

**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, 2024**

**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, 2024

Prepared by

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)

Lincoln Park Public Schools

Preparing Tomorrow's Leaders at Lincoln Park Schools Today

Robert Mooney
Interim Superintendent of Schools

Dr. Victor Anaya
Interim Business Administrator/Board Secretary

October 17, 2024

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, 2024, 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 2023-2024 fiscal year with an enrollment of 888 students at LPES and the LPMS.

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 was monitored with another school climate survey in the spring of 2024. We will continue to utilize the Sage-Thrive program 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 were completed in January 2024, as the switches that were on back order arrived in November 2023. This eliminated 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 last summer. This made 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. Last 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 completed in early 2024. Materials for the STEM lab upgrade will be ordered in the coming months and the HVAC project went 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 went out to bid last 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, 2024.

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.

The Honorable President and Members of
the Board of Education
Lincoln Park Borough School District
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October 17, 2024

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,

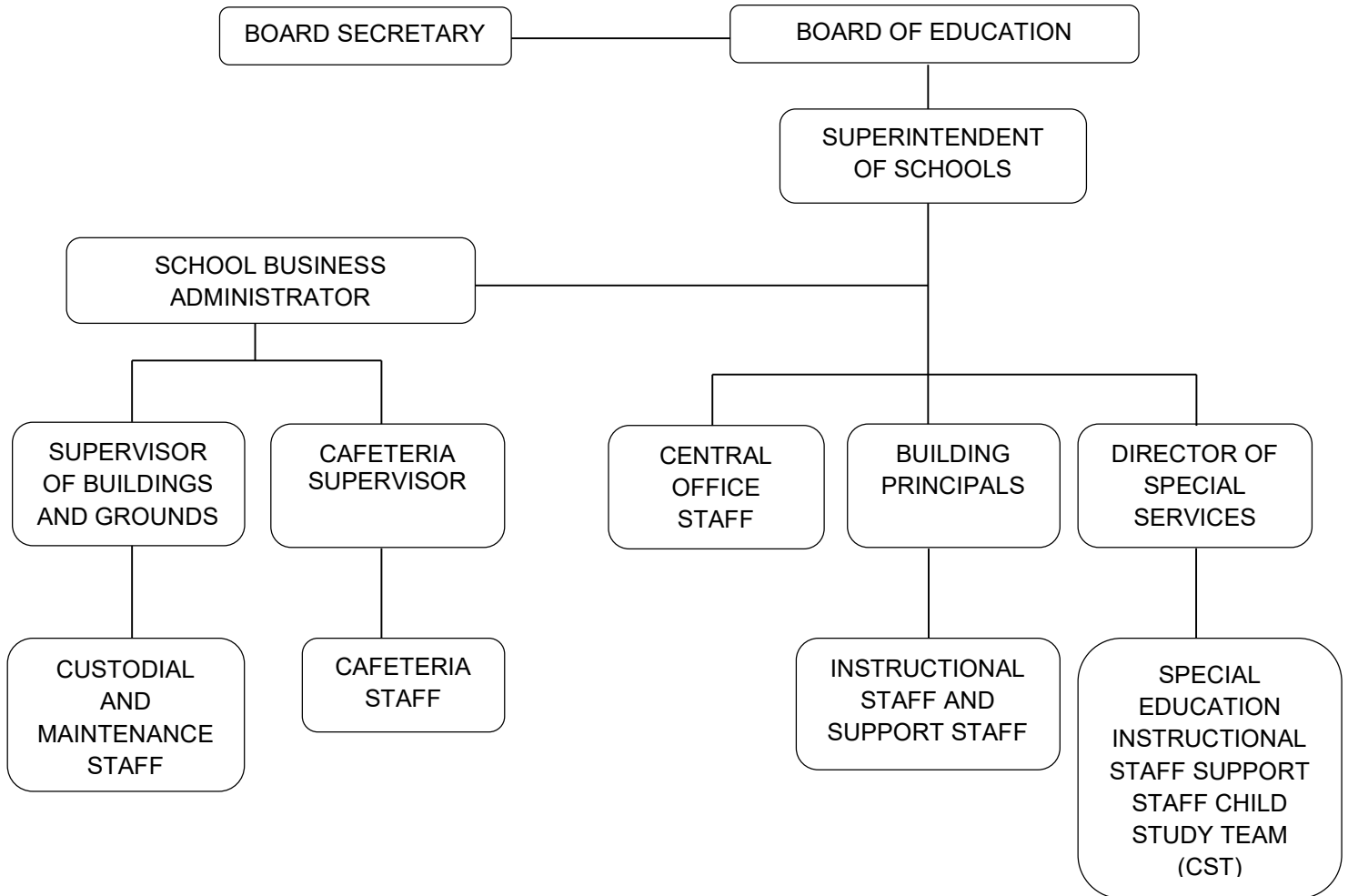
A handwritten signature in blue ink, reading "Robert Mooney", written over a horizontal line.

Robert Mooney
Interim Superintendent

A handwritten signature in blue ink, reading "Victor Anaya", written over a horizontal line.

Dr. Victor Anaya
Interim Business Administrator/Board Secretary

LINCOLN PARK BOROUGH SCHOOL DISTRICT
ORGANIZATIONAL CHART



LINCOLN PARK BOROUGH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2024

<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 (to 7/19/24)

Robert Mooney, Interim Superintendent (from 7/22/24)

Nicole C. Schoening, CPA, SFO, Business Administrator (to 9/15/23)

Devanshu Modi, CPA, SFO, Business Administrator (9/18/23-4/22/24)

Debra Andreniuk CPA, SFO, Business Administrator (4/22/24-9/16/24)

Dr. Victor J. Anaya, CPA, SFO, Interim Business Administrator (from 9/16/24)

Kelly Murphy, Treasurer of School Moneys

Nathanya Simon, Board Counsel

LINCOLN PARK BOROUGH SCHOOL DISTRICT
Consultants and Advisors

Attorney

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Schwartz, Simon, Edelstein and Celso, LLC
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Audit Firm

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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, 2024, 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, 2024, 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 October 17, 2024 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.

October 17, 2024
Mount Arlington, New Jersey

NISIVOCIA 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, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District’s operations in *more* detail than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short- and long-term* financial information about the activities the District operates like a business, such as food services.
- *Notes to the basic financial statements* provide additional information essential to a full understanding of district wide and fund financial statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year.

Table 1 shows how the various parts of this annual report are arranged and relate to one another.

Table 1
Organization of Lincoln Park Borough’s Financial Report

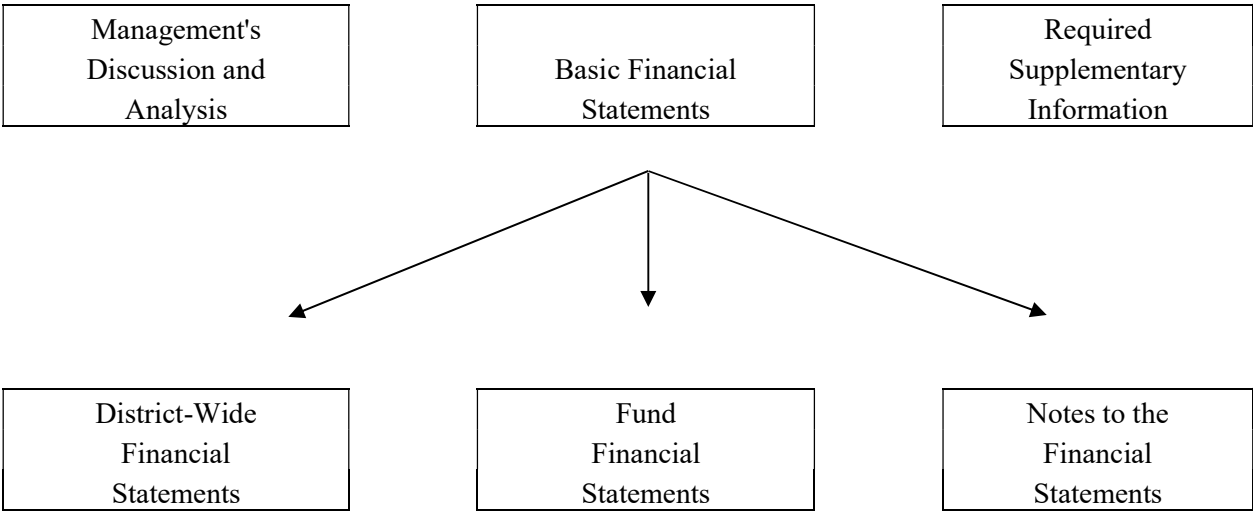


Table 2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

Table 2**Major Features of the District-Wide and Fund Financial Statements**

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, 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 decreased by \$145,709. Net position from governmental activities decreased by \$213,323 and net position from business-type activities increased by \$67,614. Net investment in capital assets increased by \$64,979, restricted net position increased by \$82,317 and unrestricted net position decreased by \$293,005.

Table 3
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		%
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	Change
Current and							
Other Assets	\$ 12,834,402	\$10,674,648	\$ 237,697	\$311,077	\$ 13,072,099	\$ 10,985,725	
Capital Assets, Net	7,190,024	8,016,052	82,805	72,241	7,272,829	8,088,293	
Total Assets	20,024,426	18,690,700	320,502	383,318	20,344,928	19,074,018	-6.25%
Deferred Outflows of Resources	342,511	217,068			342,511	217,068	-36.62%
Other Liabilities	1,221,557	750,166	38,155	33,357	1,259,712	783,523	
Long-term Liabilities	12,323,442	11,987,200			12,323,442	11,987,200	
Total Liabilities	13,544,999	12,737,366	38,155	33,357	13,583,154	12,770,723	-5.98%
Deferred Inflows of Resources	1,109,831	671,618			1,109,831	671,618	-39.48%
Net Investment in							
Capital Assets	5,898,965	5,974,508	82,805	72,241	5,981,770	6,046,749	
Restricted	1,764,340	1,846,657			1,764,340	1,846,657	
Unrestricted/(Deficit)	(1,951,198)	(2,322,381)	199,542	277,720	(1,751,656)	(2,044,661)	
Total Net Position	\$ 5,712,107	\$ 5,498,784	\$ 282,347	\$ 349,961	\$ 5,994,454	\$ 5,848,745	-2.43%

Changes in Net Position. The District's combined net position was \$5,848,745 on June 30, 2024, a decrease of \$145,709 or 2.43% over the previous year (see Table 3). Net position in the Governmental Activities decreased due primarily to changes in net pension liability and related deferred outflows and inflows, depreciation on capital assets, a decrease in tuition reserve, and an increase in the compensated absences liability. 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		%
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	Change
Revenue:							
Program Revenue:							
Charges for Services	\$ 158,199	\$ 451,762	\$ 302,204	\$ 311,928	\$ 460,403	\$ 763,690	
Operating Grants and Contributions	5,672,406	5,321,516	225,554	167,564	5,897,960	5,489,080	
General Revenue:							
Property Taxes	21,382,074	22,594,976			21,382,074	22,594,976	
Unrestricted State and Federal Aid	303,414	470,403			303,414	470,403	
Other	839,469	997,946	8,307	15,084	847,776	1,013,030	
Total Revenue	28,355,562	29,836,603	536,065	494,576	28,891,627	30,331,179	4.98%
Expenses:							
Instruction	12,410,918	12,873,577			12,410,918	12,873,577	
Pupil and Instruction Services	10,787,461	10,995,553			10,787,461	10,995,553	
Administrative and Business	1,627,059	1,777,769			1,627,059	1,777,769	
Maintenance and Operations	1,300,073	1,407,939			1,300,073	1,407,939	
Transportation	1,930,528	2,591,049			1,930,528	2,591,049	
Other	349,800	404,039	439,180	426,962	788,980	831,001	
Total Expenses	28,405,839	30,049,926	439,180	426,962	28,845,019	30,476,888	5.66%
Increase/(Decrease) in Net Position	\$ (50,277)	\$ (213,323)	\$ 96,885	\$ 67,614	\$ 46,608	\$ (145,709)	412.63%

Governmental Activities

The financial position of the District declined by year end. Maintaining existing instructional programs for an increasing 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 transportation, 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	
	2022/23	2023/24	2022/23	2023/24
Instruction	\$ 12,410,918	\$ 12,873,577	\$ 8,365,291	\$ 8,835,948
Pupil and Instruction Services	10,787,461	10,995,553	9,876,312	10,115,913
Administrative and Business	1,627,059	1,777,769	1,412,452	1,580,747
Maintenance and Operations	1,300,073	1,407,939	1,300,073	1,407,939
Transportation	1,930,528	2,591,049	1,271,556	1,932,062
Other	349,800	404,039	349,800	404,039
	<u>\$ 28,405,839</u>	<u>\$ 30,049,926</u>	<u>\$ 22,575,484</u>	<u>\$ 24,276,648</u>

Business-Type Activities

Net position from the District's business-type activity increased by \$67,614 (refer to Table 4). Factors contributing to these results included an increase in Food Service Fund interest revenue and a decrease in expenses.

Financial Analysis of the District's Funds

The District's financial position decreased overall on a fund basis primarily due to the decrease in unexpended appropriations. 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
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	
Land	\$ 719,980	\$ 719,980			\$ 719,980	\$ 719,980	
Construction in Progress	1,291,059	2,377,544				2,377,544	
Site Improvements	514,990	481,532			514,990	481,532	
Buildings and Building Improvements	4,234,209	3,882,446			4,234,209	3,882,446	
Furniture, Machinery and Equipment	429,786	554,550	\$ 82,805	\$ 72,241	512,591	626,791	
	<u>\$ 7,190,024</u>	<u>\$ 8,016,052</u>	<u>\$ 82,805</u>	<u>\$ 72,241</u>	<u>\$ 5,981,770</u>	<u>\$ 8,088,293</u>	35.22%

During the fiscal year, the District acquired or constructed \$1,275,269 in capital asset additions, all of which is from its governmental activities for various capital projects; offset by \$459,805 in current year depreciation (\$449,241 from its governmental activities and \$10,564 from its business-type activities).

