

**LYNDHURST BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Lyndhurst, New Jersey**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**of the**

**Lyndhurst Board of Education**

**Lyndhurst, New Jersey**

**For The Fiscal Year Ended June 30, 2019**

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**



# Lyndhurst Public Schools

## BOARD OF EDUCATION

420 Fern Avenue ♦ Lyndhurst, NJ 07071

Ph: 201.438.5683 Fax: 201.896.2118 ♦ www.lyndhurstschools.net

**ANTHONY GRIECO**

*Superintendent of Schools*

**JOSEPH A. DECORSO**

*Executive Director of Curriculum  
& Instruction*

**SCOTT T. BISIG, M.ED.**

*School Business Administrator  
Board Secretary*

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November 12, 2019

Honorable President and  
Members of the Board of Education  
Lyndhurst Board of Education  
County of Bergen, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Lyndhurst School District (District) for the fiscal year ending June 30, 2019 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner design to 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, 2019, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organization chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's 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 the Single Audit Act and U.S. Uniform Guidance and the state Treasury Circular letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** The Lyndhurst School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB No. 14. All funds of the District are included in this report. The Lyndhurst Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include both regular and special education for learning disabled students. The District completed the 2018-2019 fiscal year with an average daily enrollment 2,615 students.

Average Daily Enrollment  
(ADE)

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2018-2019	2,615
2017-2018	2,507
2016-2017	2,468
2015-2016	2,385
2014-2015	2,390
2013-2014	2,312
2012-2013	2,240
2011-2012	2,336
2010-2011	2,312
2009-2010	2,308

2) **ECONOMIC CONDITIONS AND OUTLOOK:** The Lyndhurst area is substantially developed with both residential and industrial taxpayers. The situation is expected to continue, which suggests that its tax base will remain stable moving forward. However, the Lyndhurst Public School is now under State control for our prior fiscal situation which has a cumulative two-year deficit for SY 16-17 & SY 17-18 in the amount of \$4,470,851. The current fiscal budget for SY 18-19 will have an estimated unassigned fund balance of \$649,215.

3) **MAJOR INITIATIVES UNDERTAKING DURING 2018 – 2019:** The Lyndhurst Public School District is proud of all that it accomplished during the 2018-2019 school year. The following is a sampling of the District's achievements:

- Improved parent communication and involvement through district outreach efforts.
- Improved website/social media.
- Encouraged parents/care givers to use the parent-portal
- Created additional parent surveys to gather feedback about school operations, and topics of interest.
- Host Parent Academies that will discuss relevant topics and address areas of concern that parents may have. These may be incorporated into PTA Meetings.
  
- Improve student achievement on NJSL-Assessments, PSAT, SAT, ACT, and selected proprietary and locally designed assessments.
  
- Continued revisions and updates of curricula
- Improved observations of teachers in classroom which will include providing feedback that teachers can use to improve student achievement.
- Analyzed test data to address individualized needs of ALL students.
- Researched and implement a cohesive streamlined approach to NJDOE mandated professional development trainings.
- Implemented programs that will track, assign, and centrally manage all faculty training professional development.

4) **INTERNAL ACCOUNTING GOALS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure 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 benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As recipient of federal and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to the federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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 by voters of the Municipality. Annual appropriated budgets are adopted for the general fund, special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects 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-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2019.

6) **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized based on funds and account groups. These funds are explained in "Notes to the Financial Statement."

7) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements." 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 Unit from a loss of funds on deposit with a failed banking institution on 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, automobile and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9) **INDEPENDENT AUDIT:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related U.S. Uniform Guidance and State Treasury Circular Letter OMB 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) **ACKNOWLEDGEMENT:** We would like to express our appreciation to the members of the Lyndhurst Board of Education 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 our financial and accounting staff.

Respectfully submitted,

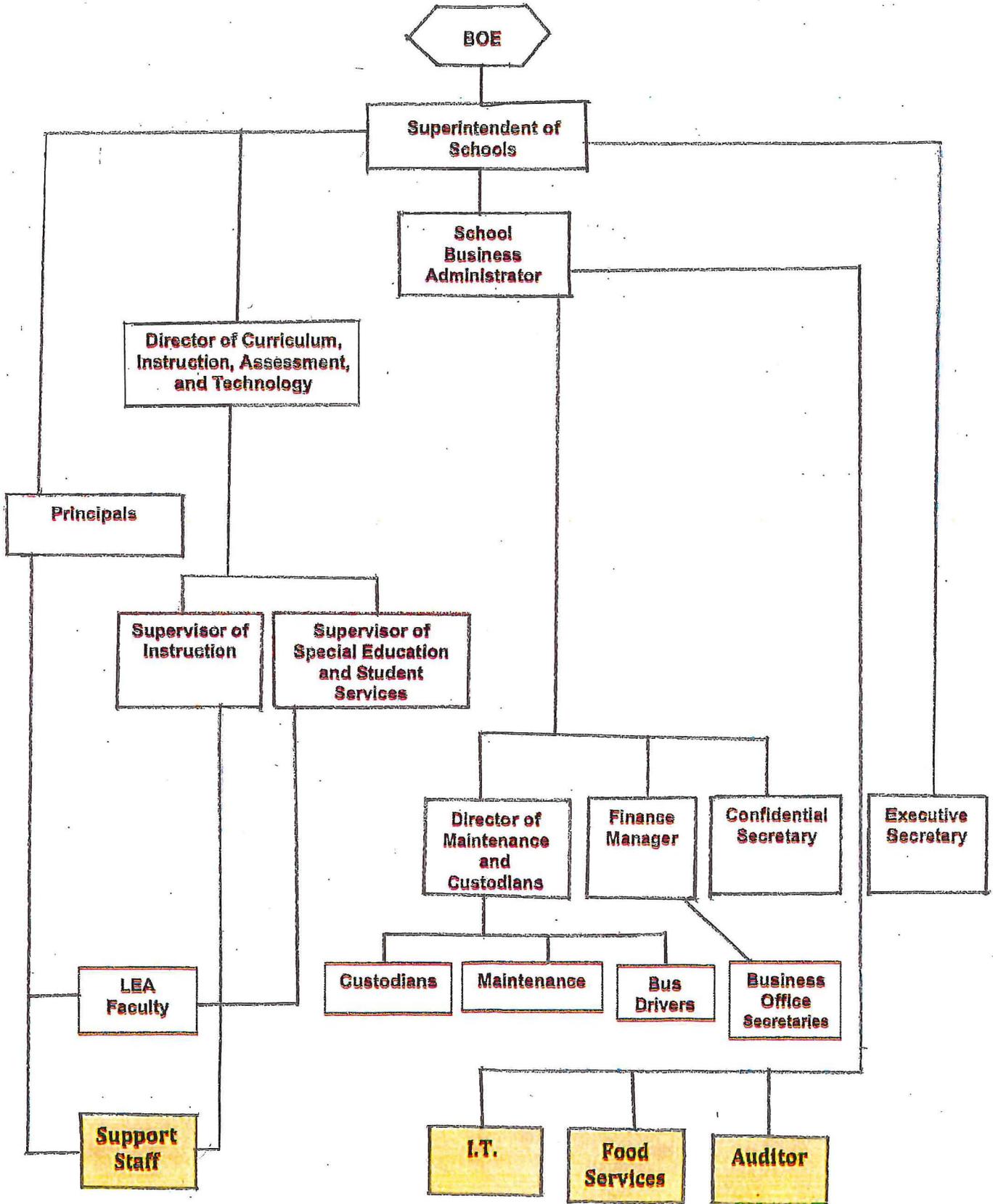


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Scott T. Bisig, M. Ed.  
School Business Administrator/Board Secretary

LYNDHURST BOARD OF EDUCATION

ORGANIZATIONAL CHART



**LYNDHURST BOARD OF EDUCATION  
BERGEN COUNTY, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2019**

<b>President</b>	<b><u>Term Expires</u></b>
Erin Keefe	2020
<b>Vice President</b>	
James Donovan	2019
<b>Members of Board of Education</b>	
James Vuono	2020
Susan Alcuri	2019
Christopher Andrinopolous	2019
Joseph Abruscato	2020
Frank Ferrandino	2021
Richard Pizzuit	2021
Stephen Vendola	2019
<b><u>Other Officials</u></b>	
<b>Superintendent</b>	Anthony Grieco
<b>School Business Administrator/ Board Secretary</b>	Scott T. Bisig
<b>Finance Manager</b>	Valerie Troncone
<b>Treasurer of School Monies</b>	Angelo DeSimone
<b>State Monitor</b>	Thomas Egan

**Lyndhurst Board of Education  
Consultants and Advisors  
as of June 30, 2019**

**Architect**

DiCara Rubino  
30 Galesi Drive  
Wayne, NJ 07470

**Audit Firm**

Lerch, Vinci & Higgins, LLP  
17-17 Route 208  
Fair Lawn, NJ 07410

**Attorney**

Sciarrillo, Cornell, Merlino, Mckeever and Osbourne, LLC  
238 St. Paul Street  
Westfield, NJ 07090

**Office Depository**

Investor's Bank  
123 Ridge Road  
Lyndhurst, NJ 07071

Boiling Springs Bank (Blue Foundry Bank)  
735 Ridge Road  
Lyndhurst, NJ 07071

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Lyndhurst Board of Education  
Lyndhurst, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst Board of Education, as of and for the fiscal year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Basis for Qualified Opinion on Governmental Activities***

We were unable to audit the financial activities of the general capital assets used in governmental activities because information to support land, building and building improvement values and related depreciation expenses was not available for audit. General capital asset financial activities are included in the District-wide financial statements as governmental activities and represent 68 percent, 1,170 percent and less than 1 percent of the assets, net position and expenses respectively, of the Lyndhurst Board of Education's governmental activities. We were unable to satisfy ourselves about the general capital asset financial activities by means of other auditing procedures.

### ***Qualified Opinion***

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Lyndhurst Board of Education, as of June 30, 2019 and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst Board of Education as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lyndhurst Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal 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 (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey 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 of the Lyndhurst Board of Education.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated November 12, 2019 on our consideration of the Lyndhurst Board of Education'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 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 Lyndhurst Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Lyndhurst Board of Education's internal control over financial reporting and compliance.

*LERCH, VINCI & HIGGINS, LLP*

LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
November 12, 2019

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**LYNDHURST BOARD OF EDUCATION  
LYNDHURST, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

This section of the Lyndhurst Board of Education's (District or Board) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2019. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements and the notes to the financial statements, which immediately follows this section.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2018-2019 fiscal year include the following:

- The assets and deferred outflows of resources of the Lyndhurst Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$1,553,667 (net position).
- The District's overall net position increased \$1,412,268.
- Overall District revenues were \$55,003,122. General revenues accounted for \$39,356,879 or 72% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$15,646,243 or 28% of total revenues.
- The School District had \$52,330,330 in expenses for governmental activities; \$14,935,039 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$39,356,182 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund deficit of \$2,953,597.
- The General Fund unassigned fund balance at June 30, 2019 was \$126,674, an increase of \$5,054,445 when compared to the previous year's unassigned fund deficit of \$4,927,771.
- The General Fund unassigned budgetary fund balance at June 30, 2019 was \$649,215 which represents an increase of \$5,120,066 when compared to the ending unassigned budgetary fund deficit at June 30, 2018 of \$4,470,851.
- The District's total outstanding long-term liabilities increased \$2,039,370 during the current fiscal year.

**LYNDHURST BOARD OF EDUCATION  
LYNDHURST, NEW JERSEY**

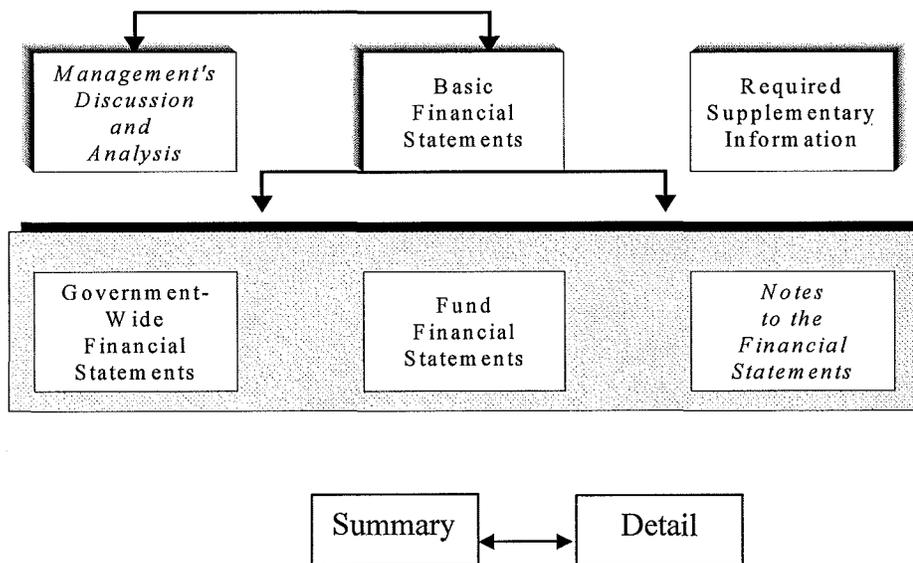
**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental 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 were financed in the *short term* as well as what remains for future spending.
  - *Proprietary funds* statements offer *short-term* and *long-term* financial information about the activities the district operated like *businesses*.
  - *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong.

The basic financial statements also include *notes* that explain the information in the statements and provide more detailed data. The illustration below shows how the various parts of this annual report are arranged and related to one another.



**LYNDHURST BOARD OF EDUCATION  
LYNDHURST, NEW JERSEY**

**Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

The following table 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 the structure and contents of each of the statements.

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

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as Regular and Special Education Instruction and Building maintenance	Activities the district operates similar to private businesses: Enterprise Fund	Instances in which the district administers resources held in trust, Such as Scholarship Funds, Payroll Agency and Student Activities
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and changes in fund balances	Statement of Net Position Statement of revenue, expenses, and changes in fund net position Statement of cash flows	Statements of Fiduciary net position Statement of changes in fiduciary net position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources Focus
Type of asset; liability; deferred outflow and inflow of resources information	All assets, liabilities, and deferred outflows/inflows of resources both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, liabilities, and deferred outflows/inflows of resources both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term, funds do not currently contain capital assets.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues 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 revenues and expenses during the year, regardless of when cash is received or paid.	All additions and dedications during the year, regardless of when cash is received or paid.

**District-Wide Financial 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 outflows, liabilities and deferred inflows. All of the current year’s revenues 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 outflows and liabilities/deferred inflows – is one way to measure the District’s financial health or position.

**LYNDHURST BOARD OF EDUCATION  
LYNDHURST, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**District-Wide Financial Statements (continued)**

- Over time, increases or decreases in the District's net position are an indicator of whether its financial condition is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial 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 shown in two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration and plant operations and maintenance. Property taxes and state and federal aids finance most of these activities.
- *Business type activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service and Preschool Program operations are included under this category.

**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 bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to 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, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) 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.

*Enterprise Funds* – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has two active enterprise funds:

- Food Service (Cafeteria)
- Preschool Program

**LYNDHURST BOARD OF EDUCATION  
LYNDHURST, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**Fund Financial Statements (continued)**

- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the financial statements.

**Other Information**

In addition to the financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for general and special revenue funds as required supplementary information. Information regarding the District's employee retirement systems and pension plans as well as the post-retirement medical benefits plan have also been provided as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons and pension and postemployment benefits information, including the budgetary comparison statement for the Debt Service Fund.

**DISTRICT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,553,667 and \$141,399 as of June 30, 2019 and 2018, respectively.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position represent amounts reserved for specific purposes by outside parties or statutory requirements. Unrestricted net position represent amounts available to the government that are neither restricted nor invested in capital assets.

**LYNDHURST BOARD OF EDUCATION  
LYNDHURST, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**Net Position  
As of June 30, 2019 and 2018**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Assets</b>						
Current Assets	\$ 11,021,278	\$ 10,525,303	\$ 65,808	\$ 77,766	\$ 11,087,086	\$ 10,603,069
Capital Assets	<u>23,027,521</u>	<u>21,085,806</u>	<u>3,192</u>	<u>2,030</u>	<u>23,030,713</u>	<u>21,087,836</u>
<b>Total Assets</b>	<u>34,048,799</u>	<u>31,611,109</u>	<u>69,000</u>	<u>79,796</u>	<u>34,117,799</u>	<u>31,690,905</u>
<b>Deferred Outflows of Resources</b>	<u>1,573,452</u>	<u>2,386,910</u>	<u>-</u>	<u>-</u>	<u>1,573,452</u>	<u>2,386,910</u>
<b>Liabilities</b>						
Long-Term Liabilities	16,471,415	14,432,045			16,471,415	14,432,045
Other Liabilities	<u>14,303,250</u>	<u>16,727,910</u>	<u>45,059</u>	<u>68,437</u>	<u>14,348,309</u>	<u>16,796,347</u>
<b>Total Liabilities</b>	<u>30,774,665</u>	<u>31,159,955</u>	<u>45,059</u>	<u>68,437</u>	<u>30,819,724</u>	<u>31,228,392</u>
<b>Deferred Inflows of Resources</b>	<u>3,316,667</u>	<u>2,707,036</u>	<u>1,193</u>	<u>988</u>	<u>3,317,860</u>	<u>2,708,024</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	17,910,989	17,736,926	3,192	2,030	17,914,181	17,738,956
Restricted	139,612	45,650			139,612	45,650
Unrestricted	<u>(16,519,682)</u>	<u>(17,651,548)</u>	<u>19,556</u>	<u>8,341</u>	<u>(16,500,126)</u>	<u>(17,643,207)</u>
<b>Total Net Position</b>	<u>\$ 1,530,919</u>	<u>\$ 131,028</u>	<u>\$ 22,748</u>	<u>\$ 10,371</u>	<u>\$ 1,553,667</u>	<u>\$ 141,399</u>

The District's total net position of \$1,553,667 at June 30, 2019 represents a \$1,412,268 or 999% increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2019 and 2018, respectively.

**LYNDHURST BOARD OF EDUCATION  
LYNDHURST, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**Changes in Net Position  
For the Fiscal Years Ended June 30, 2019 and 2018**

	Governmental		Business-Type		Total	
	Activities		Activities			
Revenues	2019	2018	2019	2018	2019	2018
Program Revenues						
Charges for Services	\$ 227,015	\$ 113,029	\$ 423,345	\$ 400,077	\$ 650,360	\$ 513,106
Operating Grants and Contributions	14,708,024	17,351,828	287,859	283,475	14,995,883	17,635,303
General Revenues						
Property Taxes	38,689,270	37,500,802			38,689,270	37,500,802
State Aid - Unrestricted	410,128	428,077			410,128	428,077
Other	256,784	133,732	697	398	257,481	134,130
<b>Total Revenues</b>	<b>54,291,221</b>	<b>55,527,468</b>	<b>711,901</b>	<b>683,950</b>	<b>55,003,122</b>	<b>56,211,418</b>
<b>Expenses</b>						
Instruction						
Regular	23,011,167	24,875,552			23,011,167	24,875,552
Special Education	9,780,983	9,527,569			9,780,983	9,527,569
Other Instruction	1,161,515	1,538,544			1,161,515	1,538,544
School Sponsored Activities and Ath.	1,093,371	1,129,029			1,093,371	1,129,029
Support Services						
Student and Instruction Related Serv.	5,888,655	7,771,240			5,888,655	7,771,240
General Administrative Services	1,302,704	1,330,676			1,302,704	1,330,676
School Administrative Services	3,196,004	3,388,005			3,196,004	3,388,005
Central and Other Support Services	1,117,163	1,126,547			1,117,163	1,126,547
Plant Operations and Maintenance	3,982,590	4,459,533			3,982,590	4,459,533
Pupil Transportation	1,490,206	1,217,608			1,490,206	1,217,608
Interest on Long Term Debt	305,972	186,076			305,972	186,076
Food Services			813,994	802,711	813,994	802,711
Preschool Program	-	-	446,530	395,178	446,530	395,178
<b>Total Expenses</b>	<b>52,330,330</b>	<b>56,550,379</b>	<b>1,260,524</b>	<b>1,197,889</b>	<b>53,590,854</b>	<b>57,748,268</b>
<b>Increase (Decrease) in Net Position</b>						
<b>Before Transfers</b>	<b>1,960,891</b>	<b>(1,022,911)</b>	<b>(548,623)</b>	<b>(513,939)</b>	<b>1,412,268</b>	<b>(1,536,850)</b>
<b>Transfers</b>	<b>(561,000)</b>	<b>(542,315)</b>	<b>561,000</b>	<b>542,315</b>	<b>-</b>	<b>-</b>
<b>Increase (Decrease) in Net Position</b>	<b>1,399,891</b>	<b>(1,565,226)</b>	<b>12,377</b>	<b>28,376</b>	<b>1,412,268</b>	<b>(1,536,850)</b>
<b>Net Position, Beginning of Year</b>	<b>131,028</b>	<b>1,696,254</b>	<b>10,371</b>	<b>(18,005)</b>	<b>141,399</b>	<b>1,678,249</b>
<b>Net Position, End of Year</b>	<b>\$ 1,530,919</b>	<b>\$ 131,028</b>	<b>\$ 22,748</b>	<b>\$ 10,371</b>	<b>\$ 1,553,667</b>	<b>\$ 141,399</b>

**LYNDHURST BOARD OF EDUCATION  
LYNDHURST, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

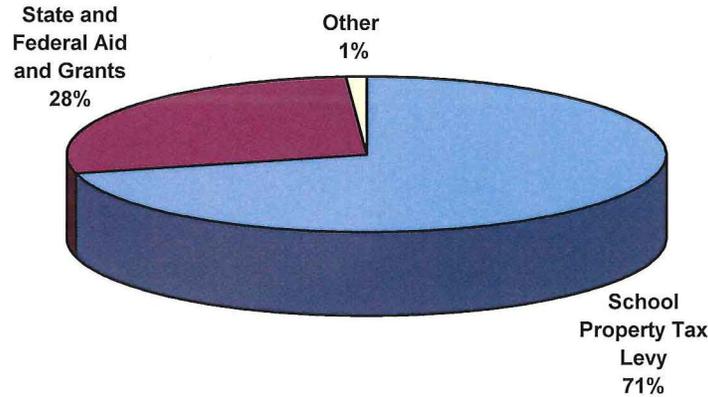
**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$52,556,651 for the fiscal year ended June 30, 2019, property taxes of \$38,689,270 represented 74% of revenues. Another significant portion of revenues came from grants and aid; total State, Federal and local grants and aid was \$13,383,582 represented 25% of revenues. In addition charges for services from tuition and transportation and other miscellaneous revenue was earned from items which include interest, prior year refunds and other miscellaneous income.

