

**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, 2023**

**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, 2023**

**Prepared by**

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

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INTRODUCTORY SECTION  
(UNAUDITED)

# Lincoln Park Public Schools

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

Michael Meyer  
Superintendent of Schools

Devanshu Modi, CPA, SFO  
Business Administrator/Board Secretary

November 6, 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, 2023, 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 2022-2023 fiscal year with an enrollment of 864 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 2022-2023 school year, approximately 307 students attended Boonton High School, 54 students attended the Morris County Academies, 42 students attended the Pequannock Academies, and 3 students attended choice schools. The Lincoln Park Board of Education was responsible for the education of 1,370 students, which includes 15 out of district placed students.

2) ECONOMIC CONDITION AND OUTLOOK: The community of the Lincoln Park Borough School District continues 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 is our paramount goal for the district. While the pandemic closures were several years in the past, the effects of the pandemic are still impacting student performance. We will continue to focus on our language arts program at the elementary level, utilizing our teacher coach to provide support to our teachers in data analysis as well as instructional techniques, especially with our newer teachers. We will continue to assist our teachers in providing support to our tier 2 students with the goal of supporting these students before their needs increase further. This will allow our BSI teachers to target a smaller group of at-risk students and hopefully minimize the number of referrals to the child study team. Students in grades 6 – 8 are scheduled with a Gryphon Goals period when teachers provide SEL lessons two days per week. The other three days allow teachers to provide targeted assistance to tier 2 and tier 3 students.

We will continue to provide instruction in social/emotional learning for all of our students. The elementary school will be participating in the grant program DREAMS (Developing Resiliency with Engaging Approaches to Maximize Success). Two staff members will be trained in the Nurtured Heart approach to dealing with disruptive students. With the addition of the discipline advisor position, we are hoping to see both short- and long-term improvement throughout all grades in the district. This will be monitored with another school climate survey in the spring of 2024. We will continue to utilize the Sage-Thrive program, funded through the ARP ESSER grant, to provide support for students who are struggling with social and emotional issues through a full-time counselor at the middle school and a part-time counselor at the elementary school.

The upgrades to the district's Wi-Fi network should be completed by the end of January 2024 as the switches that were on back order arrived in November 2023. This should eliminate many of the Wi-Fi issues that teachers and students have been experiencing since our use of technology has continued to expand. Over two hundred new Chromebooks have been ordered for use in grades one and five. The devices that were used by our former fourth and eighth graders have reached their end-of-life date but will continue to be utilized as a back-up device for any sent out for repairs or in an emergency. Thirty additional iPads have been ordered to supplement our computer needs for children in preschool or kindergarten.

Ongoing school improvement initiatives included:

- The District strives to maintain class sizes of 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 continually exploring all possibilities for universal preschool in Lincoln Park through the state's preschool expansion aid program. Our lack of classroom space necessitates a partnership with existing preschools or finding available space that the district could possibly lease in order to house the additional classes needed. The district will continue to work with various community groups to seek an opportunity to apply for the aide.



- The district upgraded our Blackboard communication system this summer. This will make contact with parents and staff via email, text or voice call, more efficient than ever before. The district has expanded its use of social media as a communication tool as well and these practices will continue.

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 eighty-eight certified staff members, six paraprofessionals, thirty-six instructional aides, three school counselors, two school nurses, five Child Study Team members and four other certificated staff 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. This summer, four additional elementary classes were remediated for asbestos floor tiles. There are now only four remaining classrooms with asbestos tiles to be remediated.

**Referendum:**

The roofing project and the boiler project were both begun over the summer of 2023 and should be completed in early 2024 at the latest. Materials for the STEM lab upgrade will be ordered in the coming months and the HVAC project will go out to bid in the fall of 2023. The construction project for the four classes at the elementary school and the secure vestibule/lobby upgrade for the middle school will go out to bid this year as well.

**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, 2023.

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,



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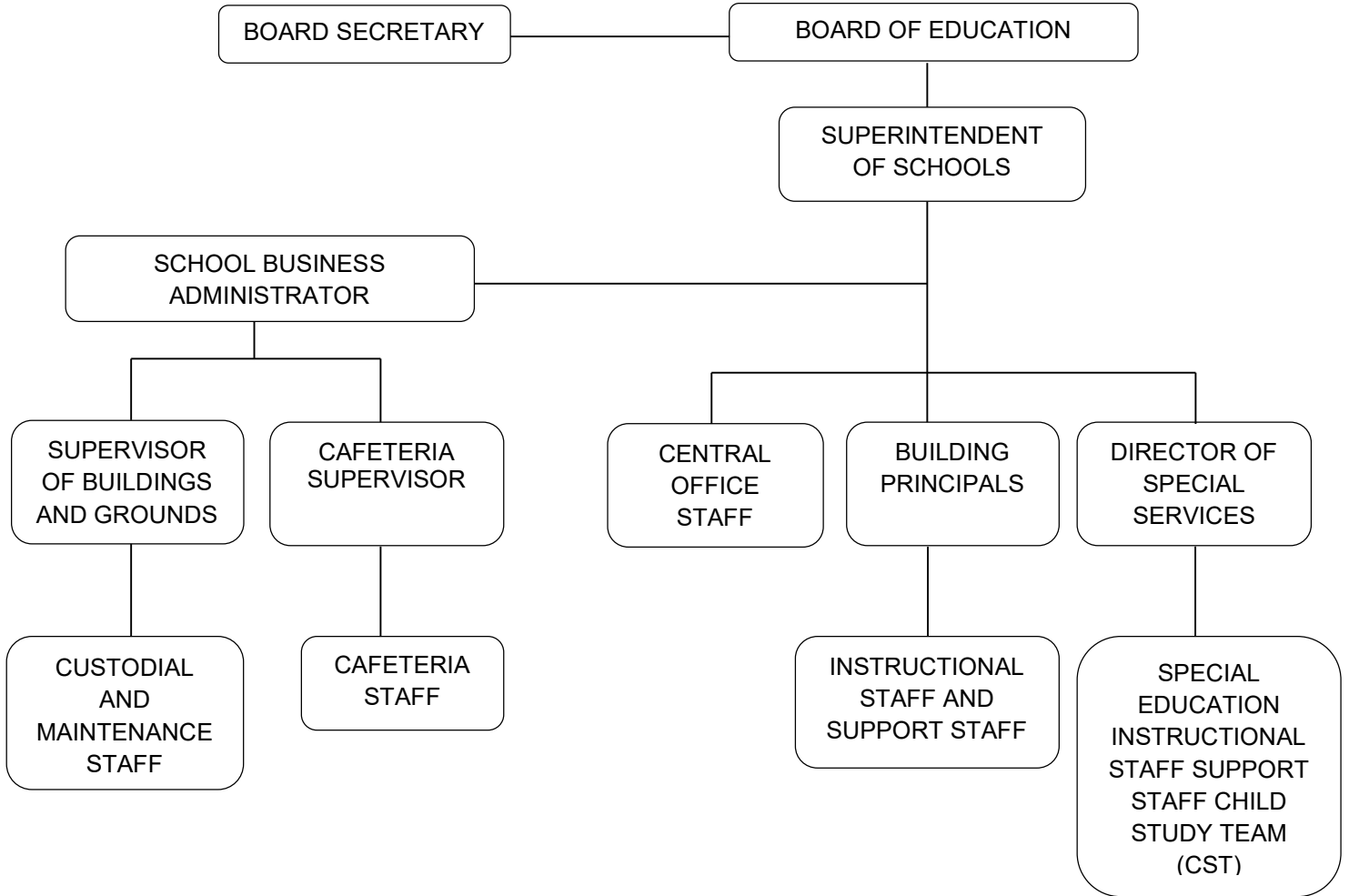
Michael Meyer  
Superintendent



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Devanshu Modi  
Business Administrator/Board Secretary

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
ORGANIZATIONAL CHART



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2023

<u>Members of the Board of Education</u>	<u>Term</u>	<u>Term Expires</u>
Jennifer Aiello - Board President	3 Years	2026
Tom Henches -Vice President	3 Years	2026
Mark Halupka	3 Years	2025
Dawn Caicedo	3 Years	2025
Sandra Vucenovic	3 Years	2025
Dana Everest	3 Years	2024
Donna Harney	3 Years	2024

Other Officers

Michael Meyer, Superintendent

Nicole C. Schoening, CPA, SFO, Business Administrator (Through 9/30/2023)

Devanshu Modi, Business Administrator (From 10/1/2023)

Kelly Meehan, Treasurer of School Moneys

Nathanya Simon, Board Counsel

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

**Attorney**

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100 South Jefferson Road  
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**Bond Counsel**

Charles A. Solimine  
Wilents, Goldman & Spitzer, P.A.  
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Woodbridge, New Jersey 07095

**Audit Firm**

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

**Official Depositories**

Valley National Bank  
1455 Valley Road  
Wayne, NJ 07470

New Jersey Asset & Rebate Management Program  
PO Box 11813  
Harrisburg, PA 17108-1813

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, 2023, 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, 2023, 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.

#### ***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 November 6, 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.

November 6, 2023  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*John J. Mooney*  
\_\_\_\_\_  
John J. Mooney  
Licensed Public School Accountant #2602  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

## Management’s Discussion and Analysis

This section of Lincoln Park Borough School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2023. 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**

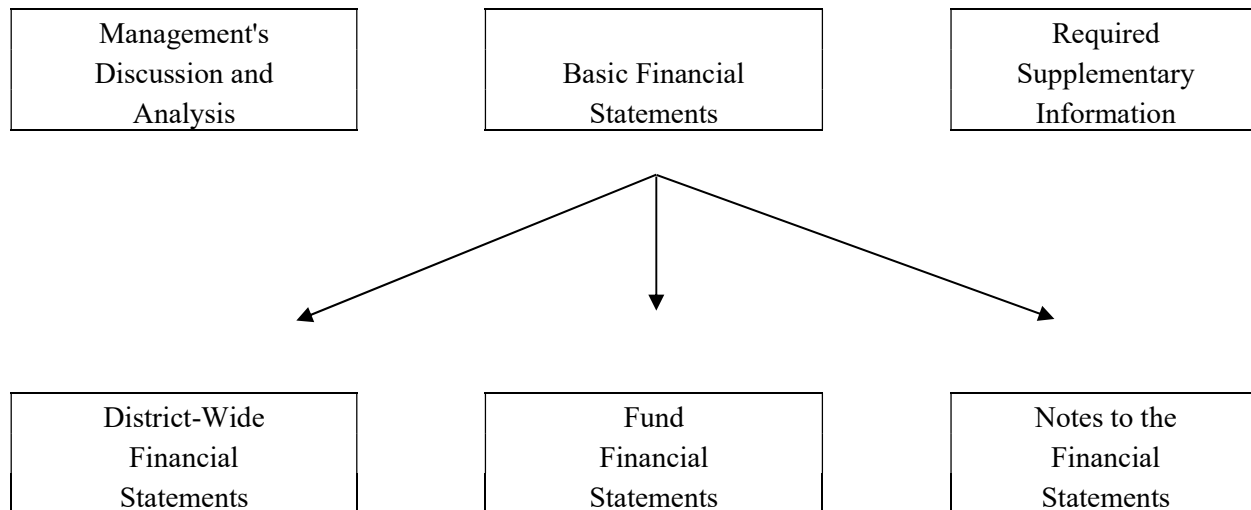


Table 2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents 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, subscription 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 liabilities) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

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

**Notes to the basic financial statements:**

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

**Financial Analysis of the District as a Whole**

*Net Position.* The District’s combined net position increased by \$46,608. Net position from governmental activities decreased by \$50,277 and net position from business-type activities increased by \$96,885. Net investment in capital assets increased by \$32,693, restricted net position increased by \$34,150 and unrestricted net position decreased by \$20,235.

**Table 3**

**Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	
Current and Other Assets	\$ 4,306,199	\$ 12,834,402	\$ 157,562	\$ 237,697	\$ 4,463,761	\$ 13,072,099	
Capital Assets, Net	6,069,278	7,190,024	69,799	82,805	6,139,077	7,272,829	
Total Assets	<u>10,375,477</u>	<u>20,024,426</u>	<u>227,361</u>	<u>320,502</u>	<u>10,602,838</u>	<u>20,344,928</u>	91.88%
Deferred Outflows of Resources	<u>364,229</u>	<u>342,511</u>			<u>364,229</u>	<u>342,511</u>	-5.96%
Other Liabilities	896,711	1,221,557	41,899	38,155	938,610	1,259,712	
Long-term Liabilities	1,848,912	12,323,442			1,848,912	12,323,442	
Total Liabilities	<u>2,745,623</u>	<u>13,544,999</u>	<u>41,899</u>	<u>38,155</u>	<u>2,787,522</u>	<u>13,583,154</u>	387.28%
Deferred Inflows of Resources	<u>2,231,699</u>	<u>1,109,831</u>			<u>2,231,699</u>	<u>1,109,831</u>	-50.27%
Net Investment in Capital Assets	5,879,278	5,898,965	69,799	82,805	5,949,077	5,981,770	
Restricted	1,730,190	1,764,340			1,730,190	1,764,340	
Unrestricted/(Deficit)	<u>(1,847,084)</u>	<u>(1,951,198)</u>	<u>115,663</u>	<u>199,542</u>	<u>(1,731,421)</u>	<u>(1,751,656)</u>	
Total Net Position	<u>\$ 5,762,384</u>	<u>\$ 5,712,107</u>	<u>\$ 185,462</u>	<u>\$ 282,347</u>	<u>\$ 5,947,846</u>	<u>\$ 5,994,454</u>	0.78%

*Changes in Net Position.* The District’s combined net position was \$5,994,454 on June 30, 2023, an increase of \$46,608 or 0.78% over the previous year (see Table 3). Net position in the Governmental Activities increased due primarily to capital assets additions, changes in net pension liability and related deferred outflows and inflows; offset by depreciation expense, a decrease in tuition reserve, and the issuance of serial bonds. An explanation for the change in Net Position for Business-Type Activities is included later in this section of the report.

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

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	
Revenue:							
Program Revenue:							
Charges for Services	\$ 307,787	\$ 158,199	\$ 55,515	\$ 302,204	\$ 363,302	\$ 460,403	
Operating Grants and Contributions	5,926,736	5,672,406	511,540	225,554	6,438,276	5,897,960	
General Revenue:							
Property Taxes	20,769,638	21,382,074			20,769,638	21,382,074	
Unrestricted State and Federal Aid	350,866	303,414			350,866	303,414	
Other	433,398	839,469	210	8,307	433,608	847,776	
<b>Total Revenue</b>	<b>27,788,425</b>	<b>28,355,562</b>	<b>567,265</b>	<b>536,065</b>	<b>28,355,690</b>	<b>28,891,627</b>	<b>1.89%</b>
Expenses:							
Instruction	12,205,926	12,387,932			12,205,926	12,387,932	
Pupil and Instruction Services	11,275,179	10,810,447			11,275,179	10,810,447	
Administrative and Business	1,610,336	1,627,059			1,610,336	1,627,059	
Maintenance and Operations	1,288,083	1,300,073			1,288,083	1,300,073	
Transportation	1,673,763	1,930,528			1,673,763	1,930,528	
Other	10,335	349,800	470,420	439,180	480,755	788,980	
<b>Total Expenses</b>	<b>28,063,622</b>	<b>28,405,839</b>	<b>470,420</b>	<b>439,180</b>	<b>28,534,042</b>	<b>28,845,019</b>	<b>1.09%</b>
Increase/(Decrease) in Net Position	\$ (275,197)	\$ (50,277)	\$ 96,845	\$ 96,885	\$ (178,352)	\$ 46,608	126.13%

**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	
	2021/22	2022/23	2021/22	2022/23
Instruction	\$ 12,205,926	\$ 12,387,932	\$ 7,763,366	8,365,041
Pupil and Instruction Services	11,275,179	10,810,447	10,420,053	9,876,312
Administrative and Business	1,610,336	1,627,059	1,326,791	1,412,452
Maintenance and Operations	1,288,083	1,300,073	1,288,083	1,300,073
Transportation	1,673,763	1,930,528	1,020,471	1,271,556
Other	10,335	349,800	10,335	349,800
	<u>\$ 28,063,622</u>	<u>\$ 28,405,839</u>	<u>\$ 21,829,099</u>	<u>\$ 22,575,234</u>

***Business-Type Activities***

Net position from the District's business-type activity increased by \$96,885 (refer to Table 4). Factors contributing to these results included Food Service Fund revenue exceeded expenses.