Long-term Liabilities

Table 7
Outstanding Long-Term Liabilities

	Total School District		Total Percentage Change
	2022/23	2023/24	
General Obligation Bonds (Financed with Property Taxes)	\$ 10,211,000	\$ 9,875,000	
Net Pension Liability	2,003,965	1,735,770	
Other Long-Term Liabilities	108,477	376,430	
	<u>\$ 12,323,442</u>	<u>\$ 11,987,200</u>	-2.73%

- The District continued to pay down its bonded debt, retiring \$336,000 of outstanding bonds.
- Compensated absences payable increased by a net amount of \$267,953.
- Net pension liability decreased by \$268,195.

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

District expenditures have increased in governmental activities by approximately 5.79% in 2024. Due to these increases, the District has not been able to generate enough surplus to contribute its annual year end deposits into the Capital, Maintenance and Tuition Reserve accounts. For the year ended June 30, 2024, the District did see an increase to its Capital Reserve account, due to interest earned.

As the District begins budget development for the 2025-2026 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. Budgetary constraints that were realized in the 2023-24 budget, have negatively impacted the 2024-25 budget, and will continue to negatively impact the 2025-26 budget. The District has cut the budget in 2024-25, and the expectation is that the budget will continue to provide a challenge for the 2025-26 fiscal year. This may continue for the foreseeable future until the State of New Jersey raises the percentage for tax levy increases, or if the District goes out to referendum to the Township taxpayers for additional funding for the budget. Staffing levels were brought down in 2024-25 and are expected to remain at those levels for the 2025-26 budget year.

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 Dr. Victor Anaya, Interim Business Administrator/Board Secretary at the Lincoln Park Board of Education, 92 Ryerson Road, Lincoln Park, New Jersey 07035.

Please visit our website at www.lincolnparkboe.org.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

LINCOLN PARK BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 8,801,522	\$ 269,602	\$ 9,071,124
Receivables from State Government	367,521	1,664	369,185
Receivables from Federal Government	125,318	20,333	145,651
Other Accounts Receivables	130,053	10,141	140,194
Internal Balances	(2,565)	2,565	
Inventory		6,772	6,772
Lease Receivable	279,642		279,642
Restricted Cash and Cash Equivalents	973,157		973,157
Capital Assets:			
Sites (Land) and Construction in Progress	3,097,524		3,097,524
Depreciable Site Improvements, Buildings and Building Improvements and Furniture, Machinery and Equipment	4,918,528	72,241	4,990,769
Total Assets	<u>18,690,700</u>	<u>383,318</u>	<u>19,074,018</u>
DEFERRED OUTFLOWS OF RESOURCES			
District Contribution Subsequent to Measurement Date - Pension	175,000		175,000
Deferred Outflows Related to Pensions	42,068		42,068
Total Deferred Outflows of Resources	<u>217,068</u>		<u>217,068</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	563,214	689	563,903
Unearned Revenue	16,143	32,668	48,811
Accrued Interest Payable	170,809		170,809
Non-Current Liabilities:			
Due Within One Year	385,000		385,000
Due Beyond One Year	11,602,200		11,602,200
Total Liabilities	<u>12,737,366</u>	<u>33,357</u>	<u>12,770,723</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Lease Resources	279,642		279,642
Deferred Inflows Related to Pensions	391,976		391,976
Total Deferred Inflows of Resources	<u>671,618</u>		<u>671,618</u>
NET POSITION			
Net Investment in Capital Assets	5,974,508	72,241	6,046,749
Restricted for:			
Capital Projects	567,356		567,356
Maintenance Reserve	63,094		63,094
Tuition Reserve	250,000		250,000
Unemployment Compensation	3,634		3,634
Student Activities	89,074		89,074
Debt Service	873,499		873,499
Unrestricted/(Deficit)	(2,322,381)	277,720	(2,044,661)
Total Net Position	<u>\$ 5,498,784</u>	<u>\$ 349,961</u>	<u>\$ 5,848,745</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, 2024

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 9,154,676	\$ 92,075	\$ 1,934,753	\$ (7,127,848)	\$	\$ (7,127,848)
Special Education	3,129,110	231,959	1,672,459	(1,224,692)		(1,224,692)
Other Special Instruction	468,617		106,383	(362,234)		(362,234)
Other Instruction	121,174			(121,174)		(121,174)
Support services:						
Tuition	7,982,777		278,685	(7,704,092)		(7,704,092)
Student & Instruction Related Services	3,012,776	127,728	473,227	(2,411,821)		(2,411,821)
General Administrative Services	570,995		54,108	(516,887)		(516,887)
School Administrative Services	666,499		98,899	(567,600)		(567,600)
Central Services	519,380		44,015	(475,365)		(475,365)
Administration Information Technology	20,895			(20,895)		(20,895)
Plant Operations and Maintenance	1,407,939			(1,407,939)		(1,407,939)
Pupil Transportation	2,591,049		658,987	(1,932,062)		(1,932,062)
Transfer of Funds to Charter School	15,281			(15,281)		(15,281)
Interest on Long-Term Debt	388,758			(388,758)		(388,758)
Total Governmental Activities	30,049,926	451,762	5,321,516	(24,276,648)		(24,276,648)
Business-Type Activities:						
Food Service	426,962	311,928	167,564		\$ 52,530	52,530
Total Business-Type Activities	426,962	311,928	167,564		52,530	52,530
Total Primary Government	\$ 30,476,888	\$ 763,690	\$ 5,489,080	(24,276,648)	52,530	(24,224,118)

LINCOLN PARK BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDING JUNE 30, 2024

	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
General Revenue:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 21,923,853	\$ 21,923,853	
Taxes Levied for Debt Service				671,123		671,123
Unrestricted Federal and State Aid				470,403		470,403
Interest Earnings				614,852	\$ 15,084	629,936
Miscellaneous Income				383,094		383,094
Total General Revenue				24,063,325	15,084	24,078,409
Change in Net Position				(213,323)	67,614	(145,709)
Net Position - Beginning				5,712,107	282,347	5,994,454
Net Position - Ending				<u>\$ 5,498,784</u>	<u>\$ 349,961</u>	<u>\$ 5,848,745</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, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 94,567		\$ 8,706,955		\$ 8,801,522
Receivables From State Government	367,521				367,521
Receivable From Federal Government	660	\$ 124,658			125,318
Other Receivable	125,222	4,831			130,053
Interfund Receivable	47,937			\$ 873,499	921,436
Restricted Cash and Cash Equivalents	884,083	89,074			973,157
Total Assets	<u>\$ 1,519,990</u>	<u>\$ 218,563</u>	<u>\$ 8,706,955</u>	<u>\$ 873,499</u>	<u>\$ 11,319,007</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 322,805	\$ 65,409			\$ 388,214
Interfund Payable	2,565	47,937	\$ 873,499		924,001
Unearned Revenue		16,143			16,143
Total Liabilities	<u>325,370</u>	<u>129,489</u>	<u>873,499</u>		<u>1,328,358</u>
Fund Balances:					
Restricted:					
Capital Reserve Account	567,356				567,356
Maintenance Reserve Account	63,094				63,094
Tuition Reserve - Designated for 2024-2025	250,000				250,000
Unemployment Compensation	3,634				3,634
Student Activities		89,074			89,074
Debt Service				\$ 873,499	873,499
Capital Projects			7,833,456		7,833,456
Assigned:					
Year-end Encumbrances	1,039				1,039
For Subsequent Year's Expenditures	242,986				242,986
Unassigned	66,511				66,511
Total Fund Balances	<u>1,194,620</u>	<u>89,074</u>	<u>7,833,456</u>	<u>873,499</u>	<u>9,990,649</u>
Total Liabilities and Fund Balances	<u>\$ 1,519,990</u>	<u>\$ 218,563</u>	<u>\$ 8,706,955</u>	<u>\$ 873,499</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.	8,016,052
Interest on Long-Term Debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.	(170,809)
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.	(11,987,200)
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	(349,908)
Net Position of Governmental Activities	<u>\$ 5,498,784</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, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 21,923,853			\$ 671,123	\$ 22,594,976
Tuition from Individuals	92,075				92,075
Tuition from Other LEAs	231,959				231,959
Rents and Royalties	370,096				370,096
Interest Earned on Maintenance Reserve Funds	7,329				7,329
Interest Earned on Capital Reserve Funds	25,980				25,980
Unrestricted Miscellaneous Revenues	98,390	\$ 89	\$ 496,151		594,630
Restricted Miscellaneous Revenue		127,728			127,728
Total - Local Sources	22,749,682	127,817	496,151	671,123	24,044,773
State Sources	6,556,400			230,546	6,786,946
Federal Sources	32,116	810,459			842,575
Total Revenue	29,338,198	938,276	496,151	901,669	31,674,294
EXPENDITURES:					
Current:					
Regular Instruction	7,021,868	255,173			7,277,041
Special Education Instruction	2,655,160				2,655,160
Other Special Instruction	358,770				358,770
Other Instruction	120,608				120,608
Support Services and Undistributed Costs:					
Tuition	7,704,092	278,685			7,982,777
Student & Instruction Related Services	2,409,534	378,117			2,787,651
General Administrative Services	500,850				500,850
School Administrative Services	547,253				547,253
Central Services	472,361				472,361
Administrative Information Technology	20,895				20,895
Plant Operations and Maintenance	1,402,229				1,402,229
Pupil Transportation	2,542,776				2,542,776
Unallocated Benefits	4,439,151				4,439,151
Capital Outlay	124,416	6,807	1,086,485		1,217,708
Debt Service:					
Principal				336,000	336,000
Interest and Other Charges				565,670	565,670
Transfer of Funds to Charter Schools	15,281				15,281
Total Expenditures	30,335,244	918,782	1,086,485	901,670	33,242,181
Excess/(Deficit) of Revenue Over/(Under)					
Expenditures	(997,046)	19,494	(590,334)	(1)	(1,567,887)
OTHER FINANCING SOURCES/(USES):					
Transfers			(496,151)	496,151	
Total Other Financing Sources/(Uses)			(496,151)	496,151	
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(997,046)	19,494	(1,086,485)	496,150	(1,567,887)
Fund Balance/(Deficit) - July 1	2,191,666	69,580	8,919,941	377,349	11,558,536
Fund Balance/ (Deficit) - June 30	\$ 1,194,620	\$ 89,074	\$ 7,833,456	\$ 873,499	\$ 9,990,649

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, 2024

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (1,567,887)

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	\$ (449,241)
Capital Outlays	<u>1,275,269</u>
	826,028

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 (+).

176,912

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.

336,000

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 (+).

(267,953)

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	268,195
Changes in Deferred Outflows and Inflows Related to Pensions	<u>15,382</u>

Change in Net Position of Governmental Activities (Exhibit A-2)

\$ (213,323)

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, 2024

	<u>Business-type Activities - Enterprise Funds Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 269,602
Intergovernmental Accounts Receivable:	
Federal	20,333
State	1,664
Other Accounts Receivable	10,141
Interfund Receivable	2,565
Inventories	<u>6,772</u>
Total Current Assets	<u>311,077</u>
Non-Current Assets:	
Capital Assets	218,951
Less: Accumulated Depreciation	<u>(146,710)</u>
Total Non-Current Assets	<u>72,241</u>
Total Assets	<u>383,318</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	689
Unearned Revenue - Donated Commodities	1,127
Unearned Revenue - Prepaid Sales	5,588
Unearned Revenue - Supply Chain Assistance	<u>25,953</u>
Total Liabilities	<u>33,357</u>
<u>NET POSITION:</u>	
Investment in Capital Assets	72,241
Unrestricted	<u>277,720</u>
Total Net Position	<u>\$ 349,961</u>

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, 2024

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Daily Sales:	
Reimbursable Programs	\$ 205,337
Non-Reimbursable Programs	106,591
	<hr/>
Total Operating Revenue	311,928
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	112,499
Cost of Sales - Nonreimbursable Programs	58,399
Salaries	141,164
Benefits & Payroll Taxes	50,045
Purchased Professional Services	2,478
Management Fee	26,500
Supplies and Repairs	18,028
Miscellaneous Expense	7,285
Depreciation Expense	10,564
	<hr/>
Total Operating Expenses	426,962
	<hr/>
Operating Loss	(115,034)
	<hr/>
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	5,868
State School Lunch Program - NJEIE	2,318
State School Breakfast Program	29
Federal Sources:	
National School Lunch Program	104,135
School Breakfast Program	586
Food Distribution Program	24,228
Supply Chain Assistance	28,749
Pandemic P-EBT Reimbursement	653
Local Food for Schools (LFS) Cooperative Program	998
Local Sources:	
Interest Income	15,084
	<hr/>
Total Non-Operating Revenue	182,648
	<hr/>
Change in Net Position	67,614
	<hr/>
Net Position - Beginning of Year	282,347
	<hr/>
Net Position - End of Year	\$ 349,961
	<hr/>

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, 2024

	Business-type Activities - Enterprise Funds Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 313,704
Payments to Food Service Contractor	(399,172)
Payments to Food Service Vendor	(7,285)
Net Cash (Used for) Operating Activities	(92,753)
Cash Flows from Financing Activities:	
Interest Income	15,084
Net Cash Provided by Financing Activities	15,084
Cash Flows from Noncapital Financing Activities:	
State Sources:	7,848
Federal Sources:	137,357
Net Cash Provided by Noncapital Financing Activities	145,205
Net Increase in Cash and Cash Equivalents	67,536
Cash and Cash Equivalents, July 1	202,066
Cash and Cash Equivalents, June 30	\$ 269,602
Reconciliation of Operating Income (Loss) to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (115,034)
Adjustment to Reconcile Operating Loss to Net Cash (Used for) Operating Activities:	
Depreciation	10,564
Federal Food Distribution Program	24,228
Changes in Assets and Liabilities:	
(Increase) In Other Accounts Receivable	(10,141)
(Increase) in Interfund Receivable	(105)
(Increase) in Inventory	(1,382)
(Decrease) in Accounts Payable	(3,385)
Increase in Unearned Revenue - Donated Commodities	726
Increase in Unearned Revenue - Prepaid Sales	1,776
Net Cash (Used for) Operating Activities	\$ (92,753)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$24,954 and utilized U.S.D.A. Commodities valued at \$24,228.

