

LYNDHURST BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Lyndhurst, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
Lyndhurst Board of Education
Lyndhurst, New Jersey
For The Fiscal Year Ended June 30, 2023**

**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

JOSEPH A. DECORSO
Superintendent of Schools

ALMA MOREL, Ph.D.
Asst. Superintendent of Schools

JAMES HYMAN
School Business Administrator

January 16, 2024

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Lyndhurst School District (District) for the fiscal year ending June 30, 2023 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, 2023, 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 Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's 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 New Jersey OMB Circular 15-08, "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 2022-2023 fiscal year with an average daily enrollment 2,609 students.

Average Daily Enrollment
(ADE)

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2022-2023	2,609
2021-2022	2,558
2020-2021	2,468
2019-2020	2,550
2018-2019	2,610
2017-2018	2,503
2016-2017	2,468
2015-2016	2,385
2014-2015	2,390
2013-2014	2,312

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 has a State Fiscal Monitor appointed by the State Department of Education because of the fiscal situation which created a cumulative two-year budgetary fund deficit for school years 16-17 & 17-18 in the amount of \$4,470,851. The current fiscal year (SY 2022-2023) ended with an unassigned budgetary fund balance of \$1,100,144.

3) **MAJOR INITIATIVES UNDERTAKING DURING 2022-2023:** The Lyndhurst Public School District is proud of all that it accomplished during the 2022-2023 school year. The following is a sampling of the District's achievements:

Facilities and Equipment

- New Football Field and Track
- New Man Trap at the High School
- New Flooring and Paint at the High School
- New Roof at the High School over the rooms between the Cafeteria and Auditorium
- Re-Paving the Columbus School Playground
- Rental of Memorial to South Bergen Jointure Commission
- New School Bus

Instruction and Program

- New High School Schedule
- Re-Structured the Middle School Pull-Out Replacement Program
- Adopted DIBELS 8 as Universal Screener (K-3)
- Revamped Intervention and Referral Service (I&RS) handbook and procedures
- LinkIt Benchmark Assessments K-12
- SAT tutoring implemented at the high school
- iXL intervention program implemented at the middle school
- Continued implementation of new Math program (K-3)
- Continued implementation of new ELA program (K-3)
- Awarded NJ Tiered System of Supports- Early Reading Grant Initiative

Implemented Document Based Questions (DBQ) Project in all HS Social Studies courses
Teachers attended AP Statistics Roundtable to improve student performance
Targeted professional development on curriculum and instructional support for special education self-contained teachers in ELA and Math
K-3 intensive phonics professional development on Foundations
Therapy Dogs training

Additional Staffing

Grade 4 at Roosevelt School to reduce class size
School Psychologist
Behaviorist
Special Education Teacher at Roosevelt
Special Education MS Social Studies Teacher
Special Education MS Science Teacher
Counselor at the MS

Contracts

Paraprofessional Policy and Salary Guides Created

Safety and Security

District SRO stationed at the High School
Class III Officer's (1 at the MS / 1 for Elementary Buildings)
2 Security staff stationed at the Middle School
2 Security staff stationed at the High School
New Camera System at the High School

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, 2023.

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."

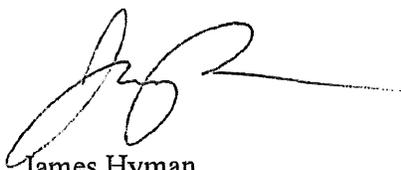
7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements." The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions 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.

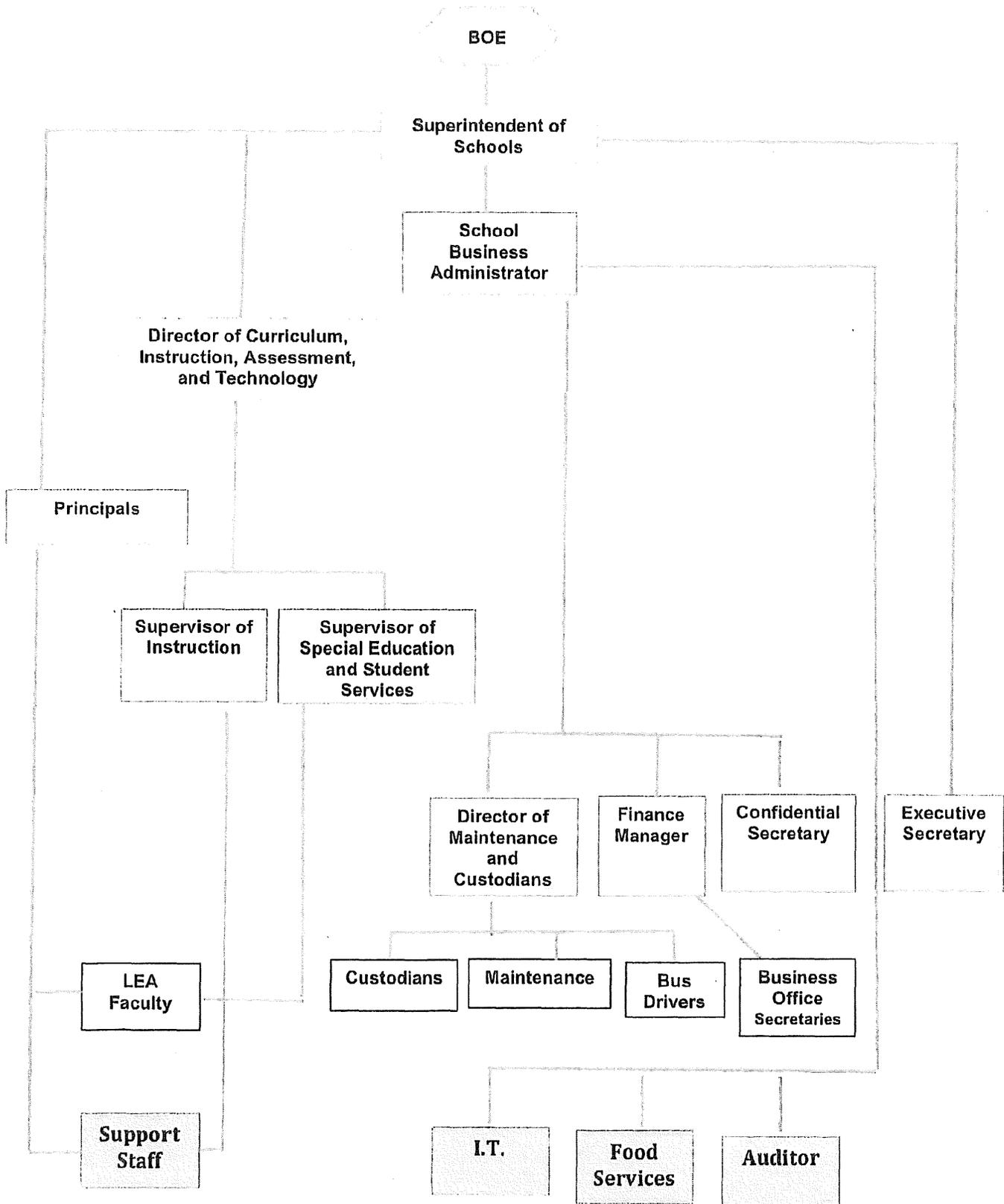
9) INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Bliss, LLP was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related U.S. Uniform Guidance and New Jersey OMB Circular 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,



James Hyman
School Business Administrator



LYNDHURST BOARD OF EDUCATION

BERGEN COUNTY, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2023

Board of Education President	<u>Term Expires</u>
Domenick Abbate, Jr.	2023

Board of Education Vice President	<u>Term Expires</u>
Paul Passamano Jr.	2024

<u>Members of Board of Education</u>	<u>Term Expires</u>
Christopher Andrinopolous	2025
Michael Carrino	2023
Erin Keefe	2023
Daniel Perrotta	2024
Anthony Scardino	2024
Elaine Stella	2025
Michael Valvano	2025

Other Officials

Superintendent	Joseph A. DeCorso
Interim School Business Administrator	James Hyman
Assistant Business Administrator	George Derbaly

LYNDHURST BOARD OF EDUCATION
CONSULTANTS & ADVISORS

State Monitor

Wayne Demikoff

N.J. Department of Education

District Treasurer of Monies

Angelo Desimone

1 Amy Way

Wayne, N.J. 07470

Audit Firm

Lerch, Vinci & Bliss, L.L.P.

17-17 Route 208

Fair Lawn, N.J. 07410

Attorney

Cornell, Merlino, McKeever & Osbourne, LLC.

238 St. Paul Street Westfield, N.J. 07090

Office Depository

Spencer Savings Bank
230 Ridge Road
Lyndhurst, NJ 07071

Blue Foundry Bank
735 Ridge Road
Lyndhurst, NJ 07071

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst Board of Education, as of and for the fiscal year ended June 30, 2023 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst Board of Education as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Lyndhurst Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lyndhurst Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits information be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, 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.

Supplementary 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 accompanying 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. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 16, 2024 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 16, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

LYNDHURST BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

As management of the Lyndhurst Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Lyndhurst Board of Education for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the letter of transmittal, which can be found in the introductory section of this report and the District's financial statements and related notes to the financial statement which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 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 \$39,599,724. (Net Position)
- The District's total net position decreased by \$554,139, or 1%.
- Overall District revenues were \$59,898,597. General revenues accounted for \$45,234,393, or 76%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$14,664,204 or 24% of total revenues.
- The school district had \$58,973,995 in expenses for governmental activities; only \$13,708,261 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$45,231,238 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 balance of \$2,433,630. Of this amount, \$1,116,451 is restricted for capital projects, \$286,878 is restricted for required maintenance of District facilities, \$694,724 is restricted for other purposes, \$312,136 is assigned for year-end encumbrances and the remaining amount is the unassigned fund balance of \$23,441.
- The General Fund fund balance at June 30, 2023 was \$1,925,049, a decrease of \$670,652 compared to the ending fund balance at June 30, 2022 of \$2,595,701.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$1,100,144, which represents a decrease of \$17,921 when compared to the ending unassigned budgetary fund balance at June 30, 2022 of \$1,118,065.

LYNDHURST BOARD OF EDUCATION

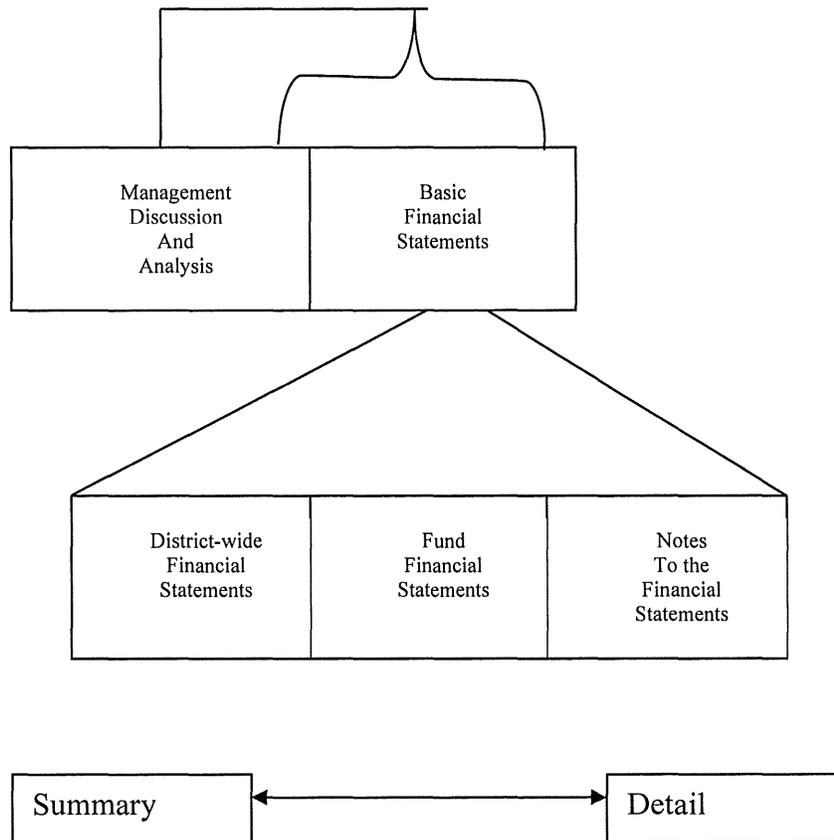
Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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*.

The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data. The following shows how the various parts of this Annual Report are arranged and related to one another.



LYNDHURST BOARD OF EDUCATION

Management’s Discussion and Analysis Fiscal Year Ended June 30, 2023

The table below 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
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction, building maintenance, transportation, and administration.	Activities the district operates similar to private businesses: Enterprise Funds
Required financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenue, Expenditures and Changes in Fund Balances	Statement of Net position Statement of Revenue, Expenses, and Changes in Fund Net Position, Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset, liability and deferred inflows/outflows information	All assets, deferred outflows, liabilities, and deferred inflows, 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, deferred outflows, liabilities and deferred inflows, both financial and capital, and short-term and long-term
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.

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District’s assets, deferred outflows of resources, liabilities and deferred inflows of resources. 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 it has 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*.

- Over time, increases or decreases in the District’s net position is 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.

LYNDHURST BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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 operation and maintenance. Property taxes and Federal and State aid finance most of these activities.
- *Business type activities* – These are activities for operations that are financed and operated in a manner similar to private business enterprises. The District's food services (cafeteria) and preschool programs 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 two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial resources* 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 enterprise fund, for its food service (cafeteria) and preschool program.

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 fund 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 the general and special revenue funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

Combining and individual financial schedules are presented immediately following the major budgetary comparisons if required.