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

The District's financial position increased overall on a fund basis primarily due to the increase in net investment in capital assets. 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
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	
Land	\$ 719,980	\$ 719,980			\$ 719,980	\$ 719,980	
Construction in Progress	104,528	1,291,059				1,291,059	
Site Improvements	484,595	514,990			484,595	514,990	
Buildings and Building Improvements	4,388,172	4,234,209			4,388,172	4,234,209	
Furniture, Machinery and Equipment	372,003	429,786	\$ 69,799	\$ 82,805	441,802	512,591	
	<u>\$ 6,069,278</u>	<u>\$ 7,190,024</u>	<u>\$ 69,799</u>	<u>\$ 82,805</u>	<u>\$ 6,034,549</u>	<u>\$ 7,272,829</u>	20.52%



During the fiscal year, the District acquired or constructed \$363,140 in capital asset additions (\$340,148 from its governmental activities and \$22,992 from its business-type activities) for various capital projects; offset by \$415,669 in current year depreciation (\$405,683 from its governmental activities and \$9,986 from its business-type activities).

**Long-term Liabilities**

**Table 7  
Outstanding Long-Term Liabilities**

	Total School District		Total Percentage Change
	2021/22	2022/23	
General Obligation Bonds (Financed with Property Taxes)	\$ 190,000	\$ 10,211,000	
Net Pension Liability	1,578,250	2,003,965	
Other Long-Term Liabilities	80,662	108,477	
	<u>\$ 1,848,912</u>	<u>\$ 12,323,442</u>	566.52%

- The District issued \$10,211,000 in serial bonds for various projects approved under the 2022 referendum.
- The District continued to pay down its bonded debt, retiring \$190,000 of outstanding bonds.
- Compensated absences payable increased by a net amount of \$27,815.
- Net pension liability increased by \$425,715.

**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, 2023, the district was able to increase the balances in these accounts.

As the District begins budget development for the 2024-2025 school year, the challenges are maintaining the level of support our students and staff deserve while struggling with rising costs in transportation, health care and tuition.

**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 Mr. Devanshu Modi, 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, 2023

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 10,014,513	\$ 202,066	\$ 10,216,579
Receivables from State Government	408,633	1,297	409,930
Receivables from Federal Government	408,577	26,484	435,061
Other Accounts Receivables	101,222		101,222
Internal Balances	(2,460)	2,460	
Inventory		5,390	5,390
Lease Receivable	562,196		562,196
Restricted Cash and Cash Equivalents	1,341,721		1,341,721
Capital Assets:			
Sites (Land)	2,011,039		2,011,039
Depreciable Site Improvements, Buildings and Building Improvements and Furniture, Machinery and Equipment	5,178,985	82,805	5,261,790
Total Assets	<u>20,024,426</u>	<u>320,502</u>	<u>20,344,928</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
District Contribution Subsequent to Measurement Date - Pension	160,166		160,166
Deferred Outflows Related to Pensions	182,345		182,345
Total Deferred Outflows of Resources	<u>342,511</u>		<u>342,511</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	629,904	4,074	633,978
Unearned Revenue	243,932	34,081	278,013
Accrued Interest Payable	347,721		347,721
<b>Non-Current Liabilities:</b>			
Due Within One Year	336,000		336,000
Due Beyond One Year	11,987,442		11,987,442
Total Liabilities	<u>13,544,999</u>	<u>38,155</u>	<u>13,583,154</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Lease Resources	562,196		562,196
Deferred Inflows Related to Pensions	547,635		547,635
Total Deferred Inflows of Resources	<u>1,109,831</u>		<u>1,109,831</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	5,898,965	82,805	5,981,770
Restricted for:			
Capital Projects	541,376		541,376
Maintenance Reserve	130,765		130,765
Tuition Reserve	600,000		600,000
Unemployment Compensation	45,270		45,270
Student Activities	69,580		69,580
Debt Service	377,349		377,349
Unrestricted/(Deficit)	(1,951,198)	199,542	(1,751,656)
Total Net Position	<u>\$ 5,712,107</u>	<u>\$ 282,347</u>	<u>\$ 5,994,454</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, 2023

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	\$ 8,770,459	\$ 75,474	\$ 2,015,829	\$ (6,679,156)		\$ (6,679,156)
Special Education	3,007,947		1,807,671	(1,200,276)		(1,200,276)
Other Special Instruction	506,037		123,917	(382,120)		(382,120)
Other Instruction	103,489			(103,489)		(103,489)
Support services:						
Tuition	8,131,954		259,919	(7,872,035)		(7,872,035)
Student & Instruction Related Services	2,678,493	82,725	591,491	(2,004,277)		(2,004,277)
General Administrative Services	525,699		58,232	(467,467)		(467,467)
School Administrative Services	626,876		106,011	(520,865)		(520,865)
Central Services	448,838		50,364	(398,474)		(398,474)
Administration Information Technology	25,646			(25,646)		(25,646)
Plant Operations and Maintenance	1,300,073			(1,300,073)		(1,300,073)
Pupil Transportation	1,930,528		658,972	(1,271,556)		(1,271,556)
Interest on Long-Term Debt	349,800			(349,800)		(349,800)
Total Governmental Activities	28,405,839	158,199	5,672,406	(22,575,234)		(22,575,234)
Business-Type Activities:						
Food Service	439,180	302,204	225,554		\$ 88,578	88,578
Total Business-Type Activities	439,180	302,204	225,554		88,578	88,578
Total Primary Government	\$ 28,845,019	\$ 460,403	\$ 5,897,960	(22,575,234)	88,578	(22,486,656)

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDING JUNE 30, 2023

	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				\$ 21,250,856		\$ 21,250,856
Taxes Levied for Debt Service				131,218		131,218
Unrestricted Federal and State Aid				303,414		303,414
Interest Earnings				513,023	\$ 8,307	521,330
Miscellaneous Income				326,446		326,446
Total General Revenue				<u>22,524,957</u>	<u>8,307</u>	<u>22,533,264</u>
Change in Net Position				(50,277)	96,885	46,608
Net Position - Beginning				5,762,384	185,462	5,947,846
Net Position - Ending				<u>\$ 5,712,107</u>	<u>\$ 282,347</u>	<u>\$ 5,994,454</u>

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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 700,378		\$ 9,518,864	\$ 1	\$ 10,219,243
Receivables From State Government	408,633				408,633
Receivable From Federal Government		\$ 408,577			408,577
Other Receivable	96,480	4,742			101,222
Interfund Receivable	363,556			377,348	740,904
Restricted Cash and Cash Equivalents	1,067,411	69,580			1,136,991
<b>Total Assets</b>	<u>\$ 2,636,458</u>	<u>\$ 482,899</u>	<u>\$ 9,518,864</u>	<u>\$ 377,349</u>	<u>\$ 13,015,570</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 210,043	\$ 38,120	\$ 221,575		\$ 469,738
Deposit Payable					
Interfund Payable	2,460	363,556	377,348		743,364
Unearned Revenue	232,289	11,643			243,932
<b>Total Liabilities</b>	<u>444,792</u>	<u>413,319</u>	<u>598,923</u>		<u>1,457,034</u>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve Account	541,376				541,376
Maintenance Reserve Account	130,765				130,765
Tuition Reserve - Designated for 2024-2025	250,000				250,000
Tuition Reserve - Designated for 2023-2024	350,000				350,000
Unemployment Compensation	45,270				45,270
Student Activities		69,580			69,580
Debt Service				\$ 377,349	377,349
Capital Projects			8,919,941		8,919,941
<b>Assigned:</b>					
Year-end Encumbrances	143,331				143,331
For Subsequent Year's Expenditures	250,000				250,000
Unassigned	480,924				480,924
<b>Total Fund Balances</b>	<u>2,191,666</u>	<u>69,580</u>	<u>8,919,941</u>	<u>377,349</u>	<u>11,558,536</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,636,458</u>	<u>\$ 482,899</u>	<u>\$ 9,518,864</u>	<u>\$ 377,349</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.	7,190,024
Interest on Long-Term Debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.	(347,721)
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.	(12,323,442)
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	<u>(365,290)</u>
<b>Net Position of Governmental Activities</b>	<u>\$ 5,712,107</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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 21,250,856			\$ 131,218	\$ 21,382,074
Tuition from Individuals	75,474				75,474
Rents and Royalties	316,069				316,069
Interest Earned on Maintenance Reserve Funds	6,136				6,136
Interest Earned on Capital Reserve Funds	23,687				23,687
Unrestricted Miscellaneous Revenues	116,229	\$ 12,739	\$ 377,348		506,316
Restricted Miscellaneous Revenue		82,725			82,725
Total - Local Sources	21,788,451	95,464	377,348	131,218	22,392,481
State Sources	6,257,767	6,496		62,938	6,327,201
Federal Sources	38,324	1,133,162			1,171,486
Total Revenue	28,084,542	1,235,122	377,348	194,156	29,891,168
EXPENDITURES:					
Current:					
Regular Instruction	6,572,669	487,994			7,060,663
Special Education Instruction	2,544,344				2,544,344
Other Special Instruction	375,247				375,247
Other Instruction	108,119				108,119
Support Services and Undistributed Costs:					
Tuition	7,872,035	259,919			8,131,954
Student & Instruction Related Services	1,986,479	494,360			2,480,839
General Administrative Services	460,287				460,287
School Administrative Services	515,809				515,809
Central Services	401,159				401,159
Administrative Information Technology	25,646				25,646
Plant Operations and Maintenance	1,315,341				1,315,341
Pupil Transportation	1,889,468				1,889,468
Unallocated Benefits	4,234,123				4,234,123
Capital Outlay	343,819		1,186,531		1,530,350
Debt Service:					
Principal				190,000	190,000
Interest and Other Charges				4,157	4,157
Total Expenditures	28,644,545	1,242,273	1,186,531	194,157	31,267,506
Excess/(Deficit) of Revenue Over/(Under)					
Expenditures	(560,003)	(7,151)	(809,183)	(1)	(1,376,338)
OTHER FINANCING SOURCES/(USES):					
Serial Bonds Issued			10,211,000		10,211,000
Transfers			(377,348)	377,348	
Total Other Financing Sources/(Uses)			9,833,652	377,348	10,211,000
Excess/(Deficit) of Revenues and Other Financing					
Sources Over/(Under) Expenditures and Other					
Financing Uses	(560,003)	(7,151)	9,024,469	377,347	8,834,662
Fund Balance/(Deficit) - July 1	2,751,669	76,731	(104,528)	2	2,723,874
Fund Balance/ (Deficit) - June 30	\$ 2,191,666	\$ 69,580	\$ 8,919,941	\$ 377,349	\$ 11,558,536

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, 2023

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 8,834,662

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 and disposal of capital assets differs from capital outlays in the period.

Depreciation Expense	\$ (405,683)
Disposal of Capital Assets, Net of Accumulated Depreciation	(250)
Capital Outlays	<u>1,526,679</u>
	1,120,746

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 (+).

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.

Proceeds from debt issues are an other financing source in the governmental funds. They are not revenue in the Statement of Activities; issuing debt increases long-term liabilities in the Statement of Net Position. (10,211,000)

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 (+). (27,815)

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	(425,715)
Changes in Deferred Outflows and Inflows Related to Pensions	<u>814,488</u>
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ (50,277)</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, 2023

	Business-type Activities - Enterprise Funds Food Service
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 202,066
Intergovernmental Accounts Receivable:	
Federal	26,484
State	1,297
Interfund Receivable	2,460
Inventories	5,390
Total Current Assets	237,697
Non-Current Assets:	
Capital Assets	218,951
Less: Accumulated Depreciation	(136,146)
Total Non-Current Assets	82,805
Total Assets	320,502
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	4,074
Unearned Revenue - Donated Commodities	401
Unearned Revenue - Prepaid Sales	3,812
Unearned Revenue - Supply Chain Assistance	29,868
Total Liabilities	38,155
<u>NET POSITION:</u>	
Investment in Capital Assets	82,805
Unrestricted	199,542
Total Net Position	\$ 282,347

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, 2023

	Business-type Activities - Enterprise Funds
	Food Service
Operating Revenue:	
Daily Sales:	
Reimbursable Programs	\$ 185,078
Non-Reimbursable Programs	117,126
	302,204
Total Operating Revenue	302,204
Operating Expenses:	
Cost of Sales - Reimbursable Programs	100,858
Cost of Sales - Nonreimbursable Programs	74,262
Salaries	159,936
Benefits & Payroll Taxes	46,039
Purchased Professional Services	4,285
Management Fee	21,127
Supplies and Repairs	16,813
Miscellaneous Expense	5,874
Depreciation Expense	9,986
	439,180
Total Operating Expenses	439,180
Operating Loss	(136,976)
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	6,405
State School Breakfast Program	1
Federal Sources:	
National School Lunch Program	128,714
School Breakfast Program	173
Food Distribution Program	30,293
Supply Chain Assistance	24,134
PPP Loan Reimbursements from Food Service Management Contractor	20,594
National School Lunch Program Equipment Grant	15,240
Local Sources:	
Interest Income	8,307
	233,861
Total Non-Operating Revenue	233,861
Change in Net Position	96,885
Net Position - Beginning of Year	185,462
Net Position - End of Year	\$ 282,347

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, 2023

	Business-type Activities - <u>Enterprise Funds</u> <u>Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 299,651
Payments to Food Service Contractor	(408,284)
Payments to Food Service Vendor	(20,885)
Net Cash (Used for) Operating Activities	<u>(129,518)</u>
Cash Flows from Financing Activities:	
Interest Income	8,307
Net Cash Provided by Financing Activities	<u>8,307</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Equipment	(22,992)
Net Cash (Used for) Capital and Related Financing Activities	<u>(22,992)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources:	6,037
Federal Sources:	233,819
Net Cash Provided by Noncapital Financing Activities	<u>239,856</u>
Net Increase in Cash and Cash Equivalents	95,653
Cash and Cash Equivalents, July 1	<u>106,413</u>
Cash and Cash Equivalents, June 30	<u>\$ 202,066</u>
Reconciliation of Operating Income (Loss) to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (136,976)
Adjustment to Reconcile Operating Loss to Net Cash (Used for) Operating Activities:	
Depreciation	9,986
Federal Food Distribution Program	30,293
Changes in Assets and Liabilities:	
Decrease in Inventory	791
(Decrease) in Accounts Payable	(30,174)
(Decrease) in Unearned Revenue - Donated Commodities	(885)
(Decrease) in Unearned Revenue - Prepaid Sales	(2,553)
Net Cash (Used for) Operating Activities	<u>\$ (129,518)</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 \$29,408 and utilized U.S.D.A. Commodities valued at \$30,293.