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, 2024

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, 2024
(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, 2024
(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, 2024
(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, 2024, 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, 2024
(Continued)

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 29,354,406	\$ 1,014,916
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		(85,153)
Cancellation of Prior Year Encumbrances		(1,677)
Prior Year Encumbrances		10,190
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	162,133	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(178,341)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 29,338,198</u>	<u>\$ 938,276</u>
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 30,335,244	\$ 995,422
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		(85,153)
Cancellation of Prior Year Encumbrances		(1,677)
Prior Year Encumbrances		10,190
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 30,335,244</u>	<u>\$ 918,782</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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, 2024
(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, 2024.

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, 2024
(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, 2024.

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, 2024
(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 \$1,194,620 General Fund fund balance at June 30, 2024, \$567,356 is restricted in the capital reserve account; \$63,094 is restricted for the maintenance reserve account; \$250,000 is restricted for the tuition reserve account for fiscal year ending June 30, 2025; \$3,634 is restricted for unemployment compensation; \$1,039 is assigned for year-end encumbrances; \$242,986 is assigned and included as anticipated budget revenue for the fiscal year ending June 30, 2025; and \$66,511 is unassigned which is \$178,341 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, 2025.

Special Revenue Fund: The \$89,074 fund balance in the Special Revenue Fund at June 30, 2024 is restricted for student activities.

Capital Projects Fund: The \$7,833,456 Capital Projects Fund fund balance at June 30, 2024 is restricted.

Debt Service Fund: Of the \$873,499 restricted fund balance in the Debt Service Fund at June 30, 2024, \$377,348 is anticipated revenue for the fiscal year ended June 30, 2025 and \$496,151 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, 2024
(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, 2024.

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, 2024
(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, 2024.

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, 2024.

W. Deficit Net Position:

The District has a deficit in unrestricted net position of \$2,322,381 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, 2024
(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, 2024
(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, 2024
(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, 2024
(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, 2024, 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	\$ 973,157	\$ 364,169	\$ 1,337,326
NJ ARM		8,706,955	8,706,955
	<u>\$ 973,157</u>	<u>\$ 9,071,124</u>	<u>\$ 10,044,281</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2024, was \$10,044,281 and the bank balance was \$10,967,844. The balance of \$8,706,955 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
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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, 2023			\$ 541,376
Increased by:			
Interest Earned	\$ 25,980		
Return of Unexpended Balance from Capital Outlay	60,000		
			<u>85,980</u>
			627,356
Decreased by:			
Budgeted Withdrawal			<u>60,000</u>
Ending Balance, June 30, 2024			<u>\$ 567,356</u>

The balance in the capital reserve account at June 30, 2024 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, 2024
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

Beginning Balance	\$ 130,765
Increased by:	
Interest Earned	7,329
	<u>138,094</u>
Decreased by:	
Budgeted Withdrawal	75,000
Ending Balance	<u><u>\$ 63,094</u></u>

NOTE 6. TRANSFER TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2024, the District transferred a net \$1,121 to the capital outlay accounts, which was transferred to equipment and did not require County Superintendent approval.

NOTE 7. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 47,937	\$ 2,565
Special Revenue Fund		47,937
Capital Projects Fund		873,499
Debt Service Fund	873,499	
Enterprise Fund:		
Food Service Fund	2,565	
	<u><u>\$ 924,001</u></u>	<u><u>\$ 924,001</u></u>

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for this fiscal year ended June 30, 2024 were as follows:

	Beginning Balance	Increases	Ending Balance
Governmental Activities:			
Capital Assets not Being Depreciated:			
Sites (Land)	\$ 719,980		\$ 719,980
Construction in Progress	1,291,059	\$ 1,086,485	2,377,544
Total Capital Assets Not Being Depreciated	<u>2,011,039</u>	<u>1,086,485</u>	<u>3,097,524</u>
Capital Assets Being Depreciated:			
Site Improvements	1,048,631		1,048,631
Buildings and Building Improvements	13,968,137		13,968,137
Machinery and Equipment	2,312,830	188,784	2,501,614
Total Capital Assets Being Depreciated	<u>17,329,598</u>	<u>188,784</u>	<u>17,518,382</u>
Governmental Activities Capital Assets	<u>19,340,637</u>	<u>1,275,269</u>	<u>20,615,906</u>
Less Accumulated Depreciation for:			
Site Improvements	(533,641)	(33,458)	(567,099)
Buildings and Building Improvements	(9,733,928)	(351,763)	(10,085,691)
Machinery and Equipment	(1,883,044)	(64,020)	(1,947,064)
	<u>(12,150,613)</u>	<u>(449,241)</u>	<u>(12,599,854)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 7,190,024</u>	<u>\$ 826,028</u>	<u>\$ 8,016,052</u>
Business Type Activities:			
Capital Assets Being Depreciated:			
Furniture and Equipment	\$ 218,951		\$ 218,951
Less Accumulated Depreciation	<u>(136,146)</u>	<u>\$ (10,564)</u>	<u>(146,710)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 82,805</u>	<u>\$ (10,564)</u>	<u>\$ 72,241</u>

The District expended \$1,086,485 on various capital projects during the fiscal year. As of June 30, 2024, 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, 2024
(Continued)

NOTE 8. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 197,615
Special Education	58,254
Other Special Instruction	3,884
Other Instruction	3,884
Student and Instruction Related Services	55,455
General Administration	13,655
School Administration	16,988
Central Services	12,075
Operations and Maintenance of Plant	33,060
Student Transportation	54,371
	<u>\$ 449,241</u>

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2023	Accrued	Retired	Balance 6/30/2024	Due Within One Year
Serial Bond Payable	\$ 10,211,000		\$ 336,000	\$ 9,875,000	\$ 385,000
Net Pension Liability	2,003,965		268,195	1,735,770	
Compensated Absences Payable	108,477	\$ 267,953		376,430	
	<u>\$ 12,323,442</u>	<u>\$ 267,953</u>	<u>\$ 604,195</u>	<u>\$ 11,987,200</u>	<u>\$ 385,000</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, 2024
(Continued)

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

A. Bonds Payable: (Cont'd)

The District had serial bonds outstanding as of June 30, 2024 as follows:

Purpose	Final Maturity Date	Interest Rate	Amount
Classroom Addition, System Rehabilitation, Educational Renovations, and Secure Vestibule	7/15/2042	3.50% - 4.00%	<u>\$ 9,875,000</u>

Debt service requirements on serial bonds payable at June 30, 2024 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	440,000	308,450	748,450
2030-2034	2,410,000	1,298,650	3,708,650
2035-2039	2,820,000	807,000	3,627,000
2040-2042	2,590,000	210,600	2,800,600
	<u>\$ 9,875,000</u>	<u>\$4,004,713</u>	<u>\$13,879,713</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2024, 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 \$376,430. 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, 2024, 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, 2024
(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 long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is \$-0- and the long term portion is \$1,735,770. 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.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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 \$160,166 for the current fiscal year. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$5,413 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

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be 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 under the legislation 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 statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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

At June 30, 2024, the District's liability was \$1,735,770 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. 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, 2023, the District's proportion was 0.012%, which was a decrease of 0.001% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized actual pension benefit in the amount of \$123,411 related to the District's proportionate share of net pension liability. Additionally, for the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$5,413 and the District recognized pension expense and revenue for the same amount in the fiscal year ended June 30, 2024 financial statements.

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

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources on the following page.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2019	5.21		\$ 9,428
	2020	5.16		85,792
	2021	5.13	\$ 3,813	
	2022	5.04		9,975
			<u>3,813</u>	<u>105,195</u>
Difference Between Expected and Actual Experience	2019	5.21	720	
	2020	5.16	4,780	
	2021	5.13		3,032
	2022	5.04		4,063
	2023	5.08	11,096	
			<u>16,596</u>	<u>7,095</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	26,881	
	2021	5.00	(223,553)	
	2022	5.00	265,973	
	2023	5.00	(61,308)	
			<u>7,993</u>	
Changes in Proportion	2019	5.21	13,688	
	2020	5.16		28,096
	2021	5.13		73,255
	2022	5.04		4,986
	2023	5.08		173,371
			<u>13,688</u>	<u>279,708</u>
District Contribution Subsequent to the Measurement Date	2023	1.00	175,000	
			<u>\$ 217,090</u>	<u>\$ 391,998</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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 the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2024	\$ (180,645)
2025	(133,645)
2026	22,899
2027	(55,332)
2028	(3,185)
	<u>\$ (349,908)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. 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, 2022 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, 2023) 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, 2024
(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, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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, 2024
(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, 2023 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, 2023			
	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	\$ 2,259,604	\$ 1,735,770	\$ 1,289,919

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. PENSION PLANS: (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, 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 2024, the State of New Jersey contributed \$2,816,851 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$836,195.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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, 2024, the State's proportionate share of the net pension liability associated with the District was \$34,037,192. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. 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, 2023, the District's proportion was 0.067%, which was an increase of 0.002% from its proportion measured as of June 30, 2022.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>34,037,192</u>
Total	<u><u>\$ 34,037,192</u></u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$836,195 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	8.30	\$ 391,340,712	
	2017	8.30		\$ 2,080,865,206
	2018	8.29		1,883,063,885
	2019	8.04		1,514,535,609
	2020	7.99	805,517,879	
	2021	7.93		9,179,534,541
	2022	7.83	82,066,487	
			<u>1,278,925,078</u>	<u>14,657,999,241</u>
Difference Between Expected and Actual Experience	2016	8.30		4,866,656
	2017	8.30	37,022,988	
	2018	8.29	330,339,649	
	2019	8.04		58,842,090
	2020	7.99		4,293,040
	2021	7.93	121,815,868	
	2022	7.83		15,372,285
	2023	7.93	169,161,907	
			<u>658,340,412</u>	<u>83,374,071</u>
Net Difference Between Projected and Actual Actual Investment Earnings on Pension Plan Investments	2020	5.00	241,395,539	
	2021	5.00	(1,777,316,905)	
	2022	5.00	2,489,500,994	
	2023	6.00	(477,296,442)	
			<u>476,283,186</u>	
			<u>\$ 2,413,548,676</u>	<u>\$ 14,741,373,312</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	<u>56,606,524</u>
	<u>\$ (12,327,824,636)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. 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 – 4.25% 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, 2022 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, 2024
(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, 2023) 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, 2023 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	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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, 2024
(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, 2023 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, 2023		
	At 1%	At Current	At 1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
Total Net Pension Liability	\$ 40,351,781	\$ 34,037,192	\$ 29,413,163

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 \$11,812 for the fiscal year ended June 30, 2024. Employee contributions to DCRP amounted to \$16,020 for the fiscal year ended June 30, 2024.

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, 2024
(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, 2024 audit was available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2023 is as follows:

	<u>Pooled Insured</u> <u>Program of New Jersey</u>	<u>New Jersey Schools</u> <u>Insurance Group</u>
Total Assets	\$ 20,583,145	\$ 427,716,868
Net Position	\$ 2,700,884	\$ 201,308,725
Total Revenue	\$ 10,363,718	\$ 160,069,780
Total Expenses	\$ 13,942,640	\$ 141,165,428
Change in Net Position	\$ (3,578,922)	\$ 18,904,352
Member Dividends	\$ -0-	\$ 2,599,938

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, 2024
(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 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>
2023-2024	\$ 1,227	\$ 22,352	\$ 65,215	\$ 3,634
2022-2023	1,309	34,344	39,080	45,270
2021-2022		13,374		48,697

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, 2024, 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>\$ 1,039</u>	<u>\$ 85,153</u>	<u>\$3,191,183</u>	<u>\$ 3,277,375</u>

On the District's Governmental Funds Balance sheet as of June 30, 2024 \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$85,153 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 \$3,191,183 year-end encumbrances in the Capital Projects Fund are included in the \$7,833,456 restricted fund balance.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 13. CONTINGENT LIABILITIES (Cont'd)

Arbitrage

The District is not subject to liability for arbitrage payable to the federal government relative to its \$10,211,000 School Bonds dated July 19, 2022 as the District is considered a small issuer with debt under \$15,000,000.

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, 2024 consisted of:

	<u>Governmental Funds</u>		<u>District Contribution Subsequent to the Measure- ment Date</u>	<u>Total Governmental Activities</u>	<u>Business- Type Activities Proprietary Funds</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>			
Due to State of New Jersey	\$ 12,960	\$ 40,890	\$ 175,000	\$ 228,850	
Vendors	268,833	24,519		293,352	\$ 689
Payroll Deductions and Withholdings	41,012			41,012	
	<u>\$ 322,805</u>	<u>\$ 65,409</u>	<u>\$ 175,000</u>	<u>\$ 563,214</u>	<u>\$ 689</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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 17. TUITION RESERVE ACCOUNT (Cont'd)

As of June 30, 2024 the District has \$250,000 in the tuition reserve which will be used to pay for any tuition adjustments for the fiscal year ending June 30, 2025.

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-notice-oepb.shtml>.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	152,383
Active Plan Members	<u>217,212</u>
Total	<u><u>369,595</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

Actuarial Assumptions and Other Inputs

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

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
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 June 30, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

100% of active employees are considered to participate in the Plan upon retirement.