LYNDHURST BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$39,599,724 and \$40,153,863 on June 30, 2023 and 2022, respectively as follows:

	Net Position					
	As of June 30, 2023 and 2022					
	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets						
Current Assets	\$ 5,605,732	\$ 7,596,080	\$ 91,185	\$ 225,992	\$ 5,696,917	\$ 7,822,072
Capital Assets	<u>69,865,036</u>	<u>72,032,396</u>	<u>16,477</u>	<u>4,457</u>	<u>69,881,513</u>	<u>72,036,853</u>
Total Assets	<u>75,470,768</u>	<u>79,628,476</u>	<u>107,662</u>	<u>230,449</u>	<u>75,578,430</u>	<u>79,858,925</u>
Deferred Outflows of Resources	<u>481,734</u>	<u>192,154</u>	<u>-</u>	<u>-</u>	<u>481,734</u>	<u>192,154</u>
Liabilities						
Long-Term Liabilities	32,094,143	32,162,693			32,094,143	32,162,693
Other Liabilities	<u>3,025,598</u>	<u>4,628,980</u>	<u>73,925</u>	<u>28,188</u>	<u>3,099,523</u>	<u>4,657,168</u>
Total Liabilities	<u>35,119,741</u>	<u>36,791,673</u>	<u>73,925</u>	<u>28,188</u>	<u>35,193,666</u>	<u>36,819,861</u>
Deferred Inflows of Resources	<u>1,257,706</u>	<u>3,074,406</u>	<u>9,068</u>	<u>2,949</u>	<u>1,266,774</u>	<u>3,077,355</u>
Net Position:						
Net Investment in Capital Assets	50,511,169	51,624,397	16,477	4,457	50,527,646	51,628,854
Restricted	1,681,748	2,292,318			1,681,748	2,292,318
Unrestricted	<u>(12,617,862)</u>	<u>(13,962,164)</u>	<u>8,192</u>	<u>194,855</u>	<u>(12,609,670)</u>	<u>(13,767,309)</u>
Total Net Position	<u>\$ 39,575,055</u>	<u>\$ 39,954,551</u>	<u>\$ 24,669</u>	<u>\$ 199,312</u>	<u>\$ 39,599,724</u>	<u>\$ 40,153,863</u>

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 represents amounts reserved for specific purposes by outside parties or state laws and regulations. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

LYNDHURST BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

The District's total net position of \$39,599,724 at June 30, 2023 represents a \$554,139, or 1%, decrease from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2023 and 2022.

Changes in Net Position For the Fiscal Years Ended June 30, 2023 and 2022

	Governmental		Business-Type		Total	
	Activities		Activities			
Revenues	2023	2022	2023	2022	2023	2022
Program Revenues						
Charges for Services	\$ 951,642	\$ 761,717	\$ 347,743	\$ 65,273	\$ 1,299,385	\$ 826,990
Operating Grants and Contributions	12,609,805	14,878,949	608,200	1,175,640	13,218,005	16,054,589
Capital Grants and Contributions	146,814	294,021			146,814	294,021
General Revenues						
Property Taxes	42,416,391	41,577,245			42,416,391	41,577,245
State Aid - Unrestricted	2,596,852	1,064,624			2,596,852	1,064,624
Other	217,995	256,804	3,155	9,007	221,150	265,811
Total Revenues	<u>58,939,499</u>	<u>58,833,360</u>	<u>959,098</u>	<u>1,249,920</u>	<u>59,898,597</u>	<u>60,083,280</u>
Expenses						
Instruction						
Regular	23,767,487	25,557,702			23,767,487	25,557,702
Special Education	10,173,432	9,520,103			10,173,432	9,520,103
Other Instruction	844,416	1,022,319			844,416	1,022,319
School Sponsored Activities and Athletics	1,720,811	1,560,933			1,720,811	1,560,933
Support Services						
Student and Instruction Related Service	8,560,556	7,826,643			8,560,556	7,826,643
General Administrative Services	1,631,909	1,735,073			1,631,909	1,735,073
School Administrative Services	3,420,725	3,637,828			3,420,725	3,637,828
Central and Other Support Services	1,207,089	1,241,363			1,207,089	1,241,363
Plant Operations and Maintenance	5,303,986	4,978,907			5,303,986	4,978,907
Student Transportation	1,984,758	1,495,494			1,984,758	1,495,494
Interest on Long Term Debt	358,826	431,172			358,826	431,172
Food Services	-	-	1,478,741	1,601,993	1,478,741	1,601,993
Total Expenses	<u>58,973,995</u>	<u>59,007,537</u>	<u>1,478,741</u>	<u>1,601,993</u>	<u>60,452,736</u>	<u>60,609,530</u>
Increase (Decrease) in Net Position						
Before Transfers	(34,496)	(174,177)	(519,643)	(352,073)	(554,139)	(526,250)
Transfers	<u>(345,000)</u>	<u>-</u>	<u>345,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	(379,496)	(174,177)	(174,643)	(352,073)	(554,139)	(526,250)
Net Position, Beginning of Year	<u>39,954,551</u>	<u>40,128,728</u>	<u>199,312</u>	<u>551,385</u>	<u>40,153,863</u>	<u>40,680,113</u>
Net Position, End of Year	<u>\$ 39,575,055</u>	<u>\$ 39,954,551</u>	<u>\$ 24,669</u>	<u>\$ 199,312</u>	<u>\$ 39,599,724</u>	<u>\$ 40,153,863</u>

LYNDHURST BOARD OF EDUCATION

Management’s Discussion and Analysis Fiscal Year Ended June 30, 2023

Governmental Activities. The District’s total governmental activities’ revenues, which includes State and Federal grants, were \$58,939,499 for the fiscal year ended June 30, 2023, property taxes of \$42,416,391 represented 72% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$15,353,471 and represented 26% of revenues.

The total cost of all governmental activities programs and services was \$58,973,995 for the fiscal year ended June 30, 2023. The District’s expenses are predominantly related to educating and caring for students. Instruction costs were \$36,506,146 (62%) of total expenses and support services costs were \$22,109,023 (37%) of total expenses for the fiscal year ended June 30, 2023.

For fiscal year 2023, total governmental activities expenses and transfers exceeded revenues decreasing net position for governmental activities by \$379,496 from the previous year.

Total and Net Cost of Governmental Activities. The District’s total cost of services was \$58,973,995 After applying program revenues, derived from operating and capital grants and contributions of \$12,756,619 and charges for services of \$951,642 the net cost of services of the District is \$45,265,734 for the fiscal year ended June 30, 2023.

Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2023 and 2022

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction				
Regular	\$ 23,767,487	\$ 25,557,702	\$ 18,887,152	\$ 18,946,669
Special Education	10,173,432	9,520,103	5,650,511	5,013,169
Other Instruction	844,416	1,022,319	697,906	794,583
School Sponsored Activities and Athletics	1,720,811	1,560,933	1,204,854	1,068,533
Support Services				
Student and Instruction Related Svcs.	8,560,556	7,826,643	6,328,682	5,682,084
General Administrative Services	1,631,909	1,735,073	1,533,966	1,577,994
School Administrative Services	3,420,725	3,637,828	2,982,802	3,011,732
Central and Other Support Services	1,207,089	1,241,363	1,151,261	1,132,427
Plant Operations and Maintenance	5,303,986	4,978,907	4,823,132	4,245,931
Pupil Transportation	1,984,758	1,495,494	1,714,350	1,230,309
Interest on Long Term Debt	358,826	431,172	291,118	369,419
Total	<u>\$ 58,973,995</u>	<u>\$ 59,007,537</u>	<u>\$ 45,265,734</u>	<u>\$ 43,072,850</u>

Business-Type Activities – The District’s total business-type activities revenues were \$959,098 for the fiscal year ended June 30, 2023. Operating grants and contributions accounted for 63% of total revenues and 36% of revenues were from charges for services and sales.

Total cost of all business-type activities programs and services was \$1,478,741 for the fiscal year ended June 30, 2023. Food service expenses represented 100% of the total expenses.

For fiscal year 2023, total business-type activities expenses exceeded revenues and transfers decreasing net position by \$174,643, or 88% from the previous year.

LYNDHURST BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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 balance of \$2,433,630 at June 30, 2023, a decrease of \$695,287 from last year's fund balance of \$3,128,917. 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, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

Revenues for the District's governmental funds were \$63,326,009 while total expenditures were \$64,213,426 for the fiscal year ended June 30, 2023. Net Other Financing Sources were \$192,130 were noted.

GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from grades K through 12 including pupil transportation, extra-curricular activities and plant operation and maintenance costs.

The following schedule presents a summary of General Fund Revenues.

	Fiscal Year Ended <u>June 30, 2023</u>	Fiscal Year Ended <u>June 30, 2022</u>	Amount of Increase (Decrease)	Percent Change
Local Sources:				
Property Tax Levy	\$ 41,608,922	\$ 40,793,061	\$ 815,861	2%
Other	654,594	596,717	57,877	10%
State Sources	16,020,687	14,451,859	1,568,828	11%
Federal Sources	<u>132,292</u>	<u>43,607</u>	<u>88,685</u>	203%
 Total General Fund Revenues	 <u>\$ 58,416,495</u>	 <u>\$ 55,885,244</u>	 <u>\$ 2,531,251</u>	 5%

For fiscal year 2023, total General Fund revenues increased \$2,531,251 or 5% from the previous year.

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended <u>June 30, 2023</u>	Fiscal Year Ended <u>June 30, 2022</u>	Amount of Increase (Decrease)	Percent Change
Instruction	\$ 35,502,490	\$ 34,603,069	\$ 899,421	3%
Support Services	21,918,312	19,894,690	2,023,622	10%
Debt Services	969,362	866,635	102,727	12%
Capital Outlay	<u>560,898</u>	<u>1,719,980</u>	<u>(1,159,082)</u>	-67%
 Total Expenditures	 <u>\$ 58,951,062</u>	 <u>\$ 57,084,374</u>	 <u>\$ 1,866,688</u>	 3%

LYNDHURST BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

GENERAL FUND (Continued)

For fiscal year 2023, total General Fund expenditures increased \$1,866,688, or 3% from the previous year.

In fiscal year 2023, General Fund expenditures and other financing uses exceeded revenues and other financing sources by \$670,652. Therefore, the total fund balance at June 30, 2022 of \$2,595,701 decreased to a fund balance of \$1,925,049 at June 30, 2023.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2023, the District had \$69,865,036 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$16,477 for business type activity. The following is a comparison of the June 30, 2023 and 2022 balances:

Capital Assets at June 30, 2023 and 2022 (Net of Accumulated Depreciation)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 171,125	\$ 171,125			\$ 171,125	\$ 171,125
Construction in Progress	197,784	342,970			197,784	342,970
Building and Building Improvements	68,199,908	70,341,332			68,199,908	70,341,332
Improvements Other than Building	56,882				56,882	-
Machinery and Equipment	1,223,614	1,086,900	\$ 16,477	\$ 4,457	1,240,091	1,091,357
Right to Use Equipment	<u>15,723</u>	<u>90,069</u>	<u>-</u>	<u>-</u>	<u>15,723</u>	<u>90,069</u>
Total Capital Assets, Net	<u>\$ 69,865,036</u>	<u>\$ 72,032,396</u>	<u>\$ 16,477</u>	<u>\$ 4,457</u>	<u>\$ 69,881,513</u>	<u>\$ 72,036,853</u>

Additional information on the District's capital assets is presented in Note 3 of this report.

LONG TERM LIABILITIES

At June 30, 2023 the District had \$32,094,143 of total outstanding long-term liabilities. For fiscal year 2022/2023 total outstanding long-term liabilities decreased by \$68,550. The following is a comparison of the June 30, 2023 and 2022 balances:

Long-Term Liabilities Outstanding as of June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Bond Payable	\$ 19,060,000	\$ 19,845,000
Capital Financing Agreements	392,680	469,290
Other Financing Agreements	221,458	
Leases Payable	16,268	93,709
Compensated Absences Payable	3,385,070	3,642,391
Deferred Pension Obligation	7,948	20,708
State Aid Advance Loan Payable	2,880,000	3,360,000
Net Pension Liability	<u>6,130,719</u>	<u>4,731,595</u>
Total	<u>\$ 32,094,143</u>	<u>\$ 32,162,693</u>

Additional information of the District's long-term liabilities is presented in Note 3 of this report.

LYNDHURST BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made through budget transfers to prevent over expenditures in specific line item accounts and the appropriation of restricted and unassigned fund balances.

For fiscal year 2023 General Fund budgetary expenditures and other financing uses exceeded budgetary revenues and other financing sources decreasing budgetary fund balance \$561,373. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance decreased \$17,921 from an unassigned fund balance of \$1,118,065 at June 30, 2022 to \$1,100,144 at June 30, 2023. In addition at June 30, 2023 the District had balances in its capital reserve of \$1,001,370, maintenance reserve of \$286,878, and \$301,224 legally restricted for disallowed grant costs.

FACTORS BEARING ON THE DISTRICT'S FUTURE

While many factors influence the district's future, the availability of funding for increased enrollment, staffing needs special education costs 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 2023-2024 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 2023-2024. Budgeted expenditures in the General Fund increased approximately 6% to \$49,954,944 for fiscal year 2023-2024. Budgeted regular and special education instruction costs, as well as, employee benefits and pupil transportation costs were the main factors for the increase.