The total cost of all governmental activities programs and services was \$50,595,760 for the fiscal year ended June 30, 2019. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$33,873,897 (67%) of total expenses. Support services totaled \$16,415,891 (32%) of total expenses. Interest charges for long-term debt represents less than 1% of governmental expenses.

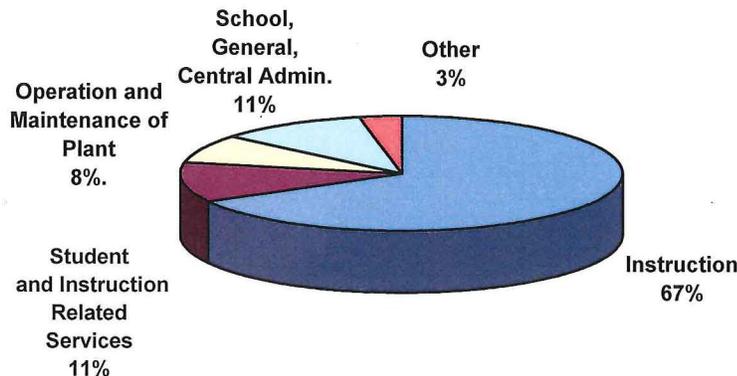
The District had transfers out of governmental activities to business-type activities in the amount of \$561,000.

Total governmental activities revenues exceeded expenses and transfers increasing net position \$1,399,891 from the previous year.

**Revenues by Source- Governmental Activities  
For Fiscal Year 2019**



**Expenses by Type- Governmental Activities  
For Fiscal Year 2019**



**LYNDHURST BOARD OF EDUCATION  
LYNDHURST, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$52,330,330 for the fiscal year ended June 30, 2019. After applying program revenues, derived from charges for services of \$227,015 and operating grants and contributions of \$14,708,024, the net cost of services of the District is \$37,395,291.

**Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2019 and 2018**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Instruction				
Regular	\$ 23,011,167	\$ 24,875,552	\$ 15,652,388	\$ 15,802,842
Special Education	9,780,983	9,527,569	5,339,646	5,165,739
Other Instruction	1,161,515	1,538,544	771,373	957,061
School Sponsored Activities and Athletics	1,093,371	1,129,029	1,050,464	1,055,354
Support Services				
Student and Instruction Related Svcs.	5,888,655	7,771,240	4,661,892	5,935,569
General Administrative Services	1,302,704	1,330,676	1,266,557	1,273,771
School Administrative Services	3,196,004	3,388,005	2,419,003	2,431,008
Central and Other Support Services	1,117,163	1,126,547	1,064,974	1,059,290
Plant Operations and Maintenance	3,982,590	4,459,533	3,802,873	4,190,626
Pupil Transportation	1,490,206	1,217,608	1,060,149	1,028,186
Interest on Long Term Debt	<u>305,972</u>	<u>186,076</u>	<u>305,972</u>	<u>186,076</u>
<b>Total</b>	<b><u>\$ 52,330,330</u></b>	<b><u>\$ 56,550,379</u></b>	<b><u>\$ 37,395,291</u></b>	<b><u>\$ 39,085,522</u></b>

**Business-Type Activities** – The District's total business-type activities revenues were \$711,901 for the fiscal year ended June 30, 2019. Charges for services accounted for 59% or \$423,345 of total revenues for the year. Operating grants and contributions accounted for 41% or \$287,859 of total revenues for the year. In addition, miscellaneous revenue was earned from interest income which represented less than one percent of revenues for the year.

The total cost of all business-type activities programs and services was \$1,260,524. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District at a total cost of \$813,994 (65%) and the Preschool Program which offers education to resident children between the ages of 3 and 4 years old at a total cost of \$446,530 (35%).

The District had transfers into business-type activities from governmental activities in the amount of \$561,000.

Total business-type activities revenues and transfers surpassed expenses increasing net position by \$12,377 from the previous year.

**LYNDHURST BOARD OF EDUCATION  
LYNDHURST, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund deficit of \$2,953,597. The prior year fund deficit at June 30, 2018 was \$6,049,544. The net decrease in the deficit for the year ended June 30, 2019 was \$3,095,947.

Revenues for the District's governmental funds were \$49,637,940 while total expenses were \$50,874,955 for the year ended June 30, 2019. The governmental funds also had other financing sources of \$5,090,974 and other financing uses of \$758,012.

**General Fund** - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students from kindergarten through grade 12 including pupil transportation activities, operation and maintenance of plant and capital outlay projects.

The following schedule presents a summary of General Fund Revenues.

	<b>Fiscal Year Ended <u>June 30, 2019</u></b>	<b>Fiscal Year Ended <u>June 30, 2018</u></b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Local Sources:				
Property Tax Levy	\$ 38,039,648	\$ 36,860,579	\$ 1,179,069	3%
Other	380,749	212,162	168,587	79%
State Sources	9,038,390	7,840,348	1,198,042	15%
Federal Sources	<u>58,364</u>	<u>56,350</u>	<u>2,014</u>	4%
 Total General Fund Revenues	 <u>\$ 47,517,151</u>	 <u>\$ 44,969,439</u>	 <u>\$ 2,547,712</u>	 6%

Total General Fund Revenues increased by \$2,547,712 or 6% over the previous year. Local property taxes increased by \$1,179,069 or 3% over the previous year primarily to offset increases in operating costs. Miscellaneous revenues increased 79% a majority from additional tuition and transportation fees earned in the current year. In addition, State aid revenues increased \$1,198,042 or 15% largely due to an increase in on-behalf State aid for teachers' pension contributions paid by the State on behalf of the District's teaching professionals. Federal aid revenues increased by 4% due to a FEMA reimbursement received in the current year.

**LYNDHURST BOARD OF EDUCATION  
LYNDHURST, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

The following schedule presents a summary of General Fund expenditures.

	<b>Fiscal Year Ended <u>June 30, 2019</u></b>	<b>Fiscal Year Ended <u>June 30, 2018</u></b>	<b>Amount of Increase <u>(Decrease)</u></b>	<b>Percent Change</b>
Instruction	\$ 30,780,135	\$ 29,102,751	\$ 1,677,384	6%
Support Services	15,919,429	16,784,367	(864,938)	-5%
Debt Services	<u>-</u>	<u>7,450</u>	<u>(7,450)</u>	100%
Total Expenditures	<u>\$ 46,699,564</u>	<u>\$ 45,894,568</u>	<u>\$ 804,996</u>	2%

Total General Fund expenditures increased \$804,996 or approximately 2% from the previous year. The increase was due to increases in out of district tuition, transportation services and employee benefit costs incurred in the current fiscal year.

During the current fiscal year the District received other financing sources of \$4,903,050 which included a \$4,800,000 state aid advance loan to fund the previous year's budgetary unassigned fund deficit. In addition other financing uses totaled \$561,000 which represented transfers to the enterprise funds to subsidize food service (\$360,000) and preschool program (\$201,000) operations during the current fiscal year.

For the fiscal year ended June 30, 2019 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$5,159,637. As a result, the total fund balance increased to \$883,323 at June 30, 2019. After deducting restricted and assigned fund balances, the unassigned fund balance increased by \$5,054,445 to \$126,674 at June 30, 2019 from a fund deficit of \$4,927,771 at June 30, 2018. Restricted fund balance remained unchanged and assigned fund balances increased by \$105,192.

**Special Revenue Fund** - The Special Revenue Fund includes all restricted Federal, State and Local sources utilized in the operations of the district in providing educational services to students.

Revenues of the Special Revenue Fund were \$1,368,117 for the year ended June 30, 2019. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 81% or \$1,111,830 of the total revenue for the year. State sources accounted for 19% or \$256,287 of the total revenue for the year.

Expenditures of the Special Revenue Fund were \$1,368,117. Instructional expenditures were \$980,407 or 72% and expenditures for support services were \$387,710 or 28% of the total amount expended for the year ended June 30, 2018.

**Capital Projects Fund** - The capital project expenditures and other financing uses exceeded revenues and other financing sources by \$2,157,652 resulting in a fund deficit of \$3,976,532 at June 30, 2019. This decrease was the result of expenditures related to the 2016 voter approved referendum projects for improvements to various schools. The voters approved and authorized the issuance of \$19,873,807 in bonds which have not been issued by the District as of June 30, 2019.

**Proprietary Funds**

The District maintains an Enterprise Fund to account for activities which are supported in part through user fees.

**LYNDHURST BOARD OF EDUCATION  
LYNDHURST, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**Enterprise Fund** - The District uses an Enterprise Fund to report activities related to the Food Services and Preschool programs. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following categories:

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reinstating prior year purchase orders being carried over from the previous year's budget.

Revisions in the budget were also made through budget transfer.

General Fund budgetary revenues and other financing sources exceeded budgetary expenditures and other financing uses increasing the budgetary fund balance by \$5,225,258 from the previous year. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance increased \$5,120,066 from a fund deficit of \$4,470,851 at June 30, 2018 to a fund balance of \$649,215 at June 30, 2019.

**CAPITAL ASSETS**

The District's investment in capital assets for its governmental activities as of June 30, 2019 amounts to \$23,027,521 (net of accumulated depreciation). The capital assets consist of land, construction in progress, buildings, building improvements, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2018-2019 amounted to \$215,937 for governmental activities.

**Capital Assets at June 30, 2019 and 2018  
(Net of Accumulated Depreciation)**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Land	\$ 18,803,100	\$ 18,803,100			\$ 18,803,100	\$ 18,803,100
Construction in Progress	3,976,532	1,818,880			3,976,532	1,818,880
Machinery and Equipment	<u>247,889</u>	<u>463,826</u>	\$ 3,192	\$ 2,030	<u>251,081</u>	<u>465,856</u>
<b>Total Capital Assets, Net</b>	<b><u>\$ 23,027,521</u></b>	<b><u>\$ 21,085,806</u></b>	<b><u>\$ 3,192</u></b>	<b><u>\$ 2,030</u></b>	<b><u>\$ 23,030,713</u></b>	<b><u>\$ 21,087,836</u></b>

Additional information on the District's capital assets are presented in the Notes of this report.

**LYNDHURST BOARD OF EDUCATION  
LYNDHURST, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**LONG TERM LIABILITIES**

At June 30, 2019 the District had \$16,471,415 of long term liabilities. Of this amount \$1,140,000 is for serial bonds; \$2,745,604 is for compensated absences; \$54,291 is for deferred pension obligation; \$4,800,000 is for state aid advance loan payable; and \$7,731,520 is for the District's net pension liability. For fiscal year 2019 total outstanding long-term liabilities increased by \$2,039,370. The following is a comparison of the June 30, 2019 and 2018 balances.

**Long-Term Liabilities Outstanding  
as of June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Bond Payable	\$ 1,140,000	\$ 1,565,000
Compensated Absences Payable	2,745,604	2,573,376
Deferred Pension Obligation	54,291	64,129
Accrued Liability for Insurance Claims		970,000
State Aid Advance Loan Payable	4,800,000	
Net Pension Liability	<u>7,731,520</u>	<u>9,259,540</u>
 Total	 <u>\$ 16,471,415</u>	 <u>\$ 14,432,045</u>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

While many factors influence the district's future, the availability of funding for special education needs, student enrollment, condition of school facilities, financial condition of the District and the economy will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the District's administration during the process of developing the fiscal year 2019-2020 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2019-2020. Budgeted expenditures in the General Fund increased approximately 2% to \$41,777,716 in fiscal year 2019-2020.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our 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 information contact the School Business Administrator, Lyndhurst Board of Education, 420 Fern Avenue, Lyndhurst, NJ 07071.

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**LYNDHURST BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 10,667,078	\$ 13,363	\$ 10,680,441
Receivables, Net	358,200	32,359	390,559
Internal Balances	(4,000)	4,000	-
Inventory		16,086	16,086
Capital Assets, Not Being Depreciated	22,779,632		22,779,632
Capital Assets, Being Depreciated, Net	<u>247,889</u>	<u>3,192</u>	<u>251,081</u>
Total Assets	<u>34,048,799</u>	<u>69,000</u>	<u>34,117,799</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>1,573,452</u>	-	<u>1,573,452</u>
Total Deferred Outflows of Resources	<u>1,573,452</u>	-	<u>1,573,452</u>
Total Assets and Deferred Outflows of Resources	<u>35,622,251</u>	<u>69,000</u>	<u>35,691,251</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	1,938,024	21,841	1,959,865
Payable to Other Governments	28,344		28,344
Accrued Interest Payable	308,800		308,800
Unearned Revenue	8,507	23,218	31,725
Notes Payable	12,019,575		12,019,575
Noncurrent Liabilities			
Due within one year	954,444		954,444
Due beyond one year	<u>15,516,971</u>	-	<u>15,516,971</u>
Total Liabilities	<u>30,774,665</u>	<u>45,059</u>	<u>30,819,724</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	3,316,667		3,316,667
Deferred Commodities Revenue	-	<u>1,193</u>	<u>1,193</u>
Total Deferred Inflows of Resources	<u>3,316,667</u>	<u>1,193</u>	<u>3,317,860</u>
Total Liabilities and Deferred Inflows of Resources	<u>34,091,332</u>	<u>46,252</u>	<u>34,137,584</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	17,910,989	3,192	17,914,181
Restricted for			
Debt Service	139,612		139,612
Unrestricted	<u>(16,519,682)</u>	<u>19,556</u>	<u>(16,500,126)</u>
Total Net Position	<u>\$ 1,530,919</u>	<u>\$ 22,748</u>	<u>\$ 1,553,667</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**LYNDHURST BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 23,011,167	\$ 26,531	\$ 7,332,248		\$ (15,652,388)		\$ (15,652,388)
Special Education	9,780,983	49,050	4,392,287		(5,339,646)		(5,339,646)
Other Instruction	1,161,515		390,142		(771,373)		(771,373)
School Sponsored Activities and Athletics	1,093,371		42,907		(1,050,464)		(1,050,464)
Support Services							
Student and Instruction Related Services	5,888,655		1,226,763		(4,661,892)		(4,661,892)
General Administrative Services	1,302,704		36,147		(1,266,557)		(1,266,557)
School Administrative Services	3,196,004		777,001		(2,419,003)		(2,419,003)
Central and Other Support Services	1,117,163		52,189		(1,064,974)		(1,064,974)
Plant Operations and Maintenance	3,982,590		179,717		(3,802,873)		(3,802,873)
Pupil Transportation	1,490,206	151,434	278,623		(1,060,149)		(1,060,149)
Interest on Long-Term Debt	305,972	-	-	-	(305,972)	-	(305,972)
Total Governmental Activities	<u>52,330,330</u>	<u>227,015</u>	<u>14,708,024</u>	<u>-</u>	<u>(37,395,291)</u>	<u>-</u>	<u>(37,395,291)</u>
<b>Business-Type Activities</b>							
Food Service	813,994	175,180	287,859	-	-	\$ (350,955)	(350,955)
Preschool Program	446,530	248,165	-	-	-	(198,365)	(198,365)
Total Business-Type Activities	<u>1,260,524</u>	<u>423,345</u>	<u>287,859</u>	<u>-</u>	<u>-</u>	<u>(549,320)</u>	<u>(549,320)</u>
Total Primary Government	<u>\$ 53,590,854</u>	<u>\$ 650,360</u>	<u>\$ 14,995,883</u>	<u>\$ -</u>	<u>(37,395,291)</u>	<u>(549,320)</u>	<u>(37,944,611)</u>

**LYNDHURST BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>General Revenues</b>			
Taxes			
Property Taxes Levied for General Purposes	\$ 38,039,648		\$ 38,039,648
Property Taxes Levied for Debt Service	649,622		649,622
State Aid -Unrestricted	410,128		410,128
Investment Earnings	153,850	\$ 697	154,547
Miscellaneous Income	102,934		102,934
<b>Transfers</b>	(561,000)	561,000	-
Total General Revenues and Transfers	38,795,182	561,697	39,356,879
Change in Net Position	1,399,891	12,377	1,412,268
Net Position, Beginning of Year	131,028	10,371	141,399
Net Position, End of Year	\$ 1,530,919	\$ 22,748	\$ 1,553,667

**FUND FINANCIAL STATEMENTS**

**LYNDHURST BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash	\$ 1,895,484		\$ 8,677,632	\$ 93,962	\$ 10,667,078
Intergovernmental Receivables	112,106	\$ 242,795			354,901
Other Accounts Receivables	3,299				3,299
Due from Other Funds	<u>286,246</u>	<u>-</u>	<u>-</u>	<u>45,650</u>	<u>331,896</u>
Total Assets	<u>\$ 2,297,135</u>	<u>\$ 242,795</u>	<u>\$ 8,677,632</u>	<u>\$ 139,612</u>	<u>\$ 11,357,174</u>
<b>LIABILITIES</b>					
Liabilities					
Accounts Payable	\$ 566,533	\$ 53,657	\$ 474,555		\$ 1,094,745
Accrued Salaries and Wages	100,121				100,121
Accrued Liability for Insurance Claims	742,000				742,000
Payable to State Government		28,344			28,344
Due to Other Funds	5,158	152,287	179,609		337,054
Unearned Revenue		8,507			8,507
Notes Payable	<u>-</u>	<u>-</u>	<u>12,000,000</u>	<u>-</u>	<u>12,000,000</u>
Total Liabilities	<u>1,413,812</u>	<u>242,795</u>	<u>12,654,164</u>	<u>-</u>	<u>14,310,771</u>
<b>FUND BALANCES (DEFICITS)</b>					
Fund Balances (Deficits)					
Restricted					
Legally Restricted - Disallowed Grant Costs	301,224				301,224
Debt Service				\$ 139,612	139,612
Assigned					
Year End Encumbrances	455,425				455,425
Unassigned	<u>126,674</u>	<u>-</u>	<u>(3,976,532)</u>	<u>-</u>	<u>(3,849,858)</u>
Total Fund Balances (Deficits)	<u>883,323</u>	<u>-</u>	<u>(3,976,532)</u>	<u>139,612</u>	<u>(2,953,597)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 2,297,135</u>	<u>\$ 242,795</u>	<u>\$ 8,677,632</u>	<u>\$ 139,612</u>	<u>\$ 11,357,174</u>

LYNDHURST BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2019

**Total Fund Balances (Exhibit B-1)** \$ (2,953,597)

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. The cost of the assets is \$38,793,413 and the accumulated depreciation is \$15,765,892. 23,027,521

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred outflows of resources or deferred inflows of resources on the statement of net position and amortized over future years.

	Deferred Outflows of Resources	\$ 1,573,452
	Deferred Inflows of Resources	<u>(3,316,667)</u>
		(1,743,215)

The District has financed capital assets through the issuance of long-term bonds and short-term notes. The interest accrual at year end is: (308,800)

Premiums received on bond anticipation notes are deferred and amortized over the life of the note. (19,575)

Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

	Bonds Payable	(1,140,000)
	Compensated Absences	(2,745,604)
	Deferred Pension Obligation	(54,291)
	State Aid Advance Loan Payable	(4,800,000)
	Net Pension Liability	<u>(7,731,520)</u>
		<u>(16,471,415)</u>

**Net Position of Governmental Activities (Exhibit A-1)** \$ 1,530,919

**LYNDHURST BOARD OF EDUCATION**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 38,039,648			\$ 649,622	\$ 38,689,270
Tuition	75,581				75,581
Transportation Fees	151,434				151,434
Interest	50,800		\$ 103,050		153,850
Miscellaneous - Unrestricted	102,934	-	-	-	102,934
Total - Local Sources	38,420,397	-	103,050	649,622	39,173,069
State Sources	9,038,390	\$ 256,287			9,294,677
Federal Sources	58,364	1,111,830	-	-	1,170,194
Total Revenues	47,517,151	1,368,117	103,050	649,622	49,637,940
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	20,206,627	331,843			20,538,470
Special Education Instruction	8,485,193	632,004			9,117,197
Other Instruction	1,012,971	16,560			1,029,531
School-Sponsored Activities and Athletics	1,075,344				1,075,344
Support Services					
Student and Instruction Related Services	5,195,848	387,710			5,583,558
General Administrative Services	1,287,516				1,287,516
School Administrative Services	2,918,434				2,918,434
Central and Other Support Service	1,095,235				1,095,235
Plant Operations and Maintenance	3,941,029				3,941,029
Student Transportation	1,481,367				1,481,367
Debt Service					
Principal				425,000	425,000
Interest and Other Charges				224,622	224,622
Capital Outlay	-	-	2,157,652	-	2,157,652
Total Expenditures	46,699,564	1,368,117	2,157,652	649,622	50,874,955
Excess (Deficiency) of Revenues Over (Under) Expenditures	817,587	-	(2,054,602)	-	(1,237,015)
<b>OTHER FINANCING SOURCES (USES)</b>					
State Aid Advance Loan Proceeds	4,800,000				4,800,000
Premiums on Notes			93,962		93,962
Transfers In	103,050			93,962	197,012
Transfers Out	(561,000)	-	(197,012)	-	(758,012)
Total Other Financing Sources and Uses	4,342,050	-	(103,050)	93,962	4,332,962
Net Change in Fund Balances	5,159,637	-	(2,157,652)	93,962	3,095,947
Fund Balance (Deficits), Beginning of Year	(4,276,314)	-	(1,818,880)	45,650	(6,049,544)
Fund Balance (Deficits), End of Year	\$ 883,323	\$ -	\$ (3,976,532)	\$ 139,612	\$ (2,953,597)

The accompanying Notes to the Financial Statements are an integral part of this statement

**LYNDHURST BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ 3,095,947

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.

Capital Outlays	\$ 2,157,652	
Depreciation Expense	<u>(215,937)</u>	
		1,941,715

The issuance of long-term debt provides current financial resources to governmental funds while the repayment of principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Debt Issued or Incurred:		
State Aid Advance Loan Proceeds	(4,800,000)	
Repayment of Bond Principal	<u>425,000</u>	
		(4,375,000)

The premiums received on short-term notes provides current financial resources to the governmental funds but they are deferred on the statement of net position and amortized over the life of the notes on the statement of activities.