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.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. 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

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 32,204,521
Changes for Year:	
Service Cost	1,310,049
Interest on the Total OPEB Liability	1,169,909
Differences between Expected and Actual Experience	(651,131)
Changes of Assumptions	66,954
Contributions from Members	29,981
Gross Benefit Payments by the State	<u>(911,963)</u>
Net Changes	<u>1,013,799</u>
Balance at June 30, 2023	<u><u>\$ 33,218,320</u></u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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 Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, 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, 2023		
	At 1%	At	At 1%
	Decrease	Discount Rate	Increase
	(2.65%)	(3.65%)	(4.65%)
Total OPEB Liability Attributable to the District	\$ 38,942,777	\$ 33,218,320	\$ 28,622,245

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, 2023, 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, 2023		
	1%	Healthcare	1%
	Decrease	Cost Trend Rate	Increase
Total OPEB Liability Attributable to the District	\$ 27,576,327	\$ 33,218,320	\$ 40,600,882

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

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$918,352 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, 2023 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the sources on the following page.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(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)

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 1,196,981
	2018	9.51		1,238,983
	2019	9.29	\$ 182,274	
	2020	9.24	4,456,294	
	2021	9.24	25,364	
	2022	9.13		6,731,105
	2023	9.3	59,755	
			<u>4,723,687</u>	<u>9,167,069</u>
Differences Between Expected and Actual Experience	2018	9.51		1,171,225
	2019	9.29		2,145,375
	2020	9.24	4,153,441	
	2021	9.24		4,877,672
	2022	9.13	693,207	
	2023	9.3		555,102
			<u>4,846,648</u>	<u>8,749,374</u>
Changes in Proportion	N/A	N/A	<u>1,180,073</u>	<u>428,802</u>
			<u>\$ 10,750,408</u>	<u>\$ 18,345,245</u>

N/A - Not Available

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2024	\$ (1,656,566)
2025	(1,656,565)
2026	(1,439,789)
2027	(848,845)
2028	(173,748)
Thereafter	<u>(2,570,595)</u>
	<u>\$ (8,346,108)</u>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 19. LEASES RECEIVABLES

	<u>Original Amount</u>	<u>Outstanding June 30, 2023</u>	<u>Additions</u>	<u>Decrease</u>	<u>Outstanding June 30, 2024</u>
Governmental Activities:					
Building Sublease; interest at 4%, monthly payments of principal and interest of \$55,676, due 6/30/2025	\$ 1,427,636	<u>\$ 562,196</u>	<u>\$ -0-</u>	<u>\$ 282,554</u>	<u>\$ 279,642</u>
		<u><u>\$ 562,196</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 282,554</u></u>	<u><u>\$ 279,642</u></u>

Future maturities are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	<u>\$ 279,642</u>	<u>\$ 55,676</u>
	<u><u>\$ 279,642</u></u>	<u><u>\$ 55,676</u></u>

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 TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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%	0.0119837436%
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	\$ 1,735,770
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	\$ 929,358
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%	186.77%
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%	65.23%

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 149,712	\$ 170,007	\$ 129,080	\$ 147,241	\$ 131,189	\$ 159,838	\$ 154,594	\$ 156,022	\$ 167,453	\$ 160,166
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)	(160,166)
Contribution deficiency(excess)	\$ -0-	\$ -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	\$ 928,006
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%	17.26%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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%	0.066698671%
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	\$ 34,037,192
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	\$ 7,876,112
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%	432.16%
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%	34.68%

LINCOLN PARK BOROUGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATES CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	\$ 836,195
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)	(2,816,851)
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)	\$ (1,980,656)
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	\$ 8,397,228
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%	33.55%

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

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, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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.

BUDGETARY COMPARISON SCHEDULES

LINCOLN PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 21,923,853		\$ 21,923,853	\$ 21,923,853	
Tuition From Individuals	83,600		83,600	92,075	\$ 8,475
Tuition From Other LEAs Within the State	235,000		235,000	231,959	(3,041)
Rents and Royalties	325,551		325,551	370,096	44,545
Unrestricted Miscellaneous Revenues	80,000		80,000	98,390	18,390
Interest Earned on Maintenance Reserve	5,000		5,000	7,329	2,329
Interest Earned on Capital Reserve Funds	12,000		12,000	25,980	13,980
Total Revenues from Local Sources	22,665,004		22,665,004	22,749,682	84,678
Revenues from State Sources:					
Categorical Transportation Aid	635,819		635,819	635,819	
Extraordinary Aid	190,000		190,000	314,265	124,265
Categorical Special Education Aid	1,133,838		1,133,838	1,133,838	
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	24,115	2,771
TPAF Post Retirement Contributions (Non-Budgeted)				775,387	775,387
TPAF Pension Contributions (Non-Budgeted)				2,816,851	2,816,851
TPAF Non-Contributory Insurance (Non-Budgeted)				32,125	32,125
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,274	1,274
Reimbursed TPAF Social Security Contributions				598,719	598,719
Total Revenues from State Sources	2,221,216		2,221,216	6,572,608	4,351,392
Revenues from Federal Sources:					
Medicaid Reimbursement	40,029		40,029	32,116	(7,913)
Total Revenues from Federal Sources	40,029		40,029	32,116	(7,913)
TOTAL REVENUE	24,926,249		24,926,249	29,354,406	4,428,157

LINCOLN PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 124,478	\$ 121,018	\$ 245,496	\$ 245,496	
Kindergarten - Salaries of Teachers	439,583	(22,406)	417,177	417,177	
Grades 1-5 - Salaries of Teachers	2,390,504	(98,863)	2,291,641	2,304,811	\$ (13,170)
Grades 6-8 - Salaries of Teachers	1,915,628	(53,722)	1,861,906	1,861,906	
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	(310)	4,690	5,310	(620)
Purchased Professional-Educational Services	5,000	(3,572)	1,428	1,428	
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	264,981	17,255	282,236	282,236	
Purchased Technical Services	237,331	(2,246)	235,085	235,085	
Other Purchased Services (400-500 series)	58,190	(688)	57,502	57,502	
General Supplies	358,470	(115,632)	242,838	242,799	39
Other Objects	3,000	(2,600)	400	60	340
Total Regular Programs - Instruction	5,802,165	(161,766)	5,640,399	5,653,810	(13,411)
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	360,546	44,227	404,773	404,704	69
Other Salaries for Instruction	109,894	4,627	114,521	114,521	
General Supplies	2,395	(1,015)	1,380	1,380	
Total Learning and/or Language Disabilities	472,835	47,839	520,674	520,605	69
Behavioral Disabilities:					
Salaries of Teachers	70,836	129	70,965	70,965	
Other Salaries for Instruction	26,871	11,528	38,399	38,387	12
General Supplies	1,777	(628)	1,149	1,149	
Total Behavioral Disabilities	99,484	11,029	110,513	110,501	12

LINCOLN PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	\$ 617,584	\$ 9,899	\$ 627,483	\$ 627,483	
Other Salaries for Instruction	230,330	(64,636)	165,694	165,694	
General Supplies	8,693	(1,031)	7,662	7,662	
Total Resource Room/Resource Center	856,607	(55,768)	800,839	800,839	
Autism:					
Salaries of Teachers	223,716	(78,199)	145,517	145,517	
Other Salaries for Instruction	26,757	94,147	120,904	120,904	
Purchased Professional-Educational Services	4,000	(3,970)	30	30	
General Supplies	3,947	(1,314)	2,633	2,593	\$ 40
Total Autism	258,420	10,664	269,084	269,044	40
Preschool Disabilities - Full-Time:					
Salaries of Teachers	244,482	(26,659)	217,823	217,822	1
Other Salaries for Instruction	305,410	(143,182)	162,228	162,228	
General Supplies	2,930	(720)	2,210	2,210	
Total Preschool Disabilities - Full-Time	552,822	(170,561)	382,261	382,260	1
Home Instruction:					
Purchased Professional-Educational Services	5,000	(4,405)	595	595	
Total Home Instruction	5,000	(4,405)	595	595	
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,245,168	(161,202)	2,083,966	2,083,844	122
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	291,304	(15,944)	275,360	275,360	
General Supplies	2,511	(1,403)	1,108	1,108	
Total Basic Skills/Remedial - Instruction	293,815	(17,347)	276,468	276,468	

LINCOLN PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 86,705	\$ (6,641)	\$ 80,064	\$ 79,934	\$ 130
General Supplies	4,791	(2,422)	2,369	2,368	1
Total Bilingual Education - Instruction	91,496	(9,063)	82,433	82,302	131
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	60,010	8,954	68,964	69,005	(41)
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	60,010	8,954	68,964	69,005	(41)
School-Sponsored Athletics - Instruction:					
Salaries	35,387	(2,500)	32,887	32,887	
Supplies and Materials	6,407	4,005	10,412	10,412	
Other Objects	7,500	(6,098)	1,402	1,402	
Total School-Sponsored Athletics - Instruction	49,294	(4,593)	44,701	44,701	
TOTAL INSTRUCTION	8,541,948	(345,017)	8,196,931	8,210,130	(13,199)
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	4,852,579	(160)	4,852,419	4,852,419	
Tuition to Other LEAs Within the State-Special	984,853	(54,884)	929,969	929,969	
Tuition to County Voc. School Dist.-Regular	536,494	8,781	545,275	545,275	
Tuition to CSSD & Reg. Day Schools	248,779	(4,660)	244,119	246,536	(2,417)
Tuition to Priv. Sch. for the Handicap. W/I State	726,859	343,034	1,069,893	1,129,893	(60,000)
Total Undistributed Expenditures - Instruction	7,349,564	292,111	7,641,675	7,704,092	(62,417)

LINCOLN PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Health Services:					
Salaries	\$ 173,993	\$ 352	\$ 174,345	\$ 174,345	
Purchased Professional and Technical Services	100	(100)			
Other Purchased Services (400-500 series)	750	(52)	698	545	\$ 153
Supplies and Materials	2,080	2,502	4,582	4,582	
Other Objects	250	(250)			
Total Undist. Expenditures - Health Services	177,173	2,452	179,625	179,472	153
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	298,787	(2,265)	296,522	296,518	4
Purchased Professional - Educational Services	317,360	(10,515)	306,845	306,845	
Supplies and Materials	3,952	(2,019)	1,933	1,909	24
Total Undist. Expend. - Speech, OT, PT, Related Svcs	620,099	(14,799)	605,300	605,272	28
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries		40,580	40,580	40,580	
Purchased Professional - Educational Services	172,959	33,815	206,774	206,774	
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	172,959	74,395	247,354	247,354	
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	168,802	(16,787)	152,015	154,015	(2,000)
Other Salaries	3,000	(900)	2,100	1,881	219
Other Purchased Services (400-500 series)	50		50		50
Supplies and Materials	390	(109)	281		281
Total Undist Expend. - Guidance	172,242	(17,796)	154,446	155,896	(1,450)

LINCOLN PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	\$ 493,805	\$ (9,017)	\$ 484,788	\$ 484,788	
Salaries of Secretarial and Clerical Assistants	58,164	(4,026)	54,138	54,138	
Other Salaries	10,000	10,554	20,554	20,554	
Purchased Professional - Educational Services	55,971	(47,996)	7,975	7,975	
Other Purchased Prof. and Tech. Services	36,635	(6,060)	30,575	30,575	
Other Purchased Services (400-500 series)	7,918	(2,260)	5,658	5,658	
Supplies and Materials	10,287	(4,053)	6,234	6,233	\$ 1
Other Objects	980	(467)	513	513	
Total Undist Expend. - Child Study Team	673,760	(62,888)	610,872	610,871	1
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	111,611	217	111,828	111,828	
Other Purchased Services (400-500 series)	3,050	(3,000)	50		50
Supplies and Materials	405	243	648	615	33
Other Objects	1,400	60	1,460	1,460	
Total Undist. Expend.-Improv. of Inst. Serv.	116,466	(2,480)	113,986	113,903	83
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	91,183	(17,487)	73,696	73,695	1
Purchased Professional and Technical Services	6,750	(3,043)	3,707	3,707	
Supplies and Materials	11,939	(4,182)	7,757	7,757	
Total Undist Expend-Edu. Media Serv./Sch. Library	109,872	(24,712)	85,160	85,159	1
Undist.Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	8,800	(8,179)	621	3,738	(3,117)
Total Undist.Expend.-Instructional Staff Training Services	8,800	(8,179)	621	3,738	(3,117)

LINCOLN PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	\$ 255,402	\$ 637	\$ 256,039	\$ 256,038	\$ 1
Legal Services	21,000	57,066	78,066	78,066	
Audit Fees	30,000	4,150	34,150	34,150	
Purchased Technical Services	10,465	(1,587)	8,878	8,878	
Communications / Telephone	6,520	303	6,823	6,650	173
BOE Other Purchased Services	2,385	(267)	2,118	2,118	
Other Purch. Serv. (400-500 series other than 530 & 585)	45,625	(11,338)	34,287	34,287	
General Supplies	3,000	(1,489)	1,511	1,411	100
BOE In-house training/ Meeting Supplies	1,100	(1,045)	55	55	
Miscellaneous Expenditures	4,000	(200)	3,800	3,734	66
BOE Membership Dues and Fees	10,300	550	10,850	10,830	20
Total Undist. Expend.-Support Serv.-Gen. Admin.	389,797	46,780	436,577	436,217	360
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	329,298	1,001	330,299	330,299	
Salaries of Secretarial and Clerical Assistants	120,099	2,114	122,213	122,213	
Other Purchased Services (400-500 series)	12,625	(2,605)	10,020	10,020	
Supplies and Materials	7,720	(2,473)	5,247	5,146	101
Other Objects	3,220	37	3,257	3,126	131
Total Undist. Expend.-Support Serv.-School Adm.	472,962	(1,739)	471,223	470,991	232
Undist. Expend. - Central Services:					
Salaries	356,168	(81,068)	275,100	275,074	26
Purchased Technical Services	30,583	(10,098)	20,485	20,485	
Miscellaneous Purchased Services (400-500 series other than 594)	11,080	116,335	127,415	127,379	36
Supplies and Materials	5,900	626	6,526	6,526	
Other Objects	2,265	(978)	1,287	1,287	
Total Undist. Expend. - Central Services	405,996	24,817	430,813	430,751	62

