deserve while struggling with rising costs in transportation and health care. The infusion of ESSER funds greatly helped bring programs and services to assist with students’ social, emotional, mental health, learning loss and other needs, the challenge will now be to continue these services as these stimulus funds will expire.

**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](http://www.lincolnparkboe.org).

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 947,336	\$ 106,413	\$ 1,053,749
Receivables from State Government	504,650	928	505,578
Receivables from Federal Government	216,729	41,580	258,309
Other Accounts Receivables	62,064		62,064
Internal Balances	(2,460)	2,460	
Inventory		6,181	6,181
Lease Receivable	847,692		847,692
Restricted Cash and Cash Equivalents	1,730,188		1,730,188
Capital Assets:			
Sites (Land)	719,980		719,980
Depreciable Site Improvements, Buildings and Building Improvements and Furniture, Machinery and Equipment	5,349,298	69,799	5,419,097
Total Assets	<u>10,375,477</u>	<u>227,361</u>	<u>10,602,838</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
District Contribution Subsequent to Measurement Date - Pension	160,000		160,000
Deferred Outflows Related to Pensions	204,229		204,229
Total Deferred Outflows of Resources	<u>364,229</u>		<u>364,229</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	434,209	34,248	468,457
Unearned Revenue	256,204	7,651	263,855
Accrued Interest Payable	2,078		2,078
Deposit Payable	204,220		204,220
<b>Non-Current Liabilities:</b>			
Due Within One Year	190,000		190,000
Due Beyond One Year	1,658,912		1,658,912
Total Liabilities	<u>2,745,623</u>	<u>41,899</u>	<u>2,787,522</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Lease Resources	847,692		847,692
Deferred Inflows Related to Pensions	1,384,007		1,384,007
Total Deferred Inflows of Resources	<u>2,231,699</u>		<u>2,231,699</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	5,879,278	69,799	5,949,077
Restricted for:			
Capital Projects	747,751		747,751
Maintenance Reserve	199,629		199,629
Tuition Reserve	657,380		657,380
Unemployment Compensation	48,697		48,697
Student Activities	76,731		76,731
Debt Service	2		2
Unrestricted/(Deficit)	(1,847,084)	115,663	(1,731,421)
Total Net Position	<u>\$ 5,762,384</u>	<u>\$ 185,462</u>	<u>\$ 5,947,846</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, 2022

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	\$ 8,604,084	\$ 266,981	\$ 2,095,377	\$ (6,508,707)		\$ (6,508,707)
Special Education	3,038,661		1,941,397	(830,283)		(830,283)
Other Special Instruction	462,491		138,805	(323,686)		(323,686)
Other Instruction	100,690			(100,690)		(100,690)
Support services:						
Tuition	8,750,857		274,927	(8,475,930)		(8,475,930)
Student & Instruction Related Services	2,524,322	40,806	539,393	(1,944,123)		(1,944,123)
General Administrative Services	510,966		83,278	(427,688)		(427,688)
School Administrative Services	637,414		134,972	(502,442)		(502,442)
Central Services	443,672		65,295	(378,377)		(378,377)
Administration Information Technology	18,284			(18,284)		(18,284)
Plant Operations and Maintenance	1,288,083			(1,288,083)		(1,288,083)
Pupil Transportation	1,673,763		653,292	(1,020,471)		(1,020,471)
Interest on Long-Term Debt	10,335			(10,335)		(10,335)
Total Governmental Activities	28,063,622	307,787	5,926,736	(21,829,099)		(21,829,099)
Business-Type Activities:						
Food Service	470,420	55,515	511,540		\$ 96,635	96,635
Total Business-Type Activities	470,420	55,515	511,540		96,635	96,635
Total Primary Government	\$ 28,534,042	\$ 363,302	\$ 6,438,276	(21,829,099)	96,635	(21,732,464)

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDING JUNE 30, 2022

	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating	Governmental Activities	Business-type Activities	Total
			Grants and Contributions			
General Revenue:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 20,636,254		\$ 20,636,254
Taxes Levied for Debt Service				133,384		133,384
Unrestricted Federal and State Aid				350,866		350,866
Interest Earnings				1,140	\$ 210	1,350
Miscellaneous Income				432,258		432,258
Total General Revenue				21,553,902	210	21,554,112
Change in Net Position				(275,197)	96,845	(178,352)
Net Position - Beginning				6,037,581	88,617	6,126,198
Net Position - Ending				\$ 5,762,384	\$ 185,462	\$ 5,947,846

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, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 772,033		\$ 175,301	\$ 2	\$ 947,336
Receivables From State Government	504,650				504,650
Receivable From Federal Government	2,035	\$ 214,694			216,729
Other Receivable	57,423	4,641			62,064
Interfund Receivable	131,084				131,084
Restricted Cash and Cash Equivalents	1,653,457	76,731			1,730,188
<b>Total Assets</b>	<u>\$ 3,120,682</u>	<u>\$ 296,066</u>	<u>\$ 175,301</u>	<u>\$ 2</u>	<u>\$ 3,592,051</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 134,264	\$ 64,336	\$ 75,609		\$ 274,209
Deposit Payable			204,220		204,220
Interfund Payable	2,460	131,084			133,544
Unearned Revenue	232,289	23,915			256,204
<b>Total Liabilities</b>	<u>369,013</u>	<u>219,335</u>	<u>279,829</u>		<u>868,177</u>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve Account	747,751				747,751
Maintenance Reserve Account	199,629				199,629
Tuition Reserve - Designated for 2023-2024	350,000				350,000
Tuition Reserve - Designated for 2022-2023	307,380				307,380
Unemployment Compensation	48,697				48,697
Student Activities		76,731			76,731
Debt Service				\$ 2	2
<b>Assigned:</b>					
Year-end Encumbrances	255,695				255,695
For Subsequent Year's Expenditures	400,000				400,000
Unassigned/(Deficit)	442,517		(104,528)		337,989
<b>Total Fund Balances/ (Deficit)</b>	<u>2,751,669</u>	<u>76,731</u>	<u>(104,528)</u>	<u>2</u>	<u>2,723,874</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,120,682</u>	<u>\$ 296,066</u>	<u>\$ 175,301</u>	<u>\$ 2</u>	

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

Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	6,069,278
Interest on Long-Term Debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.	(2,078)
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.	(1,848,912)
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	(1,179,778)
<b>Net Position of Governmental Activities</b>	<u>\$ 5,762,384</u>

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, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 20,636,254			\$ 133,384	\$ 20,769,638
Tuition from Individuals	34,692				34,692
Tuition from Other LEAs	232,289				232,289
Rents and Royalties	361,433				361,433
Interest Earned on Maintenance Reserve Funds	278				278
Interest Earned on Capital Reserve Funds	862				862
Unrestricted Miscellaneous Revenues	57,451	\$ 11,905			69,356
Restricted Miscellaneous Revenue	13,374	40,806			54,180
Total - Local Sources	21,336,633	52,711		133,384	21,522,728
State Sources	6,133,490			63,976	6,197,466
Federal Sources	23,239	663,363			686,602
Total Revenue	27,493,362	716,074		197,360	28,406,796
EXPENDITURES:					
Current:					
Regular Instruction	6,318,908	130,517			6,449,425
Special Education Instruction	2,458,704	2,318			2,461,022
Other Special Instruction	316,723				316,723
Other Instruction	109,620				109,620
Support Services and Undistributed Costs:					
Tuition	8,475,930	274,927			8,750,857
Student & Instruction Related Services	1,981,281	304,148			2,285,429
General Administrative Services	421,317				421,317
School Administrative Services	499,024				499,024
Central Services	393,901				393,901
Administrative Information Technology	18,506				18,506
Plant Operations and Maintenance	1,344,196				1,344,196
Pupil Transportation	1,636,325				1,636,325
Unallocated Benefits	4,044,214				4,044,214
Capital Outlay	486,619		\$ 104,528		591,147
Debt Service:					
Principal				185,000	185,000
Interest and Other Charges				12,359	12,359
Total Expenditures	28,505,268	711,910	104,528	197,359	29,519,065
Excess/(Deficit) of Revenue Over/(Under)					
Expenditures	(1,011,906)	4,164	(104,528)	1	(1,112,269)
Fund Balance - July 1	3,763,575	72,567		1	3,836,143
Fund Balance/ (Deficit) - June 30	\$ 2,751,669	\$ 76,731	\$ (104,528)	\$ 2	\$ 2,723,874

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (1,112,269)

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	\$ (405,944)
Capital Outlays	<u>587,476</u>
	181,532

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 (+).

2,024

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.

185,000

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 (+).

12,445

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	726,266
Changes in Deferred Outflows and Inflows Related to Pensions	<u>(270,195)</u>
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ (275,197)</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, 2022

	<u>Business-type Activities - Enterprise Funds Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 106,413
Intergovernmental Accounts Receivable:	
Federal	41,580
State	928
Interfund Receivable	2,460
Inventories	6,181
	157,562
Total Current Assets	157,562
Non-Current Assets:	
Capital Assets	195,959
Less: Accumulated Depreciation	(126,160)
	69,799
Total Non-Current Assets	69,799
Total Assets	227,361
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	34,248
Unearned Revenue - Donated Commodities	1,286
Unearned Revenue - Prepaid Sales	6,365
	41,899
Total Liabilities	41,899
<u>NET POSITION:</u>	
Investment in Capital Assets	69,799
Unrestricted	115,663
	185,462
Total Net Position	\$ 185,462

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, 2022

	Business-type Activities - Enterprise Funds
	Food Service
Operating Revenue:	
Daily Sales:	
Reimbursable Programs	\$ 55,515
Total Operating Revenue	55,515
Operating Expenses:	
Cost of Sales - Reimbursable Programs	175,964
Cost of Sales - Nonreimbursable Programs	19,841
Salaries	154,638
Benefits & Payroll Taxes	52,575
Purchased Professional Services	5,439
Management Fee	19,727
Supplies and Repairs	28,462
Miscellaneous Expense	4,967
Depreciation Expense	8,807
Total Operating Expenses	470,420
Operating Loss	(414,905)
Non-Operating Revenue:	
State Sources:	
COVID-19 - Seamless Summer Option	10,773
Federal Sources:	
COVID-19 - Seamless Summer Option	474,590
COVID-19 - P-EBT Reimbursement	1,242
COVID-19 - Emergency Operational Cost Program	5,651
Food Distribution Program	19,284
Local Sources:	
Interest Income	210
Total Non-Operating Revenue	511,750
Change in Net Position	96,845
Net Position - Beginning of Year	88,617
Net Position - End of Year	\$ 185,462

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, 2022

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 53,101
Payments to Food Service Contractor	(408,240)
Payments to Food Service Vendor	(10,109)
Net Cash (Used for) Operating Activities	<u>(365,248)</u>
Cash Flows from Financing Activities:	
Interest Income	210
Net Cash Provided by Financing Activities	<u>210</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Equipment	(27,515)
Net Cash (Used for) Capital and Related Financing Activities	<u>(27,515)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources:	10,923
Federal Sources:	450,581
Net Cash Provided by Noncapital Financing Activities	<u>461,504</u>
Net Increase in Cash and Cash Equivalents	68,951
Cash and Cash Equivalents, July 1	<u>37,462</u>
Cash and Cash Equivalents, June 30	<u>\$ 106,413</u>
Reconciliation of Operating Income (Loss) to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (414,905)
Adjustment to Reconcile Operating Loss to Net Cash (Used for) Operating Activities:	
Depreciation	8,807
Federal Food Distribution Program	19,284
Changes in Assets and Liabilities:	
(Increase) in Inventory	(3,096)
Increase in Accounts Payable	26,977
Increase in Unearned Revenue - Donated Commodities	99
(Decrease) in Unearned Revenue - Prepaid Sales	(2,414)
Net Cash (Used for) Operating Activities	<u>\$ (365,248)</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 \$19,383 and utilized U.S.D.A. Commodities valued at \$19,284.

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, 2022

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, 2022  
(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, 2022  
(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 or lease 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 or lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases 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, 2022  
(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, 2022, 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, 2022  
(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
<b>Sources/Inflows of Resources:</b>		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 27,498,414	\$ 837,010
<b>Differences - Budgetary to GAAP:</b>		
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		(121,825)
Prior Year Encumbrances		889
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	152,653	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(157,705)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 27,493,362	\$ 716,074
	General Fund	Special Revenue Fund
<b>Uses/Outflows of Resources:</b>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 28,505,268	\$ 832,846
<b>Differences - Budgetary to GAAP:</b>		
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		(121,825)
Prior Year Encumbrances		889
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 28,505,268	\$ 711,910

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(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, 2022  
(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, 2022.

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, 2022  
(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. Lease Assets:

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. 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.

N. 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, 2022.

O. 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, 2022  
(Continued)

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

P. Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Q. Unearned Revenue:

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

R. Fund Balance Appropriated:

General Fund: Of the \$2,751,669 General Fund fund balance at June 30, 2022, \$747,751 is restricted in the capital reserve account; \$199,629 is restricted for the maintenance reserve account; \$350,000 is restricted in the tuition reserve account for fiscal year ending June 30, 2024; \$307,380 is restricted for the tuition reserve account for fiscal year ending June 30, 2023; \$48,697 is restricted for unemployment compensation; \$255,695 is assigned for year-end encumbrances; \$400,000 is assigned and included as anticipated budget revenue for the fiscal year ending June 30, 2023; and \$442,517 is unassigned which is \$157,705 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, 2023.