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 Business Office, 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, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 3,147,103	\$ 156,767	\$ 3,303,870
Receivables, Net	1,873,226	51,145	1,924,371
Leases Receivable	278,833		278,833
Internal Balances	191,489	(191,489)	-
Inventory		74,762	74,762
Restricted Assets:			
Cash Equivalents with Fiscal Agents	115,081		115,081
Capital Assets, Not Being Depreciated	368,909		368,909
Capital Assets, Being Depreciated, Net	69,496,127	16,477	69,512,604
Total Assets	75,470,768	107,662	75,578,430
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	481,734	-	481,734
Total Deferred Outflows of Resources	481,734	-	481,734
Total Assets and Deferred Outflows of Resources	75,952,502	107,662	76,060,164
LIABILITIES			
Accounts Payable and Other Current Liabilities	2,728,983	52,873	2,781,856
Payable to Other Governments	70,450		70,450
Accrued Interest Payable	132,329		132,329
Unearned Revenue	93,836	21,052	114,888
Noncurrent Liabilities			
Due within one year	1,621,385		1,621,385
Due beyond one year	30,472,758	-	30,472,758
Total Liabilities	35,119,741	73,925	35,193,666
DEFERRED INFLOWS OF RESOURCES			
Lease Related Revenue	278,833		278,833
Deferred Amounts on Net Pension Liability	978,873		978,873
Deferred Commodities Revenue	-	9,068	9,068
Total Deferred Inflows of Resources	1,257,706	9,068	1,266,774
Total Liabilities and Deferred Inflows of Resources	36,377,447	82,993	36,460,440
NET POSITION			
Net Investment in Capital Assets	50,511,169	16,477	50,527,646
Restricted for			
Capital Projects	1,001,370		1,001,370
Plant Maintenance	286,878		286,878
Student Activities	268,100		268,100
Scholarships	125,400		125,400
Unrestricted	(12,617,862)	8,192	(12,609,670)
Total Net Position	\$ 39,575,055	\$ 24,669	\$ 39,599,724

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, 2023**

<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>
Governmental Activities							
Instruction							
Regular	\$ 23,767,487	\$ 107,286	\$ 4,626,235	\$ 146,814	\$ (18,887,152)		\$ (18,887,152)
Special Education	10,173,432		4,522,921		(5,650,511)		(5,650,511)
Other Instruction	844,416		146,510		(697,906)		(697,906)
School Sponsored Activities and Athletics	1,720,811	508,756	7,201		(1,204,854)		(1,204,854)
Support Services							
Student and Instruction Related Services	8,560,556		2,231,874		(6,328,682)		(6,328,682)
General Administrative Services	1,631,909		97,943		(1,533,966)		(1,533,966)
School Administrative Services	3,420,725		437,923		(2,982,802)		(2,982,802)
Central and Other Support Services	1,207,089		55,828		(1,151,261)		(1,151,261)
Plant Operations and Maintenance	5,303,986	335,600	145,254	-	(4,823,132)		(4,823,132)
Student Transportation	1,984,758		270,408		(1,714,350)		(1,714,350)
Interest on Long-Term Debt	358,826	-	67,708	-	(291,118)	-	(291,118)
Total Governmental Activities	58,973,995	951,642	12,609,805	146,814	(45,265,734)	-	(45,265,734)
Business-Type Activities							
Food Service	1,478,741	347,743	608,200	-	-	\$ (522,798)	(522,798)
Preschool Program	-	-	-	-	-	-	-
Total Business-Type Activities	1,478,741	347,743	608,200	-	-	(522,798)	(522,798)
Total Primary Government	\$ 60,452,736	\$ 1,299,385	\$ 13,218,005	\$ 146,814	(45,265,734)	(522,798)	(45,788,532)

Continued

**LYNDHURST BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues			
Taxes			
Property Taxes Levied for General Purposes	\$ 41,608,922		\$ 41,608,922
Property Taxes Levied for Debt Service	807,469		807,469
State Aid -Unrestricted	2,452,684		2,452,684
State Aid for Debt Service Principal	144,168		144,168
Interest and Investment Earnings	122,230	\$ 3,155	125,385
Miscellaneous Income	95,765	-	95,765
Transfers	(345,000)	345,000	-
Total General Revenues and Transfers	44,886,238	348,155	45,234,393
Change in Net Position	(379,496)	(174,643)	(554,139)
Net Position, Beginning of Year	39,954,551	199,312	40,153,863
Net Position, End of Year	\$ 39,575,055	\$ 24,669	\$ 39,599,724

FUND FINANCIAL STATEMENTS

**LYNDHURST BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 2,753,603	\$ 393,500			\$ 3,147,103
Intergovernmental Receivables	111,494	1,728,427			1,839,921
Other Accounts Receivables	32,905	400			33,305
Leases Receivable	278,833				278,833
Due from Other Funds	1,460,973				1,460,973
Restricted Assets:					
Cash Equivalents with Fiscal Agent	-	-	115,081	-	115,081
Total Assets	<u>\$ 4,637,808</u>	<u>\$ 2,122,327</u>	<u>\$ 115,081</u>	<u>\$ -</u>	<u>\$ 6,875,216</u>
LIABILITIES					
Liabilities					
Accounts Payable	\$ 731,690	\$ 312,644			\$ 1,044,334
Accrued Salaries and Wages	73,098				73,098
Compensated Absences Payable	109,208				109,208
Accrued Liability for Insurance Claims	40,000				40,000
Payroll Deductions and Withholdings Payable	84,017				84,017
Employee Deposits Payable	1,378,326				1,378,326
Payable to State Government		57,210			57,210
Payable to Federal Government		13,240			13,240
Due to Other Funds	-	1,269,484			1,269,484
Unearned Revenue	17,587	76,249	-	-	93,836
Total Liabilities	<u>2,433,926</u>	<u>1,728,827</u>	<u>-</u>	<u>-</u>	<u>4,162,753</u>
DEFERRED INFLOWS OF RESOURCES					
Lease Related Revenue	278,833	-	-	-	278,833
Total Deferred Inflows of Resources	<u>278,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>278,833</u>
FUND BALANCES					
Fund Balances					
Restricted					
Legally Restricted - Disallowed Grant Costs	301,224				301,224
Capital Reserve	1,001,370				1,001,370
Maintenance Reserve	286,878				286,878
Student Activities		268,100			268,100
Scholarships		125,400			125,400
Capital Projects			\$ 115,081		115,081
Assigned					
Year End Encumbrances	312,136				312,136
Unassigned	23,441	-	-	-	23,441
Total Fund Balances	<u>1,925,049</u>	<u>393,500</u>	<u>115,081</u>	<u>-</u>	<u>2,433,630</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,637,808</u>	<u>\$ 2,122,327</u>	<u>\$ 115,081</u>	<u>\$ -</u>	<u>\$ 6,875,216</u>

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

**LYNDHURST BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

Total Fund Balances (Exhibit B-1) \$ 2,433,630

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 \$86,312,899 and the accumulated depreciation is \$16,447,863.

69,865,036

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	\$ 481,734
	Deferred Inflows of Resources	<u>(978,873)</u>

(497,139)

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

(132,329)

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	(19,060,000)
	Capital Financing Agreements	(392,680)
	Other Financing Agreements	(221,458)
	Leases Payable	(16,268)
	Compensated Absences	(3,385,070)
	Deferred Pension Obligation	(7,948)
	State Aid Advance Loan Payable	(2,880,000)
	Net Pension Liability	<u>(6,130,719)</u>

(32,094,143)

Net Position of Governmental Activities (Exhibit A-1)

\$ 39,575,055

LYNDHURST BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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>
REVENUES					
Local Sources					
Property Tax Levy	\$ 41,608,922			\$ 807,469	\$ 42,416,391
Tuition	107,286				107,286
Interest and Investment Earnings	115,943		\$ 6,287		122,230
Miscellaneous - Unrestricted	431,365	\$ 614,605	-	-	1,045,970
Total - Local Sources	42,263,516	614,605	6,287	807,469	43,691,877
State Sources	16,020,687	470,972		211,876	16,703,535
Federal Sources	132,292	2,798,305	-	-	2,930,597
Total Revenues	58,416,495	3,883,882	6,287	1,019,345	63,326,009
EXPENDITURES					
Current					
Instruction					
Regular Instruction	23,978,743	1,099,028			25,077,771
Special Education Instruction	9,482,600	1,008,546			10,491,146
Other Instruction	843,005	11,986			854,991
School-Sponsored Activities and Athletics	1,198,142	574,712			1,772,854
Support Services					
Student and Instruction Related Services	7,907,983	1,092,710			9,000,693
General Administrative Services	1,699,240				1,699,240
School Administrative Services	3,599,542				3,599,542
Central and Other Support Services	1,248,634				1,248,634
Plant Operations and Maintenance	5,458,578	30,472			5,489,050
Student Transportation	2,004,335				2,004,335
Debt Service					
Principal	949,723			785,000	1,734,723
Interest and Other Charges	19,639			368,675	388,314
Capital Outlay	560,898	146,814	144,421	-	852,133
Total Expenditures	58,951,062	3,964,268	144,421	1,153,675	64,213,426
Excess (Deficiency) of Revenues Over (Under) Expenditures	(534,567)	(80,386)	(138,134)	(134,330)	(887,417)
OTHER FINANCING SOURCES (USES)					
Capital Financing Agreement Proceeds	-		253,302		253,302
Other Financing Agreement Proceeds	283,828		-		283,828
Transfers In	87	75,000	-		75,087
Transfers Out	(420,000)	-	(87)	-	(420,087)
Total Other Financing Sources and Uses	(136,085)	75,000	253,215	-	192,130
Net Change in Fund Balances	(670,652)	(5,386)	115,081	(134,330)	(695,287)
Fund Balance, Beginning of Year	2,595,701	398,886	-	134,330	3,128,917
Fund Balance, End of Year	\$ 1,925,049	\$ 393,500	115,081	\$ -	\$ 2,433,630

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, 2023**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (695,287)

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 depreciation exceeds capital outlay in the current period.

Capital Outlays	\$ 852,133	
Depreciation Expense	<u>(3,019,493)</u>	(2,167,360)

The issuance of long-term debt provides current financial resources to governmental funds, however these transaction have no effect in the statement activities

Capital Financing Agreement Proceeds	(253,302)	
Other Financing Agreement Proceeds	<u>(283,828)</u>	(537,130)

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities

Bond Principal	785,000	
Capital Financing Agreement Principal	329,912	
Other Financing Agreement Principal	62,370	
Leases Payable Principal	77,441	
State Aid Advance Loan Payable	<u>480,000</u>	1,734,723

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):

Decrease in Compensated Absences	257,321	
Decrease in Deferred Pension Obligations	12,760	
Decrease in Pension Expense	<u>985,989</u>	1,256,070

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.

Decrease in Accrued Interest		<u>29,488</u>
------------------------------	--	---------------

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ (379,496)**

**LYNDHURST BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2023**

	Business-Type Activities		
	Enterprise Funds		
	<u>Food Service</u>	<u>Non-Major Preschool Program</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 49,635	\$ 107,132	\$ 156,767
Intergovernmental Receivable, Net:	37,530		37,530
Accounts Receivable, Net	13,615		13,615
Inventory	<u>74,762</u>	<u>-</u>	<u>74,762</u>
Total Current Assets	<u>175,542</u>	<u>107,132</u>	<u>282,674</u>
Capital Assets			
Equipment	113,174		113,174
Accumulated Depreciation	<u>(96,697)</u>	<u>-</u>	<u>(96,697)</u>
Total Capital Assets, Net	<u>16,477</u>	<u>-</u>	<u>16,477</u>
Total Assets	<u>192,019</u>	<u>107,132</u>	<u>299,151</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	52,873		52,873
Due to Other Funds	90,706	100,783	191,489
Unearned Revenue	<u>21,052</u>	<u>-</u>	<u>21,052</u>
Total Current Liabilities	<u>164,631</u>	<u>100,783</u>	<u>265,414</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Commodities Revenue	<u>9,068</u>	<u>-</u>	<u>9,068</u>
Total Liabilities and Deferred Inflow of Resources	<u>173,699</u>	<u>100,783</u>	<u>274,482</u>
NET POSITION			
Investment in Capital Assets	16,477	-	16,477
Unrestricted	<u>1,843</u>	<u>6,349</u>	<u>8,192</u>
Total Net Position	<u>\$ 18,320</u>	<u>\$ 6,349</u>	<u>\$ 24,669</u>

**LYNDHURST BOARD OF EDUCATION
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>Non-Major Preschool Program</u>	<u>Total</u>
OPERATING REVENUES			
Local Sources			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 205,257		\$ 205,257
Daily Sales - Non-Reimbursable Programs	142,486		142,486
Program Fees	-	-	-
	<u>347,743</u>	<u>-</u>	<u>347,743</u>
Total Operating Revenues			
OPERATING EXPENSES			
Cost of Sales - Reimbursable Programs	364,185		364,185
Cost of Sales - Non-Reimbursable Programs	70,715		70,715
Salaries	824,420		824,420
Employee Benefits	93,521		93,521
Purchased Management Services	24,386		24,386
Insurance	37,729		37,729
Other Purchased Services	32,597		32,597
Repair and Maintenance	15,291		15,291
General Supplies	2,959		2,959
Miscellaneous	11,812		11,812
Depreciation	1,126	-	1,126
	<u>1,478,741</u>	<u>-</u>	<u>1,478,741</u>
Total Operating Expenses			
Operating Loss	<u>(1,130,998)</u>	<u>-</u>	<u>(1,130,998)</u>
NONOPERATING REVENUES			
State Sources			
State School Lunch Program	15,361		15,361
State School Breakfast Program	541		541
Federal Sources			
National School Breakfast Program	21,373		21,373
National School Lunch Program	375,533		375,533
Supply Chain Assistance	129,215		129,215
Food Distribution Program	66,177		66,177
Interest Income	3,155	-	3,155
	<u>611,355</u>	<u>-</u>	<u>611,355</u>
Total Nonoperating Revenues			
Changes in Net Position Before Transfers	(519,643)	-	(519,643)
Transfers In	345,000	-	345,000
Net Change in Net Position	(174,643)	-	(174,643)
Total Net Position, Beginning of Year	<u>192,963</u>	<u>6,349</u>	<u>199,312</u>
Total Net Position, End of Year	<u>\$ 18,320</u>	<u>\$ 6,349</u>	<u>\$ 24,669</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, 2023

	Business-Type Activities Enterprise Funds		
	Food Service	Non-Major Preschool Program	Total
Cash Flows from Operating Activities			
Cash Received from Customers less refunds paid	\$ 345,914	\$ -	\$ 345,914
Cash Payments for Employees			
Salaries and Benefits	(917,941)	-	(917,941)
Cash Payments to Suppliers for Goods and Services	(453,695)	-	(453,695)
Net Cash Provided by (Used for) Operating Activities	(1,025,722)	-	(1,025,722)
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements and Grants	606,385	-	606,385
Cash Received from/for Other Funds	390,000	106,849	496,849
Cash Paid to/for Other Funds	(100,166)	(3,158)	(103,324)
Net Cash Provided by Noncapital Financing Activities	896,219	103,691	999,910
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(13,146)	-	(13,146)
Net Cash (Used for) Capital Related Financing Activities	(13,146)	-	(13,146)
Cash Flows from Investing Activities			
Interest Received	3,155	-	3,155
Net Cash Provided by Investing Activities	3,155	-	3,155
Net Increase (Decrease) in Cash and Cash Equivalents	(139,494)	103,691	(35,803)
Cash and Cash Equivalents, Beginning of Year	189,129	3,441	192,570
Cash and Cash Equivalents, End of Year	\$ 49,635	\$ 107,132	\$ 156,767
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities			
Operating Loss	\$ (1,130,998)	\$ -	\$ (1,130,998)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities			
Depreciation	1,126	-	1,126
Non-Cash Federal Assistance-Food Distribution Program	66,177	-	66,177
Change in Assets, Liabilities and Deferred Inflows of Resources			
(Increase)/Decrease in Accounts Receivable	5,307	-	5,307
(Increase)/Decrease in Inventory	(19,190)	-	(19,190)
Increase/(Decrease) in Accounts Payable	52,873	-	52,873
Increase/(Decrease) in Unearned Revenue	(7,136)	-	(7,136)
Increase/(Decrease) in Deferred Commodities Revenue	6,119	-	6,119
Total Adjustments	105,276	-	105,276
Net Cash Provided by (Used for) Operating Activities	\$ (1,025,722)	\$ -	\$ (1,025,722)
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 72,296	-	\$ 72,296

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

NOTES TO THE FINANCIAL STATEMENTS

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions 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 currently operates a Pre-Kindergarten through grade twelve (12) school district.