LINCOLN PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Admin. Info. Technology:					
Salaries		\$ 69	\$ 69		\$ 69
Purchased Technical Services	\$ 19,613	912	20,525	\$ 20,525	
Supplies and Materials	2,500	(2,061)	439	370	69
Total Undist. Expend. - Admin. Info. Technology	22,113	(1,080)	21,033	20,895	138
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	105,158		105,158	105,158	
Cleaning, Repair, and Maintenance Services	76,403	(1,485)	74,918	74,118	800
General Supplies	23,440	(9,295)	14,145	14,145	
Other Objects	350	175	525	525	
Total Undist. Expend.- Required Maint. for School Facilities	205,351	(9,264)	196,087	195,287	800
Undist. Expend.-Custodial Services:					
Salaries	458,785	3,386	462,171	462,170	1
Salaries of Non-Instructional Aides	55,167	2,485	57,652	57,652	
Cleaning, Repair, and Maintenance Services	3,000	(2,400)	600	600	
Other Purchased Property Services	12,000	5,102	17,102	17,830	(728)
Insurance	116,700	8,118	124,818	124,817	1
General Supplies	45,214	(2,632)	42,582	42,083	499
Energy (Natural Gas)	171,516	(42,119)	129,397	129,397	
Energy (Electricity)	122,000	4,830	126,830	126,482	348
Energy (Gasoline)	1,000	94	1,094	1,094	
Total Undist. Expend.-Custodial Services	985,382	(23,136)	962,246	962,125	121
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	5,900	(4,850)	1,050	1,050	
Total Care And Upkeep Of Grounds	5,900	(4,850)	1,050	1,050	

LINCOLN PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Security:					
Purchased Professional and Technical Services	\$ 8,600	\$ (330)	\$ 8,270	\$ 8,270	
Cleaning, Repair, and Maintenance Services	5,700	(4,021)	1,679	1,679	
General Supplies	2,500	(2,500)			
Total Security	16,800	(6,851)	9,949	9,949	
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	1,213,433	(44,101)	1,169,332	1,168,411	\$ 921
Undist. Expend.-Student Transportation Serv.:					
Salaries of Non-Instructional Aides	10,965	(3,005)	7,960	7,960	
Other Purchased Professional and Technical Services	7,250	1,364	8,614	8,613	1
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	81,016	(3,252)	77,764	76,599	1,165
Contract. Serv.(Bet. Home & Sch.)-Vendors	1,284,370	280,087	1,564,457	1,721,509	(157,052)
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	22,545	2,397	24,942	24,802	140
Contract. Serv.(Spl. Ed. Students)-Vendors	588,700	114,091	702,791	702,602	189
Total Undist. Expend.-Student Trans. Serv.	1,994,846	391,682	2,386,528	2,542,085	(155,557)
ALLOCATED BENEFITS					
Regular Programs - Instruction:					
Social Security Contributions	3,754	8,737	12,491	12,374	117
Worker's Compensation	35,121		35,121	35,121	
Health Benefits	1,393,894	(107,831)	1,286,063	1,286,063	
Tuition Reimbursement	30,000	(3,000)	27,000	27,000	
Unused Sick Payment to Terminated/Retired Staff		7,500	7,500	7,500	
Total Regular Programs - Instruction	1,462,769	(94,594)	1,368,175	1,368,058	117

LINCOLN PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Programs - Instruction:					
Social Security Contributions	\$ 63,026	\$ (5,464)	\$ 57,562	\$ 57,561	\$ 1
Workers Compensation	15,694		15,694	15,694	
Health Benefits	551,984	(53,894)	498,090	498,061	29
Total Special Programs - Instruction	630,704	(59,358)	571,346	571,316	30
Other Instructional Programs - Instruction:					
Social Security Contributions	7,298	(1,187)	6,111	6,110	1
Workers Compensation	792		792	792	
Total Other Instructional Programs - Instruction	8,090	(1,187)	6,903	6,902	1
Health Services:					
Social Security Contributions	1,543	(137)	1,406	1,406	
Workers Compensation	1,255		1,255	1,255	
Health Benefits	38,160	(571)	37,589	37,589	
Total Health Services	40,958	(708)	40,250	40,250	
Other Support Services - Speech, OT, PT & Related Svcs:					
Social Security Contributions	1,404	(283)	1,121	1,121	
Workers Compensation	2,115		2,115	2,115	
Health Benefits	107,622	(2,366)	105,256	105,256	
Total Other Supp Serv - Speech, OT, PT & Related Svcs	111,141	(2,649)	108,492	108,492	
Other Support Services - Students - Extraordinary Services:					
Social Security Contributions		3,077	3,077	3,077	
Total Other Supp Serv - Students - Extraordinary Serv		3,077	3,077	3,077	

LINCOLN PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Support Services - Guidance:					
Social Security Contributions	\$ 230	\$ 216	\$ 446	\$ 446	
Workers Compensation	1,203		1,203	1,203	
Health Benefits	49,862	(11,634)	38,228	38,228	
Total Other Supp Serv - Guidance	51,295	(11,418)	39,877	39,877	
Other Support Services - Child Study Team:					
Social Security Contributions	4,809	1,381	6,190	6,190	
Workers Compensation	4,072		4,072	4,072	
Health Benefits	142,652	(9,524)	133,128	133,128	
Total Other Supp Serv - Child Study Team	151,533	1,027	152,560	152,560	
Improvement of Instruction Services:					
Social Security Contributions		313	313	313	
Workers Compensation	799		799	799	
Health Benefits	29,704	(852)	28,852	28,852	
Total Improvement of Instructional Services	30,503	(539)	29,964	29,964	
Educational Media Services - School Library:					
Social Security Contributions	1,344	(1,191)	153	153	
Workers Compensation	646		646	646	
Health Benefits	33,691	(841)	32,850	32,850	
Total Educational Media Services - School Library	35,681	(2,032)	33,649	33,649	

LINCOLN PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - General Administration:					
Social Security Contributions	\$ 5,604	\$ 174	\$ 5,778	\$ 5,778	
Workers Compensation	1,833		1,833	1,833	
Health Benefits	58,461	(1,439)	57,022	57,022	
Total Support Services - General Administration	68,398	(3,765)	64,633	64,633	
Support Services - School Administration:					
Social Security Contributions	9,188	1,313	10,501	10,501	
Workers Compensation	3,235		3,235	3,235	
Health Benefits	60,422	(1,826)	58,596	58,596	
Total Support Services - School Administration	72,845	3,417	76,262	76,262	
Support Services - Central Services:					
Social Security Contributions	15,241	(2,866)	12,375	12,375	
Workers Compensation	2,537		2,537	2,537	
Health Benefits	57,277	(30,579)	26,698	26,698	
Total Support Services - Central Services	75,055	(33,445)	41,610	41,610	
Required Maintenance for School Facilities:					
Social Security Contributions	8,045	284	8,329	8,329	
Workmen's Compensation	752		752	752	
Health Benefits	18,809	(224)	18,585	18,585	
Other Employee Benefits	650	(168)	482	482	
Total Required Maintenance For School Facilities	28,256	4,892	33,148	33,148	

LINCOLN PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Custodial Services:					
Social Security Contributions	\$ 38,989	\$ 1,126	\$ 40,115	\$ 40,115	
Workmen's Compensation	5,978	(155)	5,823	5,823	
Health Benefits	154,607	(3,274)	151,333	151,333	
Other Employee Benefits	3,600	(201)	3,399	3,399	
Total Custodial Services	203,174	(2,504)	200,670	200,670	
Student Transportation Services:					
Social Security Contributions	839	(236)	603	603	
Workers Compensation	88		88	88	
Total Student Transportation Services	927	(236)	691	691	
TOTAL ALLOCATED BENEFITS	2,971,329	(200,022)	2,771,307	2,771,159	\$ 148
UNALLOCATED BENEFITS					
Social Security Contributions	7,650	35,167	42,817	42,817	
Other Retirement Contributions - PERS	170,000	(9,834)	160,166	160,166	
Other Retirement Contributions - Regular	12,900	(1,088)	11,812	11,812	
TOTAL UNALLOCATED BENEFITS	190,550	24,245	214,795	214,795	
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				775,387	(775,387)
TPAF Pension Contributions (Non-Budgeted)				2,816,851	(2,816,851)
TPAF Non-Contributory Insurance (Non-Budgeted)				32,125	(32,125)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,274	(1,274)
Reimbursed TPAF Social Security Contributions				598,719	(598,719)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				4,224,356	(4,224,356)

LINCOLN PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 3,161,879	\$ (175,777)	\$ 2,986,102	\$ 7,210,310	\$ (4,224,208)
TOTAL UNDISTRIBUTED EXPENDITURES	17,061,961	478,686	17,540,647	21,985,417	(4,444,770)
TOTAL GENERAL CURRENT EXPENSE	25,603,909	133,669	25,737,578	30,195,547	(4,457,969)
CAPITAL OUTLAY					
Undistributed:					
Undistributed Expenditures - Instruction	120,000	(3,772)	116,228	116,227	1
Undist. Expend. - Required Maint for School Fac.		4,893	4,893	4,893	
Total Equipment	120,000	1,121	121,121	121,120	1
Facilities Acquisition and Construction Serv.:					
Construction Services	60,000		60,000		60,000
Assessment for Debt Service on SDA Funding	3,671		3,671	3,296	375
Total Facilities Acquisition and Const. Serv.	63,671		63,671	3,296	60,375
TOTAL CAPITAL OUTLAY	183,671	1,121	184,792	124,416	60,376
Transfer of Funds to Charter Schools		15,281	15,281	15,281	
TOTAL EXPENDITURES	25,787,580	150,071	25,937,651	30,335,244	(4,397,593)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(861,331)	(150,071)	(1,011,402)	(980,838)	30,564

LINCOLN PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Fund Balance, July 1	\$ 2,353,799		\$ 2,353,799	\$ 2,353,799	
Fund Balance, June 30	\$ 1,492,468	\$ (150,071)	\$ 1,342,397	\$ 1,372,961	\$ 30,564
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 567,356	
Maintenance Reserve				63,094	
Tuition Reserve 2024-2025				250,000	
Unemployment Compensation				3,634	
Assigned Fund Balance:					
Year End Encumbrances				1,039	
Designated for Subsequent Year's Expenditures				242,986	
Unassigned Fund Balance				244,852	
				<u>1,372,961</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(178,341)</u>	
Fund Balance per Governmental Funds (GAAP)				\$ 1,194,620	

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 7,292	\$ 130,331	\$ 137,623	\$ 127,817	\$ (9,806)
Federal Sources	453,502	454,350	907,852	887,099	(20,753)
Total Revenues	460,794	584,681	1,045,475	1,014,916	(30,559)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	69,045	58,120	127,165	126,445	720
Salaries of Other Professional Staff	8,000	(6,500)	1,500		1,500
Purchased Professional and Technical Services		100	100	100	
Purchased Professional - Educational Services	10,000	3,295	13,295	13,295	
Tuition	220,932	57,753	278,685	278,685	
General Supplies	2,357	186,005	188,362	181,958	6,404
Other Objects		3,100	3,100	1,410	1,690
Total Instruction	310,334	301,873	612,207	601,893	10,314
Support Services:					
Salaries	72,600	23,015	95,615	95,615	
Personal Services - Employee Benefits	57,165	8,710	65,875	62,836	3,039
Purchased Professional - Technical Services		60,860	60,860	57,030	3,830
Purchased Professional - Educational Services	19,960	(2)	19,958	19,958	
Other Purchased Services		29,426	29,426	14,805	14,621
Supplies and Materials	735	32,421	33,156	27,278	5,878
Other Objects		650	650	650	
Student Activities		127,728	127,728	108,234	19,494
Total Support Services	150,460	282,808	433,268	386,406	46,862
Total Expenditures	\$ 460,794	\$ 584,681	\$ 1,045,475	\$ 995,422	\$ 50,053
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$ -0-	\$ -0-	\$ -0-	\$ 19,494	\$ 19,494

LINCOLN PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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	\$ 29,354,406	\$ 1,014,916
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		(85,153)
Cancellation of Prior Year Encumbrances		(1,677)
Prior Year Encumbrances		10,190
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	162,133	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(178,341)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 29,338,198</u>	<u>\$ 938,276</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 30,335,244	\$ 995,422
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		(85,153)
Cancellation of Prior Year Encumbrances		(1,677)
Prior Year Encumbrances		10,190
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 30,335,244</u>	<u>\$ 918,782</u>

LINCOLN PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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, 2024 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, 2024

	Education Stabilization Fund					
	ARP					
	ESSER III	Evidence Based Summer Learning	Evidence Based Comprehensive Beyond the School Day	Mental Health	Learning Coach	Local Donations
REVENUES						
Local Sources						
Federal Sources	\$ 45,058	\$ 5,436	\$ 28,818	\$ 4,500	\$ 105,307	\$ 89
Total Revenues	45,058	5,436	28,818	4,500	105,307	89
EXPENDITURES						
Instruction:						
Salaries of Teachers		4,423	8,540			
Purchased Professional and Technical Services						
Purchased Professional - Educational Services						
Tuition						
General Supplies		1,013	11,778			89
Other Objects						
Total Instruction		5,436	20,318			89
Support Services:						
Salaries of Other Professional Staff	2,000				88,615	
Personal Services - Employee Benefits					16,692	
Purchased Professional - Technical Services	43,058			4,500		
Purchased Professional - Educational Services						
Other Purchased Services			8,500			
Supplies and Materials						
Other Objects						
Student Activities						
Total Support Services	45,058		8,500	4,500	105,307	
Facilities Acquisition and Construction Services:						
Non-Instructional Equipment						
Total Facilities Acquisition and Construction Services						
Total Expenditures	\$ 45,058	\$ 5,436	\$ 28,818	\$ 4,500	\$ 105,307	\$ 89