Special Revenue Fund: The \$76,731 fund balance in the Special Revenue Fund at June 30, 2022 is restricted for student activities.

Capital Projects Fund: The (\$104,528) Capital Projects Fund fund balance at June 30, 2022 is unassigned fund balance.

Debt Service Fund: The \$2 fund balance in the Debt Service Fund at June 30, 2022 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 had no excess surplus at June 30, 2022.

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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

S. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District has deferred outflows and inflows of resources related to pensions and also has a deferred inflow related to leases at June 30, 2022.

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, lease assets, net of accumulated amortization 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.

T. 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, 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, 2022.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

T. 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, 2022.

U. Deficit Net Position/ Fund Balance:

The District has a deficit in unrestricted net position of \$1,847,084 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.

The District also has a deficit in unassigned fund balance of \$104,528 in the Capital Projects Fund which was funded in the fiscal year ended June 30, 2023 with a bond sale.

V. 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.

W. 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, 2022  
(Continued)

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

X. Lease Receivables:

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the District, reduced by principal payments received.

Y. 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.

Z. 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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

Deposits:

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

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

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

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

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

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, 2022  
(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, 2022  
(Continued)

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

Investments: (Cont'd)

As of June 30, 2022, 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	\$ 1,730,188	\$ 1,053,749	\$ 2,783,937
	\$ 1,730,188	\$ 1,053,749	\$ 2,783,937

The carrying amount of the Board's cash and cash equivalents at June 30, 2022, was \$2,783,937 and the bank balance was \$3,124,536. During the period ended June 30, 2022, 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, 2021	\$ 782,668
Increased by:	
Interest Earned	\$ 862
Return of Unexpended Balance from Capital Outlay	43,221
Board Resolution June 2022	100,000
	144,083
	926,751
Decreased by:	
Budgeted Withdrawal	179,000
Ending Balance, June 30, 2022	\$ 747,751

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The balance in the capital reserve account at June 30, 2022 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	\$ 249,351
Increased by:	
Interest Earned	278
Board Resolution June 2022	50,000
	299,629
Decreased by:	
Budgeted Withdrawal	100,000
Ending Balance	\$ 199,629

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 6. TRANSFER TO CAPITAL OUTLAY:

During the fiscal year ended June 30, 2022, the District transferred a net \$111,678 to the capital outlay accounts. \$34,037 was transferred to equipment which did not require County Superintendent approval. The remaining \$77,641 transferred to facilities and construction services was a Board approved withdrawal.

NOTE 7. INTERFUND RECEIVABLES AND PAYABLES:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 131,084	\$ 2,460
Special Revenue Fund		131,084
Enterprise Fund:		
Food Service Fund	2,460	
	\$ 133,544	\$ 133,544

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, 2022 were as follows:

	Beginning Balance	Increases	Deletions	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 719,980			\$ 719,980
Construction in Progress		\$ 104,528		104,528
Total Capital Assets Not Being Depreciated	719,980	104,528		824,508
Capital Assets Being Depreciated:				
Site Improvements	606,249	400,415		1,006,664
Buildings and Building Improvements	13,779,757			13,779,757
Machinery and Equipment	2,130,399	82,533		2,212,932
Total Capital Assets Being Depreciated	16,516,405	482,948		16,999,353
Governmental Activities Capital Assets	17,236,385	587,476		17,823,861
Less Accumulated Depreciation for:				
Site Improvements	(510,113)	(11,956)		(522,069)
Buildings and Building Improvements	(9,049,669)	(341,916)		(9,391,585)
Machinery and Equipment	(1,788,857)	(52,072)		(1,840,929)
	(11,348,639)	(405,944)		(11,754,583)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 5,887,746	\$ 181,532	\$ -0-	\$ 6,069,278

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 8. CAPITAL ASSETS: (Cont'd)

Business Type Activities:	Beginning Balance	Increases	Deletions	Ending Balance
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 168,444	\$ 27,515		\$ 195,959
Less Accumulated Depreciation	(117,353)	(8,807)		(126,160)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 51,091</u>	<u>\$ 18,708</u>	<u>\$ -0-</u>	<u>\$ 69,799</u>

The District expended \$104,528 on various capital projects during the fiscal year. As of June 30, 2022, the District did not complete the active construction projects.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 184,183
Special Education	51,760
Other Special Instruction	6,901
Other Instruction	3,450
Student and Instruction Related Services	49,826
General Administration	12,356
School Administration	15,689
Central Services	10,776
Operations and Maintenance of Plant	33,046
Student Transportation	37,957
	<u>\$ 405,944</u>

NOTE 9. LONG-TERM LIABILITIES:

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2021	Accrued	Retired	Balance 6/30/2022	Due Within One Year
Serial Bond Payable	\$ 375,000		\$ 185,000	\$ 190,000	\$ 190,000
Net Pension Liability	2,304,516		726,266	1,578,250	
Compensated Absences Payable	93,107		12,445	80,662	
	<u>\$ 2,772,623</u>	<u>\$ -0-</u>	<u>\$ 923,711</u>	<u>\$ 1,848,912</u>	<u>\$ 190,000</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 9. LONG-TERM LIABILITIES:

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, 2022 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>\$ 190,000</u>

Debt service requirements on serial bonds payable at June 30, 2022 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	<u>\$ 190,000</u>	<u>\$ 4,157</u>	<u>\$ 194,157</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2022, 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 \$80,662. 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, 2022, 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, 2022 is \$-0- and the long term portion is \$1,578,250. 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, 2022  
(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](http://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 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 10. PENSION PLANS: (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 \$156,022 for 2022.

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, 2022, the District's liability was \$1,578,250 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was 0.013%, which was a decrease of 0.001% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized actual pension benefit in the amount of \$300,047. At June 30, 2022, 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	2017	5.48		\$ (66,697)
	2018	5.63		(125,043)
	2019	5.21		(110,310)
	2020	5.16		(259,817)
	2021	5.13	\$ 8,220	
			8,220	(561,867)
Difference Between Expected and Actual Experience	2017	5.48	1,984	
	2018	5.63		(4,761)
	2019	5.21	8,432	
	2020	5.16	14,475	
	2021	5.13		(6,537)
			24,891	(11,298)

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(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	2018	5.00		\$ (12,329)
	2019	5.00		3,978
	2020	5.00		89,651
	2021	5.00		(497,053)
				(415,753)
Changes in Proportion	2017	5.48	\$ 27,321	
	2018	5.63		(176,634)
	2019	5.21	143,797	
	2020	5.16		(76,388)
	2021	5.13		(142,067)
			171,118	(395,089)
District Contribution Subsequent to the Measurement Date	2021	1.00	160,000	
			\$ 364,229	\$ (1,384,007)

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 the pension benefit as follows:

Fiscal Year Ending June 30,	Total
2022	\$ (372,399)
2023	(265,892)
2024	(181,293)
2025	(136,278)
2026	53
	\$ (955,809)

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(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, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2021 are summarized in the following table:

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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 in determining the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
	District's proportionate share of the Net Pension Liability	\$ 2,150,446	\$ 1,578,250

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(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](http://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:

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 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 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, 2022  
(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 2022, the State's pension contribution was more 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2022, the State of New Jersey contributed \$2,654,853 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$746,308.

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, 2022, the State's proportionate share of the net pension liability associated with the District was \$31,716,705. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was 0.066%, which was an increase of 0.004% from its proportion measured as of June 30, 2020.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	31,716,705
Total	<u>\$ 31,716,705</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(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)

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$746,308 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 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:

	<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	\$ 153,774,925	
	2015	8.30	926,219,611	
	2016	8.30	3,000,278,784	
	2017	8.30		\$ 5,282,196,290
	2018	8.29		3,527,661,165
	2019	8.04		2,510,940,613
	2020	7.99	1,209,286,241	
	2021	7.93		12,903,483,645
			<u>5,289,559,561</u>	<u>24,224,281,713</u>
Difference Between Expected and Actual Experience	2014	8.50		1,464,605
	2015	8.30	57,204,429	
	2016	8.30		37,311,034
	2017	8.30	93,981,436	
	2018	8.29	618,845,893	
	2019	8.04		97,553,990
	2020	7.99		6,444,940
	2021	7.93	171,234,070	
			<u>941,265,828</u>	<u>142,774,569</u>
Net Difference Between Projected and Actual Actual Investment Earnings on Pension Plan Investments	2018	5.00		96,030,373
	2019	5.00		(72,441,385)
	2020	5.00		(724,186,621)
	2021	5.00		3,554,633,811
				<u>2,854,036,178</u>
			<u>\$ 6,230,825,389</u>	<u>\$ 27,221,092,460</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, 2022  
(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
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	\$ (20,990,267,071)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2022  
(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, 2021) 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, 2021 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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(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, 2021 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, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Total Net Pension Liability	\$ 37,526,167	\$ 31,716,705	\$ 26,837,128

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 \$12,336 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$16,765 for the fiscal year ended June 30, 2022.

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, 2022  
(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 Annual Comprehensive 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. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive 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, 2022 audit was available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2022 is as follows:

Total Assets	\$ 20,016,571
Net Position	\$ 6,279,806
Total Revenue	\$ 9,242,784
Total Expenses	\$ 10,198,425
Change in Net Position	\$ (2,092,872)
Member Dividends	\$ 1,137,231

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, 2022  
(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>
2021-2022		\$ 13,374		\$ 48,697
2020-2021	\$ 10	43,382	\$ 33,503	35,323
2019-2020	83	38,884	17,124	25,434

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, 2022, 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>\$ 255,695</u>	<u>\$ 121,825</u>	<u>\$ 377,520</u>

On the District’s Governmental Funds Balance sheet as of June 30, 2022 \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$121,825 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, 2022  
(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, 2022 consisted of:

	<u>Governmental Funds</u>			<u>District Contribution Subsequent to the Measure- ment Date</u>	<u>Total Governmental Activities</u>	<u>Business- Type Activities Proprietary Funds</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>			
Due to State of New Jersey Vendors	\$ 113,151	\$ 57,339 6,997	\$ 75,609	\$ 160,000	\$ 217,339 195,757	\$ 34,248
Payroll Deductions and Withholdings	21,113				21,113	
	<u>\$ 134,264</u>	<u>\$ 64,336</u>	<u>\$ 75,609</u>	<u>\$ 160,000</u>	<u>\$ 434,209</u>	<u>\$ 34,248</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, 2022 the District has \$657,380 in the tuition reserve of which \$307,380 and \$350,000 will be used to pay for any tuition adjustments for the fiscal years ending June 30, 2023 and 2024, respectively.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

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 Employees 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 paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions. 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 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 annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2020, the plan membership consisted of the following

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	150,427
Active Plan Members	<u>213,901</u>
Total	<u><u>364,328</u></u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

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.

		<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation Rate	2.50%			
Salary Increases:				
Through 2026		1.55 - 4.45% based on service years	2.00 - 6.00% based on service years	3.25 - 15.25% based on service years
Thereafter		2.75 - 5.65% based on service years	3.00 - 7.00% based on service years	Not Applicable

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 – June 30, 2018 and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, 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-2021. 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-2021. 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-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven 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, 2022  
(Continued)

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

Discount Rate

The discount rate for June 30, 2021 was 2.16%. 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, 2020	\$ 41,317,133
Changes for Year:	
Service Cost	1,926,730
Interest on the Total OPEB Liability	980,276
Change in Benefit Terms	(40,221)
Differences between Expected and Actual Experience	(5,685,485)
Changes of Assumptions	37,281
Contributions from Members	25,061
Gross Benefit Payments by the State	(772,183)
Net Changes	(3,528,541)
Balance at June 30, 2021	\$ 37,788,592

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, 2021, 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, 2021		
	At 1% Decrease (1.16%)	At Discount Rate (2.16%)	At 1% Increase (3.16%)
Total OPEB Liability Attributable to the District	\$ 45,264,801	\$ 37,788,592	\$ 31,901,526

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(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, 2021, 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, 2021		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 30,589,988	\$ 37,788,592	\$ 47,455,785

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

For the fiscal year ended June 30, 2022 the District recognized OPEB expense of \$2,107,451 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, 2021 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		\$ 2,123,731
	2018	9.51		1,930,633
	2019	9.29	\$ 265,282	
	2020	9.24	6,111,827	
	2021	9.24	33,246	
			6,410,355	4,054,364
Differences Between Expected and Actual Experience	2018	9.51		1,825,049
	2019	9.29		3,122,385
	2020	9.24	5,696,462	
	2021	9.24		6,393,594
			5,696,462	11,341,028
Changes in Proportion	N/A	N/A		1,145,308
			\$ 12,106,817	\$ 16,540,700

N/A - Not Available

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(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
2022	\$ (744,531)
2023	(744,531)
2024	(744,531)
2025	(744,531)
2026	(529,351)
Thereafter	218,900
	\$ (3,288,575)

NOTE 19. LEASES RECEIVABLES

	Original Amount	Restated Outstanding June 30, 2021	Additions	Decrease	Outstanding June 30, 2022
<b>Governmental Activities:</b>					
Building Sublease; interest at 4%, monthly payments of principal and interest range from \$29,792 to \$33,532, due 6/30/2025	#####	\$ 1,136,162	\$ -0-	\$ 288,470	\$ 847,692
	#####	\$ 1,136,162	\$ -0-	\$ 288,470	\$ 847,692

Future maturities are as follows:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2023	\$ 285,496	\$ 30,573
2024	282,554	42,997
2025	279,642	55,676
	\$ 847,692	\$ 129,246

Annual amortization of deferred inflow of resources mirror the principal payment maturities.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 20. PRIOR PERIOD ADJUSTMENT

The District made a prior year adjustment in the district-wide financial statements to record a lease receivable and a related deferred inflow of resources as of June 30, 2021 as a result of implementing GASB Statement #87, *Leases*:

	as Previously Reported	Retroactive Adjustments	June 30, 2021 as Restated
<u>Statement of Net Position - Governmental Activities:</u>			
Assets:	\$ -0-	\$ 1,136,162	\$ 1,136,162
Lease Receivable	10,444,032	1,136,162	11,580,194
Total Assets			
Deferred Inflows of Resources:			
Deferred Lease Resources	-0-	1,136,162	1,136,162
Total Deferred Inflows of Resources	1,398,181	1,136,162	2,534,343

NOTE 21. SUBSEQUENT EVENT

The District elected a \$10,211,000 referendum in fiscal year 2022 to address the needs of its growing student population and to accommodate the space for educational programs. The State has awarded Debt Service Aid to the District in an amount equal to 40% of the final eligible costs of the project. The Debt Service Aid was approved by the State on October 26, 2021 and the bonds were sold on July 19, 2022.