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, 2023

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, 2023  
(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, 2023  
(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, lease assets or subscription 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, lease asset, or subscription 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, 2023  
(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, 2023, 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, 2023  
(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:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 28,088,970	\$ 1,125,964
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not.		
Current Year Encumbrances		(10,190)
Cancellation of Prior Year Encumbrances		(2,477)
Prior Year Encumbrances		121,825
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	157,705	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(162,133)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 28,084,542</u>	<u>\$ 1,235,122</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 28,644,545	\$ 1,133,115
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		(10,190)
Cancellation of Prior Year Encumbrances		(2,477)
Prior Year Encumbrances		121,825
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 28,644,545</u>	<u>\$ 1,242,273</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(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, 2023  
(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, 2023.

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, 2023  
(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. Subscription Assets:

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. 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.

O. 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, 2023.

P. 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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

P. Compensated Absences: (Cont'd)

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.

Q. 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.

R. Subscription Payable:

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue:

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

T. Fund Balance Appropriated:

General Fund: Of the \$2,191,666 General Fund fund balance at June 30, 2023, \$541,376 is restricted in the capital reserve account; \$130,765 is restricted for the maintenance reserve account; \$250,000 is restricted for the tuition reserve account for fiscal year ending June 30, 2025; \$350,000 is restricted for the tuition reserve account for fiscal year ending June 30, 2024; \$45,270 is restricted for unemployment compensation; \$143,331 is assigned for year-end encumbrances; \$250,000 is assigned and included as anticipated budget revenue for the fiscal year ending June 30, 2024; and \$480,924 is unassigned which is \$162,133 less than the calculated maximum unassigned fund balance, on a budgetary basis, due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2024.

Special Revenue Fund: The \$69,580 fund balance in the Special Revenue Fund at June 30, 2023 is restricted for student activities.

Capital Projects Fund: The \$8,919,941 Capital Projects Fund fund balance at June 30, 2023 is restricted.

Debt Service Fund: Of the \$377,349 restricted fund balance in the Debt Service Fund at June 30, 2023, \$1 is anticipated revenue for the fiscal year ended June 30, 2024 and \$377,348 is restricted for the next subsequent year's budget.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

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 did not have excess surplus.

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.

U. 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, 2023.

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, and subscription 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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

V. 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, the capital projects fund, and the debt service fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed funds at June 30, 2023.

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, 2023.

W. Deficit Net Position:

The District has a deficit in unrestricted net position of \$1,951,198 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.

X. 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.



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

X. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

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.

Y. 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.

Z. 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.

AA. 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.

AB. Pensions:

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the section of this note on investments.

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

Deposits:

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

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;

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

Investments: (Cont'd)

- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

Investments: (Cont'd)

- (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.

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

<u>Accounts</u>	<u>Restricted Cash and Cash Equivalents</u>	<u>Cash and Cash Equivalents</u>	<u>Total</u>
Checking and Savings Accounts	\$ 1,341,721	\$ 697,715	\$ 2,039,436
NJ ARM		9,518,864	9,518,864
	<u>\$ 1,341,721</u>	<u>\$ 10,216,579</u>	<u>\$ 11,558,300</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$11,558,300 and the bank balance was \$12,707,339. The balance of \$9,518,864 in NJ ARM is uninsured and unregistered.

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.

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

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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, 2022		\$ 747,751
Increased by:		
Interest Earned	\$ 23,687	
Board Resolution June 2023	19,067	
		42,754
		790,505
Decreased by:		
Budgeted Withdrawal	180,000	
Withdrawal by Board Resolution	69,138	
Budgeted Withdrawal		249,138
Ending Balance, June 30, 2023		\$ 541,367

The balance in the capital reserve account at June 30, 2023 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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

Beginning Balance	\$ 199,629
Increased by:	
Interest Earned	6,136
	205,765
Decreased by:	
Budgeted Withdrawal	75,000
Ending Balance	\$ 130,765

NOTE 6. TRANSFER TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2023, the District transferred a net \$88,570 to the capital outlay accounts. \$19,432 was transferred to equipment which did not require County Superintendent approval. The remaining \$69,138 transferred to facilities and construction services was a Board approved withdrawal from the capital reserve.

NOTE 7. INTERFUND RECEIVABLES AND PAYABLES

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 363,556	\$ 2,460
Special Revenue Fund		363,556
Capital Projects Fund		377,348
Debt Service Fund	377,348	
Enterprise Fund:		
Food Service Fund	2,460	
	\$ 743,364	\$ 743,364

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. The interfund receivable in the Debt Service Fund is comprised of the current year's interest due from the Capital Projects Fund.

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

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for this fiscal year ended June 30, 2023 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	\$ 1,186,531		1,291,059
Total Capital Assets Not Being Depreciated	<u>824,508</u>	<u>1,186,531</u>		<u>2,011,039</u>
Capital Assets Being Depreciated:				
Site Improvements	1,006,664	41,967		1,048,631
Buildings and Building Improvements	13,779,757	188,380		13,968,137
Machinery and Equipment	2,212,932	109,801	\$ (9,903)	2,312,830
Total Capital Assets Being Depreciated	<u>16,999,353</u>	<u>340,148</u>	<u>(9,903)</u>	<u>17,329,598</u>
Governmental Activities Capital Assets	<u>17,823,861</u>	<u>1,526,679</u>	<u>(9,903)</u>	<u>19,340,637</u>
Less Accumulated Depreciation for:				
Site Improvements	(522,069)	(11,572)		(533,641)
Buildings and Building Improvements	(9,391,585)	(342,343)		(9,733,928)
Machinery and Equipment	(1,840,929)	(51,768)	9,653	(1,883,044)
	<u>(11,754,583)</u>	<u>(405,683)</u>	<u>9,653</u>	<u>(12,150,613)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 6,069,278</u>	<u>\$ 1,120,996</u>	<u>\$ (250)</u>	<u>\$ 7,190,024</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 195,959	\$ 22,992		\$ 218,951
Less Accumulated Depreciation	(126,160)	(9,986)		(136,146)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 69,799</u>	<u>\$ 13,006</u>	<u>\$ -0-</u>	<u>\$ 82,805</u>

The District expended \$1,186,531 on various capital projects during the fiscal year. As of June 30, 2023, the District did not complete the active construction projects.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 187,525
Special Education	55,168
Other Special Instruction	6,896
Other Instruction	3,448
Student and Instruction Related Services	46,345
General Administration	12,348
School Administration	15,681
Central Services	7,320
Operations and Maintenance of Plant	29,575
Student Transportation	41,377
	<u>\$ 405,683</u>

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2022	Accrued	Retired	Balance 6/30/2023	Due Within One Year
Serial Bond Payable	\$ 190,000	\$10,211,000	\$ 190,000	\$ 10,211,000	\$ 336,000
Net Pension Liability	1,578,250	425,715		2,003,965	
Compensated Absences Payable	80,662	27,815		108,477	
	<u>\$ 1,848,912</u>	<u>\$ 10,664,530</u>	<u>\$ 190,000</u>	<u>\$ 12,323,442</u>	<u>\$ 336,000</u>

A. Bonds Payable:

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

A referendum passed on June 28, 2022, authorizing the issuance of \$10,211,000 in bonds to finance several projects including classroom additions, system rehabilitations, educational renovations, and a secure vestibule. On July 19, 2022, the District issued serial bonds of \$10,211,000 with interest rates ranging from 3.25% to 4.00% to fund the referendum projects. The bonds mature on July 15, 2024 through 2042.



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

A. Bonds Payable: (Cont'd)

The District had serial bonds outstanding as of June 30, 2023 as follows:

Purpose	Final Maturity Date	Interest Rate	Amount
Classroom Addition, System Rehabilitation, Educational Renovations, and Secure Vestibule	7/15/2042	3.25% - 4.00%	<u>\$ 10,211,000</u>

Debt service requirements on serial bonds payable at June 30, 2023 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 336,000	\$ 565,670	\$ 901,670
2025	385,000	365,937	750,937
2026	395,000	352,288	747,288
2027	410,000	338,200	748,200
2028	425,000	323,588	748,588
2029-2033	2,335,000	1,381,688	3,716,688
2034-2038	2,735,000	916,812	3,651,812
2039-2042	3,190,000	326,200	3,516,200
	<u>\$ 10,211,000</u>	<u>\$ 4,570,383</u>	<u>\$ 14,781,383</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2023, 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 \$108,477. 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, 2023, no liability existed for compensated absences in the Enterprise Fund.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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, 2023 is \$-0- and the long term portion is \$2,003,965. See Note 10 for further information on the PERS.

NOTE 10. PENSION PLANS:

Substantially all of the Board’s employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers’ Pension and Annuity Fund (TPAF) or the Public Employee’s Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees’ Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees’ Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division’s 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:

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

Service retirement benefits of 1/55<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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A 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. Funding for noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$167,453 for the current fiscal year. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$4,216 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

At June 30, 2023, the District's liability was \$2,003,965 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.013%, which was a decrease of 0.001% from its proportion measured as of June 30, 2021.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(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)

For the fiscal year ended June 30, 2023, the District recognized actual pension benefit in the amount of \$221,321 related to the District's proportionate share of net pension liability. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$4,216 and the District recognized pension expense and revenue for the same amount in the fiscal year ended June 30, 2023 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2023, 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	2018	5.63		\$ 48,171
	2019	5.21		60,198
	2020	5.16		177,015
	2021	5.13		14,689
	2022	5.04	\$ 6,209	
			<u>6,209</u>	<u>300,073</u>
Difference Between Expected and Actual Experience	2018	5.63		1,834
	2019	5.21	4,602	
	2020	5.16	9,862	
	2021	5.13		4,938
	2022	5.04		5,983
			<u>14,464</u>	<u>12,755</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	1,982	
	2020	5.00	59,572	
	2021	5.00	(371,569)	
	2022	5.00	392,957	
			<u>82,942</u>	
Changes in Proportion	2018	5.63		68,272
	2019	5.21	78,730	
	2020	5.16		52,242
	2021	5.13		107,661
	2022	5.04		6,632
			<u>78,730</u>	<u>234,807</u>
District Contribution Subsequent to the Measurement Date	2022	1.00	160,166	
			<u>\$ 342,511</u>	<u>\$ 547,635</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (248,090)
2024	(151,004)
2025	(89,219)
2026	53,173
2027	(6,294)
	\$ (441,434)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 – 6.55% 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

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, 2022 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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2022 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, 2022		
	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	\$ 2,574,508	\$ 2,003,965	\$ 1,518,410

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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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.

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 2023, the State of New Jersey contributed \$2,726,608 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$895,483.



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

Special Funding Situation (Cont'd)

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

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the District was \$33,273,502. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.064%, which was a decrease of 0.002% from its proportion measured as of June 30, 2021.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		<u>33,273,502</u>
Total	\$	<u><u>33,273,502</u></u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$895,483 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(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)

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	2015	8.30	\$213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			<u>3,013,097,864</u>	<u>19,441,140,477</u>
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
		<u>699,820,974</u>	<u>122,664,916</u>	
Net Difference Between Projected and Actual Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
		<u>1,172,371,073</u>		
		<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</u>	

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(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)

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

Fiscal Year Ending June 30,	Total
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	\$ (14,678,515,482)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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:	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(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, 2022) 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2023  
(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, 2022 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, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Total Net Pension Liability	\$ 39,013,888	\$ 33,273,502	\$ 28,437,948

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 \$11,982 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$16,227 for the fiscal year ended June 30, 2023.

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, 2023  
(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 New Jersey Schools Insurance Group (“NJSIG”) 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 and NJSIG are risk-sharing public entity risk pools that are 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 and NJSIG are elected.

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

The June 30, 2023 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:

	<u>Pooled Insured</u> <u>Program of New Jersey</u>	<u>New Jersey Schools</u> <u>Insurance Group</u>
Total Assets	\$ 20,016,571	\$ 418,559,284
Net Position	\$ 6,279,806	\$ 184,982,708
Total Revenue	\$ 9,242,784	\$ 134,563,842
Total Expenses	\$ 10,198,425	\$ 121,403,370
Change in Net Position	\$ (2,092,872)	\$ 13,160,472
Member Dividends	\$ 1,137,231	\$ -0-

Financial statements for the Fund and NJSIG 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

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(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>
2022-2023	\$ 1,309	\$ 34,344	\$ 39,080	\$ 45,270
2021-2022		13,374		48,697
2020-2021	10	43,382	33,503	35,323

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, 2023, 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>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<u>\$ 143,331</u>	<u>\$ 10,190</u>	<u>\$1,701,218</u>	<u>\$ 1,854,739</u>

On the District’s Governmental Funds Balance sheet as of June 30, 2023 \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$10,190 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. The \$1,701,218 year-end encumbrances in the Capital Projects Fund are included in the \$8,919,841 restricted fund balance.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(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, 2023 consisted of:

	<u>Governmental Funds</u>			District	Total	Business-
	General	Special	Capital	Contribution		Type
	Fund	Revenue	Projects	Subsequent to	Governmental	Activities
		Fund	Fund	the Measure-	Activities	Proprietary
				ment Date		Funds
Due to State of New Jersey		\$ 29,855		\$ 160,166	\$ 190,021	
Vendors	\$ 183,222	8,265	\$ 221,575		413,062	\$ 4,074
Payroll Deductions and Withholdings	26,821				26,821	
	<u>\$ 210,043</u>	<u>\$ 38,120</u>	<u>\$ 221,575</u>	<u>\$ 160,166</u>	<u>\$ 629,904</u>	<u>\$ 4,074</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, 2023 the District has \$600,000 in the tuition reserve of which \$350,000 and \$250,000 will be used to pay for any tuition adjustments for the fiscal years ending June 30, 2024 and 2025, respectively.