Premium on Bond Anticipation Notes	(93,962)	
Amortization of Premium on Notes	<u>94,243</u>	
		281

In the statement of activities, certain operating expenses - compensated absences and pension expense - are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Increase in Compensated Absences	(172,228)	
Decrease in Deferred Pension Obligations	9,838	
Decrease in Accrued Liability for Insurance Claims	970,000	
Decrease in Pension Expense	<u>104,931</u>	
		912,541

Interest on long-term and short-term debt in the governmental funds is recorded as an expenditure when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Increase in Accrued Interest		<u>(175,593)</u>
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**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 1,399,891**

**LYNDHURST BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2019**

	<b>Business-Type Activities Enterprise Funds</b>		
	<u>Food Service</u>	<u>Preschool Program</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 12,700	\$ 663	\$ 13,363
Intergovernmental Receivable, Net:	19,182		19,182
Accounts Receivable, Net	6,483	6,694	13,177
Due from Other Funds	4,000		4,000
Inventory	16,086	-	16,086
	<u>58,451</u>	<u>7,357</u>	<u>65,808</u>
Total Current Assets			
Capital Assets			
Equipment	41,838		41,838
Accumulated Depreciation	(38,646)	-	(38,646)
	<u>3,192</u>	<u>-</u>	<u>3,192</u>
Total Capital Assets, Net			
Total Assets	<u>61,643</u>	<u>7,357</u>	<u>69,000</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	21,841		21,841
Unearned Revenue	23,218	-	23,218
	<u>45,059</u>	<u>-</u>	<u>45,059</u>
Total Current Liabilities			
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Commodities Revenue	1,193	-	1,193
	<u>46,252</u>	<u>-</u>	<u>46,252</u>
Total Liabilities and Deferred Inflow of Resources			
<b>NET POSITION</b>			
Investment in Capital Assets	3,192	-	3,192
Unrestricted	12,199	7,357	19,556
	<u>15,391</u>	<u>7,357</u>	<u>22,748</u>
Total Net Position	<u>\$ 15,391</u>	<u>\$ 7,357</u>	<u>\$ 22,748</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**LYNDHURST BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b><u>Food Service</u></b>	<b><u>Preschool Program</u></b>	<b><u>Total</u></b>
<b>OPERATING REVENUES</b>			
Local Sources			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 141,104		\$ 141,104
Daily Sales - Non-Reimbursable Program	34,076		34,076
Program Fees	-	\$ 248,165	248,165
	<u>175,180</u>	<u>248,165</u>	<u>423,345</u>
<b>Total Operating Revenues</b>			
<b>OPERATING EXPENSES</b>			
Cost of Sales - Reimbursable Programs	230,800		230,800
Cost of Sales - Non-Reimbursable Programs	19,254		19,254
Salaries	466,683	402,397	869,080
Employee Benefits	44,448	37,999	82,447
Purchased Management Services	21,676		21,676
Insurance	14,397		14,397
Other Purchased Services	966	5,688	6,654
Repair and Maintenance	3,023		3,023
Supplies and Materials	4,924	446	5,370
Miscellaneous	6,612		6,612
Depreciation	1,211	-	1,211
	<u>813,994</u>	<u>446,530</u>	<u>1,260,524</u>
<b>Total Operating Expenses</b>			
Operating (Loss)	<u>(638,814)</u>	<u>(198,365)</u>	<u>(837,179)</u>
<b>NONOPERATING REVENUES</b>			
State Sources			
State School Lunch Program	5,384		5,384
Federal Sources			
National School Breakfast Program	19,668		19,668
National School Lunch Program	234,528		234,528
Food Distribution Program	28,279		28,279
Interest Income	674	23	697
	<u>288,533</u>	<u>23</u>	<u>288,556</u>
<b>Total Nonoperating Revenues</b>			
Changes in Net Position Before Transfers	(350,281)	(198,342)	(548,623)
Transfers In	360,000	201,000	561,000
Net Change in Net Position	9,719	2,658	12,377
Total Net Position, Beginning of Year	5,672	4,699	10,371
Total Net Position, End of Year	<u>\$ 15,391</u>	<u>\$ 7,357</u>	<u>\$ 22,748</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**LYNDHURST BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Food Service</b>	<b>Preschool Program</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 181,902	\$ 244,259	\$ 426,161
Cash Payments for Employees Salaries and Benefits	(511,131)	(440,396)	(951,527)
Cash Payments to Suppliers for Goods and Services	(310,345)	(6,134)	(316,479)
Net Cash (Used for) Operating Activities	(639,574)	(202,271)	(841,845)
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal Subsidy Reimbursements	260,005	-	260,005
Cash Received from Other Funds	360,000	201,000	561,000
Net Cash Provided by Noncapital Financing Activities	620,005	201,000	821,005
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of Capital Assets	(2,373)	-	(2,373)
Net Cash (Used for) Capital Related Financing Activities	(2,373)	-	(2,373)
<b>Cash Flows from Investing Activities</b>			
Interest Received	674	23	697
Net Cash Provided by Investing Activities	674	23	697
Net (Decrease) in Cash	(21,268)	(1,248)	(22,516)
Cash, Beginning of Year	33,968	1,911	35,879
Cash, End of Year	\$ 12,700	\$ 663	\$ 13,363
<b>Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities</b>			
Operating (Loss)	\$ (638,814)	\$ (198,365)	\$ (837,179)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities			
Depreciation	1,211	-	1,211
Non-Cash Federal Assistance-Food Distribution Program	28,279		28,279
Change in Assets, Liabilities and Deferred Inflows of Resources			
(Increase)/Decrease in Accounts Receivable	(918)	(3,906)	(4,824)
(Increase)/Decrease in Inventory	(6,159)		(6,159)
Increase/(Decrease) in Accounts Payable	(31,018)		(31,018)
Increase/(Decrease) in Unearned Revenue	7,640		7,640
Increase/(Decrease) in Deferred Commodities Revenue	205	-	205
Total Adjustments	(760)	(3,906)	(4,666)
Net Cash (Used for) Operating Activities	\$ (639,574)	\$ (202,271)	\$ (841,845)
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 28,484		

The accompanying Notes to the Financial Statements are an integral part of this statement.

**LYNDHURST BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2019**

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash	\$ 68,710	\$ 1,531,125
Due from Other Funds	<u>-</u>	<u>1,158</u>
Total Assets	<u>68,710</u>	<u>\$ 1,532,283</u>
<b>LIABILITIES</b>		
Payroll Deductions and Withholdings		\$ 58,329
Employee Deposits Payable		1,207,083
Due to Student Groups	<u>-</u>	<u>266,871</u>
Total Liabilities	<u>-</u>	<u>\$ 1,532,283</u>
<b>NET POSITION</b>		
Held in Trust for Scholarship Awards	<u>\$ 68,710</u>	

**LYNDHURST BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Private Purpose Scholarship Fund</u>
<b>ADDITIONS</b>	
Investment Earnings	
Interest	\$ 909
Total Additions	909
<b>DEDUCTIONS</b>	
Scholarship Awards	-
Change in Net Position	909
Net Position, Beginning of the Year	<u>67,801</u>
Net Position, End of the Year	<u>\$ 68,710</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Lyndhurst Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine 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. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Lyndhurst Board of Education this includes general operations, food service, preschool program and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. New Accounting Standards**

During fiscal year 2019, the District adopted the following GASB statements:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

**LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

**C. Basis of Presentation - Financial Statements**

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**District-Wide Financial Statements**

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for administrators, teachers and special events.

The *preschool fund* accounts for the activities of the District's preschool program which provides a learning environment and educational programs to resident children between the ages of 3 and 4 years old.

Additionally, the government reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for private donations for scholarship awards. All resources of the funds, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

**LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, transportation fees, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. *Cash, Cash Equivalents and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

**2. *Receivables***

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**3. *Inventories***

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

**4. *Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Building Improvements	20-50
Heavy Equipment and Vehicle	10-20
Office Equipment and Furniture	7-10
Computer Equipment	5-7

**5. *Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**5. *Deferred Outflows/Inflows of Resources (Continued)***

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The other item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

**6. *Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**7. *Pensions***

In the district-wide financial statements and proprietary fund types in the fund financial statements, 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 retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

**8. *Long-Term Obligations***

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Note premiums are deferred and amortized over the life of the note using the straight-line method. Notes payable are reported with the unamortized note premium in the statement of net position.

In the fund financial statements, governmental fund types recognize note premiums during the current period. Premiums received on debt issuances are reported as other financing sources.

LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Legally Restricted – Disallowed Grant Costs* – This restriction was created to represent the amount of prior years' expenditures paid from federal grant programs that were determined to be unallowable as a result of an audit performed by the grantor agencies. These disallowed grant costs are currently under appeal by the District.

*Debt Service* – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

**Assigned Fund Balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

*Year-End Encumbrances* – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**Unassigned Fund Balance** – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

**LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**10. *Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

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 committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

**2. *Property Taxes***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**3. *Tuition Revenues and Expenditures***

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2017-2018 and 2018-2019 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

**4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund and preschool program enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. The Board approved several budget transfers during 2018/2019. Also, during 2018/2019 the Board increased the original budget by \$720,786. The increase was funded by additional grant awards and the reappropriation of prior year general fund encumbrances.

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

Encumbrance accounting is employed in the governmental funds. 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 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 which are reappropriated and honored during the subsequent fiscal year.

**B. Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
<u>General Fund</u>			
Undistributed Expenditures			
Unallocated Employee Benefits			
Health Benefits	\$ 5,596,886	\$ 5,713,032	\$ (116,146)

The above variance was offset with other available resources.

**C. Deficit Fund Equity**

The District has an accumulated fund deficit of \$3,976,532 in the Capital Projects Fund as of June 30, 2019. This deficit is the result of the District utilizing temporary financing to fund expenditures for certain capital projects. As the District permanently finances these appropriations the District will realize as revenues the proceeds of the financing. This deficit does not indicate that the District is facing financial difficulties and is permitted practice under accounting principles generally accepted in the United States of America.

**D. Transfers to Capital Outlay**

During the 2018/2019 school year, the district transferred \$356,165 to the non-equipment capital outlay accounts. The transfer was made from available balances in other budget line accounts. The transfer was approved by the State appointed fiscal monitor to support an emergent circumstance pursuant to NJAC 6A:23A-13.3(h).

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2019, the book value of the Board's deposits were \$12,280,276 and bank and brokerage firm balances of the Board's deposits amounted to \$13,536,432. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

Depository Account

Insured	\$ <u>13,536,432</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2019 none of the Board's bank balances were exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; 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 obligations bear a fixed rate of interest not dependent on any index or other external factor; 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; 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 "Local Authorities Fiscal Control Law," (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 school districts; Local Government investment pools; 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); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2019, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of June 30, 2019 for the district’s individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Preschool Program</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Local	\$ 19,950				\$ 19,950
State	92,156	\$ 1,042	\$ 407		93,605
Federal		241,753	18,775		260,528
Accounts	<u>3,299</u>	<u>-</u>	<u>6,483</u>	<u>\$ 6,694</u>	<u>16,476</u>
Gross Receivables	115,405	242,795	25,665	6,694	390,559
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 115,405</u>	<u>\$ 242,795</u>	<u>\$ 25,665</u>	<u>\$ 6,694</u>	<u>\$ 390,559</u>

**C. Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

Special Revenue Fund	
Grant Draw Downs Reserved for Encumbrances	<u>\$ 8,507</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 8,507</u>

**LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Balance, July 1, 2018	Increases	Decreases	Balance, June 30, 2019
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 18,803,100			\$ 18,803,100
Construction in Progress	1,818,880	\$ 2,157,652	-	3,976,532
Total Capital Assets, Not Being Depreciated	<u>20,621,980</u>	<u>2,157,652</u>	<u>-</u>	<u>22,779,632</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	13,456,100			13,456,100
Machinery and Equipment	2,557,681	-	-	2,557,681
Total Capital Assets Being Depreciated	<u>16,013,781</u>	<u>-</u>	<u>-</u>	<u>16,013,781</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(13,456,100)			(13,456,100)
Machinery and Equipment	(2,093,855)	(215,937)	-	(2,309,792)
Total Accumulated Depreciation	<u>(15,549,955)</u>	<u>(215,937)</u>	<u>-</u>	<u>(15,765,892)</u>
Total Capital Assets, Being Depreciated, Net	<u>463,826</u>	<u>(215,937)</u>	<u>-</u>	<u>247,889</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,085,806</u>	<u>\$ 1,941,715</u>	<u>\$ -</u>	<u>\$ 23,027,521</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 39,465	\$ 2,373	-	\$ 41,838
Total Capital Assets Being Depreciated	<u>39,465</u>	<u>2,373</u>	<u>-</u>	<u>41,838</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(37,435)	(1,211)	-	(38,646)
Total Accumulated Depreciation	<u>(37,435)</u>	<u>(1,211)</u>	<u>-</u>	<u>(38,646)</u>
Total Capital Assets, Being Depreciated, Net	<u>2,030</u>	<u>1,162</u>	<u>-</u>	<u>3,192</u>
Business-Type Activities Capital Assets, Net	<u>\$ 2,030</u>	<u>\$ 1,162</u>	<u>\$ -</u>	<u>\$ 3,192</u>

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

Depreciation expense was charged to functions/programs of the District as follows:

**Governmental Activities:**

Instruction

Regular	\$ 103,581
Special Education	31,593
Other Instruction	5,529
School Sponsored Activities and Athletics	<u>5,341</u>

Total Instruction	<u>146,044</u>
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Support Services

Students and Instruction Related Services	27,440
General Administrative Services	4,500
School Administrative Services	16,523
Central and Other Support Services	6,497
Plant Operations and Maintenance	12,314
Pupil Transportation	<u>2,619</u>

Total Support Services	<u>69,893</u>
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Total Depreciation Expense - Governmental Activities	<u>\$ 215,937</u>
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**Business-Type Activities:**

Food Service	<u>\$ 1,211</u>
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Total Depreciation Expense-Business-Type Activities	<u>\$ 1,211</u>
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**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2019:

<u>Project</u>	<u>Remaining Commitment</u>
Paruial Roof Replacement at High School	<u>\$ 270,000</u>

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2019, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 152,287
General Fund	Capital Projects Fund	133,959
Debt Service Fund	Capital Projects Fund	45,650
Food Service Fund	General Fund	4,000
Payroll Agency Fund	General Fund	<u>1,158</u>
		<u>\$ 337,054</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

**Interfund transfers**

	<u>Transfer In:</u>				<u>Total</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Food Service Fund</u>	<u>Preschool Program Fund</u>	
Transfer Out:					
General Fund			\$ 360,000	\$ 201,000	\$ 561,000
Capital Projects Fund	<u>\$ 103,050</u>	<u>\$ 93,962</u>	-	-	<u>197,012</u>
 Total	<u>\$ 103,050</u>	<u>\$ 93,962</u>	<u>\$ 360,000</u>	<u>\$ 201,000</u>	<u>\$ 758,012</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2019 are comprised of the following issue:

\$2,270,000, 2016 Refunding Bonds, due in annual installments of \$375,000 to \$385,000 through July 1, 2021, interest at 4% \$1,140,000

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

Fiscal Year Ended <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 385,000	\$ 37,900	\$ 422,900
2021	380,000	22,600	402,600
2022	<u>375,000</u>	<u>7,500</u>	<u>382,500</u>
	<u>\$ 1,140,000</u>	<u>\$ 68,000</u>	<u>\$ 1,208,000</u>

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt**

**State Aid Advance Loan Payable**

In 2018/2019 the Board entered into a loan agreement with the State of New Jersey in the amount of \$4,800,000 pursuant to N.J.S.A. 18A:7A-56 in the form of an advancement of state aid to provide funds to eliminate the unassigned budgetary fund deficit in the General Fund. The State aid advance loan is being repaid by the school district through automatic reductions in the State aid provided to the school district in each year. The term of the loan repayment is ten (10) years which began in the 2019/2020 school year at a minimum amount of \$480,000 per year, but may be for a shorter term as determined by the State Treasurer. At any time during the term of the repayment the State Treasurer, in consultation with the Commissioner of Education, may determine to impose interest on the unpaid balance. The State Treasurer has not imposed interest during the 2018/2019 school year.

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

Year Ended <u>June 30,</u>	<u>State Aid Advance Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 480,000		\$ 480,000
2021	480,000		480,000
2022	480,000		480,000
2023	480,000		480,000
2024	480,000		480,000
2025-2029	<u>2,400,000</u>	<u>-</u>	<u>2,400,000</u>
Total	<u>\$ 4,800,000</u>	<u>\$ -</u>	<u>\$ 4,800,000</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2019 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 129,520,287
Less: Net Debt Issued And Debt Authorized But Not Issued	<u>21,013,807</u>
Remaining Borrowing Power	<u>\$ 108,506,480</u>

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Other Long-Term Liabilities**

**Deferred Pension Obligation**

During the 2008/2009 school year the Board elected to contribute only 50% of its normal and accrued liability components of the Public Employee Retirement System (PERS) obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$90,663 and is being paid back with interest over 15 years beginning in the 2011/2012 fiscal year. The District is permitted to payoff the deferred PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (at 7.00% effective July 1, 2017), at June 30, 2019 is \$54,291.

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2019, was as follows:

	Balance, <u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2019</u>	Due Within <u>One Year</u>
<b>Governmental activities:</b>					
Bonds Payable	\$ 1,565,000		\$ 425,000	\$ 1,140,000	\$ 385,000
Compensated Absences	2,573,376	\$ 291,555	119,327	2,745,604	75,000
Deferred Pension Obligation	64,129	4,489	14,327	54,291	14,444
Accrued Liability for Insurance Claims	970,000		970,000	-	
State Aid Advance Loan Payable		4,800,000		4,800,000	480,000
Net Pension Liability	<u>9,259,540</u>	<u>-</u>	<u>1,528,020</u>	<u>7,731,520</u>	<u>-</u>
 Governmental activity					
Long-term liabilities	<u>\$ 14,432,045</u>	<u>\$ 5,096,044</u>	<u>\$ 3,056,674</u>	<u>\$ 16,471,415</u>	<u>\$ 954,444</u>

For the governmental activities, the liabilities for compensated absences, deferred pension obligations accrued liability for insurance claims, state aid advance loan payable and net pension liability are generally liquidated by the general fund.

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Short-Term Debt**

The Board’s short-term activity for the fiscal year ended June 30, 2019 was as follows:

**Bond Anticipation Notes//Loans Payable**

The Board issues Bond Anticipation Notes (“Project Notes”) to interim finance Capital Projects. The Board issues loans to temporarily finance the delayed state aid payment received subsequent to the fiscal year end. The Board’s short-term debt activity for the fiscal year ended June 30, 2019 was as follows:

<u>Purpose</u>	<u>Rate %</u>	<u>Maturity Date</u>	<u>Balance, July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2019</u>
Bond Anticipation Notes:						
2016 Referendum Projects	3.00	9/13/2019	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000
Add: Premiums			19,856	93,962	94,243	19,575
Total Bond Anticipation Notes			12,019,856	12,093,962	12,094,243	12,019,575
Delayed State Aid Loan			121,932	-	121,932	-
			<u>\$ 12,141,788</u>	<u>\$ 12,093,962</u>	<u>\$ 12,216,175</u>	<u>\$ 12,019,575</u>

State law requires that bond anticipation notes issued for capital purposes be converted to long-term obligations within five years after the original issue date; provided however that notes are not renewed beyond the third anniversary date of the originals unless an amount of such notes equal to the first legally payable installment of the bonds such notes were issued in anticipation of are paid and retired in each subsequent year.

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District has established a group medical and prescription drug benefits insurance plan for its employees and their eligible dependents. Transactions related to the plan are accounted for in the General Fund. This District and its employees contribute to fund the entire cost of the plan. Claims are paid directly by the plan without a maximum per person lifetime benefit. Annual claims in excess of \$125,000 per individual are reimbursed through a Re-Insurance Agreement with Sun Life Financial. The re-insurance policy also contains an annual aggregate loss provision in the amount of \$1,000,000 for aggregate losses up to the \$125,000 individual stop loss deductible per person based on an aggregate loss provision factor of \$1,832 per employee per month. A contingent liability exists with respect to reinsurance, which would become an accrual liability in the event the reinsuring company may not be able to meet their obligations to the District under existing reinsurance agreements.

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

Estimates of claims incurred, but not reported (IBNR) at June 30, 2019, are reported as accrued liability for insurance claims, respectively. These estimates were determined based on claim information supplied by the claims administrator and actuary. The unpaid claims liability of \$742,000 reported at June 30, 2019 is based on the requirements of the Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities for the group medical and prescription drug benefits plan for the fiscal years ended June 30, 2019 and 2018 are as follows:

	<u>Year Ended</u>	
	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Unpaid Claims, beginning of fiscal year	\$ 970,000	\$ 972,000
Incurred claims (including IBNR's)	4,194,774	6,180,639
Claim payments	<u>4,422,774</u>	<u>6,182,639</u>
Unpaid claims, end of fiscal year	<u>\$ 742,000</u>	<u>\$ 970,000</u>

The District is a member of the School Alliance Insurance Fund (SAIF or Fund). The Fund is a risk sharing public entity pool, established for the purpose of insuring against property, liability, student activity, worker's compensation claims and surety bond claims.

The relationship between the Board and the Fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Fund, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Fund. Members have a contractual obligation to fund any deficit of the Fund attributable to a membership year during which they were a member.

SAIF provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

**B. Contingent Liabilities**

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2019, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities (Continued)**

On January 26, 2018 the District was notified by the New Jersey Department of Education, Office of Fiscal Accountability and Compliance of its findings of an audit of the Districts No Child Left Behind Act (NCLB) Title I programs for the period July 1, 2014 through June 30, 2015. The result of the audit sought a recovery of disallowed grant expenditures due to the State in the amount of \$301,224. The District subsequently filed an appeal to the State’s audit findings and request for recovery of disallowed grant expenditures. As of the date of audit the District has not received a response to its appeal. The District has restricted fund balance of \$301,224 in the General Fund pending the outcome of its appeal.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2019, the District has not estimated its arbitrage earnings due to the IRS, if any.