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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.0158127037%	0.0164103502%	0.0144631997%	0.0158940070%	0.0131891100%	0.0146856381%	0.0141317301%	0.0133225035%
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	\$ 1,578,250
District's covered employee payroll	\$ 1,119,346	\$ 1,020,600	\$ 1,018,783	\$ 993,668	\$ 1,021,518	\$ 981,957	\$ 1,015,246	\$ 1,018,326
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%	154.98%
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%	70.33%

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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 149,712	\$ 170,007	\$ 129,080	\$ 147,241	\$ 131,189	\$ 159,838	\$ 154,594	\$ 156,022
Contributions in relation to the contractually required contribution	(149,712)	(170,007)	(129,080)	(147,241)	(131,189)	(159,838)	(154,594)	(156,022)
Contribution deficiency/(excess)	\$ -0-	\$ -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	\$ 888,599
Contributions as a percentage of covered employee payroll	14.67%	16.69%	12.99%	14.41%	13.36%	15.74%	15.18%	17.56%

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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
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%	0.0659731256%
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	\$ 31,716,705
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	\$ 7,384,578
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%	429.50%
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%	35.52%

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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 1,630,574	\$ 2,273,998	\$ 3,446,670	\$ 2,761,437	\$ 2,318,495	\$ 2,195,250	\$ 2,556,064	\$ 746,308
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)	(2,654,853)
Contribution deficiency/(excess)	\$ 1,312,008	\$ 1,807,125	\$ 2,804,919	\$ 1,840,810	\$ 1,125,750	\$ 826,079	\$ 638,305	\$ (1,908,545)
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	\$ 7,780,962
Contributions as a percentage of covered employee payroll	5.27%	7.37%	9.95%	13.84%	16.86%	19.02%	25.97%	34.12%

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
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 FIVE FISCAL YEARS

	Fiscal Year Ending June 30,				
	2017	2018	2019	2020	2021
Total OPEB Liability					
Service Cost	\$ 1,367,556	\$ 1,128,870	\$ 1,006,026	\$ 1,054,298	\$ 1,926,730
Interest Cost	1,053,078	1,216,713	1,126,616	923,559	980,276
Change in Benefit Terms					(40,221)
Differences between Expected and Actual Experiences		(3,079,153)	(4,556,108)	6,810,711	(5,685,485)
Changes in Assumptions	(4,408,035)	(3,268,719)	382,874	7,547,220	37,281
Member Contributions	28,335	26,324	23,366	21,802	25,061
Gross Benefit Payments	(769,491)	(761,661)	(788,264)	(719,297)	(772,183)
Net Change in Total OPEB Liability	(2,728,557)	(4,737,626)	(2,805,490)	15,638,293	(3,528,541)
Total OPEB Liability - Beginning	35,950,513	33,221,956	28,484,330	25,678,840	41,317,133
Total OPEB Liability - Ending	\$ 33,221,956	\$ 28,484,330	\$ 25,678,840	\$ 41,317,133	\$ 37,788,592
District's Covered Employee Payroll *	\$ 7,357,192	\$ 7,441,538	\$ 7,672,721	\$ 8,057,109	\$ 8,214,455
Total OPEB Liability as a Percentage of Covered Employee Payroll	452%	383%	335%	513%	460%

\* - Covered payroll for the fiscal years ending June 30, 2017 - 2021 are based on the payroll on the June 30, 2016 - 2020 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, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

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, 2021 was 2.16%. The discount rate for June 30, 2020 was 2.21%, a change of -.05%.

The salary increases for TPAF/ABP for thereafter were 1.55 – 4.45% in the valuation as of June 30, 2020 while the salary increases for TPAF/ABP for thereafter are 2.75 – 5.65% in the valuation as of June 30, 2021.

The salary increases for PFRS for thereafter were applied to all future years in the valuation as of June 30, 2020 while the salary increases for PFRS for thereafter are not applicable in the valuation as of June 30, 2021.

The mortality rates in the valuation as of June 30, 2021 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-2021. 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-2021. 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-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2020 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. 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-2020.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 20,636,254		\$ 20,636,254	\$ 20,636,254	
Tuition From Individuals	50,000		50,000	34,692	\$ (15,308)
Tuition From Other LEAs Within the State	282,289		282,289	232,289	(50,000)
Rents and Royalties	318,863		318,863	361,433	42,570
Unrestricted Miscellaneous Revenues	36,324		36,324	57,451	21,127
Interest Earned on Maintenance Reserve	6,000		6,000	278	(5,722)
Interest Earned on Capital Reserve Funds	12,000		12,000	862	(11,138)
Other Restricted Miscellaneous Revenues				13,374	13,374
<b>Total Revenues from Local Sources</b>	<b>21,341,730</b>		<b>21,341,730</b>	<b>21,336,633</b>	<b>(5,097)</b>
Revenues from State Sources:					
Categorical Transportation Aid	635,819		635,819	635,819	
Extraordinary Aid	93,600		93,600	413,718	320,118
Categorical Special Education Aid	909,427		909,427	909,427	
Categorical Security Aid	136,362		136,362	136,362	
Adjustment Aid	103,853		103,853	103,853	
Non-Public Transportation Aid				17,007	17,007
Securing Our Children's Future Bond Act				46,500	46,500
TPAF Post Retirement Contributions (Non-Budgeted)				629,033	629,033
TPAF Pension Contributions (Non-Budgeted)				2,654,853	2,654,853
TPAF Non-Contributory Insurance (Non-Budgeted)				37,456	37,456
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,206	1,206
Reimbursed TPAF Social Security Contributions				553,308	553,308
<b>Total Revenues from State Sources</b>	<b>1,879,061</b>		<b>1,879,061</b>	<b>6,138,542</b>	<b>4,259,481</b>
Revenues from Federal Sources:					
Medicaid Reimbursement	20,915		20,915	23,239	2,324
<b>Total Revenues from Federal Sources</b>	<b>20,915</b>		<b>20,915</b>	<b>23,239</b>	<b>2,324</b>
<b>TOTAL REVENUE</b>	<b>23,241,706</b>		<b>23,241,706</b>	<b>27,498,414</b>	<b>4,256,708</b>

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 186,858	\$ (56,260)	\$ 130,598	\$ 110,534	\$ 20,064
Kindergarten - Salaries of Teachers	350,168	36,128	386,296	377,301	8,995
Grades 1-5 - Salaries of Teachers	2,391,295	(227,852)	2,163,443	2,161,245	2,198
Grades 6-8 - Salaries of Teachers	1,861,688	(21,000)	1,840,688	1,770,307	70,381
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	(4,072)	928	928	
Purchased Professional-Educational Services	5,000	(13)	4,987	3,588	1,399
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	248,686	52,622	301,308	301,149	159
Purchased Technical Services	74,227	125,629	199,856	192,907	6,949
Other Purchased Services (400-500 series)	46,012		46,012	37,594	8,418
General Supplies	170,487	(6,838)	163,649	140,759	22,890
Other Objects	2,850	(61)	2,789	800	1,989
Total Regular Programs - Instruction	<u>5,342,271</u>	<u>(101,717)</u>	<u>5,240,554</u>	<u>5,097,112</u>	<u>143,442</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	147,145	166,608	313,753	294,559	19,194
Other Salaries for Instruction	137,637	(44,181)	93,456	92,710	746
Purchased Professional-Educational Services		4,140	4,140	4,140	
General Supplies	1,718	(45)	1,673	1,017	656
Total Learning and/or Language Disabilities	<u>286,500</u>	<u>126,522</u>	<u>413,022</u>	<u>392,426</u>	<u>20,596</u>
Behavioral Disabilities:					
Salaries of Teachers	130,700	(48,669)	82,031	82,031	
Other Salaries for Instruction	48,129	16,216	64,345	64,345	
Purchased Professional-Educational Services		1,028	1,028	1,028	
General Supplies	1,549		1,549	1,201	348
Total Behavioral Disabilities	<u>180,378</u>	<u>(31,425)</u>	<u>148,953</u>	<u>148,605</u>	<u>348</u>

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	\$ 594,275	\$ (6,260)	\$ 588,015	\$ 587,895	\$ 120
Other Salaries for Instruction	248,701	(37,964)	210,737	210,737	
Purchased Professional-Educational Services		4,492	4,492	4,492	
General Supplies	4,538		4,538	3,691	847
Total Resource Room/Resource Center	847,514	(39,732)	807,782	806,815	967
Autism:					
Salaries of Teachers	222,817	(61,072)	161,745	161,745	
Other Salaries for Instruction	99,184	(56,222)	42,962	42,962	
Purchased Professional-Educational Services	3,600		3,600	1,343	2,257
General Supplies	3,483		3,483	2,841	642
Total Autism	329,084	(117,294)	211,790	208,891	2,899
Preschool Disabilities - Full-Time:					
Salaries of Teachers	172,942	45,856	218,798	218,798	
Other Salaries for Instruction	98,671	63,501	162,172	161,108	1,064
Purchased Professional-Educational Services		3,288	3,288	3,288	
General Supplies	2,014		2,014	1,082	932
Total Preschool Disabilities - Full-Time	273,627	112,645	386,272	384,276	1,996
Home Instruction:					
Salaries of Teachers		1,155	1,155	1,155	
Purchased Professional-Educational Services	5,000	15,750	20,750	17,825	2,925
Total Home Instruction	5,000	16,905	21,905	18,980	2,925
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,922,103	67,621	1,989,724	1,959,993	29,731



LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 196,006	\$ 37,400	\$ 233,406	\$ 233,406	
Purchased Professional-Educational Services		1,468	1,468	732	\$ 736
General Supplies	1,743	746	2,489	2,489	
Total Basic Skills/Remedial - Instruction	197,749	39,614	237,363	236,627	736
Bilingual Education - Instruction:					
Salaries of Teachers	101,240	(17,426)	83,814	78,862	4,952
General Supplies	3,317		3,317	1,234	2,083
Total Bilingual Education - Instruction	104,557	(17,426)	87,131	80,096	7,035
School-Spon. Cocurricular & Extracurricular Activities - Instruction:					
Salaries	72,077		72,077	64,372	7,705
Total School-Spon. Cocurricular & Extracurricular Activities - Instruction	72,077		72,077	64,372	7,705
School-Sponsored Athletics - Instruction:					
Salaries	35,387		35,387	32,887	2,500
Supplies and Materials	2,172	5,402	7,574	2,136	5,438
Other Objects	7,450	(5,330)	2,120	2,120	
Total School-Sponsored Athletics - Instruction	45,009	72	45,081	37,143	7,938
TOTAL INSTRUCTION	7,683,766	(11,836)	7,671,930	7,475,343	196,587
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	6,538,404	29,483	6,567,887	6,558,698	9,189
Tuition to Other LEAs Within the State-Special	646,287	178,702	824,989	824,989	
Tuition to County Voc. School Dist.-Regular	555,743	(25,686)	530,057	530,057	
Tuition to CSSD & Reg. Day Schools	318,880	(83,072)	235,808	235,808	
Tuition to Priv. Sch. for the Handicap. W/I State	295,978	31,909	327,887	326,378	1,509
Total Undistributed Expenditures - Instruction	8,355,292	131,336	8,486,628	8,475,930	10,698