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Elementary and Secondary Education Act				NJ High Impact Tutoring Grant
	Title I		Title II A	Title III	Title IV
	2022-2023	2023-2024			
REVENUES					
Local Sources					
Federal Sources	\$ 19,203	\$ 125,139	\$ 14,073	\$ 85,942	\$ 10,000
Total Revenues	19,203	125,139	14,073	85,942	10,000
EXPENDITURES					
Instruction:					
Salaries of Teachers		61,918		11,187	35,200
Purchased Professional and Technical Services				100	
Purchased Professional - Educational Services		3,295			10,000
Tuition					
General Supplies		33,028		55,789	7,803
Other Objects				1,410	
Total Instruction		98,241		68,486	43,003
Support Services:					
Salaries of Other Professional Staff					5,000
Personal Services - Employee Benefits	19,203	26,698		243	
Purchased Professional - Technical Services				400	
Purchased Professional - Educational Services		200	10,188	6,170	3,400
Other Purchased Services			3,885	2,420	
Supplies and Materials				450	
Other Objects				650	
Student Activities					
Total Support Services	19,203	26,898	14,073	10,333	8,400
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment				7,123	
Total Facilities Acquisition and Construction Services				7,123	
Total Expenditures	\$ 19,203	\$ 125,139	\$ 14,073	\$ 85,942	\$ 51,403

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Education Stabilization Fund					Emergency Connectivity Fund	Student Activities	Total
	CRRSA		IDEA					
	Learning Accelerating	Mental Health	Basic	Preschool				
REVENUES								
Local Sources								
Federal Sources	\$ 17,875	\$ 35,900	\$ 268,672	\$ 10,013	\$ 59,760	\$ 127,728	\$ 127,817	\$ 887,099
Total Revenues	17,875	35,900	268,672	10,013	59,760	127,728		1,014,916
EXPENDITURES								
Instruction:								
Salaries of Teachers	5,177							126,445
Purchased Professional and Technical Services								100
Purchased Professional - Educational Services								13,295
Tuition								278,685
General Supplies	12,698		268,672	10,013	59,760			181,958
Other Objects								1,410
Total Instruction	17,875		268,672	10,013	59,760			601,893
Support Services:								
Salaries of Other Professional Staff								95,615
Personal Services - Employee Benefits								62,836
Purchased Professional - Technical Services		9,072						57,030
Purchased Professional - Educational Services								19,958
Other Purchased Services								14,805
Supplies and Materials		26,828						27,278
Other Objects								650
Student Activities						108,234		108,234
Total Support Services		35,900				108,234		386,406
Facilities Acquisition and Construction Services:								
Non-Instructional Equipment								7,123
Total Facilities Acquisition and Construction Services								7,123
Total Expenditures	\$ 17,875	\$ 35,900	\$ 268,672	\$ 10,013	\$ 59,760	\$ 108,234	\$ 108,234	\$ 995,422

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, 2024

Revenue and Other Financing Sources:	
Interest Earned	\$ 496,151
	<hr/>
Total Revenue and Other Financing Sources	496,151
	<hr/>
Expenditures:	
Purchased Professional and Technical Services	32,203
Construction Services	1,054,282
	<hr/>
Total Expenditures	1,086,485
	<hr/>
Other Financing Uses:	
Transfer to Debt Service Fund:	
Interest on Investments	496,151
	<hr/>
Deficit of Revenue and Other Financing Sources	
Under Expenditures and Other Financing Uses	(1,086,485)
	<hr/>
Fund Balance - Beginning of Year	8,919,941
	<hr/>
Fund Balance - End of Year	\$ 7,833,456
	<hr/> <hr/>
Recapitulation of Fund Balance:	
Restricted - Year-End Encumbrances	\$ 3,191,183
Restricted Fund Balance	4,642,273
	<hr/>
Total Restricted Fund Balance - Budgetary/GAAP Basis	\$ 7,833,456
	<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 SECURITY VESTIBULE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Authorized Cost
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	603,464	\$ 32,203	635,667	852,781
Supplies				295,500
Construction Services	687,595	1,054,282	1,741,877	9,062,719
Total Expenditures	1,291,059	1,086,485	2,377,544	10,211,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 8,919,941	\$ (1,086,485)	\$ 7,833,456	\$ -0-

Additional Project Information:

Project Name:

Classroom Addition, System Rehabilitation,
Educational Renovations, & Security Vestibule

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	23.28%
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, 2024

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 269,602
Intergovernmental Accounts Receivable:	
Federal	20,333
State	1,664
Other Accounts Receivable	10,141
Interfund Receivable	2,565
Inventories	6,772
	<hr/>

Total Current Assets	<hr/> 311,077 <hr/>
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Non-Current Assets:

Capital Assets	218,951
Less: Accumulated Depreciation	<hr/> (146,710) <hr/>

Total Non-Current Assets	<hr/> 72,241 <hr/>
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Total Assets	<hr/> 383,318 <hr/>
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LIABILITIES:

Current Liabilities:

Accounts Payable	689
Unearned Revenue:	
Donated Commodities	1,127
Prepaid Sales	5,588
Supply Chain Assistance	25,953
	<hr/>

Total Current Liabilities	<hr/> 33,357 <hr/>
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NET POSITION:

Investment in Capital Assets	72,241
Unrestricted	<hr/> 277,720 <hr/>
Total Net Position	<hr/> \$ 349,961 <hr/>

LINCOLN PARK BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Operating Revenue:

Daily Sales:

Reimbursable Programs	\$ 205,337
Non-Reimbursable Programs	<u>106,591</u>

Total Operating Revenue	<u>311,928</u>
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Operating Expenses:

Cost of Sales - Reimbursable Programs	112,499
Cost of Sales - Nonreimbursable Programs	58,399
Salaries	141,164
Benefits & Payroll Taxes	50,045
Purchased Professional and Technical Services	2,478
Management Fee	26,500
Supplies and Repairs	18,028
Miscellaneous Expense	7,285
Depreciation Expense	<u>10,564</u>

Total Operating Expenses	<u>426,962</u>
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Operating Loss	<u>(115,034)</u>
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Non-Operating Revenue:

State Sources:

State School Lunch Program	5,868
State School Lunch Program - NJEIE	2,318
State School Breakfast Program	29

Federal Sources:

National School Lunch Program	104,135
School Breakfast Program	586
Supply Chain Assistance	28,749
Pandemic P-EBT Reimbursement	653
Food Distribution Program	24,228
Local Food for Schools (LFS) Cooperative Program	998

Local Sources:

Interest Income	<u>15,084</u>
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Total Non-Operating Revenue	<u>182,648</u>
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Change in Net Position	67,614
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Net Position - Beginning of Year	<u>282,347</u>
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Net Position - End of Year	<u><u>\$ 349,961</u></u>
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LINCOLN PARK BOROUGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 313,704
Payments to Food Service Contractor	(399,172)
Payments to Suppliers	(7,285)
Net Cash (Used for) Operating Activities	(92,753)
Cash Flows from Financing Activities:	
Interest Income	15,084
Net Cash Provided by Financing Activities	15,084
Cash Flows from Noncapital Financing Activities:	
State Sources:	7,848
Federal Sources:	137,357
Net Cash Provided by Noncapital Financing Activities	145,205
Net Increase in Cash and Cash Equivalents	67,536
Cash and Cash Equivalents, July 1	202,066
Cash and Cash Equivalents, June 30	\$ 269,602
Reconciliation of Operating Income (Loss) to Net Cash (Used for) Operating Activities:	
Operating (Loss)	\$ (115,034)
Adjustment to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities:	
Depreciation	10,564
Federal Food Distribution Program	24,228
Changes in Assets and Liabilities:	
(Increase) In Other Accounts Receivable	(10,141)
(Increase) In Interfund Receivable	(105)
(Increase) in Inventory	(1,382)
(Decrease) in Accounts Payable	(3,385)
Increase in Unearned Revenue - Donated Commodities	726
Increase in Unearned Revenue - Prepaid Sales	1,776
Net Cash (Used for) Operating Activities	\$ (92,753)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$24,954 and utilized U.S.D.A. Commodities valued at \$24,228.

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			Interest Rate	Balance June 30, 2023	Matured	Balance June 30, 2024
				Outstanding						
				Date	Amount					
Classroom Addition, System Rehabilitation, Educational Renovations, and Secure Vestibule		6/28/2022	\$ 10,211,000	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	\$	336,000	\$	9,875,000	
				\$	10,211,000	\$	336,000	\$	9,875,000	

LINCOLN PARK BOROUGH SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOT APPLICABLE

LINCOLN PARK BOROUGH SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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, 2024

NOT APPLICABLE

LINCOLN PARK BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 671,123		\$ 671,123	\$ 671,123	
State Sources:					
Debt Service State Aid Support	230,546		230,546	230,546	
Total Revenue	901,669		901,669	901,669	
EXPENDITURES:					
Regular Debt Service:					
Interest	565,670		565,670	565,670	
Redemption of Principal	336,000		336,000	336,000	
Total Expenditures	901,670		901,670	901,670	
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(1)		(1)	(1)	
Other Financing Sources:					
Interest Earned				496,151	\$ 496,151
Total Other Financing Sources				496,151	496,151
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(1)		(1)	496,150	496,151
Fund Balance, July 1	377,349		377,349	377,349	
Fund Balance, June 30	\$ 377,348	\$ -0-	\$ 377,348	\$ 873,499	\$ 496,151
Recapitulation:					
Restricted - Subsequent Year's Expenditures				\$ 377,348	
Restricted				496,151	
Total Restricted Fund Balance				\$ 873,499	

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

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the School's financial performance and well-being have changed over time.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the School's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the School's current levels of outstanding debt and the School's ability to issue additional debt in the future.

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the School's operations and resources to help the reader understand how the School's financial information relates to the services the School provides and the activities it performs.

J-16 thru J-20

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

UNAUDITED

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 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	\$ 5,974,508
Restricted	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	1,846,657
Unrestricted/(Deficit)	(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)	(2,322,381)
Total governmental activities net position	\$ 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	\$ 5,498,784
Business-type activities										
Investment in capital assets	\$ 16,396	\$ 19,722	\$ 40,401	\$ 35,263	\$ 60,151	\$ 53,221	\$ 51,091	\$ 69,799	\$ 82,805	\$ 72,241
Unrestricted	113,162	7,420	24,367	28,694	28,694	31,635	37,526	115,663	199,542	277,720
Total business-type activities net position	\$ 129,558	\$ 27,142	\$ 64,768	\$ 35,263	\$ 88,845	\$ 84,856	\$ 88,617	\$ 185,462	\$ 282,347	\$ 349,961
District-wide										
Net investment in capital assets	\$ 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	\$ 6,046,749
Restricted	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	1,846,657
Unrestricted/(Deficit)	(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)	(2,044,661)
Total district net position	\$ 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	\$ 5,848,745

Source: Borough of Lincoln Park School District records

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
Instruction										
Regular	\$ 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	\$ 9,154,676
Special education	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	3,129,110
Other special education	481,020	596,896	714,916	637,827	659,428	431,428	397,420	462,491	506,037	468,617
Other instruction	168,211	104,776	615,631	241,608	153,962	152,227	58,348	100,690	103,489	121,174
Support Services:										
Tuition	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	7,982,777
Student & instruction related services	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	3,012,776
General administrative services	791,007	826,296	874,253	553,837	505,174	489,892	533,072	510,966	525,699	570,995
School administrative services	392,568	534,437	546,611	828,446	799,071	828,972	702,422	637,414	626,876	666,499
Central services	556,431	514,846	570,560	783,395	501,487	589,723	473,195	443,672	448,838	519,380
Administration Information Technology							117,355	18,284	25,646	20,895
Plant operations and maintenance	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	1,407,939
Pupil transportation	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	2,591,049
Capital Outlay	3,671	3,671		3,671	3,671	3,671				
Special Schools				21,297		11,118				15,281
Transfer of Funds to Charter School										
Interest on long-term debt	125,410	103,451	47,442	40,823	33,906	26,770	21,328	10,335	349,800	388,758
Unallocated depreciation	556,744	597,693				353,871				
Total governmental activities expenses	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	30,049,926
Business-type activities:										
Food service	329,266	430,008	334,665	385,318	332,235	274,027	192,281	470,420	439,180	426,962
Total business-type activities expense	329,266	430,008	334,665	385,318	332,235	274,027	192,281	470,420	439,180	426,962
Total district expenses	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	30,476,888
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (Tuition)			38,983	72,868	50,960	85,095	58,656	266,981	75,474	324,034
Student & Instruction Related Services							6,403	40,806	82,725	127,728
Operating grants and contributions	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	5,321,516
Total governmental activities program revenues	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	5,773,278
Business-type activities:										
Charges for services:										
Food service	230,882	217,520	236,333	238,084	247,593	175,002	2,198	55,515	302,204	311,928
Operating grants and contributions	110,780	110,027	110,041	117,101	107,436	93,854	193,821	511,540	225,554	167,564
Total business type activities program revenues	341,662	327,547	346,374	355,185	355,029	268,856	196,019	567,055	527,758	479,492
Total district program revenues	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	6,252,770