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 Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board.

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 2023, the District adopted the following GASB statements:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government’s financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government’s SBITA activities and evaluate a government’s obligations and assets resulting from SBITAs.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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. Currently the District has no fiduciary funds.

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 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, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

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 food service 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, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

The *capital projects fund* accounts for the proceeds from the sale of bonds, financing agreements, grants 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 District reports the following non-major proprietary funds which are organized to be self-supporting through user charges:

The *preschool fund* accounts for the activities of the District's preschool program which provides a learning environment and educational program to resident children between the ages of 3 and 4 years old. Currently the preschool program activity is accounted for in the General Fund.

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, 2023**

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. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations 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, acquisitions under financing agreements, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software assets are reported as other financing sources.

Property taxes, tuition, facility rental 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, 2023**

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. Restricted Assets

Certain assets are classified as restricted on the balance sheet because they are maintained in a separate bank account and their use is limited by Capital Financing Agreements for certain capital acquisitions.

5. 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, except for intangible right-to-use leased assets the measurement of which is discussed in Note 1. E.9. 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.

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
Improvements Other Than Buildings	20
Heavy Equipment	7-10
Office Equipment and Furniture	5-10
Computer Equipment	5
Right-to-use Leased Equipment	5-10

6. 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has one item which arise only under the accrual basis of accounting that qualify for reporting in this category. The item that qualifies for reporting in this category 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, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has three types of items, two types which arise only under a modified accrual basis of accounting, and one type which arise only under both the accrual basis of accounting and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, one 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. Another item that qualified for reporting in this category 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 is the deferred lease related revenue reported in the district-wide statement of net position and government funds balance sheet. The deferred lease related revenue represents the future inflow from long-term lease agreements of District owned property. This amount is deferred and recognized as an inflow of resources (revenue) in the period the revenue is deemed earned.

7. *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.

8. *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.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Leases*

Leases Receivable

Non-cancellable leases for the use of the District's buildings are recognized as a lease receivable and a deferred inflow of resources in the district-wide and governmental fund financial statements. The District recognizes the initial lease receivable at the present value of payments expected to be received during the lease term. The lease receivable is subsequently reduced by the principal portion of lease payments received each year. The deferred inflow of resources is initially measured as of the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue in proportion to the annual principal lease payments made over the term of the lease. Leases are monitored for changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Leases Payable

Non-cancellable leases for the use of another entity's equipment are recognized as a lease liability and an intangible right-to-use lease asset in the district-wide and proprietary fund type financial statements. The District recognizes lease liabilities with an initial, individual value of \$2,000 or more. The lease liability is subsequently reduced by the principal portion of lease payments made each year. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the asset's useful life. Leases are monitored for changes in circumstances that would require a remeasurement of the lease and the lease assets and liabilities are remeasured if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

In the fund financial statements leases payable are recognized as other financing sources at the initial amount of the lease liability. Intangible right-to-use leased assets are reported as capital outlay expenditures.

10. *Financing Agreements*

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

11. *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. Debt issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. *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.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2C).

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2D).

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

Scholarships – This restriction was created to represent the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects 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.

LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. *Net Position/Fund Balance (Continued)*

Governmental Fund Statements (Continued)

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 (special revenue, 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.

13. *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 Board of Education 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 District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district 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 Board of Education 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, federal and state grants for school-based budgeting, 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 1st 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.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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 2021-2022 and 2022-2023 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.

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 and preschool program enterprise funds, 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 District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year's general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

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. 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. 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.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$1,667,319 and the special revenue fund by \$3,312,878. The increases were funded by the additional appropriation of unassigned fund balance, capital reserve, maintenance reserve, state aid, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of unassigned fund balance of \$417,847, capital reserve of \$368,676 and maintenance reserve of \$395,938 from the general fund.

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.

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>
General Fund			
Capital Outlay			
Equipment			
School Sponsored and			
Other Instructional Program	\$ 7,950	\$ 14,287	\$ (6,337)
Other Financing Uses			
Transfer Out – Food Service Fund	315,194	345,000	(29,806)

The above variances were offset with other available resources.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022	\$ 1,136,783
Increased by	
Deposits Approved by Board Resolution	\$ 197,932
Return of Unencumbered Withdrawals	<u>35,331</u>
Total Increases	<u>233,263</u>
	1,370,046
Decreased by:	
Withdrawals Approved by Board Resolution	<u>368,676</u>
Balance, June 30, 2023	<u>\$ 1,001,370</u>

The June 30, 2023 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$17,154,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan.

D. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve (Continued)

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022	\$ 622,319
Increased by	
Return of Unencumbered Budget Withdrawals	<u>60,497</u>
	682,816
Decreased by:	
Withdrawals Approved by Board Resolution	<u>395,938</u>
Balance, June 30, 2023	<u>\$ 286,878</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,168,795. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

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 deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee’s salary or funds which may pass to the local government upon the happening of a future condition.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023, the book value of the Board's deposits was \$3,303,870 and bank and brokerage firm balances of the Board's deposits amounted to \$4,920,865. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 3,114,825
Uninsured and Collateralized	<u>1,806,040</u>
	<u>\$ 4,920,865</u>

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, 2023 the Board's bank balance of \$1,860,040 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 1,860,040</u>
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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.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

As of June 30, 2023, the Board had the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
Federal Government Obligations Fund	\$ <u>115,081</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk. As of June 30, 2023, \$115,081 of the Board’s investments was exposed to custodial credit risk as follows:

<u>Uninsured and Collateralized:</u>	<u>Fair Value</u>
Collateral held by pledging financial institutions' trust department or agent but not in the Board's name	\$ <u>115,081</u>

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. 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 – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. 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 concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

Fair Value of Investments. The Lyndhurst Board of Education measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments are valued based on price data obtained from observed transactions and market price quotations provided by First Hope Bank Wealth Management. Since the value is not obtained from a quoted price in an active market the investments held by the District at June 30, 2023 are categorized as Level 2.

Interest earnings on unrestricted accounts 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, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2023 for the district’s individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental-				
Federal		\$ 1,728,427	\$ 36,146	\$ 1,764,573
State	\$ 111,494		1,384	112,878
Local	36,196	400	13,615	50,211
Gross Receivables	147,690	1,728,827	51,145	1,927,662
Less: Allowance for Uncollectibles	(3,291)	-	-	(3,291)
Net Total Receivables	<u>\$ 144,399</u>	<u>\$ 1,728,827</u>	<u>\$ 51,145</u>	<u>\$ 1,924,371</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:

General Fund	
Prepaid Preschool Program Fees	\$ 17,587
Special Revenue Fund	
Unencumbered Grant Draw Downs	12,365
Grant Draw Downs for Year-End Encumbrances	<u>63,884</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 93,836</u>

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance, July 1, 2022	Increases	Decreases	Balance, June 30, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 171,125			\$ 171,125
Construction in Progress	<u>342,970</u>	\$ 197,784	\$ (342,970)	<u>197,784</u>
Total Capital Assets, Not Being Depreciated	<u>514,095</u>	<u>197,784</u>	<u>(342,970)</u>	<u>368,909</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	81,879,527	637,256		82,516,783
Improvements Other Than Buildings		59,875		59,875
Machinery and Equipment	2,964,942	300,188		3,265,130
Right-to-use Leased Equipment	<u>316,696</u>	<u>-</u>	<u>(214,494)</u>	<u>102,202</u>
Total Capital Assets Being Depreciated	<u>85,161,165</u>	<u>997,319</u>	<u>(214,494)</u>	<u>85,943,990</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(11,538,195)	(2,778,680)		(14,316,875)
Improvements Other Than Buildings	-	(2,993)		(2,993)
Machinery and Equipment	(1,878,042)	(163,474)		(2,041,516)
Right-to-use Leased Equipment	<u>(226,627)</u>	<u>(74,346)</u>	<u>214,494</u>	<u>(86,479)</u>
Total Accumulated Depreciation	<u>(13,642,864)</u>	<u>(3,019,493)</u>	<u>214,494</u>	<u>(16,447,863)</u>
Total Capital Assets, Being Depreciated, Net	<u>71,518,301</u>	<u>(2,022,174)</u>	<u>-</u>	<u>69,496,127</u>
Governmental Activities Capital Assets, Net	<u>\$ 72,032,396</u>	<u>\$ (1,824,390)</u>	<u>\$ (342,970)</u>	<u>\$ 69,865,036</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 100,028	\$ 13,146	-	\$ 113,174
Total Capital Assets Being Depreciated	<u>100,028</u>	<u>13,146</u>	<u>-</u>	<u>113,174</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(95,571)</u>	<u>(1,126)</u>	<u>-</u>	<u>(96,697)</u>
Total Accumulated Depreciation	<u>(95,571)</u>	<u>(1,126)</u>	<u>-</u>	<u>(96,697)</u>
Total Capital Assets, Being Depreciated, Net	<u>4,457</u>	<u>12,020</u>	<u>-</u>	<u>16,477</u>
Business-Type Activities Capital Assets, Net	<u>\$ 4,457</u>	<u>\$ 12,020</u>	<u>\$ -</u>	<u>\$ 16,477</u>

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 Instruction	\$ 1,419,161
Special Education Instruction	452,924
Other Instruction	90,585
School-Sponsored/Activities and Athletics	<u>60,390</u>

Total Instruction	<u>2,023,060</u>
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Support Services

Student and Instruction Related Services	392,534
General Administrative Services	60,390
School Administrative Services	241,559
Central and Other Support Services	90,585
Plant Operations and Maintenance	181,170
Student Transportation	<u>30,195</u>

Total Support Services	<u>996,433</u>
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Total Governmental Funds	<u>\$ 3,019,493</u>
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Total Depreciation Expense - Governmental Activities	<u>\$ 3,019,493</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 1,126</u>
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Total Depreciation Expense-Business-Type Activities	<u>\$ 1,126</u>
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**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 1,269,484
General Fund	Food Service Fund	90,706
General Fund	Preschool Program Fund	<u>100,783</u>
 Total		 <u>\$ 1,460,973</u>

The above balances are the result of revenues earned or receipts deposited in one fund which are due to another fund or 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</u>	<u>Special Revenue</u>	<u>Enterprise Food Service</u>	
Transfer Out:				
General Fund		\$ 75,000	\$ 345,000	\$ 420,000
Capital Projects Fund	\$ 87	-	-	<u>87</u>
 Total Transfers	 <u>\$ 87</u>	 <u>\$ 75,000</u>	 <u>\$ 345,000</u>	 <u>\$ 420,087</u>

The above transfers are the result of revenues earned or received in one fund to finance expenditures in another fund.

F. Leases

Leases Receivable

On September 1, 2021, the District began leasing building space to a third party. The initial lease was for a two (2) years and the lease was renewed for an additional two-year term at the option of the lessee to June 30, 2025. The District will receive ten (10) monthly payments of \$15,000 annually. The District recognized \$150,000 in lease revenue for the fiscal year ended June 30, 2023, which includes interest earnings of \$4,246. As of June 30, 2023 the District's receivable for lease payments, exclusive of future interest earnings is \$278,833 for the lease term ending June 30, 2025. Also, the District has a deferred inflows of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$278,833 for the lease term ending June 30, 2025.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Leases Receivable (Continued)

The future lease revenue payments as of June 30, 2023 are as follows:

Governmental Activities:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 136,003	\$ 13,997	\$ 150,000
2025	<u>142,830</u>	<u>7,170</u>	<u>150,000</u>
Total	<u>\$ 278,833</u>	<u>\$ 21,167</u>	<u>\$ 300,000</u>

Leases Payable

On October 20, 2020, the District entered into a 39 month lease agreement as lessee for the use of photocopiers. An initial lease liability was recorded in the amount of \$102,202. The lease has an interest rate of 2.50%. The District is required to make quarterly payments of \$8,194. In addition, the District has the option to purchase the equipment for fair market value at the end of the lease term. As of June 30, 2023 the value of the lease liability was \$16,268. The equipment has a 3.25 year estimated useful life. The value of the right-to-use asset as of June 30, 2023 is \$102,202 and had accumulated depreciation of \$86,479.

The future principal and interest lease payments as of June 30, 2023 are as follows:

Governmental Activities:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 16,268</u>	<u>\$ 119</u>	<u>\$ 16,387</u>
Total	<u>\$ 16,268</u>	<u>\$ 119</u>	<u>\$ 16,387</u>

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance the acquisition of capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District's approved budget.

Capital financing agreements at June 30, 2023 are comprised of the following:

<p>\$298,055, fiscal year 2020 Agreement for the acquisition of school buses for a term of 5 years due in quarterly principal installments of \$16,090 to \$16,689 through April 15, 2024 interest at 4.90%</p>	<p>\$ 65,553</p>
<p>\$97,849, fiscal year 2020 Agreement for the acquisition of plant operations equipment for a term of 3 years due in quarterly principal installments of \$4,821 through September 15, 2023 interest at 3.97%</p>	<p>4,821</p>
<p>\$216,777, fiscal year 2022 Agreement for the acquisitions of photocopiers for a term of 4 years due in annual principal installments of \$53,674 to \$55,687 through January 20, 2025 interest at 5.75%</p>	<p>109,361</p>
<p>\$253,302 fiscal year 2023 Agreement for the acquisitions of school busses for a term of 5 years due in annual principal installments of \$33,121 to \$73,554 through January 20, 2025 interest at 3.398%</p>	<p><u>212,945</u></p>
<p>Total</p>	<p><u>\$ 392,680</u></p>

The unexpended proceeds from the capital financing agreements, including interest earned on balances which remain on deposit are held with the respective fiscal agents. The following is a summary of balances by account type as of June 30, 2023:

Acquisition of School Buses	<u>\$115,081</u>
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**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements (Continued)

Other Financing Agreements

The District entered into the following agreements to finance the purchase of certain equipment that does not meet the threshold of a capital asset and therefore are classified as expendable supplies. The repayments under these financing agreements are subject to the annual appropriation of funds in the District’s approved budget.