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Health Services:					
Salaries	\$ 166,868	\$ (608)	\$ 166,260	\$ 166,260	
Other Purchased Services (400-500 series)	1,905	5,075	6,980	6,710	\$ 270
Supplies and Materials	1,349	149	1,498	727	771
Other Objects	350	(149)	201		201
Total Undistributed. Expenditures - Health Services	<u>170,472</u>	<u>4,467</u>	<u>174,939</u>	<u>173,697</u>	<u>1,242</u>
Undistributed. Expend. - Speech, OT, PT, Related Services:					
Salaries	215,635	52,275	267,910	267,910	
Purchased Professional - Educational Services	263,740	(54,869)	208,871	201,563	7,308
Supplies and Materials	2,122		2,122	2,122	
Total Undistributed. Expend. - Speech, OT, PT, Related Services	<u>481,497</u>	<u>(2,594)</u>	<u>478,903</u>	<u>471,595</u>	<u>7,308</u>
Undist. Expenditures-Other Supp. Serv. Students - Extraordinary Services:					
Purchased Professional - Educational Services	155,990	(56,540)	99,450	91,022	8,428
Total Undist. Expend. - Other Supp. Srvs. Students - Extra. Services	<u>155,990</u>	<u>(56,540)</u>	<u>99,450</u>	<u>91,022</u>	<u>8,428</u>
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	152,350	(600)	151,750	151,750	577
Other Salaries	3,000	(318)	2,682	2,105	450
Purchased Professional - Educational Services	450		450		50
Other Purchased Services (400-500 series)	50		50		270
Supplies and Materials	400		400	130	
Total Undistributed Expenditures - Guidance	<u>156,250</u>	<u>(918)</u>	<u>155,332</u>	<u>153,985</u>	<u>1,347</u>

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	\$ 483,611	\$ (28,772)	\$ 454,839	\$ 435,380	\$ 19,459
Salaries of Secretarial and Clerical Assistants	54,824	1	54,825	54,825	
Other Salaries	4,690	8,692	13,382	13,382	
Purchased Professional - Educational Services	15,550	11,665	27,215	20,512	6,703
Other Purchased Prof. and Tech. Services	42,353	(3,838)	38,515	38,515	
Other Purchased Services (400-500 series)	6,581	(425)	6,156	2,799	3,357
Supplies and Materials	8,102	(1,891)	6,211	5,939	272
Other Objects	2,225	(916)	1,309	909	400
Total Undistributed Expenditures - Child Study Team	617,936	(15,484)	602,452	572,261	30,191
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	108,215	2,160	110,375	110,375	
Other Purchased Services (400-500 series)	3,000		3,000	981	2,019
Other Objects	1,245		1,245	150	1,095
Total Undistributed Expenditures - Improvement of Instruction Services	112,460	2,540	115,000	111,886	3,114
Undist. Expend.- Edu. Media Services/School Library:					
Salaries	84,490	(17,257)	67,233	67,115	118
Purchased Professional and Technical Services	6,041		6,041	5,530	511
Supplies and Materials	8,220	(1,200)	7,020	3,872	3,148
Total Undist Expend - Edu. Media Services/School Library	98,751	(18,457)	80,294	76,517	3,777
Undist.Expend. - Instructional Staff Training Services:					
Purchased Professional - Educational Service	3,000	(96)	2,904		2,904
Other Purchased Services (400-500 series)		96	96		96
Total Undist. Expend. - Instructional Staff Training Services	3,000		3,000		3,000

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Services - General Admin.:					
Salaries	\$ 242,311	\$ 1,276	\$ 243,587	\$ 243,587	
Legal Services	16,000	19,507	35,507	35,507	
Audit Fees	30,000	(2,460)	27,540	27,540	
Architectural/Engineering Services	18,500	2,588	21,088	21,088	
Purchased Technical Services	12,035	1,783	13,818	13,818	
Communications / Telephone	5,300	2,369	7,669		\$ 7,669
BOE Other Purchased Services	6,150	(5,250)	900	900	
Other Purch. Serv. (400-500 series other than 530 & 585)	23,500	(8,047)	15,453	3,009	12,444
General Supplies	3,000	974	3,974	2,867	1,107
BOE In-house training/ Meeting Supplies	250	278	528	528	
Miscellaneous Expenditures	5,000	(264)	4,736	4,736	
BOE Membership Dues and Fees	10,200	(318)	9,882	9,882	
Total Undist. Expend. - Support Services - General Admin.	372,246	12,436	384,682	363,462	21,220
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	310,019	(6,375)	303,644	303,644	
Salaries of Secretarial and Clerical Assistants	116,096	2,222	118,318	118,318	
Other Purchased Services (400-500 series)	14,104	(4,649)	9,455	9,432	23
Supplies and Materials	10,047	(1,920)	8,127	6,738	1,389
Other Objects	4,950	(1,281)	3,669	2,899	770
Total Undist. Expend.-Support Serv.-School Adm.	455,216	(12,003)	443,213	441,031	2,182
Undist. Expend. - Central Services:					
Salaries	329,912	(17,551)	312,361	312,361	
Purchased Technical Services	24,185	(3,852)	20,333	19,823	510
Miscellaneous Purchased Services (400-500 series other than 594)	12,121	(296)	11,825	10,858	967
Supplies and Materials	6,950	(2,068)	4,882	2,159	2,723
Other Objects	3,465	(634)	2,831	2,831	
Total Undist. Expend. - Central Services	376,633	(24,401)	352,232	348,032	4,200

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Admin. Info. Technology:					
Salaries	\$ 91,708	\$ (89,971)	\$ 1,737	\$ 1,737	
Purchased Technical Services	3,430	20,384	23,814	16,470	\$ 7,344
Supplies and Materials	2,500	(2,225)	275	275	
Other Objects	900	(900)			
Total Undist. Expend. - Admin. Info. Technology	98,538	(72,712)	25,826	18,482	7,344
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	98,988		98,988	98,988	
Cleaning, Repair, and Maintenance Services	46,480	24,593	71,073	65,709	5,364
Lead Testing of Drinking Water		4,123	4,123	3,973	150
General Supplies	50,226	(25,868)	24,358	22,388	1,970
Other Objects	3,475	(2,850)	625	625	
Total Undist. Expend.- Required Maint. for School Facilities	199,169	(2)	199,167	191,683	7,484
Undist. Expend.-Custodial Services:					
Salaries	431,588	605	432,193	431,473	720
Salaries of Non-Instructional Aides	53,057	(1,500)	51,557	49,033	2,524
Purchased Professional and Technical Services		1,035	1,035	1,035	
Cleaning, Repair, and Maintenance Services	6,250	(2,843)	3,407	3,059	348
Other Purchased Property Services	15,500	(1,327)	14,173	14,173	
Insurance	105,820		105,820	105,820	
Miscellaneous Purchased Services		2,289	2,289	1,853	436
General Supplies	50,000	(13,005)	36,995	28,341	8,654
Energy (Natural Gas)	144,000	39,910	183,910	170,494	13,416
Energy (Electricity)	148,000	(37,296)	110,704	110,536	168
Energy (Gasoline)	2,100		2,100		2,100
Total Undist. Expend.-Custodial Services	956,315	(12,132)	944,183	915,817	28,366

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	\$ 5,850		\$ 5,850	\$ 5,850	
Total Care And Upkeep Of Grounds	5,850		5,850	5,850	
Security:					
Purchased Professional and Technical Services	\$ 3,000	1,470	4,470	4,470	
Cleaning, Repair, and Maintenance Services	1,000	840	1,840	1,840	
General Supplies	1,000	127	1,127	1,127	
Total Security	5,000	2,437	7,437	7,437	
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	1,160,484	(3,847)	1,156,637	1,120,787	\$ 35,850
Undist. Expend.-Student Transportation Serv.:					
Salaries of Non-Instructional Aides	11,700	(4,943)	6,757	6,757	
Other Purchased Professional and Technical Services	21,990	900	22,890	18,790	4,100
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studis	72,000	(8,165)	63,835	63,835	
Contract. Serv.(Bet. Home & Sch.)-Vendors	1,025,105	(1,391)	1,023,714	1,017,804	5,910
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	23,800	(8,448)	15,352	15,352	
Contract. Serv.(Spl. Ed. Students)-Vendors	291,000	222,162	513,162	513,162	
General Supplies		42	42	42	
Total Undist. Expend.-Student Trans. Serv.	1,445,595	200,157	1,645,752	1,635,742	10,010
ALLOCATED BENEFITS					
Regular Programs - Instruction:					
Social Security Contributions	4,989	5,685	10,674	10,669	5
Worker's Compensation	29,692	3,890	33,582	33,582	
Health Benefits	1,166,779	(11,033)	1,155,746	1,146,435	9,311
Tuition Reimbursement	27,000		27,000	27,000	
Unused Sick Payment to Terminated/Retired Staff		4,110	4,110	4,110	
Total Regular Programs - Instruction	1,228,460	2,652	1,231,112	1,221,796	9,316

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Programs - Instruction:					
Social Security Contributions	\$ 62,950	\$ 189	\$ 63,139	\$ 59,167	\$ 3,972
Workers Compensation	12,603		12,603	12,603	
Health Benefits	528,566	9,661	538,227	426,941	111,286
Total Special Programs - Instruction	604,119	9,850	613,969	498,711	115,258
Other Instructional Programs - Instruction:					
Social Security Contributions	8,221		8,221	7,440	781
Workers Compensation	665		665	665	
Total Other Instructional Programs - Instruction	8,886		8,886	8,105	781
Health Services:					
Social Security Contributions	943	483	1,426	1,426	
Workers Compensation	1,032		1,032	1,032	
Health Benefits	42,542	(8,156)	34,386	34,386	
Total Health Services	44,517	(7,673)	36,844	36,844	
Other Support Services - Speech, OT, PT & Related Svcs:					
Social Security Contributions	1,404		1,404	841	563
Workers Compensation	1,334		1,334	1,334	
Health Benefits	84,615	8,340	92,955	92,955	
Total Other Supp Serv - Speech, OT, PT & Related Svcs	87,353	8,340	95,693	95,130	563
Other Support Services - Guidance:					
Social Security Contributions	230	275	505	505	
Workers Compensation	961		961	961	
Health Benefits	39,341	3,999	43,340	43,340	
Total Other Supp Serv - Guidance	40,532	4,274	44,806	44,806	

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Support Services - Child Study Team:					
Social Security Contributions	\$ 4,553	\$ 1,541	\$ 6,094	\$ 6,094	
Workers Compensation	3,360		3,360	3,360	
Health Benefits	114,008		114,008	88,466	\$ 25,542
Other Employee Benefits		281	281	281	
Total Other Supp Serv - Child Study Team	121,921	1,822	123,743	98,201	25,542
Improvement of Instruction Services:					
Social Security Contributions		27	27	27	
Workers Compensation	1,073		1,073	1,073	
Health Benefits	22,528	1,865	24,393	24,393	
Total Improvement of Instructional Services	23,601	1,892	25,493	25,493	
Educational Media Services - School Library:					
Social Security Contributions	1,330	(793)	537	52	485
Workers Compensation	523		523	523	
Health Benefits	32,080	(2,811)	29,269	29,269	
Total Educational Media Services - School Library	33,933	(3,604)	30,329	29,844	485
Support Services - General Administration:					
Social Security Contributions	5,264	368	5,632	5,632	
Workers Compensation	1,499		1,499	1,499	
Health Benefits	52,156	(1,432)	50,724	50,724	
Total Support Services - General Administration	58,919	(1,064)	57,855	57,855	
Support Services - School Administration:					
Social Security Contributions	8,881	937	9,818	9,818	
Workers Compensation	2,636		2,636	2,635	1
Health Benefits	59,918	(3,119)	56,799	45,540	11,259
Total Support Services - School Administration	71,435	(2,182)	69,253	57,993	11,260



LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - Central Services:					
Social Security Contributions	\$ 13,981		\$ 13,981	\$ 13,159	\$ 822
Workers Compensation	2,041		2,041	2,041	
Health Benefits	50,466	\$ (8,721)	41,745	30,669	11,076
Total Support Services - Central Services	66,488	(8,721)	57,767	45,869	11,898
Support Services - Admin. Info. Technology:					
Social Security Contributions	7,016	(6,992)	24	24	
Workers Compensation	567	(567)			
Health Benefits	5,550	(5,550)			
Total Support Services - Admin. Info. Technology	13,133	(13,109)	24	24	
Required Maintenance for School Facilities:					
Social Security Contributions	7,573	143	7,716	7,716	
Workmen's Compensation	612		612	612	
Health Benefits	24,556	(1,627)	22,929	21,249	1,680
Other Employee Benefits	655		655	335	320
Total Required Maintenance For School Facilities	33,396	(1,484)	31,912	29,912	2,000
Custodial Services:					
Social Security Contributions	37,839	(1,054)	36,785	36,785	
Workmen's Compensation	3,060	1,627	4,687	4,687	
Health Benefits	150,672	(3,000)	147,672	146,718	954
Other Employee Benefits	3,300	(359)	2,941	2,307	634
Unused Sick Payment to Terminated/Retired Staff		3,000	3,000	3,000	
Total Custodial Services	194,871	214	195,085	193,497	1,588
Student Transportation Services:					
Social Security Contributions	895	(384)	511	511	
Workers Compensation	72		72	72	
Total Student Transportation Services	967	(384)	583	583	
<b>TOTAL ALLOCATED BENEFITS</b>	<b>2,632,531</b>	<b>(9,177)</b>	<b>2,623,354</b>	<b>2,444,663</b>	<b>178,691</b>