**D. Employee Retirement Systems and Pension Plans**

**Plan Descriptions and Benefits Provided**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

**Public Employees’ Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<b>Tier</b>	<b>Definition</b>
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

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 ten years of service credit and have not reached the service retirement age for the respective tier.

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represent the membership tiers for TPAF:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits (“Division”), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Plan Amendments**

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

**Measurement Focus and Basis of Accounting**

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

**Actuarial Methods and Assumptions**

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2019.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions (Continued)**

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2019	\$ 390,582	\$ 3,518,074	\$ 31,938
2018	368,495	2,617,939	37,055
2017	383,375	1,964,264	

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$1,861, \$4,758 and \$1,733, respectively for PERS and the State contributed \$4,587, \$5,601 and \$6,159, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,338,826 during the fiscal year ended June 30, 2019 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

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

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2017 through June 30, 2018. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2018 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$7,731,520 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District’s proportionate share was .03927 percent, which was a decrease of .00051 percent from its proportionate share measured as of June 30, 2017 of .03978 percent.

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$285,651 for PERS. The pension contribution made by the District during the current 2018/2019 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 147,441	\$ 39,866
Changes of Assumptions	1,274,026	2,472,129
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		72,522
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>151,985</u>	<u>732,150</u>
Total	<u>\$ 1,573,452</u>	<u>\$ 3,316,667</u>

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

At June 30, 2019, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2020	\$ (52,637)
2021	(223,533)
2022	(746,944)
2023	(562,513)
2024	(157,588)
	<u>\$ (1,743,215)</u>

***Actuarial Assumptions***

The District's total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
US Equities	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

*Discount Rate*

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%



**LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF)**

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as a an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. 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 the fiscal year ended June 30, 2018, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$6,436,785 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the net pension liability attributable to the District is \$110,414,592. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the State's share of the net pension liability attributable to the District was .17356 percent, which was a decrease of .00107 percent from its proportionate share measured as of June 30, 2017 of .17463 percent.

**LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

*Discount Rate*

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<b>Fiscal Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit

Payments for which the Following Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

\* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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.

*Sensitivity of Net Pension Liability*

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.86%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	<b>1% Decrease (3.86%)</b>	<b>Current Discount Rate (4.86%)</b>	<b>1% Increase (5.86%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 130,507,951</u>	<u>\$ 110,414,592</u>	<u>\$ 93,757,687</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

**LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Pension Plan Fiduciary Net Position***

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report effective for the fiscal year ended June 30, 2018. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

**State Health Benefit Program Fund – Local Education Retired Employees Plan** (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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 or more years 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.

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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 above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>          -</u>
Total	<u>362,181</u>

**Measurement Focus and Basis of Accounting**

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

**LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Actuarial Methods and Assumptions**

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$1,595,792, \$1,690,871 and \$1,636,679, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2017 through June 30, 2018. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$3,330,362. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the OPEB liability attributable to the District is \$68,415,362. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state's share of the OPEB liability attributable to the District was .14837 percent, which was an increase of .00497 percent from its proportionate share measured as of June 30, 2017 of .14340 percent.

**Actuarial Assumptions**

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.
Long-Term Rate of Return	1.00%

\*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

**LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Long-Term Expected Rate of Return**

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2018.

**Discount Rate**

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

The discount rate represents the municipal bond return rate as chosen by the Division. 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 Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

	<u>Total OPEB Liability (State Share 100%)</u>
Balance, June 30, 2017 Measurement Date	\$ 76,918,649
Changes Recognized for the Fiscal Year:	
Service Cost	2,819,791
Interest on the Total OPEB Liability	2,823,300
Differences Between Expected and Actual Experience	(4,529,198)
Changes of Assumptions	(7,851,005)
Gross Benefit Payments	(1,829,402)
Contributions from the Member	63,227
<b>Net Changes</b>	<u>\$ (8,503,287)</u>
Balance, June 30, 2018 Measurement Date	<u>\$ 68,415,362</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. A change in the total OPEB liability specific to the State's proportionate share of the OPEB

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.87%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	<b>1% Decrease <u>(2.87%)</u></b>	<b>Current Discount Rate <u>(3.87%)</u></b>	<b>1% Increase <u>(4.87%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 80,880,885</u>	<u>\$ 68,415,362</u>	<u>\$ 58,506,559</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	<u>\$ 56,549,281</u>	<u>\$ 68,415,362</u>	<u>\$ 84,108,708</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

**F. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Lyndhurst Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**LYNDHURST BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 5 SUBSEQUENT EVENTS**

**Project Notes**

On September 13, 2019 the District issued \$11,974,000 of project notes to temporarily finance expenditures related to the 2016 referendum capital improvement projects. The District awarded the sale of said notes to Jefferies LLC at an interest rate of 2.0%. These notes dated September 13, 2019 will mature on September 11, 2020.

**Appropriation of Fund Balance**

On September 30, 2019, the Board approved the appropriation of an additional \$137,374 of unassigned fund balance of the General Fund to the 2019/2020 budget.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**  
**BUDGETARY COMPARISON SCHEDULES**

**LYNDHURST BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>variance Final To Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 38,039,648		\$ 38,039,648	\$ 38,039,648	
Tuition from Individuals	13,784		13,784	14,136	\$ 352
Tuition from Other LEAs within the State				49,050	49,050
Tuition from Other Government within the State	127,642		127,642	12,395	(115,247)
Transportation from Individuals	73,000		73,000	151,434	78,434
Rents and Royalties	25,000		25,000		(25,000)
Interest Income				50,800	50,800
Miscellaneous	25,000	-	25,000	102,934	77,934
Total Local	<u>38,304,074</u>	<u>-</u>	<u>38,304,074</u>	<u>38,420,397</u>	<u>116,323</u>
State Sources					
Special Education Aid	1,484,288		1,484,288	1,484,288	-
Equalization Aid	404,524		404,524	404,524	-
Security Aid	75,106		75,106	75,106	-
Transportation Aid	239,630		239,630	239,630	-
Extraordinary Aid	280,000		280,000	417,374	137,374
Non-Public Transportation Aid				25,810	25,810
State Aid Advance Loan				4,800,000	4,800,000
On-behalf TPAF Contributions (Nonbudgeted)					
Pension Benefit Contribution				3,445,941	3,445,941
Pension - NCGI Premium				72,133	72,133
Post Retirement Medical Benefit Contribution				1,595,792	1,595,792
Long-Term Disability Insurance Premium				4,587	4,587
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,338,826	1,338,826
Total State	<u>2,483,548</u>	<u>-</u>	<u>2,483,548</u>	<u>13,904,011</u>	<u>11,420,463</u>
Federal Sources					
Medicaid Reimbursement	39,316		39,316	53,450	14,134
FEMA Reimbursement	-	-	-	4,914	4,914
Total Federal Sources	<u>39,316</u>	<u>-</u>	<u>39,316</u>	<u>58,364</u>	<u>19,048</u>
Total Revenues	<u>40,826,938</u>	<u>-</u>	<u>40,826,938</u>	<u>52,382,772</u>	<u>11,555,834</u>
<b>CURRENT EXPENDITURES</b>					
Regular Programs-Instruction					
Salaries of Teachers:					
Kindergarten	568,860	\$ 31,822	600,682	600,682	-
Grades 1-5	3,697,269	(48,888)	3,648,381	3,648,381	-
Grades 6-8	2,682,924	(140,535)	2,542,389	2,542,388	1
Grades 9-12	4,194,635	4,187	4,198,822	4,198,822	-
Regular Programs-Home Instruction					
Salaries of Teachers	25,000	22,760	47,760	47,760	-
Regular Programs-Undistributed Instruction					
Other Salaries for Instruction	220,485	70,426	290,911	290,911	-
Purchased Professional Educational Services	22,000	(3,950)	18,050	17,875	175
Other Purchased Services	447,213	13,403	460,616	460,615	1
General Supplies	355,298	(128,999)	226,299	226,298	1
Textbooks	100,200	(2,505)	97,695	97,511	184
Total Regular Programs	<u>12,313,884</u>	<u>(182,279)</u>	<u>12,131,605</u>	<u>12,131,243</u>	<u>362</u>

**LYNDHURST BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 577,650	\$ 48,813	\$ 626,463	\$ 626,462	\$ 1
Other Salaries for Instruction	248,900	51,361	300,261	300,260	1
General Supplies	1,100	-	1,100	971	129
Textbooks	1,500	(1,125)	375	375	-
<b>Total Language and/or Language Disabilities</b>	<b>829,150</b>	<b>99,049</b>	<b>928,199</b>	<b>928,068</b>	<b>131</b>
Resource Room/Resource Center					
Salaries of Teachers	2,144,783	(39,471)	2,105,312	2,105,312	-
Other Salaries for Instruction	78,000	5,800	83,800	83,374	426
General Supplies	-	2,937	2,937	2,272	665
<b>Total Resource Room/Resource Center</b>	<b>2,222,783</b>	<b>(30,734)</b>	<b>2,192,049</b>	<b>2,190,958</b>	<b>1,091</b>
Preschool Disabilities - Part-Time					
Salaries of Teachers	101,330	(300)	101,030	101,030	-
Other Salaries for Instruction	22,000	121	22,121	22,120	1
General Supplies	150	-	150	149	1
<b>Total Preschool Disabilities - Part-Time</b>	<b>123,480</b>	<b>(179)</b>	<b>123,301</b>	<b>123,299</b>	<b>2</b>
Preschool Disabilities - Full-Time					
Salaries of Teachers	144,220	(3,969)	140,251	140,219	32
Other Salaries for Instruction	133,920	(57,272)	76,648	76,648	-
General Supplies	300	(108)	192	10	182
<b>Total Preschool Disabilities - Full-Time</b>	<b>278,440</b>	<b>(61,349)</b>	<b>217,091</b>	<b>216,877</b>	<b>214</b>
Home Instruction					
Purchased Professional Educational Service	9,000	2,223	11,223	11,223	-
<b>Total Home Instruction</b>	<b>9,000</b>	<b>2,223</b>	<b>11,223</b>	<b>11,223</b>	<b>-</b>
<b>Total Special Education</b>	<b>3,462,853</b>	<b>9,010</b>	<b>3,471,863</b>	<b>3,470,425</b>	<b>1,438</b>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	483,488	(117,219)	366,269	366,269	-
General Supplies	1,200	(1,200)	-	-	-
<b>Total Basic Skills/Remedial - Instruction</b>	<b>484,688</b>	<b>(118,419)</b>	<b>366,269</b>	<b>366,269</b>	<b>-</b>
Bilingual Education - Instruction					
Salaries of Teachers	240,000	(1,570)	238,430	238,430	-
General Supplies	200	-	200	200	-
<b>Total Bilingual Education - Instruction</b>	<b>240,200</b>	<b>(1,570)</b>	<b>238,630</b>	<b>238,630</b>	<b>-</b>

**LYNDHURST BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
School Sponsored Co/Extra Curricular Activities					
Salaries	\$ 82,657	\$ 61,612	\$ 144,269	\$ 144,218	\$ 51
Purchased Services	1,500	(97)	1,403	1,402	1
Supplies and Materials	25,750	74,616	100,366	47,317	53,049
Total School Sponsored Co/Extra Curricular Activities	<u>109,907</u>	<u>136,131</u>	<u>246,038</u>	<u>192,937</u>	<u>53,101</u>
School Sponsored Athletics					
Salaries	451,821	(11,330)	440,491	440,002	489
Purchased Services	77,500	(27,794)	49,706	49,645	61
Supplies and Materials	72,100	(6,952)	65,148	65,147	1
Other Objects	500	-	500	-	500
Transfer to Cover Deficit (Agency Funds)	70,000	1,085	71,085	71,085	-
Total School Sponsored Athletics	<u>671,921</u>	<u>(44,991)</u>	<u>626,930</u>	<u>625,879</u>	<u>1,051</u>
Instructional Alt Ed Program - Instruction					
Other Objects	-	650	650	650	-
Total Instructional Alt Ed Program - Instruction	<u>-</u>	<u>650</u>	<u>650</u>	<u>650</u>	<u>-</u>
Total Instruction	<u>17,283,453</u>	<u>(201,468)</u>	<u>17,081,985</u>	<u>17,026,033</u>	<u>55,952</u>
Undistributed Expenditures					
Instruction:					
Tuition to Other LEAs Within State - Special	509,971	(262,866)	247,105	247,105	-
Tuition to County Voc. School District-Regular	232,650	44,107	276,757	276,757	-
Tuition to County Voc. School District-Special	491,642	(86,942)	404,700	404,700	-
Tuition to CSSD and Regional Day Schools	922,440	203,685	1,126,125	1,126,124	1
Tuition to Priv. School for the Disabled - Within State	918,703	127,476	1,046,179	1,021,915	24,264
Tuition - State Facilities	36,247	-	36,247	36,247	-
Total Undistributed Expenditures- Instruction	<u>3,111,653</u>	<u>25,460</u>	<u>3,137,113</u>	<u>3,112,848</u>	<u>24,265</u>
Attendance and Social Work					
Salaries	25,000	1	25,001	25,000	1
Supplies and Materials	-	1,000	1,000	870	130
Total Attendance and Social Work	<u>25,000</u>	<u>1,001</u>	<u>26,001</u>	<u>25,870</u>	<u>131</u>
Health Services					
Salaries	660,120	16,469	676,589	676,589	-
Purchased Professional/Technical Services	112,246	(78,888)	33,358	33,357	1
Other Purchased Services	14,040	-	14,040	14,040	-
Supplies and Materials	12,500	(5,150)	7,350	7,350	-
Other Objects	3,000	(3,000)	-	-	-
Total Health Services	<u>801,906</u>	<u>(70,569)</u>	<u>731,337</u>	<u>731,336</u>	<u>1</u>
Speech, OT, PT, & Related Services					
Salaries	384,560	(11,773)	372,787	372,786	1
Purchased Professional/Educational Services	355,160	50,750	405,910	405,893	17
Supplies and Materials	2,000	-	2,000	842	1,158
Total Speech, OT, PT & Related Services	<u>741,720</u>	<u>38,977</u>	<u>780,697</u>	<u>779,521</u>	<u>1,176</u>
Other Support Services -Students- Extra Services					
Salaries	128,884	(4,055)	124,829	124,826	3
Purchased Professional/Educational Services	44,136	(7,239)	36,897	36,897	-
Supplies and Materials	3,000	3,000	6,000	5,516	484
Total Other Support Services - Students - Extra Services	<u>176,020</u>	<u>(8,294)</u>	<u>167,726</u>	<u>167,239</u>	<u>487</u>

**LYNDHURST BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Guidance					
Salaries of Other Professional Staff	\$ 666,310	\$ (123,760)	\$ 542,550	\$ 542,549	\$ 1
Salaries of Secretarial and Clerical Assistants	63,785	(22,595)	41,190	41,190	-
Purchased Professional/Educational Services	85,500	(3,842)	81,658	81,657	1
Other Purchased Professional & Technical Services	2,500	(700)	1,800	1,800	-
Supplies and Materials	6,800	(4,031)	2,769	2,769	-
<b>Total Guidance</b>	<b>824,895</b>	<b>(154,928)</b>	<b>669,967</b>	<b>669,965</b>	<b>2</b>
Child Study Team					
Salaries of Other Professional Staff	708,405	20,393	728,798	728,798	-
Salaries of Secretarial and Clerical Assistants	76,178	5,441	81,619	81,619	-
Purchased Professional-Educational Services	5,000	(5,000)	-	-	-
Miscellaneous Purchased Services	3,000	(1,529)	1,471	1,471	-
Supplies and Materials	6,000	2,342	8,342	8,300	42
<b>Total Child Study Team</b>	<b>798,583</b>	<b>21,647</b>	<b>820,230</b>	<b>820,188</b>	<b>42</b>
Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	408,035	(3,000)	405,035	405,035	-
Other Purchased Services	3,000	-	3,000	2,077	923
Supplies and Materials	3,050	(2,450)	600	568	32
Other Objects	500	2,270	2,770	2,770	-
<b>Total Improvement of Inst. Serv.</b>	<b>414,585</b>	<b>(3,180)</b>	<b>411,405</b>	<b>410,450</b>	<b>955</b>
Educational Media/School Library					
Salaries	41,190	(38,415)	2,775	2,775	-
Supplies and Materials	2,350	(2,036)	314	314	-
<b>Total Educational Media/School Library</b>	<b>43,540</b>	<b>(40,451)</b>	<b>3,089</b>	<b>3,089</b>	<b>-</b>
Instructional Staff Training					
Purchased Professional-Educational Services	2,805	-	2,805	2,561	244
Other Purchased Services	8,500	(6,738)	1,762	1,762	-
<b>Total Instructional Staff Training</b>	<b>11,305</b>	<b>(6,738)</b>	<b>4,567</b>	<b>4,323</b>	<b>244</b>
General Administration					
Salaries	395,650	18,923	414,573	414,572	1
Salaries of State Monitors	-	77,600	77,600	77,600	-
Unused Vacation Payment to Terminated/Retired Staff	5,200	(3,520)	1,680	1,680	-
Legal Services	129,000	14	129,014	129,013	1
Audit Fees	35,000	91,830	126,830	76,830	50,000
Architectural/Engineering Services	15,000	(9,400)	5,600	5,600	-
Other Purchased Professional Services	5,000	19,465	24,465	17,396	7,069
Communications/Telephone	135,000	14,733	149,733	149,247	486
Travel - All Other	-	480	480	480	-
BOE Other Purchased Services	5,000	(1,982)	3,018	3,018	-
Miscellaneous Purchased Services	134,100	(6,255)	127,845	127,845	-
General Supplies	4,000	(710)	3,290	3,289	1
BOE In-House Training / Meeting Supplies	2,000	(1,560)	440	439	1
Miscellaneous Expenditures	3,500	3,630	7,130	7,129	1
BOE Membership Dues and Fees	16,000	(682)	15,318	15,318	-
<b>Total General Administration</b>	<b>884,450</b>	<b>202,566</b>	<b>1,087,016</b>	<b>1,029,456</b>	<b>57,560</b>

**LYNDHURST BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
School Administration					
Salaries of Principals/Assistant Principals	\$ 1,180,088	\$ 3,477	\$ 1,183,565	\$ 1,183,564	\$ 1
Salaries of Secretarial and Clerical Assistants	609,800	13,885	623,685	623,580	105
Other Purchased Services	15,000	(10,550)	4,450	4,450	-
Travel - All Other		2,895	2,895	2,894	1
Supplies and Materials	17,000	6,692	23,692	22,825	867
Other Objects	9,000	872	9,872	9,872	-
<b>Total School Administration</b>	<b>1,830,888</b>	<b>17,271</b>	<b>1,848,159</b>	<b>1,847,185</b>	<b>974</b>
Central Services					
Salaries	533,080	(8,844)	524,236	524,055	181
Purchased Professional Services	5,000	9,284	14,284	14,284	-
Purchased Technical Services	36,260	5,560	41,820	41,820	-
Miscellaneous Purchased Services	3,000	(1,458)	1,542	1,542	-
Supplies and Materials	5,000	388	5,388	5,388	-
Miscellaneous Expenditures	2,000	7,573	9,573	9,573	-
<b>Total Central Services</b>	<b>584,340</b>	<b>12,503</b>	<b>596,843</b>	<b>596,662</b>	<b>181</b>
Admin. Info Technology					
Salaries	186,550	-	186,550	186,550	-
<b>Total Admin Info Technology</b>	<b>186,550</b>	<b>-</b>	<b>186,550</b>	<b>186,550</b>	<b>-</b>
Required Maintenance for School Facilities					
Salaries	365,313	27,318	392,631	392,631	-
Cleaning, Repair and Maintenance Services	331,920	79,985	411,905	411,786	119
General Supplies	53,350	(32,412)	20,938	20,836	102
<b>Total Required Maintenance for School Facilities</b>	<b>750,583</b>	<b>74,891</b>	<b>825,474</b>	<b>825,253</b>	<b>221</b>
Custodial Services					
Salaries	786,006	118,765	904,771	904,770	1
Cleaning, Repair and Maintenance Services	76,717	43,391	120,108	120,106	2
Rental of Land and Building Other Than Lease Purchase Agreement	350,000	2,550	352,550	352,549	1
Other Purchased Property Services	410,302	-	410,302	410,301	1
Insurance	193,879	1,021	194,900	194,899	1
General Supplies	104,000	(44,029)	59,971	59,629	342
Energy (Natural Gas)	146,000	(17,180)	128,820	128,820	-
Energy (Electricity)	262,500	-	262,500	262,173	327
Energy (Gasoline)	22,000	(12,000)	10,000	10,000	-
Other Objects	6,000	(2,959)	3,041	3,041	-
<b>Total Custodial Services</b>	<b>2,357,404</b>	<b>89,559</b>	<b>2,446,963</b>	<b>2,446,288</b>	<b>675</b>
Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Svc.	35,000	(12,905)	22,095	22,095	-
General Supplies	10,000	(3,464)	6,536	6,534	2
<b>Total Care and Upkeep of Grounds</b>	<b>45,000</b>	<b>(16,369)</b>	<b>28,631</b>	<b>28,629</b>	<b>2</b>
Security					
Salaries	95,000	(45,540)	49,460	49,460	-
<b>Total Security</b>	<b>95,000</b>	<b>(45,540)</b>	<b>49,460</b>	<b>49,460</b>	<b>-</b>