Other financing agreements at June 30, 2023 are comprised of the following:

\$283,828, Fiscal year 2023 Agreement for the purchase of technology supplies for a term of 52 months due in annual principal installments of \$57,520 to \$62,370 through August 1, 2027 interest at 6.57%	<u>\$ 221,458</u>
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The maturity schedule of the remaining capital and other financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	<u>Capital Agreements</u>		<u>Other Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 157,169	\$ 13,788			\$ 170,957
2025	89,933	8,199	\$ 60,372	\$ 1,347	159,851
2026	35,410	4,947	49,959	11,760	102,076
2027	36,614	3,743	53,607	8,112	102,076
2028	<u>73,554</u>	<u>2,437</u>	<u>57,520</u>	<u>4,199</u>	<u>137,710</u>
Total	<u>\$ 392,680</u>	<u>\$ 33,114</u>	<u>\$ 221,458</u>	<u>\$ 25,418</u>	<u>\$ 672,670</u>

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. 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 or other purposes permitted by statute. 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, 2023 are comprised of the following issues:

\$19,845,000, 2020 Bonds, due in annual installments of \$810,000 to \$1,345,000 through September 1, 2040, interest at 1.00% to 2.00%	<u>\$19,060,000</u>
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The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Governmental Activities:

Fiscal Year Ending

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 810,000	\$ 360,700	\$ 1,170,700
2025	835,000	352,475	1,187,475
2026	850,000	339,800	1,189,800
2027	890,000	322,400	1,212,400
2028	920,000	304,300	1,224,300
2029-2033	5,020,000	1,230,400	6,250,400
2034-2038	5,820,000	689,100	6,509,100
2039-2041	<u>3,915,000</u>	<u>118,950</u>	<u>4,033,950</u>
Total	<u>\$ 19,060,000</u>	<u>\$ 3,718,125</u>	<u>\$ 22,778,125</u>

State Aid Advance Loan Payable

In the 2018/2019 school year 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 2022/2023 school year.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

The Board's schedule of principal and interest for the State Aid Advance Loan outstanding is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	<u>State Aid Advance Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 480,000		\$ 480,000
2025	480,000		480,000
2026	480,000		480,000
2027	480,000		480,000
2028	480,000		480,000
2029	480,000	-	480,000
Total	<u>\$ 2,880,000</u>	<u>\$ -</u>	<u>\$ 2,880,000</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

4 % of Equalized Valuation Basis (Municipal)	\$ 143,095,513
Less: Net Debt Issued and Authorized But Not Issued	<u>19,060,000</u>
Remaining Borrowing Power	<u>\$ 124,035,513</u>

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, 2023 is \$7.948.

During the fiscal years ended June 30, 2023, 2022 and 2021 the Board was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

Fiscal Year Ending June 30,	<u>PERS</u>
2023	\$ 14,210
2022	14,770
2021	14,482

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	Balance, <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2023</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 19,845,000		\$ 785,000	\$ 19,060,000	\$ 810,000
Intergovernmental Loans					
Capital Financing Agreements	469,290	\$ 253,302	329,912	392,680	157,169
Other Financing Agreements	-	283,828	62,370	221,458	-
State Aid Advance Loan Payable	3,360,000		480,000	2,880,000	480,000
Compensated Absences	3,642,391		257,321	3,385,070	150,000
Leases Payable	93,709		77,441	16,268	16,268
Deferred Pension Obligation	20,708	1,450	14,210	7,948	7,948
Net Pension Liability	<u>4,731,595</u>	<u>1,399,124</u>	<u>-</u>	<u>6,130,719</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 32,162,693</u>	<u>\$ 1,937,704</u>	<u>\$ 2,006,254</u>	<u>\$ 32,094,143</u>	<u>\$ 1,621,385</u>

For the governmental activities, the liabilities for capital and other financing agreements, state aid advance loan, compensated absences, leases payable, deferred pension obligations and net pension liability are generally liquidated by the general fund.

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 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 Annual Comprehensive Financial Report.

Prior to enrollment in the State Health Benefits Plan on July 1, 2022 the District had 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. The District and its employees previously contributed to fund the entire cost of the plan. Claims are paid directly by the plan up to a maximum of 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, 2023**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

Estimates of claims payable and of claims incurred, but not reported (IBNR) for run-out claims at June 30, 2023, are reported as claims and judgments payable and 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 \$40,000 reported at June 30, 2023 is based on the requirements of the Governmental Accounting Standards Board 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 run-out claims for the prior group medical and prescription drug benefits plan for the fiscal years ended June 30, 2023 and 2022 are as follows:

Governmental Activities: or (Business-Type Activities)	<u>June 30, 2023</u>	<u>Fiscal Year Ended</u> <u>June 30, 2022</u>
Unpaid Claims, Beginning of Year	\$ 613,000	\$ 665,000
Incurred Claims	378,000	4,858,000
Claim Payments	<u>(951,000)</u>	<u>(4,910,000)</u>
Unpaid Claims, End of Year	<u>40,000</u>	<u>613,000</u>

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

The relationship between the Board and the insurance 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 funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds 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 respective 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, 2023, 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, 2023**

NOTE 4 OTHER INFORMATION (Continued)

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, 2023, 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) Annual Comprehensive Financial Report (ACFR) which can be found at 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:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon 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.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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, 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) Annual Comprehensive Financial Report (ACFR) which can be found at 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 1/55th 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 1/60th 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.

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 or TPAF 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 or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments 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.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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.

Plan Amendments

The authority to amend the provisions of the above plans rests with 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.

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.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91% The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%,

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 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 2023.

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, 2023 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 more than the actuarial determined amount. For local 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 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 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 unfunded 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>
2023	\$ 512,288	\$ 7,077,629	\$ 38,509
2022	467,754	7,198,491	34,332
2021	437,671	5,043,524	35,910

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$2,707, \$2,912 and \$3,282, 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 \$1,697,050 during the fiscal year ended June 30, 2023 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 both 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, 2021 through June 30, 2022. 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.

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, 2022 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$6,130,719 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2022. At June 30, 2022, the District's proportionate share was .04062 percent, which was an increase of .00068 percent from its proportionate share measured as of June 30, 2021 of .03994 percent.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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)

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$473,701 for PERS. The pension contribution made by the District during the current 2022/2023 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, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. 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, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 44,249	\$ 39,021
Changes of Assumptions	18,995	918,011
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	253,745	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>164,745</u>	<u>21,841</u>
Total	<u>\$ 481,734</u>	<u>\$ 978,873</u>

At June 30, 2023, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2023	\$ (467,720)
2024	(392,901)
2025	(13,535)
2026	374,338
2027	<u>2,679</u>
	<u>\$ (497,139)</u>

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

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

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and 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 rates 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 PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

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

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District’s proportionate share of the PERS net pension liability calculated using the discount rate of 7.00, as well as what the District’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 7,876,178</u>	<u>\$ 6,130,719</u>	<u>\$ 4,645,263</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability at as of the measurement date of June 30, 2022. A sensitivity analysis specific to the District’s net pension liability at June 30, 2022 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS 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.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2021 through June 30, 2022. 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, 2022, the State's pension contribution was more 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,394,274 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, 2023 the State's proportionate share of the net pension liability attributable to the District is \$88,964,174. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was .17243 percent, which was an increase of .00217 percent from its proportionate share measured as of June 30, 2021 of .17026 percent.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and 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 TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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)

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 7.00%, 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 (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 104,312,385</u>	<u>\$ 88,964,174</u>	<u>\$ 76,035,235</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District at as of the measurement date of June 30, 2022. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2022 was not provided by the pension system.

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.

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 a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified 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 multiple-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.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. 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.

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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2021:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
Total	<u>364,817</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 plan. 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.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2021 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 \$1.33 billion to the OPEB plan in fiscal year 2022.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution 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, 2023, 2022 and 2021 were \$1,859,276, \$1,681,858 and \$1,580,562, 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, 2021 through June 30, 2022. 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.

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,156,121. 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, 2023 the State's proportionate share of the OPEB liability attributable to the District is \$71,682,141. 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, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state's share of the OPEB liability attributable to the District was .14153 percent, which was a decrease of .00096 percent from its proportionate share measured as of June 30, 2021 of .14249.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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)

Actuarial Assumptions

The OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 4.25% Based on Years of Service

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

100% of active members are considered to participate in the plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This 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.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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)

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, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ <u>85,507,435</u>
Changes Recognized for the Fiscal Year:	
Service Cost	3,980,793
Interest on the Total OPEB Liability	1,899,656
Differences Between Expected and Actual Experience	1,344,934
Changes of Assumptions	(19,229,377)
Gross Benefit Payments	(1,881,665)
Contributions from the Member	60,365
Net Changes	\$ <u>(13,825,294)</u>
Balance, June 30, 2022 Measurement Date	\$ <u><u>71,682,141</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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, 2022.

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 3.54%, 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 (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>84,254,816</u>	\$ <u>71,682,141</u>	\$ <u>61,605,770</u>

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 (Continued)

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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 59,249,671</u>	<u>\$ 71,682,141</u>	<u>\$ 88,012,945</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 were not provided by the pension system.

F. Subsequent Events

Appropriation of Fund Balance

As of the date of this report the Board approved the appropriation of an additional \$696,460 of General Fund capital reserve fund balance to the 2023/24 budget.

As of the date of this report the Board approved the appropriation of an additional \$113,235 of General Fund maintenance reserve fund balance to the 2023/24 budget.

Leases Issued

On August 29, 2023, the District entered into a lease agreement in the amount of \$203,400 for the right-to-use photocopiers. The lease is for a term of 5 years at an interest rate of 5.19% with the first payment due September 25, 2023.

On September 28, 2023 the District entered into a lease agreement in the amount of 170,856 for the right-to-use photocopiers. The lease is for a term of 5 years at an interest rate of 6.0% with the first payment due August 30, 2024.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

G. 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.

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of 4,168,140 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 41,608,922		\$ 41,608,922	\$ 41,608,922	
Tuition from Individuals	78,341		78,341	107,286	\$ 28,945
Rents and Royalties	270,000		270,000	335,600	65,600
Interest				115,943	115,943
Miscellaneous	150,000	-	150,000	95,765	(54,235)
Total Local	<u>42,107,263</u>	<u>-</u>	<u>42,107,263</u>	<u>42,263,516</u>	<u>156,253</u>
State Sources					
Special Education Aid	1,826,886		1,826,886	1,826,886	-
Equalization Aid	2,573,122		2,573,122	2,573,122	-
Security Aid	75,106		75,106	75,106	-
Transportation Aid	239,630		239,630	239,630	-
Extraordinary Aid	300,000	\$ 100,000	400,000	747,672	347,672
Non-Public Transportation Aid				30,888	30,888
On-behalf TPAF Contributions (Nonbudgeted)					
Pension Benefit Contribution				6,980,779	6,980,779
Pension - NCGI Premium				96,850	96,850
Post Retirement Medical Benefit Contribution				1,859,276	1,859,276
Long-Term Disability Insurance Premium				2,707	2,707
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,697,050	1,697,050
Total State	<u>5,014,744</u>	<u>100,000</u>	<u>5,114,744</u>	<u>16,129,966</u>	<u>11,015,222</u>
Federal Sources					
Medicaid Reimbursement	44,004	-	44,004	110,245	66,241
ARRA SEMI				4,795	4,795
FEMA Reimbursement	-	-	-	17,252	17,252
Total Federal Sources	<u>44,004</u>	<u>-</u>	<u>44,004</u>	<u>132,292</u>	<u>88,288</u>
Total Revenues	<u>47,166,011</u>	<u>100,000</u>	<u>47,266,011</u>	<u>58,525,774</u>	<u>11,259,763</u>
CURRENT EXPENDITURES					
Regular Programs-Instruction					
Salaries of Teachers:					
Preschool	197,694	(3,284)	194,410	194,410	-
Kindergarten	816,664	23,948	840,612	839,882	730
Grades 1-5	4,296,888	(115,182)	4,181,706	4,180,764	942
Grades 6-8	2,957,743	(174,935)	2,782,808	2,782,808	-
Grades 9-12	4,972,311	(82,975)	4,889,336	4,889,336	-
Regular Programs-Home Instruction					
Salaries of Teachers	50,000	82,014	132,014	132,014	-
Regular Programs-Undistributed Instruction					
Other Salaries for Instruction	523,687	1,932	525,619	525,618	1
Purchased Professional Educational Services	25,000	17,611	42,611	42,610	1
Other Purchased Services	155,397	102,974	258,371	258,369	2
General Supplies	370,026	213,906	583,932	580,374	3,558
General Supplies - Acquired Under Other Financing Agreement (Nonbudgeted)				283,828	(283,828)
Textbooks	93,000	76,212	169,212	168,666	546
Total Regular Programs	<u>14,458,410</u>	<u>142,221</u>	<u>14,600,631</u>	<u>14,878,679</u>	<u>(278,048)</u>

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 990,714	\$ (36,448)	\$ 954,266	\$ 954,251	\$ 15
Other Salaries for Instruction	422,810	(112,490)	310,320	309,624	696
General Supplies	8,025	(4,323)	3,702	3,669	33
Other Objects	800	(213)	587	587	-
Total Language and/or Language Disabilities	<u>1,422,349</u>	<u>(153,474)</u>	<u>1,268,875</u>	<u>1,268,131</u>	<u>744</u>
Multiple Disabilities					
Salaries of Teachers	274,618	(26,319)	248,299	248,299	-
Other Salaries for Instruction	62,339	(12,455)	49,884	49,789	95
General Supplies	750	(500)	250	121	129
Total Multiple Disabilities	<u>337,707</u>	<u>(39,274)</u>	<u>298,433</u>	<u>298,209</u>	<u>224</u>
Resource Room/Resource Center					
Salaries of Teachers	2,052,096	68,656	2,120,752	2,120,579	173
Other Salaries for Instruction	125,683	(30,195)	95,488	95,461	27
General Supplies	5,690	(2,547)	3,143	3,073	70
Total Resource Room/Resource Center	<u>2,183,469</u>	<u>35,914</u>	<u>2,219,383</u>	<u>2,219,113</u>	<u>270</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	163,767	4,457	168,224	167,770	454
Other Salaries for Instruction	64,484	(4,533)	59,951	59,950	1
General Supplies	750	300	1,050	981	69
Total Preschool Disabilities - Part-Time	<u>229,001</u>	<u>224</u>	<u>229,225</u>	<u>228,701</u>	<u>524</u>
Home Instruction					
Purchased Professional Educational Service	26,500	4,086	30,586	29,918	668
Total Home Instruction	<u>26,500</u>	<u>4,086</u>	<u>30,586</u>	<u>29,918</u>	<u>668</u>
Total Special Education	<u>4,199,026</u>	<u>(152,524)</u>	<u>4,046,502</u>	<u>4,044,072</u>	<u>2,430</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	-	159,572	159,572	159,572	-
General Supplies	-	224	224	224	-
Total Basic Skills/Remedial - Instruction	<u>-</u>	<u>159,796</u>	<u>159,796</u>	<u>159,796</u>	<u>-</u>
Bilingual Education - Instruction					
Salaries of Teachers	349,848	3,255	353,103	352,745	358
General Supplies	-	982	982	982	-
Total Bilingual Education - Instruction	<u>349,848</u>	<u>4,237</u>	<u>354,085</u>	<u>353,727</u>	<u>358</u>