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	\$ 7,650	\$ (7,650)			
Other Retirement Contributions - PERS	160,000	(3,978)	\$ 156,022	\$ 156,022	
Other Retirement Contributions - Regular	17,600	(5,264)	12,336	12,336	
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>185,250</b>	<b>(16,892)</b>	<b>168,358</b>	<b>168,358</b>	
<b>ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)</b>					
TPAF Post Retirement Contributions (Non-Budgeted)				629,033	\$ (629,033)
TPAF Pension Contributions (Non-Budgeted)				2,654,853	(2,654,853)
TPAF Non-Contributory Insurance (Non-Budgeted)				37,456	(37,456)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,206	(1,206)
Reimbursed TPAF Social Security Contributions				553,308	(553,308)
<b>TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)</b>				<b>3,875,856</b>	<b>(3,875,856)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>2,817,781</b>	<b>(26,069)</b>	<b>2,791,712</b>	<b>6,488,877</b>	<b>(3,697,165)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>16,878,141</b>	<b>117,911</b>	<b>16,996,052</b>	<b>20,543,306</b>	<b>(3,547,254)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>24,561,907</b>	<b>106,075</b>	<b>24,667,982</b>	<b>28,018,649</b>	<b>(3,350,667)</b>
<b>CAPITAL OUTLAY</b>					
Equipment					
Grades 1-5		14,386	14,386		14,386
Grades 6-8		14,386	14,386		14,386
Undistributed:					
Undistributed Expenditures - Instruction	120,000		120,000		120,000
Undistributed Expenditures - Central Services		2,068	2,068	2,068	
Undistributed Expenditures - Admin. Info. Tech.		3,197	3,197		3,197
Total Equipment	120,000	34,037	154,037	2,068	151,969

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	\$ 7,163	\$ 919	\$ 8,081	\$ 8,081	
Construction Services	555,685	76,723	632,408	472,799	\$ 159,609
Assessment for Debt Service on SDA Funding	3,671		3,671	3,671	
Total Facilities Acquisition and Const. Serv.	566,519	77,641	644,160	484,551	159,609
TOTAL CAPITAL OUTLAY	686,519	111,678	798,197	486,619	311,578
TOTAL EXPENDITURES	25,248,426	217,753	25,466,179	28,505,268	(3,039,089)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(2,006,720)	(217,753)	(2,224,473)	(1,006,854)	1,217,619
Fund Balance, July 1	3,916,228		3,916,228	3,916,228	
Fund Balance, June 30	\$ 1,909,508	\$ (217,753)	\$ 1,691,755	\$ 2,909,374	\$ 1,217,619

Recapitulation:

Restricted Fund Balance:	
Capital Reserve	\$ 747,751
Maintenance Reserve	199,629
Tuition Reserve 2022-2023	307,380
Tuition Reserve 2023-2024	350,000
Unemployment Compensation	48,697
Assigned Fund Balance:	
Year End Encumbrances	255,695
Designated for Subsequent Year's Expenditures	400,000
Unassigned Fund Balance	600,222
	2,909,374
Reconciliation to Governmental Funds Statement (GAAP):	
Last State Aid Payments not Recognized on GAAP basis	(157,705)
Fund Balance per Governmental Funds (GAAP)	\$ 2,751,669

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	\$ 14,194	\$ 55,490	\$ 69,684	\$ 52,711	\$ (16,973)
Federal Sources	329,093	1,381,440	1,710,533	784,299	(926,234)
Total Revenues	343,287	1,436,930	1,780,217	837,010	(943,207)
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	70,360	41,947	112,307	70,022	42,285
Salaries of Other Professional Staff		8,960	8,960	6,300	2,660
Purchased Professional and Technical Services		10,000	10,000	10,000	
Other Purchased Services		200,000	200,000		200,000
Tuition	217,715	57,212	274,927	274,927	
General Supplies	14,194	268,134	282,328	166,819	115,509
Other Objects		2,500	2,500	630	1,870
Total Instruction	302,269	588,753	891,022	528,698	362,324
Support Services:					
Salaries		246,050	246,050	86,875	159,175
Personal Services - Employee Benefits		122,700	122,700	57,564	65,136
Purchased Professional - Technical Services	10,000	274,640	284,640	41,955	242,685
Purchased Professional - Educational Services	16,672	63,713	80,385	50,059	30,326
Other Purchased Services		36,019	36,019	7,902	28,117
Supplies and Materials	14,346	68,413	82,759	23,151	59,608
Student Activities		36,642	36,642	36,642	
Total Support Services	41,018	848,177	889,195	304,148	585,047
Total Expenditures	343,287	1,436,930	1,780,217	832,846	947,371
Excess (Deficiency) of Revenues Over (Under)	\$ -0-	\$ -0-	\$ -0-	\$ 4,164	\$ 4,164
Expenditures and Other Financing Sources (Uses)					

LINCOLN PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	\$ 27,498,414	\$ 837,010
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		(121,825)
Prior Year Encumbrances		889
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	152,653	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(157,705)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 27,493,362	\$ 716,074
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 28,505,268	\$ 832,846
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		(121,825)
Prior Year Encumbrances		889
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 28,505,268	\$ 711,910

LINCOLN PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022 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, 2022

	CARES Emergency Relief	ESSER II	CRRSA Learning Acceleration	Mental Health
REVENUES				
Local Sources	\$ 6,660	\$ 150,073	\$ 6,949	\$ 8,561
Federal Sources	6,660	150,073	6,949	8,561
Total Revenues				
EXPENDITURES				
Instruction:			6,750	
Salaries of Teachers				
Salaries of Other Professional Staff				
Purchased Professional and Technical Services				
Tuition		1,357		
General Supplies	6,660			
Other Objects				
Total Instruction	6,660	1,357	6,750	
Support Services:				
Salaries		82,875		
Personal Services - Employee Benefits		41,635		
Purchased Professional - Technical Services		9,815		
Purchased Professional - Educational Services				
Other Purchased Services		14,391	199	8,561
Supplies and Materials				
Student Activities				
Total Support Services		148,716	199	8,561
Total Expenditures	\$ 6,660	\$ 150,073	\$ 6,949	\$ 8,561

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ARP				
	ESSER III	Evidence Based Summer Learning	Evidence Based Comprehensive Beyond the School Day	Local Donations	Student Activities
<b>REVENUES</b>					
Local Sources				\$ 11,905	\$ 40,806
Federal Sources	\$ 151,628	\$ 13,752	\$ 6,597		
<b>Total Revenues</b>	<u>151,628</u>	<u>13,752</u>	<u>6,597</u>	<u>11,905</u>	<u>40,806</u>
<b>EXPENDITURES</b>					
Instruction:					
Salaries of Teachers					
Salaries of Other Professional Staff					
Purchased Professional and Technical Services					
Tuition					
General Supplies	105,673	13,752	6,597	11,905	
Other Objects					
<b>Total Instruction</b>	<u>105,673</u>	<u>13,752</u>	<u>6,597</u>	<u>11,905</u>	
Support Services:					
Salaries	4,000				
Personal Services - Employee Benefits					
Purchased Professional - Technical Services	41,955				
Purchased Professional - Educational Services					
Other Purchased Services					
Supplies and Materials					
Student Activities					36,642
<b>Total Support Services</b>	<u>45,955</u>				<u>36,642</u>
<b>Total Expenditures</b>	<u>\$ 151,628</u>	<u>\$ 13,752</u>	<u>\$ 6,597</u>	<u>\$ 11,905</u>	<u>\$ 36,642</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Elementary and Secondary Education Act				
	Title I	Title II A	Title III	Title III Immigrant	Title IV
<b>REVENUES</b>					
Local Sources	\$ 84,982	\$ 15,546	\$ 21,045	\$ 661	\$ 10,000
Federal Sources					
<b>Total Revenues</b>	<u>84,982</u>	<u>15,546</u>	<u>21,045</u>	<u>661</u>	<u>10,000</u>
<b>EXPENDITURES</b>					
Instruction:					
Salaries of Teachers	59,982		3,290		
Salaries of Other Professional Staff	6,300				10,000
Purchased Professional and Technical Services					
Tuition					
General Supplies	2,771		15,125	661	
Other Objects			630		
<b>Total Instruction</b>	<u>69,053</u>		<u>19,045</u>	<u>661</u>	<u>10,000</u>
Support Services:					
Salaries					
Personal Services - Employee Benefits	15,929				
Purchased Professional - Technical Services		9,644			
Purchased Professional - Educational Services		5,902	2,000		
Other Purchased Services					
Supplies and Materials					
Student Activities					
<b>Total Support Services</b>	<u>15,929</u>	<u>15,546</u>	<u>2,000</u>		
<b>Total Expenditures</b>	<u>\$ 84,982</u>	<u>\$ 15,546</u>	<u>\$ 21,045</u>	<u>\$ 661</u>	<u>\$ 10,000</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	I.D.E.A.				Total
	Basic		Preschool		
	FY22	FY22 - ARP	FY22	FY22 - ARP	
<b>REVENUES</b>					
Local Sources					\$ 52,711
Federal Sources	\$ 256,657	\$ 39,696	\$ 9,174	\$ 2,318	\$ 784,299
<b>Total Revenues</b>	<u>256,657</u>	<u>39,696</u>	<u>9,174</u>	<u>2,318</u>	<u>837,010</u>
<b>EXPENDITURES</b>					
Instruction:					
Salaries of Teachers					70,022
Salaries of Other Professional Staff					6,300
Purchased Professional and Technical Services					10,000
Tuition	226,057	39,696	9,174	2,318	274,927
General Supplies					166,819
Other Objects					630
<b>Total Instruction</b>	<u>226,057</u>	<u>39,696</u>	<u>9,174</u>	<u>2,318</u>	<u>528,698</u>
Support Services:					
Salaries					86,875
Personal Services - Employee Benefits					57,564
Purchased Professional - Technical Services					41,955
Purchased Professional - Educational Services	30,600				50,059
Other Purchased Services					7,902
Supplies and Materials					23,151
Student Activities					36,642
<b>Total Support Services</b>	<u>30,600</u>				<u>304,148</u>
<b>Total Expenditures</b>	<u>\$ 256,657</u>	<u>\$ 39,696</u>	<u>\$ 9,174</u>	<u>\$ 2,318</u>	<u>\$ 832,846</u>

CAPITAL PROJECTS FUND

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE- BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Expenditures:	
Purchased Professional and Technical Services	<u>\$ 104,528</u>
Total Expenditures	<u>104,528</u>
(Deficit) of Revenue and Other Financing Sources	
(Under) Other Financing Uses	(104,528)
Fund Balance - Beginning of Year	<u>-0-</u>
Fund Balance/(Deficit) - End of Year	<u><u>\$ (104,528)</u></u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
UPGRADES TO MIDDLE AND ELEMENTARY SCHOOLS- BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Prior Periods	Current Year	Totals	Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds				\$ 10,211,000
Total Revenue and Other Financing Sources				10,211,000
Expenditures:				
Purchased Professional and Technical Services		\$ 104,528	\$ 104,528	852,781
Supplies				295,500
Construction Services				9,062,719
Total Expenditures		104,528	104,528	10,211,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ (104,528)	\$ (104,528)	\$ -0-

Additional Project Information:

Project Name:	
Stage to Classroom Conversion Project	
Grant Date	N/A
Bonds Authorized Date	7/19/2022
Bonds Authorized	\$ 10,211,000
Bonds Issued	N/A
Original Authorized Cost	\$ 10,211,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	1.02%
Original Target Completion Date	6/30/2023

PROPRIETARY FUNDS



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2022

ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$ 106,413
Intergovernmental Accounts Receivable:	
Federal	41,580
State	928
Interfund Receivable	2,460
Inventories	6,181
	<hr/>
Total Current Assets	157,562

## Non-Current Assets:

Capital Assets	195,959
Less: Accumulated Depreciation	(126,160)
	<hr/>
Total Non-Current Assets	69,799

Total Assets	<hr/> <hr/> 227,361
--------------	---------------------

LIABILITIES:

## Current Liabilities:

Accounts Payable	34,248
Unearned Revenue - Donated Commodities	1,286
Unearned Revenue - Prepaid Sales	6,365
	<hr/>
Total Current Liabilities	41,899

NET POSITION:

Investment in Capital Assets	69,799
Unrestricted	115,663
	<hr/>
Total Net Position	<hr/> <hr/> \$ 185,462