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(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, 2021, the plan membership consisted of the following

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	151,669
Active Plan Members	<u>213,148</u>
Total	<u><u>364,817</u></u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

Actuarial Assumptions and Other Inputs

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

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of services	based on years of services	based on years of services

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

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 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

State Health Benefit Program Fund 0 Local Education Retired Employees Plan (Cont'd)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. 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, 2021	\$ 37,788,592
Changes for Year:	
Service Cost	1,663,552
Interest on the Total OPEB Liability	853,455
Change in Benefit Terms	
Differences between Expected and Actual Experience	1,356,327
Changes of Assumptions	(8,639,152)
Contributions from Members	27,120
Gross Benefit Payments by the State	(845,373)
Net Changes	(5,584,071)
Balance at June 30, 2022	\$ 32,204,521

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, 2022, 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, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 37,853,027	\$ 32,204,521	\$ 27,677,526

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (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, 2022, 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, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 26,619,005	\$ 32,204,521	\$ 39,541,435

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

For the fiscal year ended June 30, 2023 the District recognized OPEB expense of \$1,021,730 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, 2022 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		\$ 1,672,093
	2018	9.51		1,595,653
	2019	9.29	\$ 225,282	
	2020	9.24	5,319,009	
	2021	9.24	29,496	
	2022	9.13		7,692,914
			5,573,787	10,960,660
Differences Between Expected and Actual Experience	2018	9.51		1,508,388
	2019	9.29		2,651,582
	2020	9.24	4,957,525	
	2021	9.24		5,672,442
	2022	9.13	792,260	
			5,749,785	9,832,412
Changes in Proportion	N/A	N/A	\$ 1,362,931	420,515
			\$ 12,686,503	\$ 21,213,587

N/A - Not Available

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (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
2023	\$ (1,600,579)
2024	(1,600,579)
2025	(1,600,579)
2026	(1,383,301)
2027	(790,990)
Thereafter	(2,493,472)
	\$ (9,469,500)

NOTE 19. LEASES RECEIVABLES

	Original Amount	Outstanding June 30, 2022	Additions	Decrease	Outstanding June 30, 2023
<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	\$ 1,427,636	\$ 847,692	\$ -0-	\$ 285,496	\$ 562,196
		\$ 847,692	\$ -0-	\$ 285,496	\$ 562,196

Future maturities are as follows:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 282,554	\$ 42,997
2025	279,642	55,676
	\$ 562,196	\$ 98,673

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

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.0158127037%	0.0164103502%	0.0144631997%	0.0158940070%	0.0131891100%	0.0146856381%	0.0141317301%	0.0133225035%	0.0132788758%
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	\$ 2,003,965
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	\$ 888,599
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%	225.52%
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%	62.91%

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 DISTRICTS CONTRIBUTIONS  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 149,712	\$ 170,007	\$ 129,080	\$ 147,241	\$ 131,189	\$ 159,838	\$ 154,594	\$ 156,022	\$ 167,453
Contributions in relation to the contractually required contribution	(149,712)	(170,007)	(129,080)	(147,241)	(131,189)	(159,838)	(154,594)	(156,022)	(167,453)
Contribution deficiency/(excess)	\$ -0-	\$ -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	\$ 929,358
Contributions as a percentage of covered employee payroll	14.67%	16.69%	12.99%	14.41%	13.36%	15.74%	15.18%	17.56%	18.02%

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



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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
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%	0.0644905106%
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	\$ 33,273,502
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	\$ 7,780,962
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%	427.63%
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%	32.29%

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 NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	\$ 895,483
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)	(2,726,608)
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)	\$ (1,831,125)
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	\$ 7,876,112
Contributions as a percentage of covered employee payroll	5.27%	7.37%	9.95%	13.84%	16.86%	19.02%	25.97%	34.12%	34.62%

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 1,367,556	\$ 1,128,870	\$ 1,006,026	\$ 1,054,298	\$ 1,926,730	\$ 1,663,552
Interest Cost	1,053,078	1,216,713	1,126,616	923,559	980,276	853,455
Change in Benefit Terms			(4,556,108)	6,810,711	(40,221)	
Differences between Expected and Actual Experiences		(3,079,153)	382,874	7,547,220	(5,685,485)	1,356,327
Changes in Assumptions	(4,408,035)	(3,268,719)	23,366	21,802	37,281	(8,639,152)
Member Contributions	28,335	26,324	(788,264)	(719,297)	25,061	27,120
Gross Benefit Payments	(769,491)	(761,661)			(772,183)	(845,373)
Net Change in Total OPEB Liability	(2,728,557)	(4,737,626)	(2,805,490)	15,638,293	(3,528,541)	(5,584,071)
Total OPEB Liability - Beginning	35,950,513	33,221,956	28,484,330	25,678,840	41,317,133	37,788,592
Total OPEB Liability - Ending	\$ 33,221,956	\$ 28,484,330	\$ 25,678,840	\$ 41,317,133	\$ 37,788,592	\$ 32,204,521
District's Covered Employee Payroll *	\$ 7,357,192	\$ 7,441,538	\$ 7,672,721	\$ 8,057,109	\$ 8,214,455	\$ 8,402,904
Total OPEB Liability as a Percentage of Covered Employee Payroll	452%	383%	335%	513%	460%	383%

\* - Covered payroll for the fiscal years ending June 30, 2017 - 2022 are based on the payroll on the June 30, 2016 - 2021 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, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

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.

BUDGETARY COMPARISON SCHEDULES

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 21,250,856		\$ 21,250,856	\$ 21,250,856	
Tuition From Individuals	60,000		60,000	75,474	\$ 15,474
Tuition From Other LEAs Within the State	235,000		235,000		(235,000)
Rents and Royalties	316,069		316,069	316,069	
Unrestricted Miscellaneous Revenues	25,000		25,000	116,229	91,229
Interest Earned on Maintenance Reserve	6,000		6,000	6,136	136
Interest Earned on Capital Reserve Funds	12,000		12,000	23,687	11,687
Total Revenues from Local Sources	<u>21,904,925</u>		<u>21,904,925</u>	<u>21,788,451</u>	<u>(116,474)</u>
Revenues from State Sources:					
Categorical Transportation Aid	635,819		635,819	635,819	
Extraordinary Aid	180,000		180,000	330,071	150,071
Categorical Special Education Aid	982,365		982,365	982,365	
Categorical Security Aid	136,362		136,362	136,362	
Adjustment Aid	103,853		103,853	103,853	
Excess Nonpublic Transportation Costs	21,344		21,344	22,464	1,120
TPAF Post Retirement Contributions (Non-Budgeted)				726,211	726,211
TPAF Pension Contributions (Non-Budgeted)				2,726,608	2,726,608
TPAF Non-Contributory Insurance (Non-Budgeted)				37,829	37,829
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,221	1,221
Reimbursed TPAF Social Security Contributions				559,392	559,392
Total Revenues from State Sources	<u>2,059,743</u>		<u>2,059,743</u>	<u>6,262,195</u>	<u>4,202,452</u>
Revenues from Federal Sources:					
Medicaid Reimbursement	31,970		31,970	35,095	3,125
Family First Coronavirus Response Act				3,229	3,229
Total Revenues from Federal Sources	<u>31,970</u>		<u>31,970</u>	<u>38,324</u>	<u>6,354</u>
TOTAL REVENUE	<u>23,996,638</u>		<u>23,996,638</u>	<u>28,088,970</u>	<u>4,092,332</u>

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 122,687	\$ 69,775	\$ 192,462	\$ 184,200	\$ 8,262
Kindergarten - Salaries of Teachers	398,216	32,361	430,577	430,577	
Grades 1-5 - Salaries of Teachers	2,224,847	(10,761)	2,214,086	2,177,307	36,779
Grades 6-8 - Salaries of Teachers	1,862,520	(125,106)	1,737,414	1,737,414	
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	(5,000)			
Purchased Professional-Educational Services	10,000	(10,000)			
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	241,816	132,840	374,656	374,529	127
Purchased Technical Services	210,780	(12,215)	198,565	196,976	1,589
Other Purchased Services (400-500 series)	52,425	5,264	57,689	48,365	9,324
General Supplies	147,090	(14,123)	132,967	110,352	22,615
Other Objects	2,650	(1,035)	1,615	81	1,534
<b>Total Regular Programs - Instruction</b>	<b>5,278,031</b>	<b>62,000</b>	<b>5,340,031</b>	<b>5,259,801</b>	<b>80,230</b>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	353,935	(18,972)	334,963	333,946	1,017
Other Salaries for Instruction	116,232	(18,493)	97,739	88,400	9,339
General Supplies	1,513		1,513	1,328	185
<b>Total Learning and/or Language Disabilities</b>	<b>471,680</b>	<b>(37,465)</b>	<b>434,215</b>	<b>423,674</b>	<b>10,541</b>
Behavioral Disabilities:					
Salaries of Teachers	67,775	15,530	83,305	74,849	8,456
Other Salaries for Instruction	65,254	(34,910)	30,344	30,344	
General Supplies	1,050		1,050	850	200
<b>Total Behavioral Disabilities</b>	<b>134,079</b>	<b>(19,380)</b>	<b>114,699</b>	<b>106,043</b>	<b>8,656</b>



LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	\$ 607,423	\$ 7,552	\$ 614,975	\$ 614,435	\$ 540
Other Salaries for Instruction	215,769	(6,557)	209,212	196,635	12,577
General Supplies	2,478		2,478	2,291	187
Total Resource Room/Resource Center	825,670	995	826,665	813,361	13,304
Autism:					
Salaries of Teachers	227,102	(80,755)	146,347	137,528	8,819
Other Salaries for Instruction	42,857	(16,100)	26,757	26,757	
Purchased Professional-Educational Services	3,600	(1,950)	1,650	485	1,165
General Supplies	2,330		2,330	1,895	435
Total Autism	275,889	(98,805)	177,084	166,665	10,419
Preschool Disabilities - Full-Time:					
Salaries of Teachers	277,872	(47,169)	230,703	230,703	
Other Salaries for Instruction	168,480	93,260	261,740	261,740	
General Supplies	2,162	1,371	3,533	3,517	16
Total Preschool Disabilities - Full-Time	448,514	47,462	495,976	495,960	16
Home Instruction:					
Purchased Professional-Educational Services	10,000		10,000	5,161	4,839
Total Home Instruction	10,000		10,000	5,161	4,839
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,165,832	(107,193)	2,058,639	2,010,864	47,775
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	226,821	61,226	288,047	288,047	
Other Salaries for Instruction		930	930	930	
General Supplies	2,100		2,100	929	1,171
Total Basic Skills/Remedial - Instruction	228,921	62,156	291,077	289,906	1,171

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 70,731	\$ 16,885	\$ 87,616	\$ 84,933	\$ 2,683
General Supplies	3,105		3,105	408	2,697
Total Bilingual Education - Instruction	<u>73,836</u>	<u>16,885</u>	<u>90,721</u>	<u>85,341</u>	<u>5,380</u>
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	72,077		72,077	57,210	14,867
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	<u>72,077</u>		<u>72,077</u>	<u>57,210</u>	<u>14,867</u>
School-Sponsored Athletics - Instruction:					
Salaries	35,387		35,387	32,887	2,500
Supplies and Materials	5,434	2,411	7,845	4,806	3,039
Other Objects	7,195	(330)	6,865	5,151	1,714
Total School-Sponsored Athletics - Instruction	<u>48,016</u>	<u>2,081</u>	<u>50,097</u>	<u>42,844</u>	<u>7,253</u>
<b>TOTAL INSTRUCTION</b>	<u>7,866,713</u>	<u>35,929</u>	<u>7,902,642</u>	<u>7,745,966</u>	<u>156,676</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	5,827,937	(18,460)	5,809,477	5,784,347	25,130
Tuition to Other LEAs Within the State-Special	1,002,750	(18,879)	983,871	983,870	1
Tuition to County Voc. School Dist.-Regular	529,608	(33,156)	496,452	456,317	40,135
Tuition to CSSD & Reg. Day Schools	237,700	26,227	263,927	263,927	
Tuition to Priv. Sch. for the Handicap. W/I State	482,920	(97,837)	385,083	383,574	1,509
Total Undistributed Expenditures - Instruction	<u>8,080,915</u>	<u>(142,105)</u>	<u>7,938,810</u>	<u>7,872,035</u>	<u>66,775</u>
Undistributed Expenditures - Health Services:					
Salaries	170,043	(608)	169,435	169,435	
Purchased Professional and Technical Services	100	5,748	5,848	5,848	
Other Purchased Services (400-500 series)	932		932	263	669
Supplies and Materials	1,125	373	1,498	511	987
Other Objects	400		400	400	0
Total Undist. Expenditures - Health Services	<u>172,600</u>	<u>5,513</u>	<u>178,113</u>	<u>176,057</u>	<u>2,056</u>

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	\$ 286,621	\$ (409)	\$ 286,212	\$ 284,133	\$ 2,079
Purchased Professional - Educational Services	154,125	(1)	154,124	99,452	54,672
Supplies and Materials	3,221		3,221	2,366	855
Total Undist. Expend. - Speech, OT, PT, Related Svcs	443,967	(410)	443,557	385,951	57,606
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Purchased Professional - Educational Services	133,170	11,919	145,089	145,089	
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	133,170	11,919	145,089	145,089	
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	160,010		160,010	160,010	
Other Salaries	3,000		3,000	3,000	
Purchased Professional - Educational Services	450		450		450
Other Purchased Services (400-500 series)	50		50	21	29
Supplies and Materials	450		450	262	188
Total Undist Expend. - Guidance	163,960		163,960	163,293	667
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	490,731	(43,561)	447,170	400,371	46,799
Salaries of Secretarial and Clerical Assistants	56,470		56,470	56,470	
Other Salaries	4,690	25,134	29,824	29,824	
Purchased Professional - Educational Services	39,360	5,305	44,665	19,425	25,240
Other Purchased Prof. and Tech. Services	43,850	(5,305)	38,545	38,358	187
Other Purchased Services (400-500 series)	7,016	577	7,593	4,550	3,043
Supplies and Materials	10,057	(1,883)	8,174	6,232	1,942
Other Objects	520	713	1,233	833	400
Total Undist Expend. - Child Study Team	652,694	(19,020)	633,674	556,063	77,611

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	\$ 108,360		\$ 108,360	\$ 108,360	
Other Purchased Services (400-500 series)	3,050	(261)	2,789	426	\$ 2,363
Supplies and Materials	380	258	638	625	13
Other Objects	1,400		1,400	1,295	105
Total Undist. Expend.-Improv. of Inst. Serv.	113,190	(3)	113,187	110,706	2,481
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	87,520		87,520	70,135	17,385
Purchased Professional and Technical Services	6,055		6,055	5,619	436
Supplies and Materials	10,820	(1,752)	9,068	7,939	1,129
Total Undist Expend-Edu. Media Serv./Sch. Library	104,395	(1,752)	102,643	83,693	18,950
Undist.Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	3,000		3,000		3,000
Total Undist.Expend.-Instructional Staff Training Services	3,000		3,000		3,000
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	248,464	300	248,764	248,764	
Legal Services	16,000	10,482	26,482	26,482	
Audit Fees	30,000		30,000	30,000	
Purchased Technical Services	10,400	1,956	12,356	12,356	
Communications / Telephone	22,113	1,935	24,048	23,233	815
BOE Other Purchased Services	6,150	(4,050)	2,100	2,100	
Other Purch. Serv. (400-500 series other than 530 & 585)	20,260	21,750	42,010	39,820	2,190
General Supplies	4,107	(2,698)	1,409	1,025	384
BOE In-house training/ Meeting Supplies	500	800	1,300	858	442
Miscellaneous Expenditures	5,000	(1,000)	4,000	3,801	199
BOE Membership Dues and Fees	10,200		10,200	9,926	274
Total Undist. Expend.-Support Serv.-Gen. Admin.	373,194	29,475	402,669	398,365	4,304

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	\$ 319,088		\$ 319,088	\$ 319,088	
Salaries of Secretarial and Clerical Assistants	119,590		119,590	112,046	\$ 7,544
Other Purchased Services (400-500 series)	14,163	\$ 758	14,921	9,835	5,086
Supplies and Materials	10,766	(820)	9,946	5,697	4,249
Other Objects	3,780	(699)	3,081	3,081	
Total Undist. Expend.-Support Serv.-School Adm.	467,387	(761)	466,626	449,747	16,879
Undist. Expend. - Central Services:					
Salaries	343,791	(6,306)	337,485	310,628	26,857
Purchased Technical Services	16,099	13,512	29,611	24,465	5,146
Miscellaneous Purchased Services (400-500 series other than 594)	12,809	5,295	18,104	15,851	2,253
Supplies and Materials	7,877	(1,345)	6,532	5,467	1,065
Other Objects	3,465	(1,478)	1,987	1,987	
Total Undist. Expend. - Central Services	384,041	9,678	393,719	358,398	35,321
Undist. Expend. - Admin. Info. Technology:					
Salaries	2,924	2	2,926		2,926
Purchased Technical Services	24,579	643	25,222	25,222	
Supplies and Materials	2,500		2,500	424	2,076
Total Undist. Expend. - Admin. Info. Technology	30,003	645	30,648	25,646	5,002
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	101,928		101,928	101,928	
Cleaning, Repair, and Maintenance Services	67,760	15,075	82,835	76,309	6,526
Lead Testing of Drinking Water	4,124	(4,124)			
General Supplies	35,776	(12,497)	23,279	18,451	4,828
Other Objects	1,025		1,025	635	390
Total Undist. Expend.- Required Maint. for School Facilities	210,613	(1,546)	209,067	197,323	11,744