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
School Sponsored Co/Extra Curricular Activities					
Salaries	\$ 194,548	\$ 40,791	\$ 235,339	\$ 235,339	\$ -
Purchased Services	3,600	(632)	2,968	2,313	655
Supplies and Materials	43,400	(10,288)	33,112	28,370	4,742
Other Objects	1,500	(205)	1,295	750	545
Total School Sponsored Co/Extra Curricular Activities	<u>243,048</u>	<u>29,666</u>	<u>272,714</u>	<u>266,772</u>	<u>5,942</u>
School Sponsored Athletics					
Salaries	490,731	3,858	494,589	494,589	-
Purchased Services	74,000	1,826	75,826	75,826	-
Supplies and Materials	82,500	7,008	89,508	87,338	2,170
Other Objects	500	(500)	-	-	-
Total School Sponsored Athletics	<u>647,731</u>	<u>12,192</u>	<u>659,923</u>	<u>657,753</u>	<u>2,170</u>
Instructional Alt Ed Program - Instruction					
Other Objects	800	-	800	750	50
Total Instructional Alt Ed Program - Instruction	<u>800</u>	<u>-</u>	<u>800</u>	<u>750</u>	<u>50</u>
Total Instruction	<u>19,898,863</u>	<u>195,588</u>	<u>20,094,451</u>	<u>20,361,549</u>	<u>(267,098)</u>
Undistributed Expenditures					
Instruction:					
Tuition to Other LEAs Within State - Special	316,217	(83,862)	232,355	232,355	-
Tuition to County Voc. School District-Regular	421,239	(96,732)	324,507	323,605	902
Tuition to County Voc. School District-Special	279,042	(76,777)	202,265	199,830	2,435
Tuition to CSSD and Regional Day Schools	1,692,960	(505,117)	1,187,843	1,187,843	-
Tuition to Priv. School for the Disabled - Within State	1,491,967	(110,000)	1,381,967	1,373,858	8,109
Total Undistributed Expenditures- Instruction	<u>4,201,425</u>	<u>(872,488)</u>	<u>3,328,937</u>	<u>3,317,491</u>	<u>11,446</u>
Attendance and Social Work					
Salaries	80,760	(16,562)	64,198	64,198	-
Supplies and Materials	500	1	501	501	-
Total Attendance and Social Work	<u>81,260</u>	<u>(16,561)</u>	<u>64,699</u>	<u>64,699</u>	<u>-</u>
Health Services					
Salaries	824,738	(16,363)	808,375	808,375	-
Purchased Professional/Technical Services	8,773	10,735	19,508	19,508	-
Other Purchased Services	20,124	78	20,202	20,202	-
Supplies and Materials	12,400	(1,152)	11,248	11,233	15
Other Objects	-	149	149	149	-
Total Health Services	<u>866,035</u>	<u>(6,553)</u>	<u>859,482</u>	<u>859,467</u>	<u>15</u>
Speech, OT, PT, & Related Services					
Salaries	415,835	42,805	458,640	458,160	480
Purchased Professional/Educational Services	485,166	110,139	595,305	591,307	3,998
Supplies and Materials	6,900	(181)	6,719	6,696	23
Total Speech, OT, PT & Related Services	<u>907,901</u>	<u>152,763</u>	<u>1,060,664</u>	<u>1,056,163</u>	<u>4,501</u>
Other Support Services -Students- Extra Services					
Salaries	50,232	14,047	64,279	64,279	-
Purchased Professional/Educational Services	26,863	2,379	29,242	27,786	1,456
Supplies and Materials	11,000	(6,087)	4,913	4,913	-
Total Other Support Services - Students - Extra Services	<u>88,095</u>	<u>10,339</u>	<u>98,434</u>	<u>96,978</u>	<u>1,456</u>

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Guidance					
Salaries of Other Professional Staff	\$ 789,562	\$ 15,477	\$ 805,039	\$ 805,039	\$ -
Salaries of Secretarial and Clerical Assistants	89,279	(948)	88,331	88,331	-
Purchased Professional/Educational Services	32,500	50,211	82,711	82,711	-
Other Purchased Professional & Technical Services	2,400	(300)	2,100	2,100	-
Supplies and Materials	6,575	(2,356)	4,219	4,219	-
Total Guidance	<u>920,316</u>	<u>62,084</u>	<u>982,400</u>	<u>982,400</u>	<u>-</u>
Child Study Team					
Salaries of Other Professional Staff	969,061	77,234	1,046,295	1,042,951	3,344
Salaries of Secretarial and Clerical Assistants	83,113	931	84,044	84,043	1
Purchased Professional-Educational Services	310,411	(48,846)	261,565	246,013	15,552
Other Purchased Services	3,000	(1,720)	1,280	1,000	280
Supplies and Materials	9,350	2,186	11,536	11,536	-
Total Child Study Team	<u>1,374,935</u>	<u>29,785</u>	<u>1,404,720</u>	<u>1,385,543</u>	<u>19,177</u>
Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	587,191	(2,000)	585,191	585,191	-
Salaries of Secretarial and Clerical Assistants	42,861	8,932	51,793	51,793	-
Supplies and Materials	-	-	-	-	-
Other Purchased Services	525	6,007	6,532	6,532	-
Supplies and Materials	500	(500)	-	-	-
Other Objects	5,025	(333)	4,692	4,692	-
Total Improvement of Inst. Serv.	<u>636,102</u>	<u>12,106</u>	<u>648,208</u>	<u>648,208</u>	<u>-</u>
Educational Media/School Library					
Salaries	55,934	65,826	121,760	121,760	-
Supplies and Materials	8,000	(3,755)	4,245	4,191	54
Total Educational Media/School Library	<u>63,934</u>	<u>62,071</u>	<u>126,005</u>	<u>125,951</u>	<u>54</u>
Instructional Staff Training					
Salaries of Other Professional Staff	-	16,080	16,080	16,080	-
Purchased Professional-Educational Services	3,575	(3,575)	-	-	-
Other Purchased Services	30,000	(24,840)	5,160	5,160	-
Supplies and Materials	-	-	-	-	-
Total Instructional Staff Training	<u>33,575</u>	<u>(12,335)</u>	<u>21,240</u>	<u>21,240</u>	<u>-</u>
General Administration					
Salaries	610,379	4,332	614,711	614,711	-
Salaries of State Monitors	96,000	18,720	114,720	114,720	-
Repayment of Principal - NJDOE Loan	480,000	-	480,000	480,000	-
Unused Vacation Payment to Terminated/Retired Staff	-	11,751	11,751	11,751	-
Legal Services	110,000	(33,079)	76,921	76,897	24
Audit Fees	65,000	53,334	118,334	73,579	44,755
Architectural/Engineering Services	25,000	22,004	47,004	17,528	29,476
Other Purchased Professional Services	30,000	(18,165)	11,835	11,835	-
Communications/Telephone	126,864	(203)	126,661	126,036	625
BOE Other Purchased Services	4,000	(1,631)	2,369	2,369	-
Miscellaneous Purchased Services	141,700	44,714	186,414	186,414	-
General Supplies	5,000	7,463	12,463	12,463	-
BOE In-House Training / Meeting Supplies	3,000	(2,773)	227	227	-
Judgements Against the School District	-	29,890	29,890	29,890	-
Miscellaneous Expenditures	5,000	9,214	14,214	11,951	2,263
BOE Membership Dues and Fees	16,000	(682)	15,318	15,318	-
Total General Administration	<u>1,717,943</u>	<u>144,889</u>	<u>1,862,832</u>	<u>1,785,689</u>	<u>77,143</u>

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
School Administration					
Salaries of Principals/Assistant Principals	\$ 1,653,116	\$ (1,879)	\$ 1,651,237	\$ 1,651,234	\$ 3
Salaries of Secretarial and Clerical Assistants	618,720	2,413	621,133	621,133	-
Other Purchased Services	11,000	(2,506)	8,494	8,494	-
Supplies and Materials	19,950	(2,615)	17,335	17,227	108
Other Objects	12,500	(1,451)	11,049	11,049	-
Total School Administration	2,315,286	(6,038)	2,309,248	2,309,137	111
Central Services					
Salaries	608,784	(38,535)	570,249	570,249	-
Purchased Professional Services	15,500	13,371	28,871	28,871	-
Purchased Technical Services	46,220	99	46,319	46,319	-
Miscellaneous Purchased Services	4,000	(1,327)	2,673	2,673	-
Supplies and Materials	2,200	4,683	6,883	6,861	22
Miscellaneous Expenditures	-	6,396	6,396	6,374	22
Total Central Services	676,704	(15,313)	661,391	661,347	44
Admin. Info Technology					
Salaries	168,197	66,723	234,920	234,920	-
Purchased Professional Services	-	-	-	-	-
Total Admin Info Technology	168,197	66,723	234,920	234,920	-
Required Maintenance for School Facilities					
Salaries	558,758	31,635	590,393	590,393	-
Cleaning, Repair and Maintenance Services	158,893	275,181	434,074	379,626	54,448
General Supplies	48,800	6,700	55,500	53,657	1,843
Other Objects	-	860	860	860	-
Total Required Maintenance for School Facilities	766,451	314,376	1,080,827	1,024,536	56,291
Custodial Services					
Salaries	1,332,661	262,848	1,595,509	1,595,509	-
Cleaning, Repair and Maintenance Services	193,284	(23,065)	170,219	170,081	138
Rental of Land and Building Other Than Lease Purchase Agreement	500,000	(143,281)	356,719	356,719	-
Other Purchased Property Services	21,008	(1)	21,007	21,007	-
Insurance	290,000	71,177	361,177	361,177	-
General Supplies	84,925	(21,713)	63,212	63,074	138
Energy (Natural Gas)	456,000	(152,138)	303,862	303,725	137
Energy (Electricity)	510,540	(14,210)	496,330	468,808	27,522
Energy (Gasoline)	15,000	1,234	16,234	16,234	-
Other Objects	6,000	(3,916)	2,084	2,084	-
Total Custodial Services	3,409,418	(23,065)	3,386,353	3,358,418	27,935
Care and Upkeep of Grounds					
Salaries	71,982	30,927	102,909	102,909	-
Cleaning, Repair, and Maintenance Svc.	26,000	86,114	112,114	80,409	31,705
General Supplies	15,000	2,632	17,632	17,543	89
Total Care and Upkeep of Grounds	112,982	119,673	232,655	200,861	31,794
Security					
Salaries	210,000	(121,131)	88,869	88,831	38
Purchased Professional/Technical Services	-	63,577	63,577	63,577	-
Total Security	210,000	(57,554)	152,446	152,408	38

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Student Transportation Services					
Salaries of Non-Instructional Aides	\$ 49,170	\$ 12,429	\$ 61,599	\$ 61,599	\$ -
Sal. For Pupil Transportation (Bet. Home & Sch)-Reg.	113,929	(8,339)	105,590	105,590	-
Sal. For Pupil Transportation (Bet. Home & Sch)-Spec.	53,929	(2,020)	51,909	51,909	-
Sal. For Pupil Transportation (Other Than Bet. Home & Sch)	20,000	84,032	104,032	104,031	1
Cleaning, Repair & Maint. Services	30,000	69,717	99,717	99,717	-
Lease Purchase Payments - School Buses	117,573	8,607	126,180	126,180	-
Contr. Serv. Aid in Lieu Payments-Non Public	106,000	14,574	120,574	120,574	-
Contr. Serv. Aid in Lieu Payments-Charter Sch.	10,000	(4,890)	5,110	5,110	-
Contr. Serv. (Bet Home & Sch)-Vendor	2,500	822	3,322	1,322	2,000
Contr. Serv. (Other Than Bet Home & Sch)-Vendor	50,000	(38,821)	11,179	11,179	-
Contr. Serv. (Bet. Home & Sch)-Joint Agreements	100,000	100,000	200,000	199,477	523
Contr. Serv. (Spec. Ed. Students)-Joint Agreements	812,000	267,371	1,079,371	1,072,457	6,914
Miscellaneous Purchased Services - Transportation	-	1,266	1,266	1,266	-
Transportation Supplies	16,000	11,763	27,763	27,763	-
Other Objects	1,000	1,964	2,964	2,964	-
Total Student Transportation Services	<u>1,482,101</u>	<u>518,475</u>	<u>2,000,576</u>	<u>1,991,138</u>	<u>9,438</u>
Unallocated Employee Benefits					
Social Security Contributions	489,000	128,768	617,768	617,768	-
Other Retirement Contributions - PERS	470,000	42,288	512,288	512,288	-
Other Retirement Contributions - Deferred PERS Pymt	15,000	(790)	14,210	14,210	-
Other Retirement Contributions - DCRP	35,000	3,509	38,509	38,509	-
Unemployment Compensation	90,000	5,595	95,595	95,595	-
Workmen's Compensation	166,020	(8,847)	157,173	157,172	1
Health Benefits	4,969,073	11,582	4,980,655	4,978,917	1,738
Other Employee Benefits	458,500	(122,766)	335,734	334,438	1,296
Unused Sick Payments to Terminated/Retired Staff	80,000	97,208	177,208	177,208	-
Total Unallocated Employee Benefits	<u>6,772,593</u>	<u>156,547</u>	<u>6,929,140</u>	<u>6,926,105</u>	<u>3,035</u>
On-behalf TPAF Contributions (Nonbudgeted)					
Pension Benefit Contribution				6,980,779	(6,980,779)
Pension - NCGI Premium				96,850	(96,850)
Post Retirement Medical Benefit Contribution				1,859,276	(1,859,276)
Long-Term Disability Insurance Premium				2,707	(2,707)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,697,050	(1,697,050)
Total TPAF On-Behalf	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,636,662</u>	<u>(10,636,662)</u>
Total Undistributed Expenditures	<u>26,805,253</u>	<u>639,924</u>	<u>27,445,177</u>	<u>37,839,361</u>	<u>(10,394,184)</u>
Total Current Expenditures	<u>46,704,116</u>	<u>835,512</u>	<u>47,539,628</u>	<u>58,200,910</u>	<u>(10,661,282)</u>
CAPITAL OUTLAY					
Equipment					
School Sponsored and Other Instructional Program		7,950	7,950	14,287	(6,337)
Undistributed Expenditures					
Instruction	-	18,000	18,000	18,000	-
Undistrib. Expend. - Security	-	13,124	13,124	13,016	108
Total Equipment	<u>-</u>	<u>39,074</u>	<u>39,074</u>	<u>45,303</u>	<u>(6,229)</u>