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, 2022

Operating Revenue:	
Daily Sales:	
Non-Reimbursable Programs	\$ 55,515
	<hr/>
Total Operating Revenue	55,515
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	175,964
Cost of Sales - Nonreimbursable Programs	19,841
Salaries	154,638
Benefits & Payroll Taxes	52,575
Purchased Professional and Technical Services	5,439
Management Fee	19,727
Supplies and Repairs	28,462
Miscellaneous Expense	4,967
Depreciation Expense	8,807
	<hr/>
Total Operating Expenses	470,420
	<hr/>
Operating Loss	(414,905)
	<hr/>
Non-Operating Revenue:	
State Sources:	
COVID-19 - Seamless Summer Option	10,773
Federal Sources:	
COVID-19 - Seamless Summer Option	474,590
COVID-19 - P-EBT Reimbursement	1,242
COVID-19 - Emergency Operational Cost Program	5,651
Food Distribution Program	19,284
Local Sources:	
Interest Income	210
	<hr/>
Total Non-Operating Revenue	511,750
	<hr/>
Change in Net Position	96,845
	<hr/>
Net Position - Beginning of Year	88,617
	<hr/>
Net Position - End of Year	\$ 185,462
	<hr/> <hr/>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 53,101
Payments to Food Service Contractor	(408,240)
Payments to Suppliers	(10,109)
	<hr/>
Net Cash (Used for) Operating Activities	(365,248)
	<hr/>
Cash Flows from Financing Activities:	
Interest Income	210
	<hr/>
Net Cash Provided by Financing Activities	210
	<hr/>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Equipment	(27,515)
	<hr/>
Net Cash (Used for) Capital and Related Financing Activities	(27,515)
	<hr/>
Cash Flows from Noncapital Financing Activities:	
State Sources:	10,923
Federal Sources:	450,581
	<hr/>
Net Cash Provided by Noncapital Financing Activities	461,504
	<hr/>
Net Increase in Cash and Cash Equivalents	68,951
	<hr/>
Cash and Cash Equivalents, July 1	37,462
	<hr/>
Cash and Cash Equivalents, June 30	\$ 106,413
	<hr/> <hr/>
Reconciliation of Operating Income (Loss) to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (414,905)
Adjustment to Reconcile Operating Loss to Net Cash (Used for) Operating Activities:	
Depreciation	8,807
Federal Food Distribution Program	19,284
Changes in Assets and Liabilities:	
(Increase) in Inventory	(3,096)
Increase in Accounts Payable	26,977
Increase in Unearned Revenue - Donated Commodities	99
(Decrease) in Unearned Revenue - Prepaid Sales	(2,414)
	<hr/>
Net Cash (Used for) Operating Activities	\$ (365,248)
	<hr/> <hr/>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$19,383 and utilized U.S.D.A. Commodities valued at \$19,284.

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 Outstanding		Interest Rate	Balance June 30, 2021	Matured	Balance June 30, 2022
			Date	Amount				
Renovations to Elementary and Middle Schools and New Construction to Middle School	10/1/2007	\$ 2,146,000	10/1/2022	\$ 190,000	4.375%	\$ 375,000	\$ 185,000	\$ 190,000
						<u>\$ 375,000</u>	<u>\$ 185,000</u>	<u>\$ 190,000</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOT APPLICABLE

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOT APPLICABLE



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 133,384		\$ 133,384	\$ 133,384	
State Sources:					
Debt Service State Aid Support	63,976		63,976	63,976	
<b>Total Revenue</b>	<u>197,360</u>		<u>197,360</u>	<u>197,360</u>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	12,360		12,360	12,359	\$ 1
Redemption of Principal	185,000		185,000	185,000	
<b>Total Regular Debt Service</b>	<u>197,360</u>		<u>197,360</u>	<u>197,359</u>	<u>1</u>
<b>Total Expenditures</b>	<u>197,360</u>		<u>197,360</u>	<u>197,359</u>	<u>1</u>
<b>Excess/(Deficit) of Revenues Over/(Under) Expenditures</b>				1	1
<b>Fund Balance, July 1</b>	1		1	1	
<b>Fund Balance, June 30</b>	<u>1</u>	<u>\$ -0-</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 1</u>
<b>Recapitulation:</b>					
Restricted			<u>\$ 2</u>		<u>\$ 2</u>

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

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

**Contents**

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

**Sources:** Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 5,879,278
Restricted	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	1,730,190
Unrestricted/(Deficit)	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)	(1,847,084)
Total governmental activities net position	<u>\$ 7,075,573</u>	<u>\$ 4,074,575</u>	<u>\$ 4,447,864</u>	<u>\$ 4,354,955</u>	<u>\$ 4,177,370</u>	<u>\$ 3,229,778</u>	<u>\$ 5,262,796</u>	<u>\$ 5,698,166</u>	<u>\$ 6,037,581</u>	<u>\$ 5,762,384</u>
<b>Business-type activities</b>										
Investment in capital assets	\$ 883	\$ 8,406	\$ 16,396	\$ 19,722	\$ 40,401	\$ 35,263	\$ 60,151	\$ 53,221	\$ 51,091	\$ 69,799
Unrestricted	148,407	108,743	113,162	7,420	24,367	28,694	28,694	31,635	37,526	115,663
Total business-type activities net position	<u>\$ 149,290</u>	<u>\$ 117,149</u>	<u>\$ 129,558</u>	<u>\$ 27,142</u>	<u>\$ 64,768</u>	<u>\$ 35,263</u>	<u>\$ 88,845</u>	<u>\$ 84,856</u>	<u>\$ 88,617</u>	<u>\$ 185,462</u>
<b>District-wide</b>										
Net investment in capital assets	\$ 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	\$ 5,949,077
Restricted	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	1,730,190
Unrestricted/(Deficit)	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)	(1,731,421)
Total district net position	<u>\$ 7,224,863</u>	<u>\$ 4,191,724</u>	<u>\$ 4,577,422</u>	<u>\$ 4,382,097</u>	<u>\$ 4,242,138</u>	<u>\$ 3,265,041</u>	<u>\$ 5,351,641</u>	<u>\$ 5,783,022</u>	<u>\$ 6,126,198</u>	<u>\$ 5,947,846</u>

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 8,604,084
Special education	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	3,038,661
Other special education	417,311	368,058	481,020	596,896	714,916	637,827	659,428	431,428	397,420	462,491
Other instruction	104,384	92,178	168,211	104,776	615,631	241,608	153,962	152,227	58,348	100,690
Support Services:										
Tuition	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	8,750,857
Student & instruction related services	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	2,524,322
General administrative services	642,893	690,516	791,007	826,296	874,253	553,837	505,174	489,892	533,072	510,966
School administrative services	395,172	659,184	392,568	534,437	546,611	828,446	799,071	828,972	702,422	637,414
Central services	682,517	622,020	556,431	514,846	570,560	783,395	501,487	589,723	473,195	443,672
Administration Information Technology										
Plant operations and maintenance	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	1,288,083
Pupil transportation	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	1,673,763
Capital Outlay	2,381	3,671	3,671	3,671		3,671	3,671	3,671		
Special Schools										
Interest on long-term debt	178,978	41,481	125,410	103,451	47,442	40,823	33,906	26,770	21,328	10,335
Unallocated depreciation	556,744	556,744	556,744	597,693						
Total governmental activities expenses	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	28,063,622
Business-type activities:										
Food service	329,456	366,934	329,266	430,008	334,665	385,318	332,235	274,027	192,281	470,420
Total business-type activities expense	329,456	366,934	329,266	430,008	334,665	385,318	332,235	274,027	192,281	470,420
Total district expenses	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	28,534,042
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (Tuition)										
Student & Instruction Related Services										
Operating grants and contributions	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	5,926,736
Total governmental activities program revenues	2,555,460	3,188,433	4,412,547	5,423,328	6,958,830	7,455,839	6,106,982	5,533,856	6,003,971	6,234,523
Business-type activities:										
Charges for services:										
Food service										
Operating grants and contributions	228,807	220,881	230,882	217,520	236,333	238,084	247,593	175,002	2,198	55,515
Total business type activities program revenues	107,105	113,893	110,780	110,027	110,041	117,101	107,436	93,854	193,821	511,540
Total district program revenues	2,891,372	3,523,207	4,754,209	5,750,875	7,305,204	7,811,024	6,462,011	5,622,712	6,199,990	6,801,578

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

(accrual basis of accounting)  
UNAUDITED  
(Continued)

	Fiscal year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (18,705,635)	\$ (17,975,239)	\$ (18,828,008)	\$ (19,259,554)	\$ (19,368,885)	\$ (20,378,594)	\$ (19,566,072)	\$ (20,323,456)	\$ (20,819,148)	\$ (21,829,099)
Business-type activities	6,456	(32,160)	12,396	(102,461)	11,709	(30,133)	22,794	(5,171)	3,738	96,635
Total district-wide net expense	(18,699,179)	(18,007,399)	(18,815,612)	(19,362,015)	(19,357,176)	(20,408,727)	(19,543,278)	(20,328,627)	(20,815,410)	(21,732,464)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	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	20,636,254
Taxes levied for debt service	643,124	623,913	598,938	663,881	130,596	132,810	131,617	130,215	131,945	133,384
Unrestricted grants and contributions	743,154	63,489	63,284	63,011	62,639	341,751	307,791	302,425	304,370	350,866
Investment earnings	326	158	5,165	6,895	21,130	48,108	60,515	68,486	2,540	1,140
Miscellaneous income	388,752	297,215	628,467	733,089	1,012,677	493,494	324,854	312,333	488,086	432,258
Transfers							(4,284)			
Reimbursement of Prior Year Tuition			424,190							
Total governmental activities	18,691,478	18,156,929	18,777,107	19,166,645	19,280,806	19,431,002	20,167,517	20,648,383	21,158,563	21,553,902
Business-type activities:										
Investment earnings	28	19	13	45	100	628	714	1,182	23	210
Transfers							4,284			
Disposition/Adjustment of Capital Assets					25,817		4,998			
Total business-type activities	28	19	13	45	25,917	628	4,998	1,182	23	210
Total district-wide	18,691,506	18,156,948	18,777,120	19,166,690	19,306,723	19,431,630	20,172,515	20,649,565	21,158,586	21,554,112
<b>Change in Net Position</b>										
Governmental activities	(14,157)	181,690	(50,901)	(92,909)	(88,079)	(947,592)	601,445	324,927	339,415	(275,197)
Business-type activities	6,484	(32,141)	12,409	(102,416)	37,626	(29,505)	27,792	(3,989)	3,761	96,845
Total district	(7,673)	149,549	(38,492)	(195,325)	(50,453)	(977,097)	629,237	320,938	343,176	(178,352)

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 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	\$ 1,653,457
Assigned	776,353	362,283	338,956	300,074	310,708	132,273	77,389	368,299	1,281,614	655,695
Unassigned	268,049	275,314	257,866	258,044	272,233	340,864	337,347	332,464	643,132	442,517
Total general fund	\$ 2,752,673	\$ 2,659,580	\$ 2,592,067	\$ 2,679,885	\$ 2,703,768	\$ 2,663,507	\$ 3,034,644	\$ 3,519,797	\$ 3,763,575	\$ 2,751,669
All Other Governmental Funds										
Restricted	\$ 85	\$ 125	\$ 100	\$ 108	\$ 132	\$ 25	\$ 2	\$ 85,011	\$ 72,568	\$ 76,733
Committed					117,877	11,669	11,669	11,669		(104,528)
Unassigned/(Deficit)			(448,800)	(448,800)						
Total All Other Governmental Funds/(Deficit)	\$ 85	\$ 125	\$ (448,700)	\$ (448,692)	\$ 118,009	\$ 11,694	\$ 11,671	\$ 96,680	\$ 72,568	\$ (27,795)
Total Governmental Funds	\$ 2,752,758	\$ 2,659,705	\$ 2,143,367	\$ 2,231,193	\$ 2,821,777	\$ 2,675,201	\$ 3,046,315	\$ 3,616,477	\$ 3,836,143	\$ 2,723,874