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

(accrual basis of accounting)
UNAUDITED
(Continued)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (24,276,648)
Business-type activities	12,396	(102,461)	11,709	(30,133)	22,794	(5,171)	3,738	96,635	88,578	52,530
Total district-wide net expense	<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>	<u>(24,224,118)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	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	21,923,853
Taxes levied for debt service	598,938	663,881	130,596	132,810	131,617	130,215	131,945	133,384	131,218	671,123
Unrestricted grants and contributions	63,284	63,011	62,639	341,751	307,791	302,425	304,370	350,866	303,414	470,403
Investment earnings	5,165	6,895	21,130	48,108	60,515	68,486	2,540	1,140	513,023	614,852
Miscellaneous income	628,467	733,089	1,012,677	493,494	324,854	312,333	488,086	432,258	326,446	383,094
Transfers					(4,284)					
Reimbursement of Prior Year Tuition	424,190									
Total governmental activities	<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>	<u>24,063,325</u>
Business-type activities:										
Investment earnings	13	45	100	628	714	1,182	23	210	8,307	15,084
Transfers					4,284					
Disposition/Adjustment of Capital Assets										
Total business-type activities	<u>13</u>	<u>45</u>	<u>25,817</u>	<u>628</u>	<u>4,998</u>	<u>1,182</u>	<u>23</u>	<u>210</u>	<u>8,307</u>	<u>15,084</u>
Total district-wide	<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>	<u>24,078,409</u>
Change in Net Position										
Governmental activities	(50,901)	(92,909)	(88,079)	(947,592)	601,445	324,927	339,415	(275,197)	(50,277)	(213,323)
Business-type activities	12,409	(102,416)	37,626	(29,505)	27,792	(3,989)	3,761	96,845	96,885	67,614
Total district	<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>	<u>\$ (145,709)</u>

Source: Borough of Lincoln Park School District records

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 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	\$ 884,084
Assigned	338,956	300,074	310,708	132,273	77,389	368,299	1,281,614	655,695	393,331	244,025
Unassigned	257,866	258,044	272,233	340,864	337,347	332,464	643,132	442,517	480,924	66,511
Total general fund	\$ 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	\$ 1,194,620
All Other Governmental Funds										
Restricted	\$ 100	\$ 108	\$ 132	\$ 25	\$ 2	\$ 85,011	\$ 72,568	\$ 76,733	\$ 9,366,870	\$ 8,796,029
Committed			117,877	11,669	11,669	11,669		(104,528)		
Unassigned/(Deficit)	(448,800)	(448,800)								
Total All Other Governmental Funds/(Deficit)	\$ (448,700)	\$ (448,692)	\$ 118,009	\$ 11,694	\$ 11,671	\$ 96,680	\$ 72,568	\$ (27,795)	\$ 9,366,870	\$ 8,796,029
Total Governmental Funds	\$ 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	\$ 9,990,649

Source: Borough of Lincoln Park School District Records

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

UNAUDITED
(Continued)

	Fiscal Year Ending June 30,									
	2015	2016	2016	2017	2018	2020	2021	2022	2023	2024
Other Financing Sources/(Uses)										
Special Item - Reimbursement of Prior Year Tuition	\$ 424,190								\$ 10,211,000	
Serial Bonds Issued					\$ (4,284)					
Transfers										
Total Other Financing Sources/(Uses)	424,190	\$ -0-	\$ -0-	\$ -0-	(4,284)	\$ -0-	\$ -0-	\$ -0-	\$ 10,211,000	\$ -0-
Net Change in Fund Balances	<u>\$ (516,338)</u>	<u>\$ 87,826</u>	<u>\$ 590,584</u>	<u>\$ (146,576)</u>	<u>\$ 371,114</u>	<u>\$ 459,719</u>	<u>\$ 219,668</u>	<u>\$ (1,112,269)</u>	<u>\$ 8,834,662</u>	<u>\$ (1,567,887)</u>
Debt Service as a % of Noncapital Expenditures	2.71%	2.98%	0.65%	0.68%	0.68%	0.82%	0.71%	0.64%	0.64%	1.08%

Source: Borough of Lincoln Park School District records

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

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Rentals- Use of Facilities	Prior Year Refunds	Cancellation of Prior Year Accounts Payable	Other	Total
2015	\$ 5,104	\$ 38,070	\$ 236,008		\$ 247,360	\$ 137,307	\$ 416,489
2016	6,888	61,286	243,500			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
2024	118,701	324,034	370,096	140		12,858	825,829

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 ^b	Estimated Actual (County Equalized Value)
		Regular	Qualified	Regular	Qualified								
2014	6,501,300	1,143,842,500	5,879,500	5,879,500	355,400	114,499,400	64,210,500	36,896,700	1,372,185,300	-0-	1,372,185,300	1.32	1,340,717,718
2015	6,531,500	1,132,999,600	5,879,500	5,879,500	355,400	114,815,900	62,000,500	36,896,700	1,359,479,100	-0-	1,359,479,100	1.35	1,331,789,820
2016	6,411,400	1,132,273,600	5,132,600	5,132,600	347,900	114,157,800	59,708,400	36,896,700	1,354,928,400	-0-	1,354,928,400	1.34	1,346,706,502
2017	7,183,800	1,131,423,900	5,132,600	5,132,600	337,400	113,820,900	59,252,400	36,896,700	1,354,047,700	-0-	1,354,047,700	1.37	1,365,006,098
2018	7,567,700	1,130,390,700	5,132,600	5,132,600	322,300	113,820,900	59,252,400	36,896,700	1,353,383,300	-0-	1,353,383,300	1.44	1,408,014,253
2019	6,695,300	1,131,929,100	4,777,200	4,777,200	322,600	113,695,700	59,752,400	36,996,700	1,354,169,000	-0-	1,354,169,000	1.47	1,436,479,262
2020	7,649,600	1,134,589,800	4,777,200	4,777,200	322,600	112,361,700	59,752,400	36,996,700	1,356,450,000	-0-	1,356,450,000	1.50	1,468,973,359
2021	8,649,000	1,135,673,900	4,777,200	4,777,200	322,600	109,871,400	59,752,400	36,996,700	1,356,043,200	-0-	1,356,043,200	1.53	1,544,292,450
2022	7,837,100	1,137,430,000	5,339,600	5,339,600	308,600	111,046,100	59,752,400	36,996,700	1,358,710,500	-0-	1,358,710,500	1.57	1,550,606,282
2023	7,303,300	1,138,708,400	4,676,700	4,676,700	308,200	111,951,000	59,997,000	36,996,700	1,359,941,300	-0-	1,359,941,300	1.66	1,651,587,673

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
Reassessment occurs when ordered by the County Board of Taxation

- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
b Tax rates are per \$100

Source: Municipal Tax Assessor

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

Year Ended December 31,	Lincoln Park School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Lincoln Park	Morris County	
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
2023	1.61	0.05	1.66	1.12	0.31	3.09

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

Taxpayer	2024		2015	
	Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	Rank Assessed Value
INFORMATION IS NOT AVAILABLE				
Beaver Brook Associates			\$ 36,083,800	1
Mort's Family Group			16,441,900	2
Renaissance Rehab and Nursing Home			15,500,000	3
Lincoln Park Properties			9,958,400	4
Lincoln Park Nursing Home			7,729,200	5
Phoenix Reality Partners			7,662,600	6
Lincoln Park Plaza Associates			7,500,000	7
510 Ryerson Road, Inc.			4,500,000	8
FRA Lincoln Park, LLC			3,741,000	9
Kay Elements			3,000,000	10
			<u>\$ 112,116,900</u>	
				<u>8.25%</u>

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 ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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-
2024	22,594,976	22,594,976	100.00%	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds			
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	0.84%	932
2024	9,875,000	9,875,000	0.81%	902

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

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

Source: School District Financial Reports

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	932
2024	9,875,000	-0-	9,875,000	0.726%	902

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

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

Source: School District Financial Reports

LINCOLN PARK BOROUGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023
UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Borough of Lincoln Park	\$ 13,151,150	100.00%	\$ 13,151,150
Morris County General Obligation Debt	326,425,422	1.26%	4,126,729
Subtotal, Overlapping Debt			17,277,879
Lincoln Park School District Direct Debt			9,875,000
Total Direct and Overlapping Debt			\$ 27,152,879

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

<u>Legal Debt Margin Calculation for Fiscal Year 2024</u>		
<u>Year Ended</u>	<u>December 31,</u>	<u>Equalized</u>
		<u>Valuation Basis</u>
2023		\$ 1,777,004,181
2022		1,646,722,215
2021		1,544,292,450
		<u>\$ 4,968,018,846</u>
		<u>\$ 1,656,006,282</u>
Average Equalized Valuation of Taxable Property		
		<u>\$ 49,680,188</u>
Debt Limit (3% of Average Equalization Value) ^a		
		<u>9,875,000</u>
Net Bonded School Debt		
		<u>\$ 39,805,188</u>
Legal Debt Margin		

	<u>Fiscal Year</u>									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 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	\$ 49,680,188
Total Net Debt Applicable to Limit	1,830,000	1,175,000	1,030,000	875,000	715,000	550,000	375,000	190,000	10,211,000	9,875,000
Legal Debt Margin	\$ 45,281,151	\$ 44,333,481	\$ 39,482,563	\$ 40,074,528	\$ 40,835,798	\$ 41,740,004	\$ 40,835,798	\$ 44,307,451	\$ 34,611,392	\$ 39,805,188
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.48%	2.92%	2.54%	2.14%	1.72%	1.30%	0.87%	0.43%	22.78%	19.88%

^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 ^a	Personal Income ^c	Morris County Per Capital Personal Income ^b	Borough Unemployment Rate ^d
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	1,218,974,031	111,597	3.70%
2023	10,951	1,222,098,747 ***	111,597 *	3.80%
2024	10,951 **	1,222,098,747 ***	111,597 *	N/A

* - Latest Morris County per capita personal income available (2022) was used for calculation purposes.

** - Latest population data available (2023) was used for calculation purposes.

*** - Latest available population data (2023) and latest available Morris County per capita personal income (2022) 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

2024			2015		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
		Employment			Employment
INFORMATION IS NOT AVAILABLE					
			U.S Army Armament R&D	6,000	2.31%
			Atlantic Health System	5,171	1.99%
			Novartis Corporation	4,622	1.78%
			Bayer Healthcare, LLC	2,800	1.08%
			County of Morris	1,757	0.68%
			Wyndham Worldwide Corporation	1,626	0.63%
			Accenture	1,561	0.60%
			St. Claire's Health Services	1,504	0.58%
			BASF Corporation	1,500	0.58%
			Pricewaterhouse Coopers	1,360	0.52%
				27,901	10.74%

* - 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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction										
Regular	55.0	56.0	64.2	64.2	64.2	64.2	64.2	64.2	64.2	64.2
Special education	27.0	29.5	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4
Support Services:										
Student & instruction related services	10.8	10.8	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0
School administrative services	4.1	4.1	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
General and administrative services	1.0	1.0	2.1	2.1	2.0	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
Pupil transportation	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Business and other support services	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0
Food Service	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Total	120.7	124.2	139.5	139.5	139.4	139.4	139.4	139.4	138.4	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	Pupil/Teacher Ratio										
	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Middle School		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	School				
2015	964	21,007,666	21,792	1.25%	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	884	28,018,649	31,695	7.44%	85	1:12	1:12	873	824	-1.24%	94.39%
2023	864	28,300,726	32,755	3.34%	85	1:12	1:12	893	837	2.29%	93.73%
2024	889	31,122,803	35,009	6.88%	85	1:12	1:12	924	854	3.47%	92.42%

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>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Chapel Hill School (1923)										
Square Feet	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Elementary School (1966)										
Square Feet	66,640	66,640	66,640	66,640	66,640	66,640	66,640	66,640	66,640	66,640
Capacity (students)	533	533	533	533	533	533	533	533	533	533
Enrollment	568	536	536	536	501	507	483	483	520	526
Middle School (1959)										
Square Feet	79,120	79,120	79,120	79,120	79,120	79,120	79,120	79,120	79,120	79,120
Capacity (students)	603	603	603	603	603	603	603	603	603	603
Enrollment	396	398	398	398	407	407	401	401	344	363

Number of Schools at June 30, 2024

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:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Chapel Hill</u> <u>School</u>	<u>Elementary School</u>	<u>Middle School</u>	<u>Total</u>
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
2024	8,973	76,826	109,488	195,287

* 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, 2024
UNAUDITED

<u>COVERAGE</u>	<u>LIMITS</u>	<u>TERMS IN</u> <u>YEARS</u>	<u>EXPIRES</u>	<u>COMPANY</u>	<u>POLICY NUMBER</u>	<u>COMMENTS</u>
COMMERCIAL PACKAGE POLICY		1 YEAR	7/1/23-7/1/24	NJSIG	P283AO	
PROPERTY						
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 & PTA's incl. As
						Additional Insured
						Per Occurrence
FINE ARTS						
FLOOD EACH OCCURRENCE	NOT COVERED					
EARTHQUAKE AGGREGATE	\$75,000,000					
DEDUCTIBLES PER OCCURRENCE:	\$50,000,000					
	\$5,000					
CRIME						
PUBLIC EMPLOYEE DISHONESTY						
FORGERY OR ALTERATION	\$250,000					
MONEY ORDERS & COUNTERFEIT	\$100,000					
COMPUTER FRAUD	\$250,000					
DEDUCTIBLE	\$1,000					
BOILER & MACHINERY		1 YEAR	7/1/23-7/1/24	NJSIG	P283AO	
LIMIT PER BREAKDOWN	\$100,000,000					
DEDUCTIBLE	\$5,000					
INLAND MARINE						
Blanket Tools & Equipment						