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CAPITAL OUTLAY (Continued)					
Facilities Acquisition and Construction Services					
Other Purchased Prof. and Tech. Services		119,660	119,660	22,995	96,665
Construction Services		456,213	456,213	393,293	62,920
Land and Improvements		99,307	99,307	99,307	-
Assessment for Debt Service on SDA Funding	\$ 24,331	-	24,331	24,331	-
Total Facilities Acquisition and Construction Services	<u>24,331</u>	<u>675,180</u>	<u>699,511</u>	<u>539,926</u>	<u>159,585</u>
 Total Capital Outlay	<u>24,331</u>	<u>714,254</u>	<u>738,585</u>	<u>585,229</u>	<u>153,356</u>
Transfer Funds to Charter Schools	<u>302,564</u>	<u>(137,641)</u>	<u>164,923</u>	<u>164,923</u>	<u>-</u>
Total Expenditures	<u>47,031,011</u>	<u>1,412,125</u>	<u>48,443,136</u>	<u>58,951,062</u>	<u>(10,507,926)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>135,000</u>	<u>(1,312,125)</u>	<u>(1,177,125)</u>	<u>(425,288)</u>	<u>751,837</u>
Other Financing Sources/(Uses)					
Other Financing Agreement Proceeds (Non Budget)				283,828	283,828
Transfer In - Capital Projects Fund				87	87
Transfer Out - Special Revenue Fund	(85,000)	10,000	(75,000)	(75,000)	-
Transfer Out - Food Service Fund	(50,000)	(265,194)	(315,194)	(345,000)	(29,806)
Total Other Financing Sources/(Uses)	<u>(135,000)</u>	<u>(255,194)</u>	<u>(390,194)</u>	<u>(136,085)</u>	<u>254,109</u>
Net Change in Fund Balances	-	(1,567,319)	(1,567,319)	(561,373)	1,005,946
Fund Balances, Beginning of Year	<u>3,563,125</u>	<u>-</u>	<u>3,563,125</u>	<u>3,563,125</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 3,563,125</u>	<u>\$ (1,567,319)</u>	<u>\$ 1,995,806</u>	<u>\$ 3,001,752</u>	<u>\$ 1,005,946</u>
Recapitulation of Fund Balances					
Restricted Fund Balance					
Legally Restricted - Disallowed Grant Costs				\$ 301,224	
Capital Reserve				1,001,370	
Maintenance Reserve				286,878	
Assigned Fund Balance					
Year End Encumbrances				312,136	
Unassigned Fund Balance				<u>1,100,144</u>	
Fund Balance - Budgetary Basis				3,001,752	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Revenue Not Recognized on GAAP Basis				<u>(1,076,703)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>1,925,049</u>	

**LYNDHURST BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local		\$ 621,503	\$ 621,503	\$ 611,107	\$ (10,396)
State	\$ 299,727	229,008	528,735	464,842	(63,893)
Federal	1,029,962	2,387,367	3,417,329	2,718,658	(698,671)
Total Revenues	<u>1,329,689</u>	<u>3,237,878</u>	<u>4,567,567</u>	<u>3,794,607</u>	<u>(772,960)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	87,460	435,875	523,335	472,890	50,445
Other Salaries for Instruction	-	579	579	579	-
Purchased Professional and Technical Services	169,948	68,041	237,989	220,661	17,328
Purchased Professional and Educational Services	-	8,400	8,400	8,275	125
Other Purchased Services	585,087	354,616	939,703	937,151	2,552
General Supplies	60,983	226,352	287,335	270,588	16,747
Textbooks	14,453	6,007	20,460	20,460	-
Co-Curricular / Extracurricular Activities	-	478,338	478,338	478,338	-
Athletic Activities	-	96,374	96,374	96,374	-
Other Objects	-	1,300	1,300	677	623
Total Instruction	<u>917,931</u>	<u>1,675,882</u>	<u>2,593,813</u>	<u>2,505,993</u>	<u>87,820</u>
Support Services					
Salaries	6,583	274,229	280,812	89,561	191,251
Salaries of Other Professional Staff	-	116,062	116,062	31,062	85,000
Salaries of Secretaries and Clerical Assistants	-	50,188	50,188	50,188	-
Personnel Services - Employee Benefits	32,741	278,194	310,935	233,171	77,764
Purchased Professional and Technical Services	78,439	257,864	336,303	258,592	77,711
Purchased Professional - Educational Services	270,820	125,252	396,072	331,222	64,850
Cleaning, Repair and Maintenance Services	-	30,472	30,472	30,472	-
Rentals	-	245	245	245	-
Other Purchased Services	16,457	158,065	174,522	171,273	3,249
Supplies and Materials	4,558	127,725	132,283	77,225	55,058
Scholarship Awards	-	73,537	73,537	73,537	-
Total Support Services	<u>409,598</u>	<u>1,491,833</u>	<u>1,901,431</u>	<u>1,296,360</u>	<u>605,071</u>
Capital Outlay					
Construction Services	-	127,733	127,733	53,050	74,683
Instructional Equipment	2,160	(2,160)	-	-	-
Non- Instructional Equipment	-	19,590	19,590	19,590	-
Total Capital Outlay	<u>2,160</u>	<u>145,163</u>	<u>147,323</u>	<u>72,640</u>	<u>74,683</u>
Total Expenditures	<u>1,329,689</u>	<u>3,312,878</u>	<u>4,642,567</u>	<u>3,874,993</u>	<u>767,574</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>-</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>(80,386)</u>	<u>(5,386)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	75,000	75,000	75,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Net Changes in Fund Balances	-	-	-	(5,386)	(5,386)
Fund Balance, Beginning of Year	398,886	-	398,886	398,886	-
Fund Balance, End of Year	<u>398,886</u>	<u>-</u>	<u>398,886</u>	<u>393,500</u>	<u>(5,386)</u>
Recapitulation of Fund Balance					
Restricted					
Student Activities				\$ 268,100	
Scholarships				<u>125,400</u>	
				<u>\$ 393,500</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, 2023**

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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1, C-2)	\$ 58,525,774	\$ 3,794,607
Difference - Budget to GAAP:		
State Aid payments recognized for GAAP purposes not recognized for budgetary statements (2021/2022 State Aid)	967,424	
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2022/2023 State Aid)	(1,076,703)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances - June 30, 2023		(63,884)
Encumbrances - June 30, 2022, net of cancellations	-	<u>153,159</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)	<u>\$ 58,416,495</u>	<u>\$ 3,883,882</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 58,951,062	\$ 3,874,993
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, 2023		(63,884)
Encumbrances - June 30, 2022, net of cancellations	-	<u>153,159</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 58,951,062</u>	<u>\$ 3,964,268</u>

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 Ten Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	.04062%	.03994%	.04001%	.03949%	0.03927%	0.03978%	0.04315%	0.04463%	0.04201%	0.04281%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,130,719	\$ 4,731,595	\$ 6,524,298	\$ 7,115,362	\$ 7,731,520	\$ 9,259,540	\$ 12,781,011	\$ 10,020,439	\$ 7,865,935	\$ 8,181,446
District's Covered-Employee Payroll	\$ 3,360,452	\$ 3,001,620	\$ 2,931,262	\$ 2,962,592	\$ 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	182.44%	157.63%	222.58%	240.17%	272.41%	336.43%	461.38%	337.37%	267.03%	299.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	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.

LYNDHURST BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 512,288	\$ 467,754	\$ 437,671	\$ 384,116	\$ 390,582	\$ 368,495	\$ 383,375	\$ 383,771	\$ 336,068	\$ 352,397
Contributions in Relation to the Contractually Required Contribution	<u>(512,288)</u>	<u>(467,754)</u>	<u>(437,671)</u>	<u>(384,116)</u>	<u>(390,582)</u>	<u>(368,495)</u>	<u>(383,375)</u>	<u>(383,771)</u>	<u>(336,068)</u>	<u>(352,397)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>									
District's Covered-Employee Payroll	\$ 3,664,002	\$ 3,360,452	\$ 3,001,529	\$ 2,931,262	\$ 2,962,592	\$ 2,838,200	\$ 2,752,274	\$ 2,770,142	\$ 2,970,168	\$ 2,945,693
Contributions as a Percentage of Covered-Employee Payroll	13.98%	13.92%	14.58%	13.10%	13.18%	12.98%	13.93%	13.85%	11.31%	11.96%

**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 Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<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)	0.00%	0.00%	0.00%	0.00%	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>88,964,174</u>	<u>81,854,529</u>	<u>118,361,592</u>	<u>107,527,548</u>	<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>
Total	<u>\$ 88,964,174</u>	<u>\$ 81,854,529</u>	<u>\$ 118,361,592</u>	<u>\$ 107,527,548</u>	<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>
District's Covered Payroll	\$ 20,749,795	\$ 19,616,743	\$ 18,897,150	\$ 18,556,187	\$ 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 Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	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.

**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, 2023**

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 Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 3,980,793	\$ 4,632,914	\$ 2,795,403	\$ 2,603,844	\$ 2,819,791	\$ 3,385,082
Interest on Total OPEB Liability	1,899,656	2,218,153	2,208,890	2,713,542	2,823,300	2,442,776
Changes of Benefit Terms	-	(91,012)		-	-	-
Differences Between Expected and Actual Experience	1,344,934	(17,283,786)	15,313,574	(11,690,490)	(4,529,198)	-
Changes of Assumptions	(19,229,377)	84,360	17,834,995	911,495	(7,851,005)	(10,162,066)
Gross Benefit Payments	(1,881,665)	(1,747,283)	(1,699,786)	(1,876,594)	(1,829,402)	(1,946,151)
Contribution from the Member	<u>60,365</u>	<u>56,707</u>	<u>51,520</u>	<u>55,627</u>	<u>63,227</u>	<u>71,662</u>
Net Change in Total OPEB Liability	(13,825,294)	(12,129,947)	36,504,596	(7,282,576)	(8,503,287)	(6,208,697)
Total OPEB Liability - Beginning	<u>85,507,435</u>	<u>97,637,382</u>	<u>61,132,786</u>	<u>68,415,362</u>	<u>76,918,649</u>	<u>83,127,346</u>
Total OPEB Liability - Ending	<u>\$ 71,682,141</u>	<u>\$ 85,507,435</u>	<u>\$ 97,637,382</u>	<u>\$ 61,132,786</u>	<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>71,682,141</u>	<u>85,507,435</u>	<u>97,637,382</u>	<u>61,132,786</u>	<u>68,415,362</u>	<u>76,918,649</u>
Total OPEB Liability - Ending	<u>\$ 71,682,141</u>	<u>\$ 85,507,435</u>	<u>\$ 97,637,382</u>	<u>\$ 61,132,786</u>	<u>\$ 68,415,362</u>	<u>\$ 76,918,649</u>
District's Covered Payroll	\$ 24,110,247	\$ 22,618,363	\$ 21,828,412	\$ 21,518,779	\$ 21,924,307	\$ 21,024,163
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	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, 2023**