**LYNDHURST BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Student Transportation Services					
Salaries of Non-Instructional Aides	\$ 56,160	\$ 5,685	\$ 61,845	\$ 61,845	-
Sal. For Pupil Transportation (Bet. Home & Sch)-Reg.	75,545	15,082	90,627	90,627	-
Sal. For Pupil Transportation (Bet. Home & Sch)-Spec.	50,545	-	50,545	50,545	-
Sal. For Pupil Transportation (Other Than Bet. Home & Sch)	67,000	16,422	83,422	83,422	-
Cleaning, Repair & Maint. Services	55,000	52,848	107,848	107,847	\$ 1
Lease Purchase Payments - School Buses	63,719	-	63,719	63,718	1
Contr. Serv. Aid in Lieu Payments-Non Public	110,000	(18,500)	91,500	91,500	-
Contr. Serv. Aid in Lieu Payments-Charter Sch.	10,000	(3,000)	7,000	7,000	-
Contr. Serv. (Other Than Bet Home & Sch)-Vendor	74,000	(25,910)	48,090	48,089	1
Contr. Serv. (Bet. Home & Sch)-Joint Agreements	160,000	(76,214)	83,786	83,786	-
Contr. Serv. (Spec. Ed. Students)-Joint Agreements	575,000	73,661	648,661	647,704	957
Transportation Supplies	25,000	(7,231)	17,769	17,769	-
Other Objects	5,200	(3,336)	1,864	1,742	123
<b>Total Student Transportation Services</b>	<b>1,327,169</b>	<b>29,507</b>	<b>1,356,676</b>	<b>1,355,593</b>	<b>1,083</b>
Unallocated Employee Benefits					
Social Security Contributions	475,000	15,000	490,000	489,826	174
TPAF/PERS - Special Assessments	-	3,693	3,693	3,692	1
Other Retirement Contributions - PERS	425,000	(25,771)	399,229	392,443	6,786
Other Retirement Contributions - Deferred PERS Pymt	14,500	-	14,500	14,327	173
Pension Contributions - (DCRP)	35,000	(3,061)	31,939	31,938	1
Unemployment Compensation	80,000	-	80,000	79,601	399
Workmen's Compensation	225,000	(18,775)	206,225	206,225	-
Health Benefits	5,860,528	(263,642)	5,596,886	5,713,032	(116,146)
Other Employee Benefits	756,500	149,775	906,275	906,274	1
Unused Sick Payments to Terminated/Retired Staff	74,896	42,751	117,647	117,647	-
<b>Total Unallocated Employee Benefits</b>	<b>7,946,424</b>	<b>(100,030)</b>	<b>7,846,394</b>	<b>7,955,005</b>	<b>(108,611)</b>
On-behalf TPAF Contributions (Nonbudgeted)					
Pension Benefit Contribution				3,445,941	(3,445,941)
Pension - NCGI Premium				72,133	(72,133)
Post Retirement Medical Benefit Contribution				1,595,792	(1,595,792)
Long-Term Disability Insurance Premium				4,587	(4,587)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,338,826	(1,338,826)
<b>Total TPAF On-Behalf</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,457,279</b>	<b>(6,457,279)</b>
<b>Total Undistributed Expenditures</b>	<b>22,957,015</b>	<b>67,283</b>	<b>23,024,298</b>	<b>29,502,189</b>	<b>(6,477,891)</b>
<b>Total Current Expenditures</b>	<b>40,240,468</b>	<b>(134,185)</b>	<b>40,106,283</b>	<b>46,528,222</b>	<b>(6,421,939)</b>

**LYNDHURST BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CAPITAL OUTLAY</b>					
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		\$ 33,900	\$ 33,900	\$ 17,619	\$ 16,281
Construction Services		285,417	285,417		285,417
Supplies and Materials		36,848	36,848	-	36,848
Assessment for Debt Service on SDA Funding	\$ 24,331	-	24,331	24,331	-
Total Facilities Acquisition and Construction Services	<u>24,331</u>	<u>356,165</u>	<u>380,496</u>	<u>41,950</u>	<u>338,546</u>
Total Capital Outlay	<u>24,331</u>	<u>356,165</u>	<u>380,496</u>	<u>41,950</u>	<u>338,546</u>
Transfer Funds to Charter Schools	<u>122,139</u>	<u>7,253</u>	<u>129,392</u>	<u>129,392</u>	<u>-</u>
Total Expenditures	<u>40,386,938</u>	<u>229,233</u>	<u>40,616,171</u>	<u>46,699,564</u>	<u>(6,083,393)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>440,000</u>	<u>(229,233)</u>	<u>210,767</u>	<u>5,683,208</u>	<u>5,472,441</u>
Other Financing Sources/(Uses)					
Transfer In - Capital Projects Fund				103,050	103,050
Transfer Out - Food Service Fund	(360,000)		(360,000)	(360,000)	-
Transfer Out - Preschool Program Fund	(80,000)	(121,000)	(201,000)	(201,000)	-
Total Other Financing Sources/(Uses)	<u>(440,000)</u>	<u>(121,000)</u>	<u>(561,000)</u>	<u>(457,950)</u>	<u>103,050</u>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	-	(350,233)	(350,233)	5,225,258	5,575,491
Fund Balances (Deficits), Beginning of Year	<u>(3,819,394)</u>	<u>-</u>	<u>(3,819,394)</u>	<u>(3,819,394)</u>	<u>-</u>
Fund Balances (Deficits), End of Year	<u>\$ (3,819,394)</u>	<u>\$ (350,233)</u>	<u>\$ (4,169,627)</u>	<u>\$ 1,405,864</u>	<u>\$ 5,575,491</u>
<b>Recapitulation of Fund Balances</b>					
<b>Restricted Fund Balance</b>					
Legally Restricted - Disallowed Grant Costs				\$ 301,224	
<b>Assigned Fund Balance</b>					
Year End Encumbrances				455,425	
<b>Unassigned Fund Balance</b>				<u>649,215</u>	
Fund Balance - Budgetary Basis				1,405,864	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Revenue Not Recognized on GAAP Basis				<u>(522,541)</u>	
Fund Balance (Deficit) Per Governmental Funds (GAAP)				<u>\$ 883,323</u>	

**LYNDHURST BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 184,411	\$ 108,727	\$ 293,138	\$ 264,794	\$ (28,344)
Federal	874,493	261,826	1,136,319	1,111,830	(24,489)
Total Revenues	<u>1,058,904</u>	<u>370,553</u>	<u>1,429,457</u>	<u>1,376,624</u>	<u>(52,833)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	168,600	42,626	211,226	211,226	-
Purchased Professional and Technical Services	22,766	-	22,766	19,934	2,832
Other Purchased Services	484,280	105,512	589,792	589,792	-
General Supplies	40,851	35,415	76,266	74,222	2,044
Textbooks	13,630	3,084	16,714	16,703	11
Total Instruction	<u>730,127</u>	<u>186,637</u>	<u>916,764</u>	<u>911,877</u>	<u>4,887</u>
Support Services					
Purchased Professional and Technical Services	61,904	54,520	116,424	114,822	1,602
Purchased Professional - Educational Services	198,333	102,271	300,604	257,253	43,351
Other Purchased Services	11,500	5,433	16,933	16,933	-
Supplies and Materials	8,620	1,582	10,202	7,209	2,993
Other Objects	-	-	-	-	-
Total Support Services	<u>280,357</u>	<u>163,806</u>	<u>444,163</u>	<u>396,217</u>	<u>47,946</u>
Unallocated Benefits					
Personal Services - Employee Benefits	48,420	20,110	68,530	68,530	-
Total Unallocated Benefits	<u>48,420</u>	<u>20,110</u>	<u>68,530</u>	<u>68,530</u>	<u>-</u>
Total Expenditures	<u>1,058,904</u>	<u>370,553</u>	<u>1,429,457</u>	<u>1,376,624</u>	<u>52,833</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Ending Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**LYNDHURST BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 BUDGETARY BASIS OF ACCOUNTING**

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments and state aid advance loan payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1, C-2)	\$ 52,382,772	\$ 1,376,624
Difference - Budget to GAAP:		
State Aid payments recognized for GAAP purposes not recognized for budgetary statements (2017/2018 State Aid)	456,920	
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2018/2019 State Aid)	(522,541)	
State Aid Advance Loan recognized for budgetary purposes, not recognized for GAAP statements	(4,800,000)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances - June 30, 2019	-	(8,507)
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)	\$ 47,517,151	\$ 1,368,117
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 46,699,564	\$ 1,376,624
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances - June 30, 2019	-	(8,507)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	\$ 46,699,564	\$ 1,368,117

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION INFORMATION  
AND  
POST-EMPLOYMENT BENEFITS INFORMATION**

**LYNDHURST BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Public Employees Retirement System**

**Last Six Fiscal Years\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03927%	0.03978%	0.04315%	0.04463%	0.04201%	0.04281%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 7,731,520	\$ 9,259,540	\$ 12,781,011	\$ 10,020,439	\$ 7,865,935	\$ 8,181,446
District's Covered-Employee Payroll	\$ 2,838,200	\$ 2,752,274	\$ 2,770,142	\$ 2,970,168	\$ 2,945,693	\$ 2,736,261
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	272.41%	336.43%	461.38%	337.37%	267.03%	299.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

LYNDHURST BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Six Fiscal Years

	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 390,582	\$ 368,495	\$ 383,375	\$ 383,771	\$ 336,068	\$ 352,397
Contributions in Relation to the Contractually Required Contribution	(390,582)	(368,495)	(383,375)	(383,771)	(336,068)	(352,397)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 2,838,200	\$ 2,752,274	\$ 2,770,142	\$ 2,970,168	\$ 2,945,693	\$ 2,736,261
Contributions as a Percentage of Covered-Employee Payroll	13.76%	13.39%	13.84%	12.92%	11.41%	12.88%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

LYNDHURST BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Teachers Pension and Annuity Fund

Last Six Fiscal Years\*

	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>110,414,592</u>	<u>117,743,077</u>	<u>130,571,153</u>	<u>98,187,722</u>	<u>88,688,359</u>	<u>80,612,933</u>
<b>Total</b>	<b><u>\$ 110,414,592</u></b>	<b><u>\$ 117,743,077</u></b>	<b><u>\$ 130,571,153</u></b>	<b><u>\$ 98,187,722</u></b>	<b><u>\$ 88,688,359</u></b>	<b><u>\$ 80,612,933</u></b>
District's Covered-Employee Payroll	\$ 19,086,107	\$ 18,271,889	\$ 17,772,618	\$ 17,618,977	\$ 16,345,640	\$ 15,177,018
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**LYNDHURST BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Change of Benefit Terms:** None.

**Change of Assumptions:** Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

**REQUIRED SUPPLEMENTARY INFORMATION - PART IV**

**POSTEMPLOYMENT BENEFITS INFORMATION**

**LYNDHURST BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF  
TOTAL OPEB LIABILITY**

**Postemployment Health Benefit Plan**

**Last Two Fiscal Years\***

	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 2,819,791	\$ 3,385,082
Interest on Total OPEB Liability	2,823,300	2,442,776
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(4,529,198)	-
Changes of Assumptions	(7,851,005)	(10,162,066)
Gross Benefit Payments	(1,829,402)	(1,946,151)
Contribution from the Member	<u>63,227</u>	<u>71,662</u>
<b>Net Change in Total OPEB Liability</b>	(8,503,287)	(6,208,697)
<b>Total OPEB Liability - Beginning</b>	<u>76,918,649</u>	<u>83,127,346</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 68,415,362</u>	<u>\$ 76,918,649</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>68,415,362</u>	<u>76,918,649</u>
Total OPEB Liability - Ending	<u>\$ 68,415,362</u>	<u>\$ 76,918,649</u>
District's Covered-Employee Payroll	<u>\$ 21,924,307</u>	<u>\$ 21,024,163</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

\*The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**LYNDHURST BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

Assumptions used in calculating the OPEB liability are presented in Note 4E.

**SCHOOL LEVEL SCHEDULES**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

**LYNDHURST BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

REVENUES	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>Title I</u>	<u>Title II A</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>Title IV</u>	<u>Nonpublic Textbooks</u>	<u>To Exhibit E-1A</u>
Intergovernmental									
State								\$ 16,703	\$ 16,703
Federal	\$ 647,942	\$ 28,090	\$ 324,733	\$ 69,882	\$ 12,869	\$ 7,543	\$ 20,771	-	1,111,830
Total Revenues	<u>\$ 647,942</u>	<u>\$ 28,090</u>	<u>\$ 324,733</u>	<u>\$ 69,882</u>	<u>\$ 12,869</u>	<u>\$ 7,543</u>	<u>\$ 20,771</u>	<u>\$ 16,703</u>	<u>\$ 1,128,533</u>
<b>EXPENDITURES</b>									
Instruction									
Salaries of Teachers			\$ 208,881		\$ 2,345				\$ 211,226
Purchased Professional and Technical Services			19,934						19,934
Other Purchased Services	\$ 589,792								589,792
General Supplies	14,122	\$ 28,090	6,463		7,617	\$ 5,773	\$ 889		62,954
Textbooks	-	-	-	-	-	-	-	\$ 16,703	16,703
Total Instruction	<u>603,914</u>	<u>28,090</u>	<u>235,278</u>	<u>-</u>	<u>9,962</u>	<u>5,773</u>	<u>889</u>	<u>16,703</u>	<u>900,609</u>
Support Services									
Personal Services - Employee Benefits			67,705		825				68,530
Purchased Professional and Technical Services				\$ 49,592			\$ 19,882		69,474
Purchased Professional - Educational Services	44,028		21,750						65,778
Other Purchased Services				15,679	1,254				16,933
Supplies and Materials	-	-	-	4,611	828	1,770	-	-	7,209
Total Support Services	<u>44,028</u>	<u>-</u>	<u>89,455</u>	<u>69,882</u>	<u>2,907</u>	<u>1,770</u>	<u>19,882</u>	<u>-</u>	<u>227,924</u>
Total Expenditures	<u>\$ 647,942</u>	<u>\$ 28,090</u>	<u>\$ 324,733</u>	<u>\$ 69,882</u>	<u>\$ 12,869</u>	<u>\$ 7,543</u>	<u>\$ 20,771</u>	<u>\$ 16,703</u>	<u>\$ 1,128,533</u>

**LYNDHURST BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Exhibit	Nonpublic Chapter 192				Nonpublic Chapter 193			To Exhibit	
	E-1 Subtotal	Nonpublic Security	Nonpublic Nursing	Nonpublic Technology	Compensatory Education	Home Instruction	Exam. & Classification	Corrective Speech		Supplemental Instruction
<b>REVENUES</b>										
Intergovernmental										
State	\$ 16,703	\$ 45,348	\$ 30,361	\$ 11,268	\$ 96,444	\$ 1,042	\$ 21,658	\$ 25,713	\$ 16,257	\$ 264,794
Federal	1,111,830	-	-	-	-	-	-	-	-	1,111,830
<b>Total Revenues</b>	<b>\$ 1,128,533</b>	<b>\$ 45,348</b>	<b>\$ 30,361</b>	<b>\$ 11,268</b>	<b>\$ 96,444</b>	<b>\$ 1,042</b>	<b>\$ 21,658</b>	<b>\$ 25,713</b>	<b>\$ 16,257</b>	<b>\$ 1,376,624</b>
<b>EXPENDITURES</b>										
Instruction										
Salaries of Teachers	\$ 211,226									\$ 211,226
Purchased Professional and Technical Services	19,934									19,934
Other Purchased Services	589,792									589,792
General Supplies	62,954			\$ 11,268						74,222
Textbooks	16,703	-	-	-	-	-	-	-	-	16,703
<b>Total Instruction</b>	<b>900,609</b>	<b>-</b>	<b>-</b>	<b>11,268</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>911,877</b>
Support Services										
Personnel Services - Employee Benefits	68,530									68,530
Purchased Professional and Technical Services	69,474	\$ 45,348								114,822
Purchased Professional - Educational Services	65,778		\$ 30,361		\$ 96,444	\$ 1,042	\$ 21,658	\$ 25,713	\$ 16,257	257,253
Other Purchased Services	16,933									16,933
Supplies and Materials	7,209	-	-	-	-	-	-	-	-	7,209
<b>Total Support Services</b>	<b>227,924</b>	<b>45,348</b>	<b>30,361</b>	<b>-</b>	<b>96,444</b>	<b>1,042</b>	<b>21,658</b>	<b>25,713</b>	<b>16,257</b>	<b>464,747</b>
<b>Total Expenditures</b>	<b>\$ 1,128,533</b>	<b>\$ 45,348</b>	<b>\$ 30,361</b>	<b>\$ 11,268</b>	<b>\$ 96,444</b>	<b>\$ 1,042</b>	<b>\$ 21,658</b>	<b>\$ 25,713</b>	<b>\$ 16,257</b>	<b>\$ 1,376,624</b>

**LYNDHURST BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

**LYNDHURST BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Unexpended Balance</u>
2016 Referendum - Improvements to Various Schools	\$ 19,873,807	\$ 1,818,880	\$ 2,157,652	\$ 15,897,275
	<u>\$ 19,873,807</u>	<u>\$ 1,818,880</u>	<u>\$ 2,157,652</u>	<u>\$ 15,897,275</u>
	<b><u>Reconciliation to GAAP Basis</u></b>			
				Project Balance, June 30, 2019 \$ 15,897,275
				Less: Bonds Authorized But Not Issued <u>(19,873,807)</u>
				Fund Balance (Deficit), June 30, 2019 (GAAP Basis) <u>\$ (3,976,532)</u>
 <b><u>Recapitulation of Fund Balance - June 30, 2019 (GAAP Basis)</u></b>				
				Restricted for Capital Projects
				Year End Encumbrances \$ 1,669,396
				Designated for Capital Projects <u>(5,645,928)</u>
				Total Fund Balance (Deficit) - Capital Projects Fund <u>\$ (3,976,532)</u>

**LYNDHURST BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Revenues and Other Financing Sources**

## Revenues:

Local Sources - Interest	\$ 103,050
Other Financing Sources	
Premiums on Bond Anticipation Notes	<u>93,962</u>

Total Revenues and Other Financing sources	<u>197,012</u>
--	----------------

**Expenditures and Other Financing Uses**

## Expenditures:

Architect/Engineering Services	600,318
Construction Services	1,310,172
Equipment Purchases	247,162
Other Financing Uses	
Transfer Out - General Fund	103,050
Transfer Out - Debt Service Fund	<u>93,962</u>

Total Expenditures and Other Financing Uses	<u>2,354,664</u>
---	------------------

Excess (Deficiency) of Revenues and Other Financing Sources

Over (Under) Expenditures and Other Financing Uses	(2,157,652)
--	-------------

Fund Balance (Deficit), Beginning of Year	<u>(1,818,880)</u>
---	--------------------

Fund Balance (Deficit), End of Year	<u>\$ (3,976,532)</u>
-------------------------------------	-----------------------

**Reconciliation to GAAP Basis**

Fund Balance (Deficit) - Budgetary Basis	<u>\$ (3,976,532)</u>
--	-----------------------

Fund Balance (Deficit) - GAAP Basis	<u>\$ (3,976,532)</u>
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**LYNDHURST BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BUDGETARY BASIS  
2016 REFERENDUM - IMPROVEMENT TO VARIOUS SCHOOLS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	-	-	-	\$ 19,873,807
Total Revenues and Other Financing Sources	-	-	-	19,873,807
<b>Expenditures and Other Financing Uses</b>				
Legal Services	\$ 54,211		\$ 54,211	54,211
Architect/Engineering Services	1,064,778	\$ 600,318	1,665,096	2,871,256
Other Purchased Services	64,180		64,180	64,180
Construction Services		1,310,172	1,310,172	15,985,660
Supplies and Materials		247,162	247,162	248,500
Other Objects	635,711	-	635,711	650,000
Total Expenditures and Other Financing Uses	1,818,880	2,157,652	3,976,532	19,873,807
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,818,880)</u>	<u>\$ (2,157,652)</u>	<u>\$ (3,976,532)</u>	<u>\$ -</u>

**Additional project information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	November 8, 2016
Bonds Authorized	\$ 19,873,807
Bonds Issued	-
Original Authorized Cost	\$ 19,873,807
Additional Authorized Cost	-
Revised Authorized Cost	\$ 19,873,807
Percentage Increase(Decrease) Over Original	
Authorized Cost	0.00%
Percentage Completion	20.01%
Original Target Completion Date	June 2020
Revised Target Completion Date	N/A

**ENTERPRISE FUND**

**SCHEDULE G-1**

**LYNDHURST BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**SCHEDULE G-2**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**SCHEDULE G-3**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**AGENCY FUNDS**

**LYNDHURST BOARD OF EDUCATION  
AGENCY FUNDS  
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2019**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 266,871	\$ 1,264,254	\$ 1,531,125
Due from Other Funds	<u>-</u>	<u>1,158</u>	<u>1,158</u>
Total Assets	<u>\$ 266,871</u>	<u>\$ 1,265,412</u>	<u>\$ 1,532,283</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 58,329	\$ 58,329
Employee Deposits Payable		1,207,083	1,207,083
Due to Student Groups	<u>\$ 266,871</u>	<u>-</u>	<u>266,871</u>
Total Liabilities	<u>\$ 266,871</u>	<u>\$ 1,265,412</u>	<u>\$ 1,532,283</u>

**LYNDHURST BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**THIS SCHEDULE IS NOT APPLICABLE**

**LYNDHURST BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance, July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2019</u>
Elementary Schools Account	\$ 35,838	\$ 66,481	\$ 61,851	\$ 40,468
High School Account	288,132	459,106	538,522	208,716
GoFundMe Account	101	5		106
Athletics Account	<u>1,710</u>	<u>86,791</u>	<u>70,920</u>	<u>17,581</u>
	<u>\$ 325,781</u>	<u>\$ 612,383</u>	<u>\$ 671,293</u>	<u>\$ 266,871</u>

**LYNDHURST BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Balance, July 1, <u>2018</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b>Balance, June 30, <u>2019</u></b>
<b>ASSETS</b>				
Cash	\$ 1,258,682	\$ 28,056,066	\$ 28,050,494	\$ 1,264,254
Due from Other Funds	<u>26,000</u>	<u>-</u>	<u>24,842</u>	<u>1,158</u>
Total Assets	<u>\$ 1,284,682</u>	<u>\$ 28,056,066</u>	<u>\$ 28,075,336</u>	<u>\$ 1,265,412</u>
<b>LIABILITIES</b>				
Accrued Salaries and Wages		\$ 14,266,079	\$ 14,266,079	
Payroll Deductions and Withholdings	\$ 80,004	12,570,408	12,592,083	\$ 58,329
Employee Deposits Payable	1,204,678	1,207,083	1,204,678	1,207,083
Due to Other Funds	<u>-</u>	<u>12,496</u>	<u>12,496</u>	<u>-</u>
Total Liabilities	<u>\$ 1,284,682</u>	<u>\$ 28,056,066</u>	<u>\$ 28,075,336</u>	<u>\$ 1,265,412</u>

**LONG-TERM DEBT**

**LYNDHURST BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2018</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2019</u>
Pension Refunding Bonds	3/15/2003	\$ 2,030,000				\$ 35,000		\$ 35,000	
General Refunding Bonds	1/1/2016	2,270,000	7/1/2019	\$ 385,000	4.000%				
			7/1/2020	380,000	4.000%				
			7/1/2021	375,000	4.000%	1,530,000	-	390,000	\$ 1,140,000
						<u>\$ 1,565,000</u>	<u>\$ -</u>	<u>\$ 425,000</u>	<u>\$ 1,140,000</u>
						Paid by Budget Appropriation	<u>\$ 425,000</u>		