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 446,160	\$ 1,174	\$ 447,334	\$ 443,128	\$ 4,206
Salaries of Non-Instructional Aides	51,372	3,295	54,667	45,794	8,873
Cleaning, Repair, and Maintenance Services	6,000	(788)	5,212	1,105	4,107
Other Purchased Property Services	12,000	10,447	22,447	18,491	3,956
Insurance	116,402	(12,240)	104,162	104,162	
Miscellaneous Purchased Services	2,507	(2,507)			
General Supplies	48,020	(17,774)	30,246	16,934	13,312
Energy (Natural Gas)	165,000	(3,250)	161,750	146,263	15,487
Energy (Electricity)	122,000		122,000	106,881	15,119
Energy (Gasoline)	1,900	1,971	3,871	3,871	
Total Undist. Expend.-Custodial Services	971,361	(19,672)	951,689	886,629	65,060
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	5,900		5,900	2,100	3,800
Total Care And Upkeep Of Grounds	5,900		5,900	2,100	3,800
Security:					
Purchased Professional and Technical Services	5,000	1,902	6,902	6,902	
Cleaning, Repair, and Maintenance Services	3,500		3,500	1,840	1,660
General Supplies	4,350	(1,902)	2,448	730	1,718
Total Security	12,850		12,850	9,472	3,378
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	1,200,724	(21,218)	1,179,506	1,095,524	83,982
Undist. Expend.-Student Transportation Serv.:					
Salaries of Non-Instructional Aides	11,923	(4,244)	7,679	7,679	
Other Purchased Professional and Technical Services	10,900		10,900	10,900	
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	70,000	6,512	76,512	68,336	8,176
Contract. Serv.(Bet. Home & Sch.)-Vendors	1,108,468	118,746	1,227,214	1,226,812	402
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	23,600	1,305	24,905	24,560	345
Contract. Serv.(Spl. Ed. Students)-Vendors	553,000	(2,490)	550,510	550,510	
Total Undist. Expend.-Student Trans. Serv.	1,777,891	119,829	1,897,720	1,888,797	8,923

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>ALLOCATED BENEFITS</b>					
Regular Programs - Instruction:					
Social Security Contributions	\$ 3,678	\$ 29,182	\$ 32,860	\$ 32,860	
Worker's Compensation	32,414	1,035	33,449	33,449	
Health Benefits	1,259,769	(40,210)	1,219,559	1,219,559	
Tuition Reimbursement	27,000		27,000	27,000	
<b>Total Regular Programs - Instruction</b>	<b>1,322,861</b>	<b>(9,993)</b>	<b>1,312,868</b>	<b>1,312,868</b>	
<b>Special Programs - Instruction:</b>					
Social Security Contributions	60,897	265	61,162	61,162	
Workers Compensation	12,657	2,290	14,947	14,947	
Health Benefits	485,421	(28,050)	457,371	457,371	
<b>Total Special Programs - Instruction</b>	<b>558,975</b>	<b>(25,495)</b>	<b>533,480</b>	<b>533,480</b>	
<b>Other Instructional Programs - Instruction:</b>					
Social Security Contributions	8,221	(911)	7,310	7,310	
Workers Compensation	755		755	755	
<b>Total Other Instructional Programs - Instruction</b>	<b>8,976</b>	<b>(911)</b>	<b>8,065</b>	<b>8,065</b>	
<b>Health Services:</b>					
Social Security Contributions	943	402	1,345	1,345	
Workers Compensation	1,195		1,195	1,195	
Health Benefits	35,968	(501)	35,467	35,467	
<b>Total Health Services</b>	<b>38,106</b>	<b>(99)</b>	<b>38,007</b>	<b>38,007</b>	
<b>Other Support Services - Speech, OT, PT &amp; Related Svcs:</b>					
Social Security Contributions	1,404	(242)	1,162	1,162	
Workers Compensation	2,014		2,014	2,014	
Health Benefits	83,335	23,522	106,857	106,857	
<b>Total Other Supp Serv - Speech, OT, PT &amp; Related Svcs</b>	<b>86,753</b>	<b>23,280</b>	<b>110,033</b>	<b>110,033</b>	

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Support Services - Guidance:					
Social Security Contributions	\$ 230	\$	230	\$ 230	
Workers Compensation	1,146		1,146	1,146	
Health Benefits	41,923	\$ 6,044	47,967	46,601	\$ 1,366
Total Other Supp Serv - Guidance	43,299	6,044	49,343	47,977	1,366
Other Support Services - Child Study Team:					
Social Security Contributions	4,679	3,019	7,698	7,698	
Workers Compensation	3,878		3,878	3,878	
Health Benefits	122,620	(23,860)	98,760	98,760	
Total Other Supp Serv - Child Study Team	131,177	(20,841)	110,336	110,336	
Improvement of Instruction Services:					
Social Security Contributions		36	36	36	
Workers Compensation	761		761	761	
Health Benefits	34,466	(7,598)	26,868	26,868	
Total Improvement of Instructional Services	35,227	(7,562)	27,665	27,665	
Educational Media Services - School Library:					
Social Security Contributions	1,330	(1,274)	56	56	
Workers Compensation	615		615	615	
Health Benefits	34,816	(2,770)	32,046	30,812	1,234
Total Educational Media Services - School Library	36,761	(4,044)	32,717	31,483	1,234
Instructional Staff Training Services:					
Social Security Contributions		126	126	126	
Total Instructional Staff Training Services		126	126	126	



LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - General Administration:					
Social Security Contributions	\$ 5,408	\$ 288	\$ 5,696	\$ 5,696	
Workers Compensation	1,746		1,746	1,746	
Health Benefits	56,287	(1,807)	54,480	54,480	
Total Support Services - General Administration	63,441	(1,519)	61,922	61,922	
Support Services - School Administration:					
Social Security Contributions	9,149	(288)	8,861	8,861	
Workers Compensation	3,081		3,081	3,081	
Health Benefits	49,584	4,536	54,120	54,120	
Total Support Services - School Administration	61,814	4,248	66,062	66,062	
Support Services - Central Services:					
Social Security Contributions	14,673	(1,654)	13,019	13,019	
Workers Compensation	2,416		2,416	2,416	
Health Benefits	48,841	(12,890)	35,951	27,326	\$ 8,625
Total Support Services - Central Services	65,930	(14,544)	51,386	42,761	8,625
Support Services - Admin. Info. Technology:					
Social Security Contributions	224	(224)			
Workers Compensation	21		21	21	
Total Support Services - Admin. Info. Technology	245	(224)	21	21	
Required Maintenance for School Facilities:					
Social Security Contributions	7,797	319	8,116	8,116	
Workmen's Compensation	716		716	716	
Health Benefits	15,071	2,558	17,629	17,629	
Other Employee Benefits	650		650	463	187
Total Required Maintenance For School Facilities	24,234	2,877	27,111	26,924	187

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Custodial Services:					
Social Security Contributions	\$ 38,061	\$ (1,957)	\$ 36,104	\$ 36,104	
Workmen's Compensation	5,693	2,616	8,309	8,309	
Health Benefits	133,171	10,798	143,969	143,969	
Other Employee Benefits	5,000	(403)	4,597	4,511	\$ 86
Total Custodial Services	181,925	11,054	192,979	192,893	86
Student Transportation Services:					
Social Security Contributions	912	(325)	587	587	
Workers Compensation	84		84	84	
Total Student Transportation Services	996	(325)	671	671	
<b>TOTAL ALLOCATED BENEFITS</b>	<b>2,660,720</b>	<b>(37,928)</b>	<b>2,622,792</b>	<b>2,611,273</b>	<b>11,519</b>
UNALLOCATED BENEFITS					
Social Security Contributions	7,650	(7,650)			
Other Retirement Contributions - PERS	167,650		167,650	167,453	197
Other Retirement Contributions - Regular	17,600	(5,000)	12,600	11,982	618
Unemployment Compensation		3,427	3,427	3,427	
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>192,900</b>	<b>(9,223)</b>	<b>183,677</b>	<b>182,862</b>	<b>815</b>
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				726,211	(726,211)
TPAF Pension Contributions (Non-Budgeted)				2,726,608	(2,726,608)
TPAF Non-Contributory Insurance (Non-Budgeted)				37,829	(37,829)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,221	(1,221)
Reimbursed TPAF Social Security Contributions				559,392	(559,392)
<b>TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)</b>				<b>4,051,261</b>	<b>(4,051,261)</b>

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 2,853,620	\$ (47,151)	\$ 2,806,469	\$ 6,845,396	\$ (4,038,927)
TOTAL UNDISTRIBUTED EXPENDITURES	16,954,751	(55,361)	16,899,390	20,554,760	(3,655,370)
TOTAL GENERAL CURRENT EXPENSE	24,821,464	(19,432)	24,802,032	28,300,726	(3,498,694)
<b>CAPITAL OUTLAY</b>					
Equipment					
Kindergarten		14,386	14,386	14,386	
Grades 1-5	14,386	(14,386)			
Grades 6-8	14,386	2,046	16,432	16,432	
Undistributed:					
Undistributed Expenditures - Instruction	119,999		120,000		120,000
Undistributed Expenditures - Admin. Info. Tech.	3,197		3,197	3,197	
Undist. Expend. - Required Maint for School Fac.		4,670	4,670	4,670	
Undist. Expend. - Security		12,715	12,715	12,715	
Total Equipment	151,968	19,432	171,400	51,400	120,000
Facilities Acquisition and Construction Serv.:					
Construction Services	219,610	69,138	288,748	288,748	
Assessment for Debt Service on SDA Funding	3,671		3,671	3,671	
Total Facilities Acquisition and Const. Serv.	223,281	69,138	292,419	292,419	
TOTAL CAPITAL OUTLAY	375,249	88,570	463,819	343,819	120,000
TOTAL EXPENDITURES	25,196,713	69,138	25,265,851	28,644,545	(3,378,694)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(1,200,075)	(69,138)	(1,269,213)	(555,575)	713,638
Fund Balance, July 1	2,909,374		2,909,374	2,909,374	
Fund Balance, June 30	\$ 1,709,299	\$ (69,138)	\$ 1,640,161	\$ 2,353,799	\$ 713,638

LINCOLN PARK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Capital Reserve				\$ 541,376	
Maintenance Reserve				130,765	
Tuition Reserve 2023-2024				350,000	
Tuition Reserve 2024-2025				250,000	
Emergency Reserve					
Unemployment Compensation				45,270	
Assigned Fund Balance:					
Year End Encumbrances				143,331	
Designated for Subsequent Year's Expenditures				250,000	
Unassigned Fund Balance				<u>643,057</u>	
				<u>2,353,799</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(162,133)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,191,666</u>	

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	\$ 11,946	\$ 92,413	\$ 104,359	\$ 95,464	\$ (8,895)
State Sources		6,660	6,660	6,496	(164)
Federal Sources	1,390,491	(87,687)	1,302,804	1,024,004	(278,800)
Total Revenues	1,402,437	11,386	1,413,823	1,125,964	(287,859)
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	350,609	(264,256)	86,353	66,159	20,194
Salaries of Other Professional Staff		8,000	8,000	6,580	1,420
Purchased Professional and Technical Services		10,011	10,011	10,011	
Other Purchased Services		200,000	200,000	186,890	13,110
Tuition	420,731	(160,812)	259,919	259,919	
General Supplies	210,366	(71,483)	138,883	103,296	35,587
Other Objects		4,370	4,370	2,500	1,870
Total Instruction	981,706	(274,170)	707,536	635,355	72,181
Support Services:					
Salaries		165,591	165,591	75,874	89,717
Personal Services - Employee Benefits	140,244	(88,403)	51,841	24,331	27,510
Purchased Professional - Technical Services	140,244	138,432	278,676	235,385	43,291
Purchased Professional - Educational Services		28,661	28,661	28,661	
Other Purchased Services		45,700	45,700	31,175	14,525
Supplies and Materials	140,244	(87,151)	53,093	12,458	40,635
Student Activities		89,876	89,876	89,876	
Total Support Services	420,731	292,707	713,438	497,760	215,678
Total Expenditures	\$ 1,402,437	\$ 18,537	\$ 1,420,974	\$ 1,133,115	\$ 287,859
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -0-	\$ (7,151)	\$ (7,151)	\$ (7,151)	\$ -0-

LINCOLN PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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	\$ 28,088,970	\$ 1,125,964
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		(10,190)
Cancellation of Prior Year Encumbrances		(2,477)
Prior Year Encumbrances		121,825
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	157,705	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(162,133)	
	\$ 28,084,542	\$ 1,235,122
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds		
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 28,644,545	\$ 1,133,115
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		(10,190)
Cancellation of Prior Year Encumbrances		(2,477)
Prior Year Encumbrances		121,825
	\$ 28,644,545	\$ 1,242,273
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		

LINCOLN PARK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023 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, 2023

	CARES Emergency Relief	CRRSA			Local Donations
		ESSER II	Learning Acceleration	Mental Health	
<b>REVENUES</b>					
Local Sources					\$ 12,739
State Sources	11	\$ 119,507	\$ 72	\$ 539	
Federal Sources	11	119,507	72	539	12,739
<b>Total Revenues</b>					
<b>EXPENDITURES</b>					
Instruction:					
Salaries of Teachers					
Salaries of Other Professional Staff					
Purchased Professional and Technical Services	11				
Other Purchased Services					
Tuition					
General Supplies		6,362	72		12,739
Other Objects					
Total Instruction	11	6,362	72		12,739
Support Services:					
Salaries		71,874			
Personal Services - Employee Benefits		23,828			
Purchased Professional - Technical Services					
Purchased Professional - Educational Services		5,675			
Other Purchased Services				539	
Supplies and Materials		11,768			
Student Activities				539	
Total Support Services		113,145		539	
<b>Total Expenditures</b>	11	\$ 119,507	\$ 72	\$ 539	\$ 12,739

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ARP				
	ESSER III	Evidence Based Summer Learning	Evidence Based Comprehensive Beyond the School Day	Mental Health	Homeless II
<b>REVENUES</b>					
Local Sources					
State Sources					
Federal Sources	\$ 453,496	\$ 22,066	\$ 5,003	\$ 40,500	\$ 2,833
<b>Total Revenues</b>	<u>453,496</u>	<u>22,066</u>	<u>5,003</u>	<u>40,500</u>	<u>2,833</u>
<b>EXPENDITURES</b>					
Instruction:					
Salaries of Teachers		19,800			
Salaries of Other Professional Staff					
Purchased Professional and Technical Services					
Other Purchased Services	186,890				
Tuition					
General Supplies	55,121	2,266	5,003		
Other Objects					
<b>Total Instruction</b>	<u>242,011</u>	<u>22,066</u>	<u>5,003</u>		
Support Services:					
Salaries	4,000				
Personal Services - Employee Benefits					
Purchased Professional - Technical Services	194,485			40,500	
Purchased Professional - Educational Services					
Other Purchased Services	13,000				2,833
Supplies and Materials					
Student Activities					
<b>Total Support Services</b>	<u>211,485</u>			<u>40,500</u>	<u>2,833</u>
<b>Total Expenditures</b>	<u>\$ 453,496</u>	<u>\$ 22,066</u>	<u>\$ 5,003</u>	<u>\$ 40,500</u>	<u>\$ 2,833</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, 2023