LINCOLN PARK BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2024
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>
COMPREHENSIVE GENERAL LIABILITY						
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	\$11,000,000					
ABUSE OR MOLESTATION AGGREGATE	\$15,000,000					
AUTOMOBILE COVERAGE						
SYMBOL 1 ANY AUTO			7/1/23-7/1/24	NJSIG	P283AO	
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						
CYBER LIABILITY						
EACH EVENT LIMIT	\$2,000,000	1 YEAR	7/1/23-7/1/24	NJSIG	M283AO	
POLICY AGGREGATE	\$10,000,000					
EDUCATORS LEGAL LIABILITY						
EACH WONGFUL ACT	\$1,000,000	1 YEAR	7/1/23-7/1/24	NJSIG	E283AO	
PROFESSIONAL INCIDENT AGGREGATE DEDUCTIBLE	\$3,000,000					
	\$5,000					

LINCOLN PARK BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2024
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>
UMBRELLA POLICY EACH OCCURRENCE LIMIT	\$10,000,000	1 YEAR	7/1/23-7/1/24	NISIG	P283AO	
WORKERS COMPENSATION WORKERS COMPENSATION EMPLOYERS LIABILITY SELF INSURED RETENTION PER OCCURRENCE	STATUTORY \$1,000,000 \$600,000		7/1/23-7/1/24	POOLED INS. PROGRAM OF NJ	SP4066555	
EXCESS UMBRELLA - NJUEP						
	\$10,000,000	1 YEAR	7/1/23-7/1/24	Hudson Excess Ins. Co.	EPGA 000073-03	
	\$10,000,000	1 YEAR	7/1/23-7/1/24	Allied World Assur. Co.	0312-3968	
	\$10,000,000	1 YEAR	7/1/23-7/1/24	Great American	2480095	
BONDS						
BUSINESS ADMINISTRATOR	\$220,000	1 YEAR	7/1/23-7/1/24	RLI	LSM1884665	
KELLY MURPHY, TREASURER	\$220,000		7/1/23-7/1/24	TRAVELERS CASUALTY & SUR.	107277755	
STUDENT ACCIDENT Maximum Medical Benefit per Injury	\$25,000	1 YEAR	7/1/23-7/1/24	MCCLOSKEY QBE - Base	KHH000389	

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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 17, 2024.

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
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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.

October 17, 2024
Mount Arlington, New Jersey

Nisiroccia LLP
NISIVOCCIA LLP

John J. Mooney

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

Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Lincoln Park Board of Education's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2024. 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, 2024.

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
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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
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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.

October 17, 2024
Mount Arlington, New Jersey

Nisiroccia 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, 2024

Federal Grantor/Pass Through Grant Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Cash Received	Budgetary Expend- itures	Adjust- ments	Cancellation of Prior Years Encumbrances	Balance at June 30, 2024			Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	
U.S. Department of Education:															
Special Revenue Fund:															
Passed-through State Department of Education:															
Elementary and Secondary Education Act:															
Title I	84.010A	ESEA265024	7/1/23-9/30/24	\$ 125,097				\$ 65,019	\$ (125,139)	\$ 42		\$ (60,078)			
	84.010A	ESEA265023	7/1/22-9/30/23	69,588	\$ (50,343)			69,546	(19,203)						
Total Title I					(50,343)			134,565	(144,342)		42		(60,078)		
Title II	84.367A	ESEA265024	7/1/23-9/30/24	24,762				10,148	(14,073)			(3,925)			
	84.367A	ESEA265023	7/1/22-9/30/23	33,102	(32,403)			32,403							
Total Title II					(32,403)			42,551	(14,073)			(3,925)			
Title III	84.365A	ESEA265024	7/1/23-9/30/24	95,084				2,613	(85,942)			(83,329)			
	84.365A	ESEA265023	7/1/22-9/30/23	44,488	(26,067)			21,273		3,117	\$ 1,677				
Title III - Immigrant	84.365A	ESEA265023	7/1/22-9/30/23	879	(179)			179							
Total Title III					(26,246)			24,065	(85,942)		3,117	(83,329)			
Title IV	84.424A	ESEA265024	7/1/23-9/30/24	10,000	(10,000)			10,000	(10,000)						
	84.424A	ESEA265023	7/1/22-9/30/23	10,000	(10,000)			10,000							
Total Title IV					(10,000)			20,000	(10,000)						
Education Stabilization Fund:															
COVID-19 - CRRSA:															
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	288,409	(145,649)			145,650		(1)					
Learning Accelerating	84.425D	S425D210027	3/13/20-9/30/23	25,000	(72)			17,948	(17,875)						
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(539)			36,439	(35,900)						
COVID-19 - ARP:															
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	648,182	(76,699)			114,268	(45,058)	2,000		(5,489)			
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	105,307				85,532	(105,307)			(19,775)			
Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(751)			5,732	(5,436)			(455)			
Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(10,592)			22,346	(28,818)			(17,064)			
Mental Health	84.425U	S425U210027	3/13/20-9/30/24	40,500	(40,500)			41,850	(4,500)			(3,150)			
Homeless II Children and Youth	84.425W	N/A	4/23/21-9/30/24	3,198		\$ 365						\$ 365			
COVID-19 - ARP GEER:															
NJ High Impact Tutoring Grant	84.425C	E2400298	10/11/23-8/31/24	58,000	(274,802)	365		40,778	(51,403)	1,999		(10,625)	365		
Total Education Stabilization Fund								510,543	(294,297)			(56,558)			
Special Education Cluster (IDEA):															
IDEA Part B, Basic Regular	84.027	IDEA265024	7/1/23-9/30/24	268,672				262,750	(268,672)			(5,922)			
IDEA Part B, Basic Regular	84.027	IDEA265023	7/1/22-9/30/23	249,983	(24,973)			24,973							
IDEA Part B, Preschool	84.173	IDEA265024	7/1/23-9/30/24	10,013				10,013	(10,013)						
Total Special Education Cluster (IDEA)					(24,973)			297,736	(278,685)			(5,922)			
Total U.S. Department of Education					(418,767)	365		1,029,460	(827,339)	5,158	1,677	(209,812)	365		

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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, 2023			Budgetary Expend- itures	Cancellations of Prior Years' Encumbrances	Balance at June 30, 2024			Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Unearned Revenue	Due to Grantor			Budgetary Accounts Receivable	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture: Passed through State Department of Agriculture: Child Nutrition Cluster													
Food Distribution Program	10.555	N/A	7/1/23-6/30/24	\$ 24,954		\$ 401		\$ (23,827)			\$ 1,127		
Food Distribution Program	10.555	N/A	7/1/23-6/30/23	29,408				(401)					
National School Lunch Program	10.555	N/A	7/1/23-6/30/24	104,135				(104,135)		\$ (20,230)			
National School Lunch Program	10.555	N/A	7/1/23-6/30/23	128,714	(26,475)			26,475					
School Breakfast Program	10.553	N/A	7/1/23-6/30/24	586				(586)		(103)			
School Breakfast Program	10.553	N/A	7/1/23-6/30/23	173	(9)			483					
COVID-19 - Supply Chain Assistance	10.555	N/A	7/1/22-6/30/24	54,002		29,868		(28,749)			25,953		
Total Child Nutrition Cluster					(26,484)	30,269		(157,698)		(20,333)	27,080		
Local Food for Schools (LFS) Cooperative Program	10.185	N/A	7/1/23-6/30/24	998				(998)					
COVID-19 - Pandemic Electronic Benefit Transfer (P-EBT)	10.649	N/A	7/1/23-6/30/24	653				(653)					
Total U.S. Department of Agriculture					(26,484)	30,269		(159,349)		(20,333)	27,080		
U.S. Department of Health and Human Services: Medicaid Cluster:													
Medicaid Assistance Program	93.778	N/A	7/1/23-6/30/24	32,116				(32,116)		(660)			
Total U.S. Department of Health and Human Services								(32,116)		(660)			
Federal Communications Commission: Special Revenue Fund:													
Emergency Connectivity Fund (ECF)	32.009	ECF202104607	7/1/23-6/30/24	59,760				(59,760)					
Total U.S. Department of Federal Communications Commission								(59,760)					
Total Federal Awards					\$ (445,251)	\$ 30,634	\$ -0-	\$ (1,078,564)	\$ 5,158	\$ (230,805)	\$ 27,445	\$ -0-	\$ -0-
N/A - Not applicable													

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

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Project Number	Grant Period	Award Amount	Balance at June 30, 2023		Balance at June 30, 2024		Memo	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	GAAP Accounts Receivable	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
<u>State Department of Education:</u>									
<u>General Fund State Aid:</u>									
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	\$ 635,819		\$ 579,401	\$ (635,819)		\$ (56,418)	\$ 635,819
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	1,133,838		1,033,230	(1,133,838)		(100,608)	1,133,838
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	136,362		124,262	(136,362)		(12,100)	136,362
Adjustment Aid	24-495-034-5120-085	7/1/23-6/30/24	103,853		94,638	(103,853)		(9,215)	103,853
Extraordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	314,265			(314,265)	\$ (314,265)	(314,265)	314,265
Transportation Aid - Non-public reimbursement	24-495-034-5120-014	7/1/23-6/30/24	24,115			(24,115)	(24,115)	(24,115)	24,115
Reimbursed TPAF Social Security Contributions	24-495-034-5095-003	7/1/23-6/30/24	598,719		569,578	(598,719)	(29,141)	(29,141)	598,719
On-Behalf TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23-6/30/24	775,387		775,387	(775,387)			775,387
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24	2,816,851		2,816,851	(2,816,851)			2,816,851
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	32,125		32,125	(32,125)			32,125
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	1,274		1,274	(1,274)			1,274
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	635,819	\$ (55,471)		55,471			635,819
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	982,365	(85,705)		85,705			982,365
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	136,362	(11,897)		11,897			136,362
Adjustment Aid	23-495-034-5120-085	7/1/22-6/30/23	103,853	(9,060)		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	(56,098)		56,098			559,392
Total General Fund State Aid				(570,766)		6,597,512	(6,572,608)	(367,521)	9,342,934
<u>Special Revenue Fund</u>									
Anti Bullying Aid	N/A	7/1/13-6/30/25	3,604		\$ 3,604			\$ 3,604	
Total Special Revenue Fund					3,604			3,604	
<u>Debt Service Fund:</u>									
Debt Service State Aid Support	24-495-034-5120-017	7/1/23-6/30/24	230,546			230,546	(230,546)		230,546
Total Debt Service Fund						230,546	(230,546)		230,546
<u>Enterprise Fund:</u>									
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	5,868		4,737	(5,868)	(1,131)	(1,131)	5,868
State School Lunch Program - NIEIE	24-100-010-3350-023	7/1/23-6/30/24	2,318		1,794	(2,318)	(524)	(524)	2,318
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	6,405	(1,297)	1,297				6,405
State School Breakfast Program	24-100-010-3350-028	7/1/23-6/30/24	29		20	(29)	(9)	(9)	29
Total Enterprise Fund				(1,297)	7,848	(8,215)	(1,664)	(1,664)	14,620
Total State Awards				\$ (572,063)	\$ 3,604	\$ 6,835,906	\$ (6,811,369)	\$ (369,185)	\$ 9,588,100

N/A - Not available

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Cash Received	Budgetary Expenditures	Balance at June 30, 2024			Memo	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue				GAAP Accounts Receivable	Budgetary Unearned Revenue		Budgetary Receivable	Cumulative Total Expenditures
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23-6/30/24	\$ (775,387)					\$ 775,387					
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24	(2,816,851)					2,816,851					
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	(32,125)					32,125					
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	(1,274)					1,274					
Subtotal - On-Behalf TPAF Pension System Contributions								3,625,637					
Total State Awards Subject to Single Audit Major Program Determination													
\$ (3,185,732)													

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, 2024

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, 2024. 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 \$16,208 for the General Fund and \$76,640 for the Special Revenue Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented on the following page.

LINCOLN PARK BOROUGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 32,116	\$ 6,556,400	\$ 6,588,516
Special Revenue Fund	810,459		810,459
Debt Service Fund		230,546	230,546
Food Service Fund	159,349	8,215	167,564
Total Awards	<u>\$ 1,001,924</u>	<u>\$ 6,795,161</u>	<u>\$ 7,797,085</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, 2024.

LINCOLN PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	_____	Yes	_____	X	No
2.) Significant deficiencies identified?	_____	Yes	_____	X	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____	X	No

Federal Awards

Type of auditor's report issued on compliance for major programs:

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____	Yes	_____	x	No
2.) Significant deficiencies identified?	_____	Yes	_____	x	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____	x	No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?					
	_____	Yes	_____	x	No

Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Special Education Cluster:					
I.D.E.A. Part B, Basic Regular	84.027	7/1/23	9/30/24	\$ 268,672	\$ 268,672
I.D.E.A. Preschool	84.173	7/1/23	9/30/24	10,013	10,013
Dollar threshold used to distinguish between Type A and B programs				\$ 750,000	
Auditee qualified as low-risk auditee?	_____	X	Yes	_____	No

LINCOLN PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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(Continued)

State Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

1.) Material weakness identified?	<u> </u> Yes	<u> X </u>	No
2.) Significant deficiencies identified?	<u> </u> Yes	<u> X </u>	None reported
Noncompliance material to basic financial statements noted?	<u> </u> Yes	<u> X </u>	No
Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?			
	<u> </u> Yes	<u> X </u>	No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Transportation Aid	24-495-034-5120-014	7/1/23	6/30/24	\$ 635,819	\$ 635,819
Transportation Aid - Non-Public					
Reimbursement	24-495-034-5120-014	7/1/23	6/30/24	24,115	24,115
Dollar threshold used to distinguish between Type A and B programs				<u>\$ 750,000</u>	
Auditee qualified as low-risk auditee?		<u> X </u>	Yes	<u> </u>	No

LINCOLN PARK BOROUGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Status of Prior Year Findings:

The District had no prior year audit findings.