**LYNDHURST BOARD OF EDUCATION  
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2018</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2019</u>
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NOT APPLICABLE

**LYNDHURST BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 649,622	-	\$ 649,622	\$ 649,622	-
Total Revenues	<u>649,622</u>	<u>-</u>	<u>649,622</u>	<u>649,622</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Interest on Early Retirement Bonds	1,977	-	1,977	1,977	-
Redemption of Principal - Early Retirement Bonds	35,000	-	35,000	35,000	-
Interest on Bonds/Notes	222,645	-	222,645	222,645	-
Redemption of Bond Principal	390,000	-	390,000	390,000	-
Total Expenditures	<u>649,622</u>	<u>-</u>	<u>649,622</u>	<u>649,622</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
<b>OTHER FINANCING SOURCES</b>					
Transfers In - Capital Projects Fund	-	-	-	93,962	\$ 93,962
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,962</u>	<u>93,962</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	93,962	93,962
Fund Balance, Beginning of Year	45,650	-	45,650	45,650	-
Fund Balance, End of Year	<u>\$ 45,650</u>	<u>\$ -</u>	<u>\$ 45,650</u>	<u>\$ 139,612</u>	<u>\$ 93,962</u>

**Recapitulation of Fund Balance**

**Restricted for Debt Service:**

**Assigned Fund Balance**

Designated for Subsequent Year's

Expenditures \$ 45,650

**Unassigned Fund Balance** 93,962

Total Fund Balance Restricted

for Debt Service \$ 139,612

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

**LYNDHURST BOARD OF EDUCATION**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	2010	2011	2012	2013	2014	2015	2016	2017 (Restated)	2018	2019
<b>Governmental Activities</b>										
Net Investment In Capital Assets	\$ 17,577,883	\$ 18,952,883	\$ 19,077,883	\$ 19,822,284	\$ 19,818,725	\$ 16,616,775	\$ 20,252,716	\$ 17,450,063	\$ 17,736,926	\$ 17,910,989
Restricted		107,245	214,212	65,218					45,650	139,612
Unrestricted	(1,966,931)	(2,833,186)	(2,694,321)	(2,603,084)	(2,507,090)	(10,044,030)	(13,247,268)	(15,753,809)	(17,651,548)	(16,519,682)
<b>Total Governmental Activities Net Position</b>	<u>\$ 15,610,952</u>	<u>\$ 16,226,942</u>	<u>\$ 16,597,774</u>	<u>\$ 17,284,418</u>	<u>\$ 17,311,635</u>	<u>\$ 6,572,745</u>	<u>\$ 7,005,448</u>	<u>\$ 1,696,254</u>	<u>\$ 131,028</u>	<u>\$ 1,530,919</u>
<b>Business-Type Activities</b>										
Net Investment In Capital Assets								\$ 3,295	\$ 2,030	\$ 3,192
Restricted										
Unrestricted	\$ 16,934	\$ 35,116	\$ 7,886	\$ 15,332	\$ 1,930	\$ 298	\$ 819	(21,300)	8,341	\$ 19,556
<b>Total Business-Type Activities Net Position</b>	<u>\$ 16,934</u>	<u>\$ 35,116</u>	<u>\$ 7,886</u>	<u>\$ 15,332</u>	<u>\$ 1,930</u>	<u>\$ 298</u>	<u>\$ 819</u>	<u>\$ (18,005)</u>	<u>\$ 10,371</u>	<u>\$ 22,748</u>
<b>District-Wide</b>										
Net Investment In Capital Assets	\$ 17,577,883	\$ 18,952,883	\$ 19,077,883	\$ 19,822,284	\$ 19,818,725	\$ 16,616,775	\$ 20,252,716	\$ 17,453,358	\$ 17,738,956	\$ 17,914,181
Restricted	-	107,245	214,212	65,218	-	-	-	-	45,650	139,612
Unrestricted	(1,949,997)	(2,798,070)	(2,686,435)	(2,587,752)	(2,505,160)	(10,043,732)	(13,246,449)	(15,775,109)	(17,643,207)	(16,500,126)
<b>Total District Net Position</b>	<u>\$ 15,627,886</u>	<u>\$ 16,262,058</u>	<u>\$ 16,605,660</u>	<u>\$ 17,299,750</u>	<u>\$ 17,313,565</u>	<u>\$ 6,573,043</u>	<u>\$ 7,006,267</u>	<u>\$ 1,678,249</u>	<u>\$ 141,399</u>	<u>\$ 1,553,667</u>

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Source: District financial statements

**LYNDHURST BOARD OF EDUCATION**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
*(accrual basis of accounting)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 10,396,628	\$ 10,258,383	\$ 10,850,650	\$ 11,251,065	\$ 11,860,247	\$ 12,085,449	\$ 12,561,431	\$ 12,313,239	\$ 24,875,552	\$ 23,011,167
Special Education	2,885,367	2,883,630	3,041,577	3,068,156	2,630,426	3,523,300	3,416,548	3,740,517	9,527,569	9,780,983
Other Instruction	628,816	614,145	641,334	549,722	492,652	522,621	783,158	785,683	1,538,544	1,161,515
School Sponsored Activities and Athletics	607,330	601,361	692,043	714,817	724,117	738,452	743,964	793,920	1,129,029	1,093,371
<b>Support Services</b>										
Student and Instruction Related Services	3,407,594	3,674,705	3,612,327	3,303,366	3,623,245	3,773,261	3,919,115	4,381,210	7,771,240	5,888,655
General Administration	992,475	993,483	1,014,482	977,981	907,836	970,151	1,067,944	1,151,908	1,330,676	1,302,704
School Administrative Services	1,498,398	1,500,106	1,611,203	1,811,058	1,902,760	2,082,171	1,832,175	1,862,961	3,388,005	3,196,004
Central and Other Support Services	389,200	484,777	628,389	579,310	571,373	637,103	654,175	723,973	1,126,547	1,117,163
Plant Operation and Maintenance	1,848,139	2,388,875	2,653,257	2,900,593	3,203,055	3,181,439	3,879,186	3,780,148	4,459,533	3,982,590
Student Transportation Services	903,699	839,842	663,149	776,810	733,370	795,344	849,073	1,361,325	1,217,608	1,490,206
Unallocated Expenditures	12,314,042	11,655,878	12,282,723	13,369,711	13,003,133	23,434,250	12,858,478	25,558,417		
Interest on Long-Term Debt	275,988	256,813	237,098	216,818	195,008	171,658	147,653	23,643	186,076	305,972
<b>Total Governmental Activities Expenses</b>	<b>36,147,676</b>	<b>36,151,998</b>	<b>37,928,232</b>	<b>39,519,407</b>	<b>39,847,222</b>	<b>51,915,199</b>	<b>42,712,900</b>	<b>56,476,944</b>	<b>56,550,379</b>	<b>52,330,330</b>
<b>Business-Type Activities:</b>										
Food service	602,406	668,626	689,129	702,878	791,151	777,138	782,963	791,406	802,711	813,994
Pre-K Program								329	395,178	446,530
Before/After School Child Care/Pre-K	124,682	218,796	34,954	-	-	-	-	-	-	-
<b>Total Business-Type Activities Expense</b>	<b>727,088</b>	<b>887,422</b>	<b>724,083</b>	<b>702,878</b>	<b>791,151</b>	<b>777,138</b>	<b>782,963</b>	<b>791,735</b>	<b>1,197,889</b>	<b>1,260,524</b>
<b>Total District Expenses</b>	<b>\$ 36,874,764</b>	<b>\$ 37,039,420</b>	<b>\$ 38,652,315</b>	<b>\$ 40,222,285</b>	<b>\$ 40,638,373</b>	<b>\$ 52,692,337</b>	<b>\$ 43,495,863</b>	<b>\$ 57,268,679</b>	<b>\$ 57,748,268</b>	<b>\$ 53,590,854</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for services							27,834		113,029	227,015
Operating grants and contributions	5,665,397	4,845,962	5,456,695	6,334,844	5,897,464	6,398,209	7,788,434	14,662,579	17,351,828	14,708,024
Capital grants and contributions	49,099									
<b>Total Governmental Activities Program Revenues</b>	<b>5,714,496</b>	<b>4,845,962</b>	<b>5,456,695</b>	<b>6,334,844</b>	<b>5,897,464</b>	<b>6,398,209</b>	<b>7,816,268</b>	<b>14,662,579</b>	<b>17,464,857</b>	<b>14,935,039</b>
<b>Business-Type Activities:</b>										
Charges for services	353,245	441,513	211,839							
Food Service				197,948	240,472	203,661	191,362	190,928	164,716	175,180
Pre-K Program									235,361	248,165
Operating grants and contributions	154,761	188,091	210,014	227,376	264,989	259,238	247,039	258,067	283,475	287,859
Capital grants and contributions										
<b>Total Business Type Activities Program Revenues</b>	<b>508,006</b>	<b>629,604</b>	<b>421,853</b>	<b>425,324</b>	<b>505,461</b>	<b>462,899</b>	<b>438,401</b>	<b>448,995</b>	<b>683,552</b>	<b>711,204</b>
<b>Total District Program Revenues</b>	<b>\$ 6,222,502</b>	<b>\$ 5,475,566</b>	<b>\$ 5,878,548</b>	<b>\$ 6,760,168</b>	<b>\$ 6,402,925</b>	<b>\$ 6,861,108</b>	<b>\$ 8,254,669</b>	<b>\$ 15,111,574</b>	<b>\$ 18,148,409</b>	<b>\$ 15,646,243</b>

**LYNDHURST BOARD OF EDUCATION**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
*(accrual basis of accounting)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (30,433,180)	\$ (31,306,036)	\$ (32,471,537)	\$ (33,184,563)	\$ (33,949,758)	\$ (45,516,990)	\$ (34,896,632)	\$ (41,814,365)	\$ (39,085,522)	\$ (37,395,291)
Business-Type Activities	(219,082)	(257,818)	(302,230)	(277,554)	(285,690)	(314,239)	(344,562)	(342,740)	(514,337)	(549,320)
Total District-Wide Net Expense	<u>\$ (30,652,262)</u>	<u>\$ (31,563,854)</u>	<u>\$ (32,773,767)</u>	<u>\$ (33,462,117)</u>	<u>\$ (34,235,448)</u>	<u>\$ (45,831,229)</u>	<u>\$ (35,241,194)</u>	<u>\$ (42,157,105)</u>	<u>\$ (39,599,859)</u>	<u>\$ (37,944,611)</u>
<b>General Revenues And Other Changes In Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 29,711,738	\$ 31,807,753	\$ 32,684,721	\$ 32,976,035	\$ 33,655,609	\$ 34,389,489	\$ 35,462,096	\$ 36,576,884	\$ 36,860,579	\$ 38,039,648
Property Taxes Levied for Debt Service									640,223	649,622
Unrestricted State and Federal Aid	1,033,564	451,073	260,295	381,161	389,292	603,510	28,749	1,784,790	428,077	410,128
Investment Earnings									58,222	153,850
Unrestricted Miscellaneous Revenues	262,376		172,353	147,309	204,074	97,601	183,490	325,617	75,510	102,934
Capital Asset Adjustments				651,702						
Transfers	(283,494)	(336,800)	(275,000)	(285,000)	(272,000)	(312,500)	(345,000)	(320,500)	(542,315)	(561,000)
Total Governmental Activities	<u>30,724,184</u>	<u>31,922,026</u>	<u>32,842,369</u>	<u>33,871,207</u>	<u>33,976,975</u>	<u>34,778,100</u>	<u>35,329,335</u>	<u>38,366,791</u>	<u>37,520,296</u>	<u>38,795,182</u>
Business-Type Activities:										
Investment Earnings	817				288	107	83	121	398	697
Transfers	218,000	276,000	275,000	285,000	272,000	312,500	345,000	320,500	542,315	561,000
Total Business-Type Activities	<u>218,817</u>	<u>276,000</u>	<u>275,000</u>	<u>285,000</u>	<u>272,288</u>	<u>312,607</u>	<u>345,083</u>	<u>320,621</u>	<u>542,713</u>	<u>561,697</u>
Total District-Wide	<u>\$ 30,943,001</u>	<u>\$ 32,198,026</u>	<u>\$ 33,117,369</u>	<u>\$ 34,156,207</u>	<u>\$ 34,249,263</u>	<u>\$ 35,090,707</u>	<u>\$ 35,674,418</u>	<u>\$ 38,687,412</u>	<u>\$ 38,063,009</u>	<u>\$ 39,356,879</u>
<b>Change In Net Position</b>										
Governmental Activities	\$ 291,004	\$ 615,990	\$ 370,832	\$ 686,644	\$ 27,217	\$ (10,738,890)	\$ 432,703	\$ (3,447,574)	\$ (1,565,226)	\$ 1,399,891
Business-Type Activities	(265)	18,182	(27,230)	7,446	(13,402)	(1,632)	521	(22,119)	28,376	12,377
Total District	<u>\$ 290,739</u>	<u>\$ 634,172</u>	<u>\$ 343,602</u>	<u>\$ 694,090</u>	<u>\$ 13,815</u>	<u>\$ (10,740,522)</u>	<u>\$ 433,224</u>	<u>\$ (3,469,693)</u>	<u>\$ (1,536,850)</u>	<u>\$ 1,412,268</u>

Source: District financial statements

**LYNDHURST BOARD OF EDUCATION**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	2010	2011	2012	2013	2014	2015	2016	2017 (Restated)	2018	2019
General Fund										
Restricted									\$ 301,224	\$ 301,224
Assigned									350,233	455,425
Unassigned	\$ 602,031	\$ 786,065	\$ 854,923	\$ 498,743	\$ 327,802	\$ 289,568	\$ (8,777)	\$ (2,847,479)	(4,927,771)	126,674
Total General Fund	\$ 602,031	\$ 786,065	\$ 854,923	\$ 498,743	\$ 327,802	\$ 289,568	\$ (8,777)	\$ (2,847,479)	\$ (4,276,314)	\$ 883,323
All Other Governmental Funds										
Reserved	\$ 49,105									
Restricted									\$ 45,650	\$ 139,612
Unassigned	-	-	-	-	-	-	-	\$ (692,660)	(1,818,880)	(3,976,532)
Total All Other Governmental Funds	\$ 49,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (692,660)	\$ (1,773,230)	\$ (3,836,920)

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

Source: District financial statements

**LYNDHURST BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax Levy	\$ 29,711,738	\$ 31,807,753	\$ 32,684,721	\$ 32,976,035	\$ 33,655,609	\$ 34,389,489	\$ 35,462,096	\$ 36,576,884	\$ 37,500,802	\$ 38,689,270
Tuition Charges									40,171	75,581
Transportation Fees									72,858	151,434
Interest									58,222	153,850
Unrestricted Miscellaneous Revenues	262,376	451,073	172,353	147,309	204,074	97,601	218,124	325,617	75,510	102,934
State Sources	5,013,681	3,809,562	4,698,506	5,686,705	5,330,796	5,903,763	6,712,380	7,495,052	8,041,472	9,294,677
Federal Sources	1,734,379	1,036,400	1,018,484	1,029,300	955,960	1,097,956	1,098,003	1,105,976	1,127,947	1,170,194
<b>Total Revenue</b>	<b>36,722,174</b>	<b>37,104,788</b>	<b>38,574,064</b>	<b>39,839,349</b>	<b>40,146,439</b>	<b>41,488,809</b>	<b>43,490,603</b>	<b>45,503,529</b>	<b>46,916,982</b>	<b>49,637,940</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular	10,396,628	10,258,383	10,850,650	11,251,065	11,860,247	12,085,449	12,561,431	12,313,239	19,675,191	20,538,470
Special Education	2,885,367	2,883,630	3,041,577	3,068,156	2,630,426	3,523,300	3,416,548	3,740,517	8,153,673	9,117,197
Other Instruction	628,816	614,145	641,334	549,722	492,652	522,621	783,158	785,683	1,198,003	1,029,531
School Sponsored Activities and Athletics	607,330	601,361	692,043	714,817	724,117	738,452	743,964	793,920	1,030,173	1,075,344
<b>Undistributed Expenditures</b>										
Student and Instruction Related Services	3,407,594	3,674,705	3,612,327	3,303,366	3,623,245	3,773,261	3,932,104	4,381,210	6,681,807	5,583,558
General Administration	992,475	993,483	1,014,482	977,981	907,836	970,151	1,088,102	1,151,908	1,254,322	1,287,516
School Administrative Services	1,498,398	1,500,106	1,611,203	1,811,058	1,902,760	2,082,171	1,876,788	1,862,961	2,755,784	2,918,434
Central and Other Support Services	389,200	484,777	628,389	579,310	571,373	637,103	654,175	723,973	1,036,303	1,095,235
Plant Operation and Maintenance	1,848,139	2,388,875	2,653,257	2,900,593	3,203,055	3,181,439	3,889,506	3,780,148	4,202,357	3,941,029
Student Transportation Services	903,699	839,842	663,149	776,810	733,370	795,344	849,073	1,361,325	1,172,226	1,481,367
Unallocated Expenditures	11,805,261	11,497,782	11,961,978	12,800,152	12,326,461	11,825,535	12,855,121	14,732,987		
Capital Outlay	281,174	209,157	187,719	520,681	379,830	403,059	136,325	851,899	1,126,220	2,157,652
<b>Debt Service:</b>										
Principal	425,000	430,000	435,000	440,000	495,000	505,000	510,000	525,000	565,000	425,000
Interest and Other Charges	275,988	256,813	237,098	216,818	195,008	171,658	147,653	93,643	82,673	224,622
<b>Total Expenditures</b>	<b>36,345,069</b>	<b>36,633,059</b>	<b>38,230,206</b>	<b>39,910,529</b>	<b>40,045,380</b>	<b>41,214,543</b>	<b>43,443,948</b>	<b>47,098,413</b>	<b>48,933,732</b>	<b>50,874,955</b>
<b>Excess (Deficiency) Of Revenues</b>										
Over (Under) Expenditures	377,105	471,729	343,858	(71,180)	101,059	274,266	46,655	(1,594,884)	(2,016,750)	(1,237,015)
<b>Other Financing Sources (Uses)</b>										
State Aid Advance Loan Proceeds										4,800,000
Premiums on Notes									49,660	93,962
Transfers In									84,259	197,012
Transfers Out									(626,574)	(758,012)
Operating Transfers	(283,494)	(336,800)	(275,000)	(285,000)	(272,000)	(312,500)	(345,000)	(320,500)		
<b>Total Other Financing Sources (Uses)</b>	<b>(283,494)</b>	<b>(336,800)</b>	<b>(275,000)</b>	<b>(285,000)</b>	<b>(272,000)</b>	<b>(312,500)</b>	<b>(345,000)</b>	<b>(320,500)</b>	<b>(492,655)</b>	<b>4,332,962</b>
<b>Net Change In Fund Balances</b>	<b>\$ 93,611</b>	<b>\$ 134,929</b>	<b>\$ 68,858</b>	<b>\$ (356,180)</b>	<b>\$ (170,941)</b>	<b>\$ (38,234)</b>	<b>\$ (298,345)</b>	<b>\$ (1,915,384)</b>	<b>\$ (2,509,405)</b>	<b>\$ 3,095,947</b>
<b>Debt Service As A Percentage Of</b>										
Noncapital Expenditures	1.94%	1.89%	1.77%	1.67%	1.74%	1.66%	1.52%	1.34%	1.35%	1.33%

\* Noncapital expenditures are total expenditures less capital outlay.