	Elementary and Secondary Education Act				
	Title I	Title II A	Title III	Title III Immigrant	Title IV
<b>REVENUES</b>					
Local Sources					
State Sources					
Federal Sources	\$ 50,343	\$ 32,403	\$ 26,067	\$ 179	\$ 10,000
<b>Total Revenues</b>	<u>50,343</u>	<u>32,403</u>	<u>26,067</u>	<u>179</u>	<u>10,000</u>
<b>EXPENDITURES</b>					
Instruction:					
Salaries of Teachers	42,684		3,675		
Salaries of Other Professional Staff	6,580				10,000
Purchased Professional and Technical Services					
Purchased Professional - Educational Services					
General Supplies	425		13,567	179	
Other Objects			2,500		
Total Instruction	<u>49,689</u>		<u>19,742</u>	<u>179</u>	<u>10,000</u>
Support Services:					
Salaries					
Personal Services - Employee Benefits	503				
Purchased Professional - Technical Services		22,986	400		
Purchased Professional - Educational Services		9,417	5,925		
Other Purchased Services	151				
Supplies and Materials					
Student Activities					
Total Support Services	<u>654</u>	<u>32,403</u>	<u>6,325</u>		
<b>Total Expenditures</b>	<u>\$ 50,343</u>	<u>\$ 32,403</u>	<u>\$ 26,067</u>	<u>\$ 179</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, 2023

	I.D.E.A.			School Climate Change	Student Activities	Total
	Basic FY23	Preschool FY23	FY23 - ARP			
<b>REVENUES</b>						
Local Sources						
State Sources						
Federal Sources	\$ 249,983	\$ 9,936	\$ 1,066	\$ 6,496	\$ 82,725	\$ 95,464
<b>Total Revenues</b>	<b>249,983</b>	<b>9,936</b>	<b>1,066</b>	<b>6,496</b>	<b>82,725</b>	<b>1,125,964</b>
<b>EXPENDITURES</b>						
Instruction:						
Salaries of Teachers						66,159
Salaries of Other Professional Staff						6,580
Purchased Professional and Technical Services						10,011
Other Purchased Services						186,890
Tuition	249,983	9,936	1,066	6,496		259,919
General Supplies						103,296
Other Objects						2,500
<b>Total Instruction</b>	<b>249,983</b>	<b>9,936</b>	<b>1,066</b>	<b>6,496</b>		<b>635,355</b>
Support Services:						
Salaries						75,874
Personal Services - Employee Benefits						24,331
Purchased Professional - Technical Services						235,385
Purchased Professional - Educational Services						28,661
Other Purchased Services						31,175
Supplies and Materials						12,458
Student Activities					89,876	89,876
<b>Total Support Services</b>					<b>89,876</b>	<b>497,760</b>
<b>Total Expenditures</b>	<b>249,983</b>	<b>9,936</b>	<b>1,066</b>	<b>6,496</b>	<b>89,876</b>	<b>1,133,115</b>

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, 2023

Revenue and Other Financing Sources:	
Bond Proceeds	\$ 10,211,000
Interest Earned	377,348
	<hr/>
Total Revenue and Other Financing Sources	10,588,348
	<hr/>
Expenditures:	
Purchased Professional and Technical Services	498,936
Construction Services	687,595
	<hr/>
Total Expenditures	1,186,531
	<hr/>
Other Financing Uses:	
Transfer to Debt Service Fund:	
Interest on Investments	377,348
	<hr/>
Total Change in Fund Balance	1,563,879
	<hr/>
Excess of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	9,024,469
	<hr/>
Fund Balance - Beginning of Year	(104,528)
	<hr/>
Fund Balance - End of Year	\$ 8,919,941
	<hr/> <hr/>
Recapitulation of Fund Balance:	
Restricted - Year-End Encumbrances	\$ 1,701,218
Restricted Fund Balance	7,218,723
	<hr/>
Total Restricted Fund Balance - Budgetary/GAAP Basis	\$ 8,919,941
	<hr/> <hr/>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
CLASSROOM ADDITION, SYSTEM REHABILITATION, EDUCATIONAL RENOVATIONS,  
AND SECURE VESTIBULE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenue and Other Financing Sources:				
Bond Proceeds		\$ 10,211,000	\$ 10,211,000	\$ 10,211,000
Total Revenue and Other Financing Sources		10,211,000	10,211,000	10,211,000
Expenditures:				
Purchased Professional and Technical Services	\$ 104,528	498,936	603,464	852,781
Supplies				295,500
Construction Services		687,595	687,595	9,062,719
Total Expenditures	104,528	1,186,531	1,291,059	10,211,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ (104,528)</u>	<u>\$ 9,024,469</u>	<u>\$ 8,919,941</u>	<u>\$ -0-</u>

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
Revised Authorized Cost	\$ 10,211,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	12.64%
Original Target Completion Date	6/30/2028
Revised Target Completion Date	N/A



PROPRIETARY FUNDS

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2023

ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$ 202,066
Intergovernmental Accounts Receivable:	
Federal	26,484
State	1,297
Interfund Receivable	2,460
Inventories	5,390
	<hr/>

Total Current Assets	<hr/> 237,697
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## Non-Current Assets:

Capital Assets	218,951
Less: Accumulated Depreciation	(136,146)
	<hr/>

Total Non-Current Assets	<hr/> 82,805
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Total Assets	<hr/> 320,502
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LIABILITIES:

## Current Liabilities:

Accounts Payable	4,074
Unearned Revenue:	
Donated Commodities	401
Prepaid Sales	3,812
Supply Chain Assistance	29,868
	<hr/>

Total Current Liabilities	<hr/> 38,155
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NET POSITION:

Investment in Capital Assets	82,805
Unrestricted	199,542
	<hr/>

Total Net Position	<hr/> <hr/> \$ 282,347
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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, 2023

Operating Revenue:	
Daily Sales:	
Reimbursable Programs	\$ 185,078
Non-Reimbursable Programs	117,126
	<hr/>
Total Operating Revenue	302,204
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	100,858
Cost of Sales - Nonreimbursable Programs	74,262
Salaries	159,936
Benefits & Payroll Taxes	46,039
Purchased Professional and Technical Services	4,285
Management Fee	21,127
Supplies and Repairs	16,813
Miscellaneous Expense	5,874
Depreciation Expense	9,986
	<hr/>
Total Operating Expenses	439,180
	<hr/>
Operating Loss	(136,976)
	<hr/>
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	6,405
State School Breakfast Program	1
Federal Sources:	
National School Lunch Program	128,714
National School Breakfast Program	173
Supply Chain Assistance	24,134
PPP Loan Reimbursements from Food Service Management Contractor	20,594
Food Distribution Program	30,293
National School Lunch Program Equipment Grant	15,240
Local Sources:	
Interest Income	8,307
	<hr/>
Total Non-Operating Revenue	233,861
	<hr/>
Change in Net Position	96,885
	<hr/>
Net Position - Beginning of Year	185,462
	<hr/>
Net Position - End of Year	\$ 282,347
	<hr/> <hr/>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 299,651
Payments to Food Service Contractor	(408,284)
Payments to Suppliers	(20,885)
	<hr/>
Net Cash (Used for) Operating Activities	(129,518)
Cash Flows from Financing Activities:	
Interest Income	8,307
	<hr/>
Net Cash Provided by Financing Activities	8,307
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Equipment	(22,992)
	<hr/>
Net Cash (Used for) Capital and Related Financing Activities	(22,992)
Cash Flows from Noncapital Financing Activities:	
State Sources:	6,037
Federal Sources:	233,819
	<hr/>
Net Cash Provided by Noncapital Financing Activities	239,856
	<hr/>
Net Increase in Cash and Cash Equivalents	95,653
Cash and Cash Equivalents, July 1	106,413
	<hr/>
Cash and Cash Equivalents, June 30	\$ 202,066
	<hr/> <hr/>
Reconciliation of Operating Income (Loss) to Net Cash (Used for) Operating Activities:	
Operating (Loss)	\$ (136,976)
Adjustment to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities:	
Depreciation	9,986
Federal Food Distribution Program	30,293
Changes in Assets and Liabilities:	
Decrease in Inventory	791
(Decrease) in Accounts Payable	(30,174)
(Decrease) in Unearned Revenue - Donated Commodities	(885)
(Decrease) in Unearned Revenue - Prepaid Sales	(2,553)
	<hr/>
Net Cash (Used for) Operating Activities	\$ (129,518)
	<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 \$29,408 and utilized U.S.D.A. Commodities valued at \$30,293.

FIDUCIARY ACTIVITIES  
(NOT APPLICABLE)

LONG-TERM LIABILITIES

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

Issue	Date of Issue	Amount of Issue	Maturities of Bonds				Balance June 30, 2023	Interest Rate	Balance June 30, 2022	Issued	Matured	Balance June 30, 2023
			Date	Amount	Outstanding June 30, 2023	Amount						
Renovations to Elementary and Middle Schools and New Construction to Middle School	10/1/2007	\$ 2,146,000				\$ 190,000		\$ 190,000		\$ 190,000		
Classroom Addition, System Rehabilitation, Educational Renovations, and Secure Vestibule	6/28/2022	10,211,000	7/15/2023	\$ 336,000	3.250%							
			7/15/2024	385,000	3.500%							
			7/15/2025	395,000	3.500%							
			7/15/2026	410,000	3.500%							
			7/15/2027	425,000	3.500%							
			7/15/2028	440,000	3.500%							
			7/15/2029	450,000	3.500%							
			7/15/2030	465,000	3.500%							
			7/15/2031	480,000	3.500%							
			7/15/2032	500,000	3.500%							
			7/15/2033	515,000	3.500%							
			7/15/2034	530,000	4.000%							
			7/15/2035	545,000	4.000%							
		7/15/2036	565,000	4.000%								
		7/15/2037	580,000	4.000%								
		7/15/2038	600,000	4.000%								
		7/15/2039	620,000	4.000%								
		7/15/2040	640,000	4.000%								
		7/15/2041	660,000	4.000%								
		7/15/2042	670,000	4.000%								
						\$ 10,211,000		\$ 10,211,000		\$ 190,000		\$ 10,211,000
								\$ 190,000		\$ 10,211,000		\$ 10,211,000

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
LONG-TERM LIABILITIES  
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
LONG-TERM LIABILITIES  
SCHEDULE OF OBLIGATIONS UNDER LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
LONG-TERM LIABILITIES  
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED  
INFORMATION TECHNOLOGY ARRANGEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 131,218		\$ 131,218	\$ 131,218	
State Sources:					
Debt Service State Aid Support	62,938		62,938	62,938	
Total Revenue	<u>194,156</u>		<u>194,156</u>	<u>194,156</u>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	4,157		4,157	4,157	
Redemption of Principal	190,000		190,000	190,000	
Total Expenditures	<u>194,157</u>		<u>194,157</u>	<u>194,157</u>	
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(1)		(1)	(1)	
<b>Other Financing Sources:</b>					
Interest Earned				377,348	\$ 377,348
Total Other Financing Sources				<u>377,348</u>	<u>377,348</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(1)		(1)	377,347	377,348
Fund Balance, July 1	2		2	2	
Fund Balance, June 30	<u>1</u>	<u>\$ -0-</u>	<u>\$ 1</u>	<u>\$ 377,349</u>	<u>\$ 377,348</u>
<b>Recapitulation:</b>					
Restricted - Subsequent Year's Expenditures			\$ 1		
Restricted				<u>377,348</u>	
Total Restricted Fund Balance			<u>\$ 377,349</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  
UNAUDITED  
*(accrual basis of accounting)*

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 5,898,965
Restricted	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	1,764,340
Unrestricted/(Deficit)	(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)	(1,951,198)
Total governmental activities net position	\$ 4,074,575	\$ 4,447,864	\$ 4,354,955	\$ 4,177,370	\$ 3,229,778	\$ 5,262,796	\$ 5,698,166	\$ 6,037,581	\$ 5,762,384	\$ 5,712,107
<b>Business-type activities</b>										
Investment in capital assets	\$ 8,406	\$ 16,396	\$ 19,722	\$ 40,401	\$ 35,263	\$ 60,151	\$ 53,221	\$ 51,091	\$ 69,799	\$ 82,805
Unrestricted	108,743	113,162	7,420	24,367	28,694	28,694	31,635	37,526	115,663	199,542
Total business-type activities net position	\$ 117,149	\$ 129,558	\$ 27,142	\$ 64,768	\$ 35,263	\$ 88,845	\$ 84,856	\$ 88,617	\$ 185,462	\$ 282,347
<b>District-wide</b>										
Net investment in capital assets	\$ 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	\$ 5,981,770
Restricted	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	1,764,340
Unrestricted/(Deficit)	(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)	(1,751,656)
Total district net position	\$ 4,191,724	\$ 4,577,422	\$ 4,382,097	\$ 4,242,138	\$ 3,265,041	\$ 5,351,641	\$ 5,783,022	\$ 6,126,198	\$ 5,947,846	\$ 5,994,454

Source: Borough of Lincoln Park School District records

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

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 8,770,459
Special education	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	3,007,947
Other special education	368,058	481,020	596,896	714,916	637,827	659,428	431,428	397,420	462,491	506,037
Other instruction	92,178	168,211	104,776	615,631	241,608	153,962	152,227	58,348	100,690	103,489
Support Services:										
Tuition	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	8,131,954
Student & instruction related services	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	2,678,493
General administrative services	690,516	791,007	826,296	874,253	553,837	505,174	489,892	533,072	510,966	525,699
School administrative services	659,184	392,568	534,437	546,611	828,446	799,071	828,972	702,422	637,414	626,876
Central services	622,020	556,431	514,846	570,560	783,395	501,487	589,723	473,195	443,672	448,838
Administration Information Technology								117,355	18,284	25,646
Plant operations and maintenance	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	1,300,073
Pupil transportation	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	1,930,528
Capital Outlay	3,671	3,671	3,671	3,671	3,671	3,671	3,671			
Special Schools								21,297	11,118	
Interest on long-term debt	41,481	125,410	103,451	47,442	40,823	33,906	26,770	21,328	10,335	349,800
Unallocated depreciation	556,744	556,744	597,693				353,871			
Total governmental activities expenses	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	28,405,839
Business-type activities:										
Food service	366,934	329,266	430,008	334,665	385,318	332,235	274,027	192,281	470,420	439,180
Total business-type activities expense	366,934	329,266	430,008	334,665	385,318	332,235	274,027	192,281	470,420	439,180
Total district expenses	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	28,845,019
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (Tuition)				38,983	72,868	50,960	85,095	58,656	266,981	75,474
Student & Instruction Related Services								6,403	40,806	82,725
Operating grants and contributions	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	5,672,406
Total governmental activities program revenues	3,188,433	4,412,547	5,423,328	6,958,830	7,455,839	6,106,982	5,353,856	6,003,971	6,234,523	5,830,605
Business-type activities:										
Charges for services										
Food service	220,881	230,882	217,520	236,333	238,084	247,593	175,002	2198	55,515	302,204
Operating grants and contributions	113,893	110,780	110,027	110,041	117,101	107,436	93,854	193,821	511,540	225,554
Total business-type activities program revenues	334,774	341,662	327,547	346,374	355,185	355,029	268,856	196,019	567,055	527,758
Total district program revenues	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	6,358,363