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Tax levy	\$ 17,559,246	\$ 17,796,067	\$ 18,080,191	\$ 18,363,650	\$ 18,184,360	\$ 18,547,649	\$ 19,478,641	\$ 19,965,139	\$ 20,365,006	\$ 20,769,638
Tuition charges	32,692	35,335	38,070	61,286	38,983	72,868	50,960	85,095	58,656	266,981
Rentals	221,685	230,231	236,008	243,500		259,144	267,323	296,585	319,884	361,433
Interest earnings	5,947	5,001	5,165	6,895	21,130	48,108	60,515	68,486	2,540	1,140
Miscellaneous	128,754	26,806	133,636	489,589	1,012,677	234,650	66,731	21,580	190,115	123,536
State sources	2,871,534	2,830,173	3,010,428	3,219,236	3,886,199	3,864,235	4,161,468	4,308,446	5,116,855	6,197,466
Federal sources	427,080	421,749	374,148	398,689	351,034	424,999	423,728	422,083	559,963	686,602
<b>Total revenue</b>	<b>21,246,938</b>	<b>21,345,362</b>	<b>21,877,646</b>	<b>22,782,845</b>	<b>23,494,383</b>	<b>23,451,653</b>	<b>24,509,366</b>	<b>25,167,414</b>	<b>26,613,019</b>	<b>28,406,796</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	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	6,449,425
Special Education Instruction	1,556,502	1,545,920	1,426,668	1,888,996	2,569,014	2,075,719	1,902,863	2,222,784	2,228,830	2,461,022
Other Special Instruction	356,837	323,193	306,510	385,678	410,246	390,514	434,153	305,420	260,126	316,723
School-Sponsored/Other Instruction	83,829	75,377	145,887	73,580	115,591	172,164	117,560	111,276	58,299	109,620
Support Services:										
Tuition	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	8,750,857
Student & instruction related services	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	2,285,429
General administrative services	355,689	577,910	368,737	553,500	360,398	424,164	420,768	408,941	445,826	421,317
School Administrative services	535,841	596,223	605,224	566,133	536,667	528,951	518,664	530,792	537,764	499,024
Central services	669,559	611,170	419,898	369,462	365,753	352,725	371,397	421,681	421,772	393,901
Administrative Information Technology			127,544	138,971	124,370	117,975	122,554	105,415	113,659	18,506
Plant operations and maintenance	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	1,344,196
Pupil transportation	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	1,636,325
Unallocated Benefits	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	4,044,214
Special Schools							21,297	11,118		
Capital outlay	469,528	3,671	1,148,200	7,284	347,123	618,773	239,106	97,481	117,704	591,147
Debt service:										
Principal	575,000	575,000	570,000	655,000	145,000	155,000	160,000	165,000	185,000	185,000
Interest and other charges	131,739	112,401	92,308	71,891	48,235	41,671	34,781	27,672	12,359	12,359
<b>Total expenditures</b>	<b>21,489,314</b>	<b>21,438,415</b>	<b>22,818,174</b>	<b>22,695,019</b>	<b>22,903,799</b>	<b>23,598,229</b>	<b>24,133,968</b>	<b>24,707,695</b>	<b>26,393,351</b>	<b>29,519,065</b>
Excess/(Deficit) of Revenues Over/ (Under) Expenditures	(242,376)	(93,053)	(940,528)	87,826	590,584	(146,576)	375,398	459,719	219,668	(1,112,269)





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
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
2022	4,616	266,981	361,433	19,931		47,418		700,379

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		Residential		Farm		Farm		Commercial		Industrial		Apartment		Total Assessed Value		Public Utilities		Net Valuation Taxable		Total Direct School Tax		Estimated Actual (County Equalized Value)	
						Regular	Qualified															Rate <sup>b</sup>		
2012	\$ 7,401,000	\$ 1,152,812,300	\$ 5,879,500	\$ 355,400	\$ 109,742,000	\$ 64,994,600	\$ 37,896,700	\$ 1,379,081,500	\$ -	\$ -	\$ 1,379,081,500	\$ -	\$ -	\$ 1,379,081,500	\$ 1.28	\$ 1,480,564,104								
2013	7,260,000	1,184,170,900	6,234,900	355,400	109,681,800	64,942,600	36,083,800	1,408,729,400	-	-	1,372,290,200	-	-	1,372,290,200	1.29	1,480,564,104								
2014	6,501,300	1,143,842,500	5,879,500	355,400	114,499,400	64,210,500	36,896,700	1,372,185,300	-	-	1,359,479,100	-	-	1,359,479,100	1.32	1,340,717,718								
2015	6,531,500	1,132,999,600	5,879,500	355,400	114,815,900	62,000,500	36,896,700	1,359,479,100	-	-	1,354,928,400	-	-	1,354,928,400	1.35	1,331,789,820								
2016	6,411,400	1,132,273,600	5,132,600	347,900	114,157,800	59,708,400	36,896,700	1,354,928,400	-	-	1,354,047,700	-	-	1,354,047,700	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	1,353,383,300	-	-	1,353,383,300	-	-	1,353,383,300	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	-	-	1,354,169,000	-	-	1,354,169,000	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	1,356,450,000	-	-	1,356,450,000	-	-	1,356,450,000	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	-	-	1,356,450,000	-	-	1,356,450,000	1.50	1,468,973,359								
2021	8,649,000	1,135,673,900	4,777,200	322,600	109,871,400	59,752,400	36,996,700	1,356,043,200	-	-	1,356,043,200	-	-	1,356,043,200	1.53	1,544,292,450								

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 <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Lincoln Park	Morris County	
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
2021	1.52	0.01	1.53	1.06	0.29	2.88

## 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

	2021		2012		
	Taxpayer	Assessed Value	Taxpayer	Taxable Assessed Value	
				% of Total District Net Assessed Value	
209 Comly Road	\$ 36,183,800	2.67%	Beavco, LLV	\$ 37,083,800	2.70%
499 Pine Brook Road	16,246,900	1.20%	Mort's Family Group	17,028,300	1.24%
60 Beaver Brook Road	15,500,000	1.14%	Renaissance Rehab & Nursing Home	16,441,900	1.20%
521 Pine Brook Road	9,958,400	0.73%	Lincoln Park Properties	15,692,100	1.14%
261 Comly Road	7,662,600	0.57%	Phoenix Realty Partners	8,000,000	0.58%
600 Ryerson Road	7,100,000	0.52%	Lincoln Park Plaza Associates	7,967,000	0.58%
510 Ryerson Road	6,600,000	0.49%	510 Ryerson Road, Inc	7,500,000	0.55%
107 Beaver Brook Road	4,450,000	0.33%	FRA Lincoln Park, LLC	5,755,300	0.42%
1 Frassetto Way	4,200,000	0.31%	Kay Elements	5,000,000	0.36%
99 Beaver Brook Road	4,000,000	0.29%	Lincoln Park Nursing Home	4,958,400	0.36%
Total	\$ 111,901,700	8.25%		\$ 125,426,800	9.14%

Source: Municipal Tax Assessor

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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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-
2022	20,769,638	20,769,638	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		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds				
2013	\$ 2,975,000	\$	2,975,000	0.35%	\$ 285
2014	2,400,000		2,400,000	0.27%	230
2015	1,830,000		1,830,000	0.20%	177
2016	1,175,000		1,175,000	0.12%	114
2017	1,030,000		1,030,000	0.11%	100
2018	875,000		875,000	0.09%	86
2019	715,000		715,000	0.07%	71
2020	550,000		550,000	0.05%	55
2021	375,000		375,000	0.03%	34
2022	190,000		190,000	0.02%	17

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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	114
2017	1,030,000	-0-	1,030,000	0.076%	100
2018	875,000	-0-	875,000	0.065%	86
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%	34
2022	190,000	-0-	190,000	0.014%	17

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, 2021  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Lincoln Park	\$ 16,300,136	100.00%	\$ 16,300,136
Morris County General Obligation Debt	235,030,042	1.46%	<u>3,433,441</u>
Subtotal, Overlapping Debt			19,733,577
Lincoln Park School District Direct Debt			<u>190,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 19,923,577</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 2022**

Year Ended December 31,	Equalized Valuation Basis
2022	\$ 1,544,292,450
2021	1,468,973,359
2020	1,436,479,262
	<u>\$ 4,449,745,071</u>
	<u>\$ 1,483,248,357</u>
Average Equalized Valuation of Taxable Property	
	\$ 44,497,451
	<u>190,000</u>
	<u>\$ 44,307,451</u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 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	\$ 44,497,451
Total Net Debt Applicable to Limit	<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>	<u>190,000</u>
Legal Debt Margin	<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>	<u>\$ 44,307,451</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.71%	5.69%	4.48%	2.92%	2.54%	2.14%	1.72%	1.30%	0.87%	0.43%

a Limit set by NJSA 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 <sup>a</sup>	Personal Income <sup>c</sup>	Morris County Per Capital Personal Income <sup>b</sup>	Borough Unemployment Rate <sup>d</sup>
2013	10,426	\$ 844,777,076	\$ 81,026	6.90%
2014	10,425	878,691,975	84,287	5.90%
2015	10,319	911,147,062	88,298	4.90%
2016	10,351	944,549,452	91,252	4.30%
2017	10,348	967,993,312	93,544	4.00%
2018	10,219	993,736,436	97,244	3.80%
2019	10,100	1,001,314,000	99,140	3.20%
2020	10,064	1,028,812,528	102,227	9.70%
2021	10,900	1,114,274,300	102,227 *	6.00%
2022	10,900 **	1,114,274,300 ***	102,227 *	N/A

\* - Latest Morris County per capita personal income available (2020) was used for calculation purposes.

\*\* - Latest population data available (2021) was used for calculation purposes.

\*\*\* - Latest available population data (2021) and latest available Morris County per capita personal income (2020) 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

	2021		2012		Percentage of Total Employment	
	Employer	Employees	Percentage of Total Employment	Employer		Employees
Atlantic Health System		7,642	2.91%	Novartis	6,200	2.42%
U.S. Army Armament R&D		6,000	2.28%	Picatinny Arsenal	5,841	2.28%
Novartis		5,200	1.98%	Atlantic Health system	5,576	2.18%
Bayer		3,483	1.33%	ADP	1,947	0.76%
Barclays		2,560	0.97%	County of Morris	1,838	0.72%
Automatic Data Processing, Inc.		2,400	0.91%	Saint Clare's	1,662	0.65%
Accenture		1,826	0.70%	Wyndham Worldwide Corporation	1,546	0.60%
Honeywell		1,704	0.65%	BASF Corporation	1,500	0.59%
St. Clare's Health System		1,638	0.62%	Accenture	1,498	0.59%
County of Morris		1,469	0.56%	Chilton Memorial	1,440	0.56%
		<u>33,922</u>	<u>12.91%</u>		<u>29,048</u>	<u>11.35%</u>
Total Employment *		<u>262,719</u>			<u>255,907</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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction										
Regular	56.0	54.0	55.0	56.0	64.2	64.2	64.2	64.2	64.2	64.2
Special education	23.4	20.5	27.0	29.5	20.4	20.4	20.4	20.4	20.4	20.4
Support Services:										
Student & instruction related services	10.8	10.8	10.8	10.8	28.0	28.0	28.0	28.0	28.0	28.0
School administrative services	4.1	4.1	4.1	4.1	4.0	4.0	4.0	4.0	4.0	4.0
General and administrative services	1.0	1.0	1.0	1.0	2.1	2.1	2.0	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	6.0	6.0	6.0	6.0	5.0	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	7.0
Total	110.1	113.2	120.7	124.2	139.5	139.5	139.4	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	Pupil/Teacher Ratio										
	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Elementary	Middle School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2022	859	28,018,649	32,618	10.57%	85	1:12	1:12	873	824	-1.24%	94.39%

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>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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)	527	505	568	536	536	536	501	507	483	483
Enrollment										
Middle School (1959)	79,120	79,120	79,120	79,120	79,120	79,120	79,120	79,120	79,120	79,120
Square Feet	603	603	603	603	603	603	603	603	603	603
Capacity (students)	372	435	396	398	398	398	407	407	401	401
Enrollment										

Number of Schools at June 30, 2022  
 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
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
2022	214	63,447	128,022	191,683

\* 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, 2022  
UNAUDITED

COVERAGE  
COMMERCIAL PACKAGE POLICY

**PROPERTY**  
BLANKET BUILDING & CONTENTS(Per Fund)  
BUSINESS INCOME & EXTRA EXPENSE  
VALUABLE PAPERS & RECORDS

FINE ARTS  
IN TRANSIT OR OFF PREMISES  
OUTDOOR PROPERTY  
SOFTWARE  
FLOOD EACH OCCURRENCE  
DEDUCTIBLE  
EARTHQUAKE PER OCCURRENCE  
EARTHQUAKE AGGREGATE  
DEDUCTIBLES PER OCCURRENCE:

COMMENTS  
Surcharge  
Per Occurrence  
PTO's & PTAs incl. As  
Additional Insured  
Per Occurrence

POLICY NUMBER  
GPNU-EP-0018353-01

COMPANY  
National Union Fire Ins. Co.  
of Pittsburgh

EXPIRES  
7/1/21-7/1/22

TERMS IN YEARS  
1 YEAR

LIMITS

\$ 55,482,043  
\$ 250,000  
\$ 250,000  
\$ 50,000  
\$ 100,000  
\$ 150,000  
\$ 500,000  
\$ 5,000,000  
\$ 50,000  
\$ 5,000,000  
\$ 5,000,000  
\$ 25,000

**CRIME**

PUBLIC EMPLOYEE DISHONESTY  
W/FAITHFUL PERFORMANCE  
FORGERY OR ALTERATION  
MONEY ORDERS & COUNTERFEIT  
COMPUTER FRAUD  
DEDUCTIBLE

\$ 250,000  
\$ 250,000  
\$ 250,000  
\$ 250,000  
\$ 1,000

**BOILER & MACHINERY**

Limit per Breakdown  
Property Damage  
Expediting Expense  
Business Income & Extra Expense  
Spoilage Damage  
Hazardous Substances  
Data Restoration  
Deductible

1 YEAR

7/1/21-7/1/22

National Union Fire Ins. Co.  
of Pittsburgh

GPNU-EP-0018353-01

included  
included  
100,000  
included  
100,000  
\$ 250,000  
\$ 500,000  
\$ 5,000

**INLAND MARINE**

Blanket Tools & Equipment  
Rented or Borrowed Equipment  
Deductible

\$ 25,000  
\$ 100,000  
\$ 1,000



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>COMMENTS</u>
<b>COMPREHENSIVE GENERAL LIABILITY</b>						
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					
<b>AUTOMOBILE COVERAGE</b>			7/1/21-7/1/22	National Union Fire Ins. Co. of Pittsburgh	GPNU-EP-0018353-01	
SYMBOL 1 ANY AUTO						
COMBINED SINGLE LIMIT FOR BODILY INJURY AND PROPERTY DAMAGE PER ACCIDENT	\$ 1,000,000					
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						
<b>CYBER LIABILITY</b>						
EACH EVENT LIMIT	\$ 1,000,000	1 YEAR	7/1/21-7/1/22	National Union Fire Ins. Co. of Pittsburgh	GPNU-EP-0018353-01	
PRIVACY CRISIS MGMT EXPENSE	\$ 100,000					
CYBER EXTORTION EXPENSE	\$ 20,000					
PRIVACY AND CYBER EXTORTION AGGREGATE	\$ 100,000					
<b>EDUCATORS LEGAL LIABILITY</b>						
EACH WRONGFUL ACT	\$ 1,000,000	1 YEAR	7/1/21-7/1/22	National Union Fire Ins. Co. of Pittsburgh	GPNU-EP-0018353-01	
PROFESSIONAL INCIDENT AGGREGATE	\$ 3,000,000					
DEDUCTIBLE	\$ 25,000					
DEDUCTIBLE WRONGFUL ACTS	\$ 5,000					
DEDUCTIBLE EMPLOYMENT OFFENSE	\$ 5,000					
DEDUCTIBLE INJUNCTIVE OR DECLARATORY RELIEF	\$ 5,000					



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 "Office"), 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 30, 2023.