Source: District financial statements

**LYNDHURST BOARD OF EDUCATION  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Unaudited)**

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<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Transportation Fees</u>	<u>Rentals</u>	<u>Prior Year Refunds</u>	<u>Town of Lyndhurst ACCP Program</u>	<u>E-Rate</u>	<u>Credits and Adjustments</u>	<u>Cancelled Prior Year Payables</u>	<u>Misc.</u>	<u>Total</u>
2010	15,782	1,915		159,775	71,762			10,988		2,148	262,370
2011	19,643			71,248	309,207					50,975	451,073
2012				64,300	104,340					3,713	172,353
2013	6,572			98,380	38,928					3,429	147,309
2014	5,520	28,534			65,667			3,205		308	103,234
2015	10,547				47,516					26,675	84,738
2016	6,526	27,554			85,948			61,887		1,575	183,490
2017	9,106	26,707			228,002			2,407		439	266,661
2018	23,623	40,171	\$	72,858	27,523	\$ 25,000	\$	18,732		4,255	212,162
2019	50,800	75,581		151,434	50,050		12,912		\$	36,469	380,749

Source: District financial statements

**LYNDHURST BOARD OF EDUCATION**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
 (Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>(*)</sup>
2010	\$ 155,689,200	\$ 2,114,056,800			\$ 469,021,100	\$ 696,219,400	\$ 61,743,700	\$ 3,496,730,200	\$ 6,577,516	\$ 3,503,307,716	\$ 3,503,089,234	\$ 0.878
2011	161,491,700	2,119,432,600			467,476,050	655,880,200	62,855,700	3,467,136,250	6,647,733	3,473,783,983	3,375,925,358	0.928
2012 *	51,468,800	1,562,667,400			404,209,800	575,492,500	56,843,600	2,650,682,100	4,652,311	2,655,334,411	2,937,565,920	1.237
2013	51,265,900	1,564,237,000			403,364,900	575,442,300	56,709,600	2,651,019,700	4,355,209	2,655,374,909	2,833,854,903	1.255
2014	44,980,600	1,564,703,800			402,979,800	548,475,500	98,707,100	2,659,846,800	3,793,814	2,663,640,614	2,768,369,321	1.277
2015	44,625,700	1,569,316,100			391,876,900	536,260,800	121,818,000	2,663,897,500	3,964,445	2,667,861,945	2,464,660,097	1.309
2016	40,684,000	1,571,756,600			386,804,700	534,765,200	146,464,000	2,680,474,500	4,042,008	2,684,516,508	2,806,717,871	1.342
2017	40,526,500	1,582,588,500			381,588,200	523,912,600	145,959,000	2,674,574,800	3,633,059	2,678,207,859	3,164,601,688	1.385
2018	40,303,400	1,602,980,300			465,671,000	407,708,000	145,649,900	2,662,312,600	3,407,271	2,665,719,871	3,342,149,248	1.385
2019	39,329,100	1,609,428,800			511,299,200	383,112,600	164,639,900	2,707,809,600	3,541,653	2,711,351,253	3,309,300,670	1.443

Source: County Abstract of Ratables

N/A = Not Available

\* Revaluation Year

**LYNDHURST BOARD OF EDUCATION**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN YEARS**  
**(Unaudited)**  
*(rate per \$100 of assessed value)*

Calendar Year	Total Direct School Tax Rate	Overlapping Rates				Total Direct and Overlapping Tax Rate
	Lyndhurst Local School District	Municipality of Lyndhurst	Municipal Library	County Open Space	County of Bergen	
2010	\$ 0.878	\$ 0.742		\$ 0.002	\$ 0.191	\$ 1.813
2011	0.928	0.744	\$ 0.032	0.003	0.199	1.906
2012	1.237	1.032	0.040	0.003	0.238	2.550
2013	1.255	1.102	0.035	0.003	0.236	2.631
2014	1.277	1.160	0.034	0.003	0.237	2.711
2015	1.309	1.189	0.033	0.003	0.213	2.747
2016	1.342	1.217	0.034	0.003	0.240	2.836
2017	1.385	1.188	0.039	0.012	0.277	2.901
2018	1.428	1.202	0.042	0.012	0.292	2.976
2019	1.443	1.178	0.040	0.011	0.280	2.952

Source: County Abstract of Ratables

**LYNDHURST BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
MFREVF II - Lyndhurst LLC	\$ 65,600,000	2.42%		
340 Orient Way, LLC	54,592,400	2.01%		
Tiger Den Partners VI LLC	49,049,200	1.81%		
Copper Ridge, LLC (2 Properties)	39,200,000	1.45%		
JERC Partners VII, LLC	37,000,000	1.36%		
Veterans Square 2016, LLC	32,875,000	1.21%		
125 Chubb Avenue, LLC	31,607,000	1.17%		
Sika Chemical Corp./ANJ Corp.	30,347,000	1.12%		
Riverside Plz Urban RN LLC (3 Properties)	21,740,000	0.80%		
Lyndhurst Town Center LLC	21,731,000	0.80%		
Encap Gulf Holdings LLC (12 Properties)			\$ 129,426,700	3.69%
Avalon Bay Communities, Inc.			68,064,100	1.94%
Chubb Funding LLC			59,941,300	1.71%
Wells Operating Partnership (2 Properties)			57,700,000	1.65%
DGDJ 1-1200 WSW 337771 LLC (ETALS)			35,633,600	1.02%
Veterans Square Towne Center LLC			34,254,400	0.98%
Sika Chemical Corp. (2 Properties)			32,396,800	0.92%
Lyndhurst Residential Communities LLC			27,500,000	0.78%
City of Jersey City, Division of Water (17 Properties)			25,053,500	0.72%
DDR-SAU Lew Andowski LLC (2 Properties)			24,326,900	0.69%
	<u>\$ 383,741,600</u>	<u>14.15%</u>	<u>\$ 494,297,300</u>	<u>14.11%</u>

Source: Municipal Tax Assessor

**LYNDHURST BOARD OF EDUCATION  
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		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	\$ 63,393,449	\$ 63,393,449	100%	
2011	66,179,378	66,179,378	100%	
2012	67,857,360	67,857,360	100%	
2013	70,634,586	70,634,586	100%	
2014	71,843,371	71,843,371	100%	
2015	72,387,868	72,387,868	100%	
2016	74,784,471	74,784,471	100%	
2017	36,576,884	36,576,884	100%	
2018	37,500,802	37,500,802	100%	
2019	38,689,270	38,689,270	100%	

Source: District records

**LYNDHURST BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

Governmental Activities						
Fiscal Year Ended June 30,	General Obligation Bonds	Bond Anticipation Notes	State Aid Advance Loan	Total District	Population	Per Capita
2010	\$ 5,540,000			\$ 5,540,000	20,573	\$ 269
2011	5,110,000			5,110,000	20,709	247
2012	4,675,000			4,675,000	20,772	225
2013	4,235,000			4,235,000	20,815	203
2014	3,740,000			3,740,000	21,493	174
2015	3,235,000			3,235,000	22,009	147
2016	2,725,000			2,725,000	21,995	124
2017	2,130,000	1,000,000		3,130,000	22,071	142
2018	1,565,000	12,000,000		13,565,000	22,580	601
2019	1,140,000	12,000,000	4,800,000	17,940,000	22,580 E	795

Source: District records

E - Estimate

**LYNDHURST BOARD OF EDUCATION**  
**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 of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2010	\$ 5,540,000		\$ 5,540,000	0.16%	\$ 269
2011	5,110,000		5,110,000	0.15%	247
2012	4,675,000		4,675,000	0.18%	225
2013	4,235,000		4,235,000	0.16%	203
2014	3,740,000		3,740,000	0.14%	174
2015	3,235,000		3,235,000	0.12%	147
2016	2,725,000		2,725,000	0.10%	124
2017	2,130,000		2,130,000	0.08%	97
2018	1,565,000	\$ 45,650	1,519,350	0.06%	67
2019	1,140,000	139,612	1,000,388	0.04%	44

Source: District records

**LYNDHURST BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2018  
(Unaudited)**

	<b><u>Total Debt</u></b>
Municipal Debt: (1)	
Lyndhurst Board of Education (as of June 30, 2019)	\$ 21,013,807
Township of Lyndhurst	<u>102,533,770</u>
	<u>123,547,577</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	27,044,927
Passaic Valley Sewerage Commission (B)	<u>2,909,567</u>
	<u>29,954,494</u>
 Total Direct and Overlapping Debt	 <u>\$ 153,502,071</u>

Source:

(1) Borough's 2018 Annual Debt Statement

(A) The debt for this entity was apportioned to the Township by dividing the municipality's 2018 equalized value by the total 2018 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Township's 2018 billings by the total 2018 billings of the Commission.

LYNDHURST BOARD OF EDUCATION  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized valuation basis	
2016	\$ 3,149,793,772
2017	3,334,049,863
2018	3,230,177,869
	<u>\$ 9,714,021,504</u>
Average equalized valuation of taxable property	<u>\$ 3,238,007,168</u>
Debt limit (4% of average equalization value)	\$ 129,520,287
Total Net Debt Applicable to Limit	<u>21,013,807</u>
Legal debt margin	<u>\$ 108,506,480</u>

Average equalized valuation of taxable property

Debt limit (4% of average equalization value)

Total Net Debt Applicable to Limit

Legal debt margin

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 131,492,521	\$ 137,063,969	\$ 134,051,720	\$ 124,799,788	\$ 116,240,840	\$ 108,674,738	\$ 108,129,248	\$ 113,738,883	\$ 123,269,568	\$ 129,520,287
Total net debt applicable to limit	<u>5,540,000</u>	<u>5,110,000</u>	<u>4,675,000</u>	<u>4,235,000</u>	<u>3,740,000</u>	<u>3,235,000</u>	<u>2,740,000</u>	<u>21,788,807</u>	<u>21,403,807</u>	<u>21,013,807</u>
Legal debt margin	<u>\$ 125,952,521</u>	<u>\$ 131,953,969</u>	<u>\$ 129,376,720</u>	<u>\$ 120,564,788</u>	<u>\$ 112,500,840</u>	<u>\$ 105,439,738</u>	<u>\$ 105,389,248</u>	<u>\$ 91,950,076</u>	<u>\$ 101,865,761</u>	<u>\$ 108,506,480</u>
Total net debt applicable to the limit as a percentage of debt limit	4.21%	3.73%	3.49%	3.39%	3.22%	2.98%	2.53%	19.16%	17.36%	16.22%

Source: Annual Debt Statements

**LYNDHURST BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2010	20,573	\$ 65,992	11.0%
2011	20,709	68,865	10.8%
2012	20,772	71,789	11.0%
2013	20,815	71,100	8.0%
2014	21,493	73,637	7.0%
2015	22,009	76,821	5.8%
2016	21,995	77,901	5.1%
2017	22,071	81,203	4.8%
2018	22,580	N/A	4.4%
2019	22,580	E N/A	N/A

Source: New Jersey State Department of Education

E - Estimate

LYNDHURST BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)

Employer	2019		2010	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

INFORMATION NOT AVAILABLE

**LYNDHURST BOARD OF EDUCATION  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS  
 (Unaudited)**

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular Programs (Including Aides)		147	156	158	162	163	163	164	158	164
Special Education (Including Aides)		51	51	54	58	63	64	66	71	83
Other Instruction		9	10	9	8	10	13	13	12	13
School Sponsored Activities and Athletics		1	1	1	1	1	1	1	1	1
Support Services:										
Student and Instruction Related Services		41	38	38	39	46	46	52	53	55
General Administration		7	7	7	6	6	6	5	5	5
School Administrative Services		16	18	19	21	21	20	22	21	21
Central Services and Admin. Info. Technology		6	7	6	6	6	6	8	10	10
Operation and Maintenance of Plant Svs.		25	23	33	34	27	27	40	32	32
Student Transportation Services		4	3	8	7	6	5	6	7	7
<b>Total</b>	<u>N/A</u>	<u>307</u>	<u>314</u>	<u>333</u>	<u>342</u>	<u>349</u>	<u>351</u>	<u>377</u>	<u>370</u>	<u>391</u>

Source: District Personnel Records

N/A - Not Available

**LYNDHURST BOARD OF EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Fiscal Year</u>	<u>Enrollment <sup>a</sup></u>	<u>Operating Expenditures <sup>b</sup></u>	<u>Cost Per Pupil <sup>c</sup></u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Teacher/Pupil Ratio</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2010	2,307.5	\$ 33,209,661	\$ 14,392	16.8%	160	14.4	2,307.5	2,177.7	-7.9%	94.4%
2011	2,312.0	34,746,641	15,029	4.4%	162	14.3	2,312.0	2,191.1	0.2%	94.8%
2012	2,336.0	35,820,540	15,334	2.0%	155	15.1	2,336.0	2,222.5	1.0%	95.1%
2013	2,240.3	36,857,527	16,452	7.3%	159	14.1	2,240.3	2,132.4	-4.1%	95.2%
2014	2,311.7	37,275,715	16,125	-2.0%	149	15.5	2,311.7	2,200.9	3.2%	95.2%
2015	2,390.2	38,089,632	15,936	-1.2%	170	14.1	2,390.2	2,273.7	3.4%	95.1%
2016	2,385.0	39,610,060	16,608	4.2%	167	14.6	2,385.0	2,269.8	-0.2%	95.2%
2017	2,468.0	42,505,052	17,222	3.7%	171	14.8	2,468.0	2,351.7	3.5%	95.3%
2018	2,507.0	47,159,839	18,811	9.2%	180	13.9	2,503.1	2,356.9	1.4%	94.2%
2019	2,615.0	48,067,681	18,382	-2.3%	217	12.1	2,610.1	2,461.4	4.3%	94.3%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.

**LYNDHURST BOARD OF EDUCATION**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
<b><u>Columbus</u></b>										
Square Feet	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Capacity (students)	126.90	126.90	126.90	126.90	126.90	126.90	126.90	126.90	126.90	126.90
Enrollment	N/A	135.00	151.00	207.00	222.00	183.00	164.00	213.96	214.00	211.00
<b><u>Franklin</u></b>										
Square Feet	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400
Capacity (students)	205.20	205.20	205.20	205.20	205.20	205.20	205.20	205.20	205.20	205.20
Enrollment	N/A	241.00	249.00	303.00	317.00	202.00	217.00	220.34	232.00	234.00
<b><u>Jefferson</u></b>										
Square Feet	32,060	32,060	32,060	32,060	32,060	32,060	32,060	32,060	32,060	32,060
Capacity (students)	260.10	260.10	260.10	260.10	260.10	260.10	260.10	260.10	260.10	260.10
Enrollment	N/A	274.00	276.00	259.00	266.00	268.00	276.00	268.00	274.00	270.00
<b><u>Lincoln</u></b>										
Square Feet	24,300	24,300	24,300	24,300	24,300	24,300	24,300	24,300	24,300	24,300
Capacity (students)	283.50	283.50	283.50	283.50	283.50	283.50	283.50	283.50	283.50	283.50
Enrollment	N/A	285.00	263.00	238.00	241.00	248.00	278.00	265.06	266.00	255.00
<b><u>Roosevelt</u></b>										
Square Feet	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600
Capacity (students)	431.10	431.10	431.10	431.10	431.10	431.10	431.10	431.10	431.10	431.10
Enrollment	N/A	440.00	475.00	402.00	377.00	388.00	408.00	401.95	400.00	416.00
<b><u>Washington</u></b>										
Square Feet	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500
Capacity (students)	273.70	273.70	273.70	273.70	273.70	273.70	273.70	273.70	273.70	273.70
Enrollment	N/A	278.00	255.00	211.00	221.00	188.00	195.00	184.00	212.00	184.00
<b><u>Memorial Campus</u></b>										
Square Feet						17,800	17,800	17,800	17,800	17,800
Capacity (students)						150.00	150.00	150.00	150.00	150.00
Enrollment						193.00	163.00	182.61	162.00	204.00
<b><u>High School</u></b>										
<b>Lyndhurst High School</b>										
Square Feet	112,300	112,300	112,300	112,300	112,300	112,300	112,300	112,300	112,300	112,300
Capacity (students)	906.95	906.95	906.95	906.95	906.95	906.95	906.95	906.95	906.95	906.95
Enrollment	N/A	673.00	683.00	672.00	704.00	721.00	735.00	732.07	747.00	753.00

Number of Schools at June 30, 2018

Elementary = 7

High School = 1

N/A - Information was not available.

Source: District Records

**LYNDHURST BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
(Unaudited)**

	Gross Building Area (SF)											
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
<b>*School Facilities</b>	<b>Project # (s)</b>											
Lyndhurst Senior High School	N/A	\$ 220,136	\$ 257,611	\$ 387,873	\$ 329,062	\$ 618,629	\$ 514,288	\$ 512,059	\$ 450,383	\$ 388,111	\$ 361,366	
Columbus Elementary School	N/A	8,376	19,049	19,436	60,522	54,989	45,715	101,332	127,886	36,288	33,787	
Franklin Elementary School	N/A	22,947	32,025	47,705	288,847	96,231	80,001	83,979	137,700	63,591	59,209	
Jefferson Elementary School	N/A	60,240	84,430	110,215	262,287	178,715	148,572	164,834	177,053	110,800	103,165	
Lincoln Elementary School	N/A	37,552	68,282	51,667	47,289	137,473	114,287	60,881	66,450	83,981	78,194	
Roosevelt Elementary School	N/A	19,068	41,985	52,779	55,563	123,726	102,858	114,043	92,652	74,650	69,506	
Washington Elementary School	N/A	38,291	49,594	67,829	142,801	109,978	91,429	103,397	71,062	67,393	62,748	
Memorial Campus	N/A	-	-	-	-	54,989	45,715	74,854	64,789	61,517	57,278	
<b>Grand Total</b>		<b>\$ 406,610</b>	<b>\$ 552,976</b>	<b>\$ 737,504</b>	<b>\$ 1,186,371</b>	<b>\$ 1,374,730</b>	<b>\$ 1,142,865</b>	<b>\$ 1,215,379</b>	<b>\$ 1,187,975</b>	<b>\$ 886,331</b>	<b>\$ 825,253</b>	

Source: District Records

N/A - Not Available

**LYNDHURST BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2019  
(Unaudited)**

<b>Property</b>	<b><u>Coverage</u></b>	<b><u>Insurance Company</u></b>	<b><u>Deductible</u></b>
Blanket Building and Contents Coverage	\$ 75,801,831	School Alliance Insurance Fund	\$ 2,500
Business Income/Extra Income	250,000	School Alliance Insurance Fund	
Boiler and Machinery	100,000,000	School Alliance Insurance Fund	1,000
Flood	10,000,000	School Alliance Insurance Fund	
Earthquake	25,000,000	School Alliance Insurance Fund	
<b>General Liability</b>			
Limit of Liability	5,000,000	School Alliance Insurance Fund	
Products/Completed Operations	50,000,000	School Alliance Insurance Fund	
Personal and Advertising Injury	5,000,000	School Alliance Insurance Fund	
Each Occurrence	5,000,000	School Alliance Insurance Fund	
Damage to Rented Premises	2,500,000	School Alliance Insurance Fund	
Medical Expense (Per Person)	5,000	School Alliance Insurance Fund	
Employee Benefits	5,000,000	School Alliance Insurance Fund	
<b>School Leaders Professional Liability</b>			
General Aggregate	5,000,000	School Alliance Insurance Fund	10,000
Each Occurrence	5,000,000	School Alliance Insurance Fund	25,000
<b>Environmental Liability</b>			
Per Incident	1,000,000	Illinois Union Insurance Group	
Fund Annual Aggregate	25,000,000	Illinois Union Insurance Group	10,000
<b>Cyber Liability</b>			
Limit of Liability	2,000,000	School Alliance Insurance Fund	10,000
<b>Student Accident</b>			
Maximum Benefit	5,000,000	Zurich Insurance Company	
Benefit Period	10 Years	Zurich Insurance Company	
<b>Business Auto</b>			
Liability - Combined Single Limit	5,000,000	School Alliance Insurance Fund	Comprhnsv-\$1,000 Collision - \$1,000
Medical Payments (Each Person)	5,000	School Alliance Insurance Fund	
Uninsured Motorists - Combined Single Limit	15,000	School Alliance Insurance Fund	
Underinsured Motorists - Combined Single Limit	15,000	School Alliance Insurance Fund	
<b>Crime</b>			
Employee Dishonesty	500,000	School Alliance Insurance Fund	1,000
Forgery or Alteration	50,000	School Alliance Insurance Fund	
Inside Premises	50,000	School Alliance Insurance Fund	
Outside Premises	50,000	School Alliance Insurance Fund	
Robbery of Custodians	25,000	School Alliance Insurance Fund	
Safe Burglary	25,000	School Alliance Insurance Fund	
Outside Premises	25,000	School Alliance Insurance Fund	
Computer Fraud	50,000	School Alliance Insurance Fund	

**LYNDHURST BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2019  
(Unaudited)**

	<u>Coverage</u>	<u>Insurance Company</u>	<u>Deductible</u>
<b>Equipment Floater</b>		School Alliance Insurance Fund	\$ 1,000
<b>Umbrella</b>			
Liability - Each Occurrence	5,000,000	School Alliance Insurance Fund	
Aggregate Limit	5,000,000	School Alliance Insurance Fund	
<b>Excess Umbrella</b>			
Liability - Each Occurrence	5,000,000	Fireman's Fund	
Aggregate Limit	5,000,000	Fireman's Fund	
<b>Accidental Death &amp; Dismemberment</b>			
Coverage Limit Per Person	100,000	Gerber Life Insurance Company	
Aggregate Limit	500,000	Gerber Life Insurance Company	
<b>Finance Department Surety Bond</b>			
Bond Amount	50,000	Selective Insurance Company	
<b>Employee Blanket Bond</b>			
Bond Amount	100,000	Selective Insurance Company	
	1,000	Selective Insurance Company	
<b>Business Administrator Surety Bond</b>			
Bond Amount	500,000	Selective Insurance Company of America	
<b>Treasurer of School Monies Surety Bond</b>			
Bond Amount	10,000	Selective Insurance Company	

Source: School District records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
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ELIZABETH A. SHICK, CPA, RMA, PSA  
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MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA

## 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 AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Lyndhurst Board of Education  
Lyndhurst, 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst Board of Education as of and for the fiscal year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Lyndhurst Board of Education's basic financial statements and have issued our report thereon dated November 12, 2019 which contained modified opinions on the those statements. Our report expressed a qualified opinion on Governmental Activities because information to support certain asset values and related depreciation expenses was not available for audit.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Lyndhurst Board of Education's internal control over financial reporting (internal control) to determine the 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 Lyndhurst Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lyndhurst Board of Education'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 entity'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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Lyndhurst Board of Education’s financial statements are free from 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 determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2019-001.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Lyndhurst Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated November 12, 2019.

### **Lyndhurst Board of Education’s Responses to Findings**

The Lyndhurst Board of Education’s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Lyndhurst Board of Education’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 results of that testing, and not to provide an opinion on the effectiveness of the Lyndhurst Board of Education’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 Lyndhurst Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*LERCH, VINCI & HIGGINS, LLP*

LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
November 12, 2019



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
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JEFFREY C. BLISS, CPA, RMA, PSA  
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE U.S. UNIFORM GUIDANCE AND  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY  
OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR’S REPORT**

Honorable President and Members  
of the Board of Education  
Lyndhurst Board of Education  
Lyndhurst, New Jersey

**Report on Compliance for Each Major Federal and State Program**

We have audited the Lyndhurst Board of Education’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/ Grant Compliance Supplement that could have a direct and material effect on each of Lyndhurst Board of Education’s major federal and state programs for the fiscal year ended June 30, 2019. The Lyndhurst Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the Lyndhurst Board of Education’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Lyndhurst Board of Education’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Lyndhurst Board of Education's compliance.

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

In our opinion, the Lyndhurst Board of Education 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, 2019.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as item 2019-002. Our opinion on each major federal and state program is not modified with respect to these matters.

The Lyndhurst Board of Education's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Lyndhurst Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the Lyndhurst Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Lyndhurst Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lyndhurst Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-002 that we consider to be significant deficiencies.