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

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (22,575,234)
Business-type activities	(32,160)	12,396	(102,461)	11,709	(30,133)	22,794	(5,171)	3,738	96,635	88,578
Total district-wide net expense	<u>(18,007,399)</u>	<u>(18,815,612)</u>	<u>(19,362,015)</u>	<u>(19,357,176)</u>	<u>(20,408,727)</u>	<u>(19,543,278)</u>	<u>(20,328,627)</u>	<u>(20,815,410)</u>	<u>(21,732,464)</u>	<u>(22,486,656)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	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	21,250,856
Taxes levied for debt service	623,913	598,938	663,881	130,596	132,810	131,617	130,215	131,945	133,384	131,218
Unrestricted grants and contributions	63,489	63,284	63,011	62,639	341,751	307,791	302,425	304,370	350,866	303,414
Investment earnings	158	5,165	6,895	21,130	48,108	60,515	68,486	2,540	1,140	513,023
Miscellaneous income	297,215	628,467	733,089	1,012,677	493,494	324,854	312,333	488,086	432,258	326,446
Transfers						(4,284)				
Reimbursement of Prior Year Tuition	424,190									
Total governmental activities	<u>18,156,929</u>	<u>18,777,107</u>	<u>19,166,645</u>	<u>19,280,806</u>	<u>19,431,002</u>	<u>20,167,517</u>	<u>20,648,383</u>	<u>21,158,563</u>	<u>21,553,902</u>	<u>22,524,957</u>
Business-type activities:										
Investment earnings	19	13	45	100	628	714	1,182	23	210	8,307
Transfers						4,284				
Disposition/Adjustment of Capital Assets										
Total business-type activities	<u>19</u>	<u>13</u>	<u>45</u>	<u>25,917</u>	<u>628</u>	<u>4,998</u>	<u>1,182</u>	<u>23</u>	<u>210</u>	<u>8,307</u>
Total district-wide	<u>18,156,948</u>	<u>18,777,120</u>	<u>19,166,690</u>	<u>19,306,723</u>	<u>19,431,630</u>	<u>20,172,515</u>	<u>20,649,565</u>	<u>21,158,586</u>	<u>21,554,112</u>	<u>22,533,264</u>
<b>Change in Net Position</b>										
Governmental activities	181,690	(50,901)	(92,909)	(88,079)	(947,592)	601,445	324,927	339,415	(275,197)	(50,277)
Business-type activities	(32,141)	12,409	(102,416)	37,626	(29,505)	27,792	(3,989)	3,761	96,845	96,885
Total district	<u>149,549</u>	<u>(38,492)</u>	<u>(195,325)</u>	<u>(50,453)</u>	<u>(977,097)</u>	<u>629,237</u>	<u>320,938</u>	<u>343,176</u>	<u>(178,352)</u>	<u>46,608</u>

Source: Borough of Lincoln Park School District records

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

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 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	\$ 1,317,411
Assigned	362,283	338,956	300,074	310,708	132,273	77,389	368,299	1,281,614	655,695	393,331
Unassigned	275,314	257,866	258,044	272,233	340,864	337,347	332,464	643,132	442,517	480,924
Total general fund	\$ 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	\$ 2,191,666
All Other Governmental Funds										
Restricted	\$ 125	\$ 100	\$ 108	\$ 132	\$ 25	\$ 2	\$ 85,011	\$ 72,568	\$ 76,733	\$ 9,366,870
Committed				117,877	11,669	11,669	11,669			
Unassigned/(Deficit)		(448,800)	(448,800)						(104,528)	
Total All Other Governmental Funds/(Deficit)	\$ 125	\$ (448,700)	\$ (448,692)	\$ 118,009	\$ 11,694	\$ 11,671	\$ 96,680	\$ 72,568	\$ (27,795)	\$ 9,366,870
Total Governmental Funds	\$ 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	\$ 11,558,536

Source: Borough of Lincoln Park School District Records



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Tax levy	\$ 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	\$ 21,382,074
Tuition charges	35,335	38,070	61,286	38,983	72,868	50,960	85,095	58,656	266,981	75,474
Rentals	230,231	236,008	243,500	21,130	259,144	267,323	296,585	319,884	361,433	316,069
Interest earnings	5,001	5,165	6,895	21,130	48,108	60,515	68,486	2,540	1,140	29,823
Miscellaneous	26,806	133,636	489,589	1,012,677	234,650	66,731	21,580	190,115	123,536	589,041
State sources	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	6,327,201
Federal sources	421,749	374,148	398,689	351,034	424,999	423,728	422,083	559,963	686,602	1,171,486
<b>Total revenue</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>29,891,168</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	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	7,060,663
Special Education Instruction	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	2,544,344
Other Special Instruction	323,193	306,510	385,678	410,246	390,514	434,153	305,420	260,126	316,723	375,247
School-Sponsored/Other Instruction	75,377	145,887	73,580	115,591	172,164	117,560	111,276	58,299	109,620	108,119
Support Services:										
Tuition	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	8,131,954
Student & instruction related services	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	2,480,839
General administrative services	577,910	368,737	553,500	360,398	424,164	420,768	408,941	445,826	421,317	460,287
School Administrative services	596,223	605,224	566,133	536,667	528,951	518,664	530,792	537,764	499,024	515,809
Central services	611,170	419,898	369,462	365,753	352,725	371,397	421,681	421,772	393,901	401,159
Administrative Information Technology		127,544	138,971	124,370	117,975	122,554	105,415	113,659	18,506	25,646
Plant operations and maintenance	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	1,315,341
Pupil transportation	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	1,889,468
Unallocated Benefits	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	4,234,123
Special Schools						21,297	11,118	-	-	-
Capital outlay	3,671	1,148,200	7,284	347,123	618,773	239,106	97,481	117,704	591,147	1,530,350
Debt service:										
Principal	575,000	570,000	655,000	145,000	155,000	160,000	165,000	185,000	185,000	190,000
Interest and other charges	112,401	92,308	71,891	48,235	41,671	34,781	27,672	12,359	12,359	4,157
<b>Total expenditures</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>	<b>31,267,506</b>
<b>Excess/(Deficit) of Revenues Over/</b>										
<b>(Under) Expenditures</b>	<b>(93,053)</b>	<b>(940,528)</b>	<b>87,826</b>	<b>590,584</b>	<b>(146,576)</b>	<b>375,398</b>	<b>459,719</b>	<b>219,668</b>	<b>(1,112,269)</b>	<b>(1,376,338)</b>

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS

UNAUDITED  
(modified accrual basis of accounting)  
(Continued)

	Fiscal Year Ending June 30,										
	2014	2015	2016	2016	2016	2017	2018	2020	2021	2022	2023
<b>Other Financing Sources/(Uses)</b>											
Special Item - Reimbursement of Prior Year Tuition		\$ 424,190									\$ 10,211,000
Serial Bonds Issued							\$ (4,284)				\$ 10,211,000
Transfers											
Total Other Financing Sources/(Uses)	\$ -0-	424,190	\$ -0-	\$ -0-	\$ -0-	\$ -0-	(4,284)	\$ -0-	\$ -0-	\$ -0-	\$ 10,211,000
Net Change in Fund Balances	\$ (93,053)	\$ (516,338)	\$ 87,826	\$ 590,584	\$ (146,576)	\$ 371,114	\$ 459,719	\$ 219,668	\$ (1,112,269)	\$ 8,834,662	
Debt Service as a % of Noncapital Expenditures	2.77%	2.71%	2.98%	0.65%	0.68%	0.68%	0.68%	0.82%	0.71%	0.64%	0.64%

Source: Borough of Lincoln Park School District records

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

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Rentals- Use of Facilities	Prior Year Refunds	Cancellation of Prior Year Accounts Payable	Other	Total
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
2023	135,675	75,474	316,069	5,297	\$ 215	4,865	537,595

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		Commercial		Industrial		Apartment		Total Assessed Value		Public Utilities		Net Valuation Taxable		Total Direct School Tax Rate <sup>b</sup>		Estimated Actual (County Equalized Value)	
2013	\$ 7,260,000	\$ 1,184,170,900	\$ 6,234,900	\$ 355,400	\$ 109,681,800	\$ 64,942,600	\$ 36,083,800	\$ 1,408,729,400	\$ -0-	\$ -0-	\$ 1,372,290,200	\$ 1.29	\$ 1,480,564,104									
2014	6,501,300	1,143,842,500	5,879,500	355,400	114,499,400	64,210,500	36,896,700	1,372,185,300	-0-	-0-	1,372,185,300	1.32	1,340,717,718									
2015	6,531,500	1,132,999,600	5,879,500	355,400	114,815,900	62,000,500	36,896,700	1,359,479,100	-0-	-0-	1,359,479,100	1.35	1,331,789,820									
2016	6,411,400	1,132,273,600	5,132,600	347,900	114,157,800	59,708,400	36,896,700	1,354,928,400	-0-	-0-	1,354,928,400	1.34	1,346,706,502									
2017	7,183,800	1,131,423,900	5,132,600	337,400	113,820,900	59,252,400	36,896,700	1,354,047,700	-0-	-0-	1,354,047,700	1.37	1,365,006,098									
2018	7,567,700	1,130,390,700	5,132,600	322,300	113,820,900	59,252,400	36,896,700	1,353,383,300	-0-	-0-	1,353,383,300	1.44	1,408,014,253									
2019	6,695,300	1,131,929,100	4,777,200	322,600	113,695,700	59,752,400	36,996,700	1,354,169,000	-0-	-0-	1,354,169,000	1.47	1,436,479,262									
2020	7,649,600	1,134,589,800	4,777,200	322,600	112,361,700	59,752,400	36,996,700	1,356,450,000	-0-	-0-	1,356,450,000	1.50	1,468,973,359									
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	-0-	-0-	1,356,043,200	1.53	1,544,292,450									
2022	7,837,100	1,137,430,000	5,339,600	308,600	111,046,100	59,752,400	36,996,700	1,358,710,500	-0-	-0-	1,358,710,500	1.57	1,550,606,282									

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  
UNAUDITED  
*(rate per \$100 of assessed value)*

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	
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
2022	1.56	0.01	1.57	1.09	0.29	2.96

## 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

2023		2014	
Taxpayer	Assessed Value	Taxable Assessed Value	Rank
	% of Total District Net Assessed Value		% of Total District Net Assessed Value
INFORMATION IS NOT AVAILABLE			
Beaver Brook Associates		\$ 36,083,800	1
Mort's Family Group		16,727,600	2
Renaissance Rehab and Nursing Home		16,441,900	3
Lincoln Park properties		15,692,100	4
Lincoln Park Nursing Home		9,958,400	5
Phoenix Realty Partners		8,000,000	6
Lincoln Park Plaza Associates		7,967,000	7
510 Ryerson Road, Inc.		7,500,000	8
FRA Lincoln Park, LLC		5,755,300	9
Kay Elements		5,000,000	10
		\$ 129,126,100	
			17.35%

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	
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-
2023	21,382,074	21,382,074	100.00%	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Total District		
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
2023	10,211,000	10,211,000	0.87%	935

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		
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
2023	10,211,000	-0-	10,211,000	0.752%	935

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

<sup>b</sup> 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, 2022  
UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Borough of Lincoln Park	\$ 15,049,387	100.00%	\$ 15,049,387
Morris County General Obligation Debt	253,387,955	1.46%	<u>3,701,623</u>
Subtotal, Overlapping Debt			18,751,010
Lincoln Park School District Direct Debt			<u>10,211,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 28,962,010</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 2023**

Year Ended December 31,	Equalized Valuation Basis
2022	\$ 1,468,973,359
2021	1,544,292,450
2020	1,468,973,359
	<u>\$ 4,482,239,168</u>
	<u>\$ 1,494,079,723</u>
Average Equalized Valuation of Taxable Property	
	\$ 44,822,392
	<u>10,211,000</u>
	<u>\$ 34,611,392</u>

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 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	\$ 44,822,392
Total Net Debt Applicable to Limit	2,400,000	1,830,000	1,175,000	1,030,000	875,000	715,000	550,000	375,000	190,000	10,211,000
Legal Debt Margin	\$ 45,281,151	\$ 44,333,481	\$ 39,084,517	\$ 39,482,563	\$ 40,074,528	\$ 40,835,798	\$ 40,835,798	\$ 42,759,669	\$ 44,307,451	\$ 34,611,392
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.69%	4.48%	2.92%	2.54%	2.14%	1.72%	1.30%	0.87%	0.43%	22.78%

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>
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	1,174,660,300	107,767	6.00%
2022	10,923	1,177,138,941 ***	107,767 *	3.70%
2023	10,923 **	1,177,138,941 ***	107,767 *	N/A

\* - Latest Morris County per capita personal income available (2021) was used for calculation purposes.

\*\* - Latest population data available (2022) was used for calculation purposes.

\*\*\* - Latest available population data (2022) and latest available Morris County per capita personal income (2021) 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

	2023		2014		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
INFORMATION IS NOT AVAILABLE					
			U.S Army Armament R&D	5,841	2.27%
			Novartis	5,035	1.96%
			Atlantic Health System	4,463	1.74%
			ADP	2,060	0.80%
			Bayer Healthcare, LLC	1,900	0.74%
			County of Morris	1,674	0.65%
			Wyndham Worldwide Corporation	1,653	0.64%
			St. Claire's Health Services	1,642	0.64%
			BASF Corporation	1,500	0.58%
			Accenture	1,480	0.58%
				<u>27,248</u>	<u>10.60%</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	2023
Instruction											
Regular	56.0	54.0	55.0	56.0	64.2	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	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	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	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	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	8.5
Pupil transportation	0.3	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	4.0
Food Service		8.0	8.0	8.0	7.0	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	138.4

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

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
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%
2023	864	28,300,726	32,755	0.42%	85	1:12	1:12	893	837	2.29%	93.73%

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	2023
Chapel Hill School (1923)	53,600	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	N/A
Capacity (students)	N/A	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	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	66,640
Square Feet	533	533	533	533	533	533	533	533	533	533	533
Capacity (students)	527	505	568	536	536	536	501	507	483	483	520
Enrollment	79,120	79,120	79,120	79,120	79,120	79,120	79,120	79,120	79,120	79,120	79,120
Middle School (1959)	603	603	603	603	603	603	603	603	603	603	603
Square Feet	372	435	396	398	398	398	407	407	401	401	344
Capacity (students)											
Enrollment											

Number of Schools at June 30, 2023

  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
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
2023	2,959	81,149	113,215	197,323

\* 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, 2023  
UNAUDITED

<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>COMMERCIAL PACKAGE POLICY</b>						
<b>PROPERTY</b>		1 YEAR	7/1/22-7/1/23	NISIG	P283AN	
BLANKET BUILDING & CONTENTS(Per Fund)	\$ 58,648,782					Surcharge
BUSINESS INCOME & EXTRA EXPENSE	\$ 50,000,000					Per Occurrence
VALUABLE PAPERS & RECORDS	\$ 10,000,000					PTO's & PTAs incl. As Additional Insured
						Per Occurrence
FINE ARTS	\$ 1,000,000					
IN TRANSIT OR OFF PREMISES	\$ 1,000,000					
FLOOD EACH OCCURRENCE	\$ 75,000,000					
DEDUCTIBLE	\$ 10,000					
EARTHQUAKE PER OCCURRENCE	\$ 50,000,000					
EARTHQUAKE AGGREGATE	\$ 50,000,000					
DEDUCTIBLES PER OCCURRENCE:	\$ 5,000					
<b>CRIME</b>						
PUBLIC EMPLOYEE DISHONESTY	\$ 250,000					
W/FAITHFUL PERFORMANCE	\$ 250,000					
FORGERY OR ALTERATION	\$ 100,000					
MONEY ORDERS & COUNTERFEIT	\$ 250,000					
COMPUTER FRAUD	\$ 1,000					
DEDUCTIBLE						
<b>BOILER &amp; MACHINERY</b>		1 YEAR	7/1/22-7/1/23	NISIG	P283AN	
Limit per Breakdown	\$ 100,000,000					
Deductible	\$ 5,000					
<b>INLAND MARINE</b>						
Blanket Tools & Equipment						
Rented or Borrowed Equipment						
Deductible						