**Report on 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 or significant deficiencies may exist that were not identified.

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

### Report on 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.

January 30, 2023  
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 Federal and State Program:  
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

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 Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited Lincoln Park Board of Education's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and 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, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 federal and state programs for the fiscal year ended June 30, 2022.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

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

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

January 30, 2023  
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, 2022

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021		Cancellation of Prior Years Encumbrances	Balance at June 30, 2022	
					Budgetary Accounts Receivable	Due to Grantor		Budgetary Accounts Receivable	Due to Grantor
<b>U.S. Department of Education:</b>									
<b>Special Revenue Fund:</b>									
<b>Passed-through State Department of Education: Elementary and Secondary Education Act:</b>									
Title I	84.010A	ESEA265022	7/1/21-9/30/22	\$ 103,158	\$ (32,299)	\$ 50,861		\$ (34,121)	
	84.010A	ESEA265021	7/1/20-9/30/21	87,951	(32,299)	83,160		(34,121)	
Total Title I				28,687	(2,702)	13,776		(1,770)	
Title II	84.367A	ESEA265022	7/1/21-9/30/22	20,840	(2,702)	2,702		(1,770)	
	84.367A	ESEA265021	7/1/20-9/30/21			16,478		(1,770)	
Total Title II				37,900	(4,190)	17,855		(19,260)	
Title III	84.365A	ESEA265022	7/1/21-9/30/22	17,932		4,190			
	84.365A	ESEA265021	7/1/20-9/30/21	19,422			\$ (3,890)		
	84.365A	ESEA265020	7/1/19-9/30/20	10,258		43	(43)		
	84.365A	ESEA265018	7/1/17-6/30/18	1,540		115	(661)	(546)	
Total Title III - Immigrant	84.365A	ESEA265022	7/1/21-9/30/22	10,000	(4,190)	6,090	(3,933)	(19,806)	
Total Title III				10,000		10,000			
Title IV	84.424A	ESEA265022	7/1/21-9/30/22	10,000		10,000			
Total Title IV				10,000		10,000			
<b>Education Stabilization Fund:</b>									
COVID-19 - CARES Emergency Relief	84.425D	CARES265022	3/13/20-9/30/22	74,338	(9,111)	15,771		(6,660)	
COVID-19 - CRRSA ESSER II	84.425D	S425D210027	3/13/20-9/30/23	288,409	(18,828)	67,399		(150,073)	(101,502)
COVID-19 - CRRSA Learning Accelerating	84.425D	S425D210027	3/13/20-9/30/23	25,000	(103)	7,052		(6,949)	
COVID-19 - CRRSA Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000		8,561		(8,561)	
COVID-19 - ARP ESSER III	84.425U	S425U210027	3/13/20-9/30/24	648,182				(151,628)	
COVID-19 - ARP Evidence Based	84.425U	S425U210027	3/13/20-9/30/24	40,000				(13,752)	
Summer Learning	84.425U	S425U210027	3/13/20-9/30/24	40,000				(13,752)	
COVID-19 - ARP Evidence Based Comprehensive Beyond the Day School	84.425U	S425U210027	3/13/20-9/30/24	40,000	(28,042)	98,783		(6,597)	
Total Education Stabilization Fund				1,000,000	(56,134)	200,536		(273,479)	
<b>Special Education Cluster (IDEA):</b>									
ARP - IDEA Part B, Basic Regular	84.027	IDEA265022	7/1/21-9/30/22	39,696		33,226		(39,696)	
IDEA Part B, Basic Regular	84.027	IDEA265022	7/1/21-9/30/22	256,657	(2,028)	256,657		(256,657)	
IDEA Part B, Basic Regular	84.027	IDEA265021	7/1/20-9/30/21	263,030		2,028			
ARP - IDEA Part B, Preschool	84.173	IDEA265022	7/1/21-9/30/22	3,384		1,443		(3,318)	(875)
IDEA Part B, Preschool	84.173	IDEA265022	7/1/21-9/30/22	9,174		9,174		(9,174)	
IDEA Part B, Preschool	84.173	IDEA265018	7/1/17-6/30/18	8,819	(2,028)	59	(59)	(307,845)	(7,345)
Total Special Education Cluster (IDEA)				600,656	(69,261)	300,528	(3,992)	(784,299)	(336,521)
Total U.S. Department of Education				1,600,656	(115,495)	517,039	(3,992)	(1,068,824)	(473,042)

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Adjustments	Cancellation of Prior Years' Encumbrances	Balance at June 30, 2022		Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Due to Grantor					Budgetary Accounts Receivable	Due to Grantor	
<b>U.S. Department of Agriculture:</b>													
Passed-through State Department of Agriculture:													
Child Nutrition Cluster													
Food Distribution Program	10.555	N/A	7/1/21-6/30/22	\$ 19,383		\$ 19,383	\$ (18,097)				\$ 1,286		
Food Distribution Program	10.555	N/A	7/1/20-6/30/21	22,075			(1,187)						
COVID-19 - Seamless Summer Option	10.555	N/A	7/1/21-6/30/22	474,590		433,010	(474,590)				\$ (41,580)		
COVID-19 - Seamless Summer Option	10.555	N/A	7/1/20-6/30/21	165,268		10,677							
Emergency Operational Cost Program	10.555	N/A	7/1/21-6/30/22	5,651		5,651	(5,651)						
Total Child Nutrition Cluster						468,721	(499,525)				(41,580)	1,286	
Pandemic Electronic Benefit Transfer (P-EBT)	10.649	N/A	7/1/21-6/30/22	1,242		1,242	(1,242)						
Total U.S. Department of Agriculture						469,963	(500,767)				(41,580)	1,286	
<b>U.S. Department of Health and Human Services:</b>													
Medicaid Cluster:													
Medicaid Assistance Program	93.778	N/A	7/1/21-6/30/22	23,239		23,239	(23,239)						
Total U.S. Department of Health and Human Services						23,239	(23,239)						
Total Federal Awards						\$1,010,241	\$(1,308,305)	\$ (3,992)		\$ -0-	\$(378,101)	\$ 1,286	\$ -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, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021			Balance at June 30, 2022			Memo
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	GAAP Accounts Receivable	Budgetary Unearned Revenue	
<b>State Department of Education:</b>										
<b>General Fund State Aid:</b>										
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	\$ 635,819			\$ 579,659	\$ (635,819)		\$ (56,160)	\$ 635,819
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	909,427			829,100	(909,427)		(80,327)	909,427
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	136,362			124,317	(136,362)		(12,045)	136,362
Adjustment Aid	22-495-034-5120-085	7/1/21-6/30/22	103,853			94,680	(103,853)		(9,173)	103,853
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	413,718				(413,718)		(413,718)	413,718
Transportation Aid - Non-public reimbursement	22-495-034-5120-014	7/1/21-6/30/22	17,007				(17,007)		(17,007)	17,007
Reimbursed TPAF Social Security Contributions	22-495-034-5095-003	7/1/21-6/30/22	553,308			525,883	(553,308)		(27,425)	553,308
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/1/21-6/30/22	629,033			629,033	(629,033)			629,033
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/21-6/30/22	2,654,853			2,654,853	(2,654,853)			2,654,853
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21-6/30/22	37,456			37,456	(37,456)			37,456
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21-6/30/22	1,206			1,206	(1,206)			1,206
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	635,819	\$ (56,626)		56,626				635,819
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	838,014	(74,634)		74,634				838,014
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	136,362	(12,144)		12,144				136,362
Adjustment Aid	21-495-034-5120-085	7/1/20-6/30/21	103,853	(9,249)		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
Transportation Aid - Non-public reimbursement	21-495-034-5120-014	7/1/20-6/30/21	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	(25,994)		25,994				518,689
<b>Total General Fund State Aid</b>				(425,100)		5,901,287	(6,092,042)	(458,150)	(615,855)	8,571,232
<b>Special Revenue Fund</b>										
Anti Bullying Aid	N/A	7/1/13-6/30/22	3,604							
<b>Total Special Revenue Fund</b>										
<b>Debt Service Fund:</b>										
Debt Service State Aid Support	22-495-034-5120-017	7/1/21-6/30/22	63,976			63,976	(63,976)			63,976
<b>Total Debt Service Fund</b>										
<b>Enterprise Fund:</b>										
Seamless Summer Program	22-100-010-3350-023	7/1/21-6/30/22	10,773			9,845	(10,773)	(928)	(928)	10,773
Seamless Summer Program	21-100-010-3350-023	7/1/20-6/30/21	5,341	(1,078)		1,078				5,341
<b>Total Enterprise Fund</b>				(1,078)		10,923	(10,773)	(928)	(928)	16,114
<b>General Fund:</b>										
NJ Schools Development Authority:										
School Development Authority -	2650-035-14-1001	3/26/14-6/30/16	46,500				(46,500)	(46,500)	(46,500)	46,500
Securing our Children's Future Bond Act	N/A	7/1/21-6/30/22								
<b>Total State Awards</b>				\$ (426,178)		\$ 5,976,186	\$ (6,213,291)	\$ (505,578)	\$ (663,283)	\$ 8,697,822

N/A - Not available

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Balance at June 30, 2022		Memo
				Budgetary Accounts Receivable	Budgetary Unearned Revenue			GAAP Accounts Receivable	Budgetary Unearned Revenue	
Less: State Awards Not Subject to Single Audit Major Program Determination										
On-Behalf TPAF Pension System Contributions:										
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/1/21-6/30/22	\$ (629,033)				\$ 629,033			
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/21-6/30/22	(2,654,853)				2,654,853			
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21-6/30/22	(37,456)				37,456			
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21-6/30/22	(1,206)				1,206			
Subtotal - On-Behalf TPAF Pension System Contributions										
							3,322,548			
Total State Awards Subject to Single Audit Major Program Determination										\$ (2,890,743)

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022. 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 \$5,052 for the General Fund and \$120,936 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, 2022

(Continued)

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

	Federal	State	Total
General Fund	\$ 23,239	\$ 6,133,490	\$ 6,156,729
Special Revenue Fund	663,363		663,363
Debt Service Fund		63,976	63,976
Food Service Fund	500,767	10,773	511,540
Total Awards	\$ 1,187,369	\$ 6,208,239	\$ 7,395,608

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, 2022.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 federal or state program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance* Required by the Uniform Guidance and NJ OMB 15-08.
- The auditor's report on compliance for each major federal and state program for the District expresses an unmodified opinion on each major federal and state program.
- 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 federal and state programs for the current fiscal year consisted of the following awards:

	Assistance Listing/ State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
State:				
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	\$ 909,427	\$ 909,427
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	136,362	136,362
Adjustment Aid	22-495-034-5120-085	7/1/21-6/30/22	103,853	103,853
Federal:				
Special Education Cluster (I.D.E.A.)				
COVID-19 A.R.P. - I.D.E.A. Part B, Basic	84.027X	7/1/21-9/30/22	39,696	39,696
I.D.E.A. Part B, Basic	84.027	7/1/21-9/30/22	256,657	256,657
COVID-19 A.R.P. - I.D.E.A. Preschool	84.173X	7/1/21-9/30/22	3,384	2,318
I.D.E.A. Preschool	84.173	7/1/21-9/30/22	9,174	9,174
Child Nutrition Cluster				
Food Distribution Program	10.555	7/1/21-6/30/22	19,383	18,097
Food Distribution Program	10.555	7/1/20-6/30/21	22,075	1,187
COVID-19 - Seamless Summer Option	10.555	7/1/21-6/30/22	474,590	474,590
Emergency Operational Cost Program	10.555	7/1/21-6/30/22	5,651	5,651

- The threshold used for distinguishing between Type A and Type B federal and state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for state programs and not a "low-risk" auditee for federal programs.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(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:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

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, 2022

Status of Prior Year Findings:

The District had no prior year audit findings.