The Lyndhurst Board of Education's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Lyndhurst Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

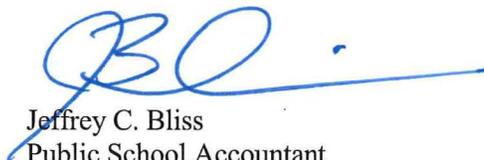
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the Lyndhurst Board of Education, as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated November 12, 2019, which contained modified opinions on those financial statements. Our report expressed a qualified opinion on Governmental Activities because information to support general capital asset values and related depreciation expenses was not available for audit. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 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 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 schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

*LERCH, VINCI & HIGGINS, LLP*

LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
November 12, 2019

LYNDHURST BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2018			Unearned Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Balance, June 30, 2019			Memo GAAP Receivable
						(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Account Receivable)	Unearned Revenue	Due to Grantor	
<b>U.S. Department of Agriculture</b>																	
<b>Passed-through State Department of Agriculture</b>																	
<b>Enterprise Fund:</b>																	
<b>Child Nutrition Cluster</b>																	
National School Breakfast Program																	
Cash Assistance	10.553	191NJ304N1099	N/A	7/1/18-6/30/19	\$ 19,668					\$ 18,209	\$ 19,668		\$ (1,459)			\$ (1,459)	
Cash Assistance	10.553	181NJ304N1099	N/A	7/1/17-6/30/18	20,062	\$ (1,700)				1,700							
National School Lunch Program																	
Non-Cash Assistance	10.555	191NJ304N1099	N/A	7/1/18-6/30/19	28,484					28,484	27,291		\$ 1,193				
Non-Cash Assistance	10.555	181NJ304N1099	N/A	7/1/17-6/30/18	29,072	\$ 988					988						
Cash Assistance	10.555	191NJ304N1099	N/A	7/1/18-6/30/19	234,528					217,212	234,528		(17,316)			(17,316)	
Cash Assistance	10.555	181NJ304N1099	N/A	7/1/17-6/30/18	229,988	(17,493)				17,493							
Total U.S. Department of Agriculture/Child Nutrition Cluster						(19,193)	988			283,098	282,475		(18,775)	1,193		(18,775)	
<b>U.S. Department of Education</b>																	
<b>Passed-through State Department of Education</b>																	
<b>SPECIAL REVENUE FUND</b>																	
<b>Special Education Cluster (IDEA)</b>																	
I.D.E.A. Part B, Basic Regular	84.027	H027A180100	FT-100002	7/1/18-6/30/19	645,352			\$ 19,242	\$ (19,242)	\$ 80,706	647,942		(83,888)	16,652		(67,236)	
I.D.E.A. Part B, Basic Regular	84.027	H027A170100	FT-100002	7/1/17-6/30/18	642,905	(56,914)	19,243		(19,242)	37,672		\$ (1)	-	-		-	
I.D.E.A. Part B, Preschool	84.173	H173A180114	PS-100005	7/1/18-6/30/19	25,519			2,599	(2,599)	17,849	28,090		(10,269)	28		(10,241)	
I.D.E.A. Part B, Preschool	84.173	H173A170114	PS-100005	7/1/17-6/30/18	24,969	(2,599)	2,599		(2,599)				-	-		-	
Total Special Education Cluster IDEA						(59,513)	21,842			636,227	676,032	(1)	(94,157)	16,680		(77,477)	
<b>ESSA</b>																	
Title I, Part A	84.010	S010A180030	ESSA-180300	7/1/18-6/30/19	327,565					216,836	324,733		(110,729)	2,832		(107,897)	
Title I, Part A	84.010	S010A170030	ESSA-170300	7/1/17-6/30/18	325,342	(44,502)				44,502			-	-		-	
Total ESSA Title I						(44,502)				261,338	324,733		(110,729)	2,832		(107,897)	
Title II, Part A	84.367A	S367A180029	ESSA-180300	7/1/18-6/30/19	59,892			9,990	(9,990)	40,109	69,882		(29,773)	-		(29,773)	
Title II, Part A	84.367A	S367A170029	ESSA-170300	7/1/17-6/30/18	61,650	(28,080)	9,990		(9,990)	18,090			-	-		-	
Total ESSA Title II						(28,080)	9,990			58,199	69,882		(29,773)	-		(29,773)	
Title III	84.365	S365A180030	ESSA-180300	7/1/18-6/30/19	11,205			2,301	(2,301)	7,337	12,869		(6,169)	637		(5,532)	
Title III	84.365	S365A170030	ESSA-170300	7/1/17-6/30/18	17,295	(14,204)	2,301		(2,301)	11,903			-	-		-	
Title III - Immigrant	84.365	S365A180030	ESSA-180300	7/1/18-6/30/19	7,589			4,152	(4,152)	4,758	7,543		(6,983)	4,198		(2,785)	
Title III - Immigrant	84.365	S365A170030	ESSA-170300	7/1/17-6/30/18	4,850	(4,252)	4,152		(4,152)	100			-	-		-	
Total ESSA Title III						(18,456)	6,453			24,098	20,412		(13,152)	4,835		(8,317)	
Title IV	84.424	S424A180031	ESSA-180300	7/1/18-6/30/19	19,679			1,234	(1,234)	2,482	20,771		(18,431)	142		(18,289)	
Title IV	84.424	S424A170031	ESSA-170300	7/1/17-6/30/18	10,000	(1,234)	1,234		(1,234)				-	-		-	
Total NCLB Title IV						(1,234)	1,234			2,482	20,771		(18,431)	142		(18,289)	
Emergency Impact Aid	84.041	N/A	N/A	7/1/17-6/30/18	18,000	(18,000)				18,000			-	-		-	
Total Special Revenue Fund						(169,785)	39,519			1,000,344	1,111,830	(1)	(266,242)	24,489		(241,753)	
Total U.S. Department of Education						(169,785)	39,519			1,000,344	1,111,830	(1)	(266,242)	24,489		(241,753)	
<b>U.S. Department of Health and Human Services</b>																	
<b>General Fund</b>																	
Medical Assistance Program	93.778	1905NJSMAP	N/A		53,450					53,450	53,450		-	-		-	
<b>U.S. Department of Homeland Security</b>																	
<b>Public Assistance Grant (FEMA)</b>																	
	97.036	N/A	N/A	N/A	4,914					4,914	4,914		-	-		-	
Total General Fund										58,364	58,364		-	-		-	
Total Federal Awards						\$ (188,978)	\$ 40,507	\$ -	\$ -	\$ 1,341,806	\$ 1,452,669	\$ (1)	\$ (285,017)	\$ 25,682	\$ -	\$ (260,528)	

LYNDHURST BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2019			Memo	
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>													
General Fund:													
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	\$ 404,524		\$ 385,218	\$ 404,524			\$ (19,306)				\$ 404,524
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	404,524	\$ (23,503)	23,503				-				-
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	1,484,288		1,413,449	1,484,288			(70,839)				1,484,288
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	1,484,288	(86,239)	86,239				-				-
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	75,106		71,521	75,106			(3,585)				75,106
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	75,106	(4,364)	4,364				-				-
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	24,220	(1,407)	1,407				-				-
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	24,220	(1,407)	1,407				-				-
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	24,590	(1,429)	1,429				-				-
Total State Aid - Public Cluster				(118,349)	1,988,537	1,963,918	-	-	(93,730)	-	-	-	1,963,918
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	239,630		228,193	239,630			(11,437)				239,630
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	61,668	(3,583)	3,583				-				-
Non-Public Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	25,810			25,810			(25,810)			\$ (25,810)	25,810
Non-Public Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	21,170	(21,170)	21,170				-			-	-
Total Transportation Aid Cluster				(24,753)	252,946	265,440	-	-	(37,247)	-	-	(25,810)	265,440
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	417,374			417,374			(417,374)				417,374
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	334,988	(334,988)	334,988				-				-
Reimbursed TPAF Social Security Contribution	19-495-034-5094-003	7/1/18-6/30/19	1,338,826		1,272,480	1,338,826			(66,346)			(66,346)	1,338,826
Reimbursed TPAF Social Security Contribution On-Behalf TPAF	18-495-034-5094-003	7/1/17-6/30/18	1,409,718	(69,766)	69,766				-			-	-
Pension Benefit Cost	19-495-034-5094-002	7/1/18-6/30/19	3,445,941		3,445,941	3,445,941							3,445,941
Pension - NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	72,133		72,133	72,133							72,133
Post Retire. Medical	19-495-034-5094-001	7/1/18-6/30/19	1,595,792		1,595,792	1,595,792							1,595,792
Long-Term Disability Insurance Prem.	19-495-034-5094-004	7/1/18-6/30/19	4,587	-	4,587	4,587			-			-	4,587
Total General Fund				(547,856)	9,037,170	9,104,011	-	-	(614,697)	-	-	(92,156)	9,104,011
Special Revenue:													
New Jersey Nonpublic Aid:													
Auxiliary Services:													
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	105,924		105,924	96,444					\$ 9,480		96,444
Compensatory Education	18-100-034-5120-067	7/1/17-6/30/18	79,726	28,170				\$ 28,170					
Nonpublic Home Instruction	19-100-034-5120-067	7/1/18-6/30/19	1,042			1,042			(1,042)			(1,042)	1,042
Nonpublic Home Instruction	18-100-034-5120-067	7/1/17-6/30/18	1,341	(1,341)	1,341				-			-	-
Total Nonpublic Auxiliary Services Aid (Chapter 192) Cluster				26,829	107,265	97,486	-	28,170	(1,042)	-	9,480	(1,042)	97,486
Handicapped Services:													
Examination & Classification	19-100-034-5120-066	7/1/18-6/30/19	26,935		26,935	21,658					5,277		21,658
Examination & Classification	18-100-034-5120-066	7/1/17-6/30/18	39,304	11,102				11,102					
Supplemental Instruction	19-100-034-5120-066	7/1/18-6/30/19	25,375		25,375	16,257					9,118		16,257
Supplemental Instruction	18-100-034-5120-066	7/1/17-6/30/18	20,617	1,982				1,982					
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	28,569		28,569	25,713					2,856		25,713
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	24,106	2,054	-			2,054					
Total Nonpublic Handicapped Aid (Chapter 193) Cluster				15,138	80,879	63,628	-	15,138	-	-	17,251	-	63,628

LYNDHURST BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2019			Memo		
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	\$ 16,714		\$ 16,714	\$ 16,703					\$ 11		\$ 16,703	
Textbook Aid	18-100-034-5120-064	7/1/17-6/30/18	17,037	\$ 14				\$ 14			-		-	
Nursing Services	19-100-034-5120-070	7/1/18-6/30/19	30,361		30,361	30,361					-		30,361	
Technology Aid	19-100-034-5120-373	7/1/18-6/30/19	11,268		11,268	11,268					-		11,268	
Technology Aid	18-100-034-5120-373	7/1/17-6/30/18	11,507	622				622			-		-	
Security Aid	19-100-034-5120-509	7/1/18-6/30/19	46,950		46,950	45,348					-	1,602	45,348	
Security Aid	18-100-034-5120-509	7/1/17-6/30/18	23,325	2,423	-	-		2,423			-		-	
<b>Total Special Revenue Fund</b>				45,026	293,437	264,794	-	46,367	\$ (1,042)	-	28,344	\$ (1,042)	264,794	
<b>State Department of Agriculture</b>														
Enterprise Funds:														
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	5,384		4,977	5,384				(407)			(407)	5,384
State School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	5,341	(414)	414	-		-		-			-	-
<b>Total Enterprise Funds/Child Nutrition Cluster</b>				(414)	5,391	5,384	-	-	(407)	-	-	(407)	5,384	
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				(503,244)	9,335,998	9,374,189	-	46,367	(616,146)	-	28,344	(93,605)	9,374,189	
<b>State Financial Assistance Not Subject to Major Program Determination</b>														
<b>General Fund</b>														
On-Behalf TPAF														
Pension Benefit Cost	19-495-034-5094-002	7/1/18-6/30/19	3,445,941		(3,445,941)	(3,445,941)							(3,445,941)	
Pension - NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	72,133		(72,133)	(72,133)							(72,133)	
Post Retire. Medical	19-495-034-5094-001	7/1/18-6/30/19	1,595,792		(1,595,792)	(1,595,792)							(1,595,792)	
Long-Term Disability Insurance Prem.	19-495-034-5094-004	7/1/18-6/30/19	4,587		(4,587)	(4,587)							(4,587)	
<b>Total State Financial Assistance Subject to Major Program Determination</b>				\$ (503,244)	\$ 4,217,545	\$ 4,255,736	\$ -	\$ 46,367	\$ (616,146)	\$ -	\$ 28,344	\$ (93,605)	\$ 4,255,736	

**LYNDHURST BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Lyndhurst Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of the state aid advance loan proceeds in the general fund and programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

The 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 or is recognized as other financing sources.

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain 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 revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$4,865,621 for the general fund and a decrease of \$8,507 for the special revenue fund. See the Notes to Required Supplementary Information 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 revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 58,364	\$ 9,038,390	\$ 9,096,754
Special Revenue Fund	1,111,830	256,287	1,368,117
Food Service Fund	<u>282,475</u>	<u>5,384</u>	<u>287,859</u>
Total Financial Assistance	<u>\$ 1,452,669</u>	<u>\$ 9,300,061</u>	<u>\$ 10,752,730</u>

**LYNDHURST BOARD OF EDUCATION  
 NOTES TO THE SCHEDULES OF EXPENDITURES OF  
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District’s fiscal year and grant program years.

**NOTE 5 STATE LOAN OUTSTANDING**

The District’s state loan outstanding at June 30, 2019, which is not required to be reported on the schedule of state financial assistance, is as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>Total</u>
State Aid Advance Loan	100-034-5120-489	\$ <u>4,800,000</u>

**NOTE 6 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,338,826 represents the amount reimbursed by the State for the employer’s share of social security contributions for TPAF members for the fiscal year ended June 30, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$3,518,074, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,595,792 and TPAF Long-Term Disability Insurance in the amount of \$4,587 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

**NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District’s financial statements and the amount subject to State single audit and major program determination.

**NOTE 8 DE MINIMIS INDIRECT COST RATE**

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

LYNDHURST BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Modified - Qualified for Governmental  
Activities General Capital Assets

Internal control over financial reporting:

1) Material weakness(es) identified?  X  yes   no

2) Significant deficiencies identified  
not considered to be material weaknesses?   yes  X  none reported

Noncompliance material to basic financial  
statements noted?  X  yes   no

Federal Awards Section

Internal Control over major programs:

1) Material weakness(es) identified?   yes  X  no

2) Significant deficiencies identified  
not considered to be material weaknesses?   yes  X  none reported

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

Any audit findings disclosed that are required to be reported  
in accordance with Uniform Guidance?   yes  X  no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>IDEA Part B Basic Regular</u>
<u>84.173</u>	<u>IDEA Part B Preschool</u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between  
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?   yes  X  no

**LYNDHURST BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal control over major programs:

1) Material weakness(es) identified: \_\_\_\_\_ yes     no

2) Significant deficiencies identified not considered to be material weakness(es)?  yes    \_\_\_\_\_ none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?

yes    \_\_\_\_\_ no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-044</u>	<u>Extraordinary Aid</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes     no

**LYNDHURST BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

**Finding 2019-001**

Our audit of the District's capital assets revealed documentation to support amounts reported for land and building/building improvements and related depreciation was not maintained by the District and made available for audit.

**Criteria or Specific Requirement:**

Generally Accepted Accounting Principles.

**Condition:**

The District did not maintain a detail accounting of the items include in their capital assets for land and building/building improvements, along with their related cost and accumulated depreciation.

**Context:**

The District did not maintain documentation to support governmental activities capital assets, as reported in the District-wide Financial Statements, for land valued at \$18,803,100 and building/building improvements valued at \$13,456,100 with accumulated depreciation of \$13,456,100 at June 30, 2019.

**Effect:**

Financial statements may not agree with actual values of District owned capital assets and related depreciation.

**Cause:**

Unknown

**Recommendation:**

The District maintain detailed accounting records to support capital assets for land and building/building improvements and related depreciation reported in the District's financial statements.

**Management Responses:**

Management has reviewed this finding and indicated that corrective action will be taken.

**LYNDHURST BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

There are none.

**LYNDHURST BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB’s Circular 15-08.

**CURRENT YEAR STATE AWARDS**

**Finding 2019-002**

Our audit of purchases and procedures related to compliance with the Public School Contracts Law revealed the following:

- We noted several instances where contract awards in excess of the bid threshold for architectural services related to specific projects were not approved by Board resolution and made part of the official minutes.
- We noted certain vendors paid in excess of the bid threshold that were contracted through a state contract or cooperative purchasing agreement which were not approved by Board resolution and made part of the official minutes.
- We noted numerous instances where Board approved professional service contract awards in excess of the bid threshold were not subsequently published in the District’s official newspaper as required by the Public School Contracts Law (N.J.S.A. 18A:18A-5(a)(1)).

**State Program Information**

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084

**Criteria or Specific Requirement**

State Grant Compliance Supplement – State Aid Public – Special Tests and Provisions  
NJSA 18A:18A – Public School Contracts Law

**Condition**

Purchase of various goods and services were made which were not in accordance with the procedures specified in the Public School Contracts Law.

**Questioned Costs**

Unknown.

**LYNDHURST BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR STATE AWARDS**

**Finding 2019-002 (Continued)**

**Context**

- Contract awards and amounts for architectural services to be provided for the 2016 referendum project and partial roof replacement project were not approved by Board resolution.
- Purchases of computer supplies, furniture and bus repairs made through state contract and cooperative purchasing vendors were not approved by Board resolution.
- Professional service contract awards for architectural, engineering, legal, nursing and auditing services were not published in the District's official newspaper after the Board approved them by resolution as required by the Public School Contracts Law.
- A request for proposals for food service management was not publicly advertised in accordance with competitive contracting procedures outlined in the Public School Contracts Law.

**Effect**

Noncompliance with requirements of the Public School Contracts Law.

**Cause**

Unknown.

**Recommendation**

- Contract awards for professional services which exceed the bid threshold on specific projects be approved by Board resolution and made part of the official minutes.
- Contracts awarded and purchases made through a state contract or cooperative purchasing agreement which exceed the bid threshold be approved by Board resolution and made part of the official minutes.
- Procedures be enhanced to ensure Board approved professional service contract awards are subsequently published in the District's official newspaper as required by the Public School Contracts Law.

**View of Responsible Officials and Planned Corrective Action**

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

**LYNDHURST BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2018-001**

The District ended the fiscal year with a General Fund operating deficit in the amount of \$4,470,851 at June 30, 2018. We noted approximately twenty-five (25) budget line accounts were overexpended at June 30, 2018. In addition, we noted the total General Fund budget appropriations were overexpended by \$958,895 at June 30, 2018.

**Current Status**

Corrective action has been taken.

**Finding 2018-002**

Our audit of accounts payable revealed the following:

- Certain fiscal year 2017 expenditures were charged to the fiscal year 2018 budget
- Several fiscal year 2017 and 2018 liabilities relating to health and prescription benefits were not recorded as accounts payable at June 30, 2018.

**Current Status**

Corrective action has been taken.

**Finding 2018-003**

Our audit of the District's capital assets revealed documentation to support amounts reported for land and building/building improvements and related depreciation was not maintained by the District and made available for audit.

**Current Status**

See Finding 2019-001

**Finding 2018-004**

Our audit revealed purchases were made and contracts were entered into prior to the approval and issuance of a purchase order (confirming orders).

**Current Status**

Corrective action has been taken.

**LYNDHURST BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2018-005**

Our audit with respect to the 2016 referendum project in the Capital Projects Fund revealed the following:

- The total modified project budget did not agree to the prior year available project balance.
- Budget accounts established in the accounting system do not reflect all accounts required by the New Jersey Uniform Chart of Accounts.
- Purchases were made and contracts were entered into prior to the approval and issuance of a purchase order (confirming orders).
- Professional service contract awards and amounts were not approved by Board action and made part of the minutes. Therefore, contract awards were not encumbered in the accounting system.

**Current Status**

Partial corrective action has been taken. See Finding 2019-002.

**Finding 2018-006**

Our audit of payroll transfers revealed interfund loans were made from the Summer Savings account to the General Fund of approximately \$1,500,000 during the 2017/2018 school year. It should be noted that all interfund loans were paid back to the Summer Savings account as of June 30, 2018.

**Current Status**

Corrective action has been taken.

**Finding 2018-007**

Our review of the Board minutes revealed that monthly Board Secretary and Treasurer reports for the period of December 2017 to June 2018 were not submitted to and approved by the Board, as required by N.J.S.A. 18A:17-36.

**Current Status**

Corrective action has been taken.

**LYNDHURST BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2018-008**

Our audit of the IDEA grant program revealed a reimbursement request for expenditures charged to the federal IDEA Basic grant was made in January 2018 in the amount of \$542,304. However, expenditures relating to the reimbursement request were not liquidated until May and September 2018.

**Current Status**

Corrective action has been taken.

**Finding 2018-009**

The District ended the fiscal year with a General Fund operating deficit in the amount of \$4,470,851 at June 30, 2018. We noted approximately twenty-five (25) budget line accounts were overexpended at June 30, 2018. In addition, we noted the total General Fund budget appropriations were overexpended by \$958,895 at June 30, 2018.

**Current Status**

Corrective action has been taken.

**Finding 2018-010**

Our audit of employee health benefit contributions revealed the contribution amounts were not being calculated based on current premium rates as determined by the District's insurance broker.

**Current Status**

Corrective action has been taken.

**LYNDHURST BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2018-011**

Our audit of purchases and procedures related to compliance with the Public School Contracts Law revealed the following:

- We noted numerous instances where contract awards and purchases were made in excess of the bid threshold where there was no documentation provided to support publicly advertised bids were sought, State contract or cooperative purchasing contracts were awarded or a competitive contracting process was conducted in accordance with the requirements of the Public School Contracts Law (N.J.S.A. 18A:18A). In addition, we noted several contract awards and purchases in excess for the bid threshold that were not approved by Board resolution and made part of the official minutes in accordance with N.J.S.A. 18A:18A-4.
- We noted instances where contract awards and purchases were made in excess of the quote threshold where there was no documentation to support competitive quotations were solicited by the District in accordance with N.J.S.A. 18A:18A-37(a).
- We noted numerous instance where professional service contract awards were not publicly advertised as required by the Public School Contract Law (N.J.S.A. 18A:18A-5(a)(1)).
- We noted contracts awarded in the minutes where the resolution did not specify the contract award amount or not to exceed amount as required by the Public School Contracts Law.

**Current Status**

Partial corrective action has been taken. See Finding 2019-002.

**Finding 2018-012**

Our review of the Board minutes revealed that monthly Board Secretary and Treasurer reports for the period of December 2017 to June 2018 were not submitted to and approved by the Board, as required by N.J.S.A. 18A:17-36.

**Current Status**

Corrective action has been taken.

**Finding 2018-013**

Our audit of travel expense reimbursements, revealed the following:

- We noted purpose and relevance statements were not attached to travel reimbursement requests or purchase orders as required by Board policy.
- Certain conference and attendees were not pre-approved as required by Board policy.

**Current Status**

Corrective action has been taken.