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2023  
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	\$ 11,000,000					
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					
ABUSE OR MOLESTATION AGGREGATE	\$ 2,000,000					
<b>AUTOMOBILE COVERAGE</b>			7/1/22-7/1/23	NISIG	P283AN	
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	\$ 2,000,000	1 YEAR	7/1/22-7/1/23	NISIG	M283AN	
POLICY AGGREGATE	\$ 10,000,000					
<b>EDUCATORS LEGAL LIABILITY</b>						
EACH WONGFUL ACT	\$ 1,000,000	1 YEAR	7/1/22-7/1/23	NISIG	E283AN	
PROFESSIONAL INCIDENT AGGREGATE DEDUCTIBLE	\$ 3,000,000					
	\$ 5,000					

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2023  
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>UMBRELLA POLICY</b>						
EACH OCCURRENCE LIMIT	\$ 10,000,000	1 YEAR	7/1/22-7/1/23	NJSIG	P283AN	
AGGREGATE	\$ 10,000,000					
<b>PREMISES POLLUTION LIABILITY INS.</b>						
PER POLLUTION CONDITION OR INDOOR ENVIRONMENTAL CONDITION RETENTION	\$ 1,000,000 \$ 50,000	1 YEAR	7/1/22-7/1/23	NJSIG	P283AN	
<b>WORKERS COMPENSATION</b>						
WORKERS COMPENSATION EMPLOYERS LIABILITY	STATUTORY \$ 1,000,000 \$ 600,000		7/1/22-7/1/23	POOLED INS. PROGRAM OF NJ	SP4066555	
SELF INSURED RETENTION PER OCCURRENCE						
<b>EXCESS UMBRELLA - NJUEP</b>						
	\$ 10,000,000	1 YEAR	7/1/22-7/1/23	Hudson Excess Ins. Co.	EPGA 000073-00	
	\$ 10,000,000	1 YEAR	7/1/22-7/1/23	Allied World Assur. Co.	0312-3968	
	\$ 10,000,000	1 YEAR	7/1/22-7/1/23	Great American	2480095	
<b>BONDS</b>						
NICOLE SCHOENING, BUSINESS ADMINISTRATOR	\$ 220,000	1 YEAR	7/1/22-7/1/23	TRAVELERS CASUALTY & SUR.	107277760	
KELLY MEEHAN, TREASURER	\$ 220,000	1 YEAR	7/1/22-7/1/23	TRAVELERS CASUALTY & SUR.	107277755	
<b>STUDENT ACCIDENT</b>						
Maximum Medical Benefit per Injury	\$ 25,000 \$ 5,000,000	1 YEAR	7/1/22-7/1/23	MCCLOSKEY QBE - Base QBE - CAT	KHH000389 KHH900022	

Source: Lincoln Park Borough School District records

SINGLE AUDIT SECTION

Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 6, 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**

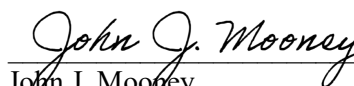
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

November 6, 2023  
Mount Arlington, New Jersey

  
NISIVOCCIA LLP

  
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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 federal and state programs for the fiscal year ended June 30, 2023. 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, 2023.

***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.

November 6, 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, 2023

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, 2022		Cash Received	Budgetary Expenditures	Adjustments	Cancellation of Prior Years Encumbrances	Balance at June 30, 2023		Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue					Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Education:													
Special Revenue Fund:													
Passed-through State Department of Education:													
Elementary and Secondary Education Act:													
Title I	84.010A	ESEA265023	7/1/22-9/30/23	\$ 69,588			\$ 34,278	\$ (50,343)			\$ (50,343)		
Title I	84.010A	ESEA265022	7/1/21-9/30/22	103,158			34,278	(50,343)	(157)		(50,343)		
Total Title I													
Title II	84.367A	ESEA265023	7/1/22-9/30/23	33,102			1,769	(32,403)	1		(32,403)		
Title II	84.367A	ESEA265022	7/1/21-9/30/22	28,687			1,769	(32,403)	1		(32,403)		
Total Title II													
Title III	84.365A	ESEA265023	7/1/22-9/30/23	44,488				(26,067)			(26,067)		
Title III	84.365A	ESEA265022	7/1/21-9/30/22	37,900			19,260	(179)			(179)		
Title III - Immigrant	84.365A	ESEA265023	7/1/22-9/30/23	879									
Title III - Immigrant	84.365A	ESEA265022	7/1/21-9/30/22	1,540			546	(26,246)			(26,246)		
Total Title III							19,806	(26,246)			(26,246)		
Title IV	84.424A	ESEA265023	7/1/22-9/30/23	10,000				(10,000)			(10,000)		
Total Title IV								(10,000)			(10,000)		
Education Stabilization Fund:													
COVID-19 - CARES Emergency Relief													
COVID-19 - CRRSA:													
ESSER II	84.425D	CARES265022	3/13/20-9/30/22	74,338				(11)	11				
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	288,409			75,360	(119,507)			(145,649)		
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	25,000				(72)			(72)		
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	45,000				(539)			(539)		
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	648,182			528,425	(453,496)			(76,699)		
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	40,000			33,598	(22,066)		\$ 1,469	(751)		
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	40,000				(5,003)		1,008	(10,592)		
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	40,500				(40,500)			(40,500)		
ESSER III	84.425W	N/A	4/23/21-9/30/23	3,198			3,198	(2,833)			\$ 365		
Total Education Stabilization Fund							640,581	(644,027)		11	(274,802)	365	
Special Education Cluster (IDEA):													
COVID-19 - ARP - IDEA Part B, Basic Regular													
IDEA Part B, Basic Regular	84.027	IDEA265023	7/1/21-9/30/23	39,696			6,470	(249,983)			(249,973)		
IDEA Part B, Basic Regular	84.027	IDEA265023	7/1/22-9/30/23	249,983			225,010	(1,066)					
IDEA Part B, Preschool	84.173	IDEA265023	7/1/21-9/30/23	3,384			1,941	(9,936)			(24,973)		
IDEA Part B, Preschool	84.173	IDEA265023	7/1/22-9/30/23	9,936			243,357	(260,985)					
Total Special Education Cluster (IDEA)							939,791	(1,024,004)		(145)	(418,767)	365	
Total U.S. Department of Education													

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2022			Cash Received	Budgetary Expenditures	Adjustments	Cancellation of Prior Years' Encumbrances	Balance at June 30, 2023		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor					Budgetary Accounts Receivable	Budgetary Unearned Revenue	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	7/1/22-6/30/23	\$ 29,408			\$ 29,408	\$ (29,007)				\$ 401		
Food Distribution Program	10.555	N/A	7/1/21-6/30/22	19,383				(1,286)						
National School Lunch Program	10.555	N/A	7/1/22-6/30/23	128,714			102,239	(128,714)						
COVID-19 - Seamless Summer Option	10.555	N/A	7/1/21-6/30/22	474,590	\$ (41,580)		41,580							
School Breakfast Program	10.553	N/A	7/1/22-6/30/23	173			164	(173)						
COVID-19 - Supply Chain Assistance	10.555	N/A	7/1/22-6/30/23	54,002	(41,580)		54,002	(24,134)				29,868		
Total Child Nutrition Cluster				54,002	(41,580)		227,393	(183,314)				30,269		
NSLP Equipment Assistance for SFA	10.579	N/A	7/1/21-9/30/23	15,240			15,240	(15,240)*						
Total U.S. Department of Agriculture				242,653	(41,580)		242,653	(198,554)				30,269		
<b>U.S. Department of Health and Human Services:</b>														
Medicaid Cluster:														
Medicaid Assistance Program	93.778	N/A	7/1/22-6/30/23	35,095			35,095	(35,095)						
Family First Coronavirus Response Act	93.778	N/A	7/1/22-6/30/23	3,229			3,229	(3,229)						
Total U.S. Department of Health and Human Services				38,324			38,324	(38,324)						
Total Federal Awards				\$ 1,220,748	\$ (378,101)		\$ 1,220,748	\$ (1,260,882)	\$ (145)		\$ -0-	\$ 30,634	\$ -0-	\$ -0-

N/A - Not applicable  
\* - Partially Expended in Prior Year

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Project Number	Grant or State	Grant Period	Award Amount	Balance at June 30, 2022			Cash Received	Balance at June 30, 2023			Memo		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Budgetary Expenditures		GAAP Accounts Receivable	Budgetary Unearned Revenue	Budgetary Expenditures	Budgetary Receivable	Cumulative Total Expenditures	
<b>State Department of Education:</b>														
General Fund State Aid:														
Transportation Aid	23-495-034-5120-014		7/1/22-6/30/23	\$ 635,819			\$ 580,348	\$ (635,819)			\$ (55,471)	\$ 635,819		
Special Education Aid	23-495-034-5120-089		7/1/22-6/30/23	982,365			896,660	(982,365)			(85,705)	982,365		
Security Aid	23-495-034-5120-084		7/1/22-6/30/23	136,362			124,465	(136,362)			(11,897)	136,362		
Adjustment Aid	23-495-034-5120-085		7/1/22-6/30/23	103,853			94,793	(103,853)			(9,060)	103,853		
Extraordinary Aid	23-495-034-5120-044		7/1/22-6/30/23	330,071				(330,071)			(330,071)	330,071		
Transportation Aid - Non-public reimbursement	23-495-034-5120-014		7/1/22-6/30/23	22,464				(22,464)			(22,464)	22,464		
Reimbursed TPAF Social Security Contributions	23-495-034-5095-003		7/1/22-6/30/23	559,392			503,294	(559,392)			(56,098)	559,392		
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001		7/1/22-6/30/23	726,211			726,211	(726,211)				726,211		
On-Behalf TPAF Pension Contributions	23-495-034-5094-002		7/1/22-6/30/23	2,726,608			2,726,608	(2,726,608)				2,726,608		
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004		7/1/22-6/30/23	37,829			37,829	(37,829)				37,829		
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004		7/1/22-6/30/23	1,221			1,221	(1,221)				1,221		
Transportation Aid	22-495-034-5120-014		7/1/21-6/30/22	635,819	\$ (56,160)		56,160					635,819		
Special Education Aid	22-495-034-5120-089		7/1/21-6/30/22	909,427	(80,327)		80,327					909,427		
Security Aid	22-495-034-5120-084		7/1/21-6/30/22	136,362	(12,045)		12,045					136,362		
Adjustment Aid	22-495-034-5120-085		7/1/21-6/30/22	103,853	(9,173)		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	(27,425)		27,425					553,308		
Total General Fund State Aid					(615,855)		6,307,284	(6,262,195)	(408,633)		(570,766)	9,031,689		
Special Revenue Fund										\$ 3,604				
Anti Bullying Aid	N/A		7/1/13-6/30/22	3,604										
Climate Awareness Education Grant	23-100-034-5063-359		7/1/22-6/30/23	6,660			6,496	(6,496)				6,660		
Total Special Revenue Fund							6,496	(6,496)		3,604		6,660		
Debt Service Fund:														
Debt Service State Aid Support	23-495-034-5120-017		7/1/22-6/30/23	62,938			62,938	(62,938)				62,938		
Total Debt Service Fund							62,938	(62,938)				62,938		
Enterprise Fund:														
State School Lunch Program	23-100-010-3350-023		7/1/22-6/30/23	6,405			5,108	(6,405)			(1,297)	6,405		
State School Breakfast Program	23-100-010-3350-028		7/1/22-6/30/23	1			1	(1)				1		
COVID-19 - Seamless Summer Program	22-100-010-3350-023		7/1/21-6/30/22	10,773			928	(928)				10,773		
Total Enterprise Fund							6,037	(6,406)			(1,297)	17,179		
General Fund:														
NJ Schools Development Authority:														
School Development Authority -														
Securing our Children's Future Bond Act	2650-035-14-1001		7/1/21-6/30/22	46,500	(46,500)		46,500					46,500		
Total State Awards					(663,283)		6,429,255	(6,338,035)	(409,930)	3,604	(572,063)	9,164,966		

N/A - Not available

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Balance at June 30, 2023		Memo	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue		GAAP Accounts Receivable	Budgetary Unearned Revenue	Budgetary Expenditures	Cumulative Total Expenditures
Less: State Awards Not Subject to Single Audit Major Program Determination										
On-Behalf TPAF Pension System Contributions:										
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	\$ (726,211)					\$ 726,211		
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	(2,726,608)					2,726,608		
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	(37,829)					37,829		
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	(1,221)					1,221		
Subtotal - On-Behalf TPAF Pension System Contributions										
Total State Awards Subject to Single Audit Major Program Determination										
<u>\$ (2,846,166)</u>										

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, 2023

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, 2023. 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 \$4,428 for the General Fund and \$109,158 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. The District's Food Service Management Company was granted forgiveness on their Paycheck Protection Program (PPP Loan). Schools that participated in the USDA's National School Lunch Program (NSLP) received a credit for Labor Cost for the period of May 16, 2020 through October 30, 2020. Based on USDA guidance, the PPP forgiven funds were credited to NSLP participants and is included as a Federal Award in the District's Food Service Fund. 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, 2023

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 38,324	\$ 6,257,767	\$ 6,296,091
Special Revenue Fund	1,133,162	6,496	1,139,658
Debt Service Fund		62,938	62,938
Food Service Fund	219,148	6,406	225,554
Total Awards	<u>\$ 1,390,634</u>	<u>\$ 6,333,607</u>	<u>\$ 7,724,241</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2023.



LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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:

	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
State:				
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 982,365	\$ 982,365
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	136,362	136,362
Adjustment Aid	23-495-034-5120-085	7/1/22-6/30/23	103,853	103,853
Federal:				
Education Stabilization Fund:				
COVID 19 - CARES Emergency Relief	84.425D	3/13/20-9/30/22	74,338	11
COVID 19 - CRRSA:				
ESSER II	84.425D	3/13/20-9/30/23	288,409	119,507
Learning Acceleration	84.425D	3/13/20-9/30/23	25,000	72
Mental Health	84.425D	3/13/20-9/30/23	45,000	539
COVID 19 - ARP:				
ESSER III	84.425U	3/13/20-9/30/24	648,182	453,496
Learning Acceleration	84.425U	3/13/20-9/30/24	40,000	22,066
Comprehensive Beyond the School Day	84.425U	3/13/20-9/30/24	40,000	5,003
Mental Health	84.425U	3/13/20-9/30/24	40,500	40,500
Homeless II Children and Youth	84.425W	4/23/21-9/30/23	3,198	2,833

LINCOLN PARK BOROUGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

Summary of Auditors' Results: (Cont'd)

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

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, 2023

Status of Prior Year Findings:

The District had no prior year audit findings.