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, 2023

REVENUES	IDEA <u>Basic</u>	IDEA <u>Preschool</u>	ARP IDEA <u>Basic</u>	<u>Title I</u>	<u>Title II A</u>	<u>Title III</u>	Title III <u>Immigrant</u>	<u>ACSERS</u>	To Exhibit <u>E-1D</u>
Local									
State									
Federal	\$ 707,694	\$ 30,134	\$ 125	\$ 362,886	\$ 88,158	\$ 12,238	\$ 9,310	\$ 505,079	\$ 1,715,624
Total Revenues	<u>\$ 707,694</u>	<u>\$ 30,134</u>	<u>\$ 125</u>	<u>\$ 362,886</u>	<u>\$ 88,158</u>	<u>\$ 12,238</u>	<u>\$ 9,310</u>	<u>\$ 505,079</u>	<u>\$ 1,715,624</u>
EXPENDITURES									
Instruction									
Salaries of Teachers				\$ 92,635	\$ -	\$ 2,118	\$ -	\$ 24,381	\$ 119,134
Other Salaries for Instruction								579	579
Purchased Professional and Technical Services				217,571					217,571
Purchased Professional and Educational Services		8,275							8,275
Other Purchased Services	\$ 610,000	\$ 21,859	\$ -					305,292	937,151
General Supplies	60,499	-	125	4,536	-	4,810	2,110		72,080
Textbooks									-
Co-Curricular / Extracurricular Activities									-
Athletic Activities									-
Other Objects	-	-	-	-	-	-	677	-	677
Total Instruction	<u>670,499</u>	<u>30,134</u>	<u>125</u>	<u>314,742</u>	<u>-</u>	<u>6,928</u>	<u>2,787</u>	<u>330,252</u>	<u>1,355,467</u>
Support Services									
Salaries	-				10,511		1,400	802	12,713
Salaries of Other Professional Staff								8,562	8,562
Personal Services - Employee Benefits				\$ 48,144	804	162	107		49,217
Purchased Professional and Technical Services	-			-	62,401	\$ -		1,950	64,351
Purchased Professional - Educational Services	37,195							10,368	47,563
Cleaning, Repair, and Maintenance Services									-
Rentals									-
Other Purchased Services	-				14,382	2,750	750	153,145	171,027
Supplies and Materials	-	-	-	-	60	2,398	4,266	-	6,724
Scholarship Awards	-	-	-	-	-	-	-	-	-
Total Support Services	<u>37,195</u>	<u>-</u>	<u>-</u>	<u>48,144</u>	<u>88,158</u>	<u>5,310</u>	<u>6,523</u>	<u>174,827</u>	<u>360,157</u>
Capital Outlay									
Construction Services									
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 707,694</u>	<u>\$ 30,134</u>	<u>\$ 125</u>	<u>\$ 362,886</u>	<u>\$ 88,158</u>	<u>\$ 12,238</u>	<u>\$ 9,310</u>	<u>\$ 505,079</u>	<u>\$ 1,715,624</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LYNDHURST BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ARP ESSER III				CRRSA ESSER II				To Exhibit E-1D
	ESSER III	Accelerated Learning Coaching & Educator Support	Evidence Based Comp. Beyond the School Day	NJTSS Mental Heath Support	ESSER II	Learning Acceleration	Mental Health	SDA Emer Needs	
REVENUES									
Local									
State									
Federal	\$ 433,016	\$ 105,700	\$ 17,555	\$ 22,500	\$ 382,899	\$ 21,501	\$ 19,863	\$ 84,268	\$ 84,268
Total Revenues	\$ 433,016	\$ 105,700	\$ 17,555	\$ 22,500	\$ 382,899	\$ 21,501	\$ 19,863	\$ 84,268	\$ 1,087,302
EXPENDITURES									
Instruction									
Salaries of Teachers	\$ 263,290		\$ 10,955		\$ 41,786	\$ 5,425			\$ 321,456
Other Salaries for Instruction									-
Purchased Professional and Technical Services					1,440	1,650			3,090
Purchased Professional and Educational Services									-
Other Purchased Services									-
General Supplies	6,090				167,078	4,569			177,737
Textbooks									-
Co-Curricular / Extracurricular Activities									-
Athletic Activities									-
Other Objects	-	-	-	-	-	-	-	-	-
Total Instruction	269,380	-	10,955	-	210,304	11,644	-	-	502,283
Support Services									
Salaries	-		6,600		63,648	6,600	-		76,848
Salaries of Other Professional Staff				\$ 22,500					22,500
Personnel Services - Employee Benefits	129,084		-		54,870	-			183,954
Purchased Professional and Technical Services	-	\$ 105,700			2,879	2,900	17,227	-	128,706
Purchased Professional - Educational Services									-
Cleaning, Repair and Maintenance Services								\$ 30,472	30,472
Rentals					\$ 245				245
Other Purchased Services	-					246			246
Supplies and Materials	\$ 15,708				50,953	111	2,636	-	69,408
Scholarship Awards	-				-	-	-	-	-
Total Support Services	144,792	105,700	6,600	22,500	172,595	9,857	19,863	30,472	512,379
Capital Outlay									
Construction Services	\$ 18,844		\$ -					\$ 34,206	\$ 53,050
Non-Instructional Equipment	-	-	-	-	-	-	-	19,590	19,590
Total Capital Outlay	18,844	-	-	-	-	-	-	53,796	72,640
Total Expenditures	\$ 433,016	\$ 105,700	\$ 17,555	\$ 22,500	\$ 382,899	\$ 21,501	\$ 19,863	\$ 84,268	\$ 1,087,302
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Net Changes in Fund Balances	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LYNDHURST BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Nonpublic Chapter 192</u>		<u>Nonpublic Chapter 193</u>		<u>Supplemental Instruction</u>	<u>Nonpublic Textbook</u>	<u>Nonpublic Technology</u>	<u>Nonpublic Nursing</u>	<u>To Exhibit E-1D</u>
	<u>Compensatory Education</u>	<u>ESL</u>	<u>Examination & Classification</u>	<u>Corrective Speech</u>					
REVENUES									
Local									\$ -
State	\$ 147,257	\$ 15,135	\$ 33,170	\$ 34,875	\$ 18,502	\$ 20,460	\$ 13,020	\$ 34,720	\$ 317,139
Federal	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 147,257	\$ 15,135	\$ 33,170	\$ 34,875	\$ 18,502	\$ 20,460	\$ 13,020	\$ 34,720	\$ 317,139
EXPENDITURES									
Instruction									
Salaries of Teachers									\$ -
Other Salaries for Instruction									-
Purchased Professional and Technical Services									-
Purchased Professional and Educational Services									-
Other Purchased Services									-
General Supplies							13,020		13,020
Textbooks						20,460			20,460
Co-Curricular / Extracurricular Activities									-
Athletic Activities									-
Other Objects	-	-	-	-	-	-	-	-	-
Total Instruction	-	-	-	-	-	20,460	13,020	-	33,480
Support Services									
Salaries									-
Salaries of Other Professional Staff									-
Personnel Services - Employee Benefits									-
Purchased Professional and Technical Services									-
Purchased Professional - Educational Services	\$ 147,257	\$ 15,135	\$ 33,170	\$ 34,875	\$ 18,502			\$ 34,720	283,659
Cleaning, Repair, and Maintenance Services									-
Rentals									-
Other Purchased Services									-
Supplies and Materials									-
Scholarship Awards									-
Total Support Services	147,257	15,135	33,170	34,875	18,502	-	-	34,720	283,659
Capital Outlay									
Construction Services									-
Non-Instructional Equipment									-
Total Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 147,257	\$ 15,135	\$ 33,170	\$ 34,875	\$ 18,502	\$ 20,460	\$ 13,020	\$ 34,720	\$ 317,139
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)									
Transfers In									-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Net Changes in Fund Balances	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LYNDHURST BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

REVENUES	Nonpublic <u>Security</u>	Local Grant <u>Programs</u>	Student <u>Activities</u>	<u>Scholarships</u>	Exhibit E-1A <u>Subtotal</u>	Exhibit E-1B <u>Subtotal</u>	Exhibit E-1C <u>Subtotal</u>	<u>Total</u>
Local		\$ 42,151	\$ 508,756	\$ 60,200	-	-	-	\$ 611,107
State	\$ 63,435				-	84,268	317,139	464,842
Federal	-	-	-	-	1,715,624	1,003,034	-	2,718,658
Total Revenues	\$ 63,435	\$ 42,151	\$ 508,756	\$ 60,200	\$ 1,715,624	\$ 1,087,302	\$ 317,139	\$ 3,794,607
EXPENDITURES								
Instruction								
Salaries of Teachers		\$ 32,300			\$ 119,134	\$ 321,456	-	\$ 472,890
Other Salaries for Instruction					579	-	-	579
Purchased Professional and Technical Services					217,571	3,090	-	220,661
Purchased Professional and Educational Services					8,275	-	-	8,275
Other Purchased Services	-				937,151	-	-	937,151
General Supplies		7,751			72,080	177,737	13,020	270,588
Textbooks					-	-	20,460	20,460
Co-Curricular / Extracurricular Activities			478,338		-	-	-	478,338
Athletic Activities			96,374		-	-	-	96,374
Other Objects	-	-	-	-	677	-	-	677
Total Instruction	-	40,051	574,712	-	1,355,467	502,283	33,480	2,505,993
Support Services								
Salaries					12,713	76,848	-	89,561
Salaries of Other Professional Staff					8,562	22,500	-	31,062
Personnel Services - Employee Benefits					49,217	183,954	-	233,171
Purchased Professional and Technical Services	63,435	\$ 2,100			64,351	128,706	-	258,592
Purchased Professional - Educational Services	-				47,563	-	283,659	331,222
Cleaning, Repair and Maintenance Services					-	30,472	-	30,472
Rentals					-	245	-	245
Other Purchased Services					171,027	246	-	171,273
Supplies and Materials				1,093	6,724	69,408	-	77,225
Scholarship Awards	-	-	-	73,537	-	-	-	73,537
Total Support Services	63,435	2,100	-	74,630	360,157	512,379	283,659	1,296,360
Capital Outlay								
Construction Services						\$ 53,050	-	53,050
Non- Instructional Equipment	\$ -	-	\$ -	\$ -	\$ -	19,590	-	19,590
Total Capital Outlay	-	-	-	-	-	72,640	-	72,640
Total Expenditures	\$ 63,435	\$ 42,151	\$ 574,712	\$ 74,630	\$ 1,715,624	\$ 1,087,302	\$ 317,139	\$ 3,874,993
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	(65,956)	(14,430)	-	-	-	(80,386)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	75,000	-	-	-	-	75,000
Total Other Financing Sources (Uses)	-	-	75,000	-	-	-	-	75,000
Net Changes in Fund Balances	-	-	9,044	(14,430)	-	-	-	(5,386)
Fund Balance, Beginning of Year	-	-	259,056	139,830	-	-	-	398,886
Fund Balance, End of Year	\$ -	\$ -	\$ 268,100	\$ 125,400	\$ -	\$ -	\$ -	\$ 393,500

**LYNDHURST BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2023</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Acquisition of School Buses	<u>259,502</u>	\$ -	\$ <u>144,421</u>	<u>115,081</u>
	<u>\$ 259,502</u>	<u>\$ -</u>	<u>\$ 144,421</u>	<u>\$ 115,081</u>
 <u>Reconciliation to GAAP Basis</u>				
Project Balance, June 30, 2023				\$ <u>115,081</u>
Fund Balance, June 30, 2023 - GAAP Basis				\$ <u>115,081</u>
 <u>Recapitulation of Fund Balance</u>				
Restricted for Capital Projects				
Available for Capital Projects				\$ <u>115,081</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, 2023**

Revenues and Other Financing Sources

Revenues:

Local Sources - Interest	\$ 87
Local Sources - Dividends	6,200
Other Financing Sources	
Capital Lease Proceeds	<u>253,302</u>

Total Revenues and Other Financing sources	<u>259,589</u>
--------------------------------------------	----------------

Expenditures and Other Financing Uses

Expenditures:

Equipment - School Buses	144,421
Other Financing Uses	
Transfer Out - General Fund	<u>87</u>

Total Expenditures and Other Financing Uses	<u>144,508</u>
---------------------------------------------	----------------

Excess (Deficiency) of Revenues and Other Financing Sources

Over (Under) Expenditures and Other Financing Uses	115,081
----------------------------------------------------	---------

Fund Balance, Beginning of Year

<u>-</u>

Fund Balance, End of Year

<u>115,081</u>

Reconciliation to GAAP Basis

Fund Balance - Budgetary Basis

<u>115,081</u>

Fund Balance - GAAP Basis

<u>115,081</u>

LYNDHURST BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
ACQUISITION OF SCHOOL BUSES
FROM INCEPTION THROUGH JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenues and Other Financing Sources				
Capital Lease Proceeds	-	\$ 253,302	\$ 253,302	\$ 253,302
Dividends on Investments	-	6,200	6,200	6,200
Total Revenues and Other Financing Sources	-	259,502	259,502	259,502
Expenditures				
Equipment - School Buses	-	144,421	144,421	259,502
Total Expenditures	-	144,421	144,421	259,502
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 115,081	\$ 115,081	\$ -

ENTERPRISE FUND

SCHEDULE G-1

**LYNDHURST BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**LYNDHURST BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<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, 2022</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2023</u>						
2020 School Bonds	9/1/2020	19,845,000	9/1/2023	810,000	1.00%										
			9/1/2024	835,000	1.00%										
			9/1/2025	850,000	2.00%										
			9/1/2026	890,000	2.00%										
			9/1/2027	920,000	2.00%										
			9/1/2028	950,000	2.00%										
			9/1/2029	970,000	2.00%										
			9/1/2030	1,000,000	2.00%										
			9/1/2031	1,035,000	2.00%										
			9/1/2032	1,065,000	2.00%										
			9/1/2033	1,100,000	2.00%										
			9/1/2034	1,130,000	2.00%										
			9/1/2035	1,160,000	2.00%										
			9/1/2036	1,200,000	2.00%										
			9/1/2037	1,230,000	2.00%										
			9/1/2038	1,270,000	2.00%										
			9/1/2039	1,300,000	2.00%										
			9/1/2040	1,345,000	2.00%										
												\$ 19,845,000	\$ -	785,000	\$ 19,060,000

Paid by Budget Appropriation \$ 785,000

LYNDHURST BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS, OTHER FINANCING
AGREEMENT AND LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Amount of Original Issue	Interest Rate	Balance, July 1, 2022	Issued	Retired	Balance, June 30, 2023
<u>Capital Financing Agreements</u>						
2017 Copiers	\$ 199,805	4.72%	\$ 43,583		\$ 43,583	\$ -
2018 Copiers	145,706	4.80%	31,986		31,986	-
2018 Copiers	145,706	4.80%	31,984		31,984	-
2019 School Buses	298,055	4.90%	127,991		62,438	65,553
2020 Copiers	139,473	4.40%	48,547		48,547	-
2020 Various Equipment (Plant Operations)	97,849	3.97%	24,104		19,283	4,821
2022 Copiers	216,777	5.75%	161,095		51,734	109,361
2023 Buses Lease	253,302	3.40%	-	\$ 253,302	40,357	212,945
Total Capital Financing Agreements			<u>\$ 469,290</u>	<u>\$ 253,302</u>	<u>\$ 329,912</u>	<u>\$ 392,680</u>
<u>Other Financing Agreement</u>						
2023 Technology Supplies	283,828	6.57%	\$ -	\$ 283,828	\$ 62,370	\$ 221,458

LYNDHURST BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS, OTHER FINANCING
AGREEMENT AND LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Amount of Original Issue	Interest Rate	Balance, July 1, 2022	Issued	Retired	Balance, June 30, 2023
<u>Leases Payable</u>						
2018 Copier Lease	214,494	3.00%	45,507		45,507	-
2020 Copier Lease	102,202	2.50%	<u>48,202</u>	<u>-</u>	<u>31,934</u>	<u>16,268</u>
Total Leases Payable			<u>\$ 93,709</u>	<u>\$ -</u>	<u>\$ 77,441</u>	<u>\$ 16,268</u>
				Paid by Budget Appropriation	<u>\$ 469,723</u>	

**LYNDHURST BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 807,469	-	\$ 807,469	\$ 807,469	-
State Sources					
Debt Service Aid	<u>211,876</u>	<u>-</u>	<u>211,876</u>	<u>211,876</u>	<u>-</u>
Total Revenues	<u>1,019,345</u>	<u>-</u>	<u>1,019,345</u>	<u>1,019,345</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest on Bonds	368,675		368,675	368,675	\$ -
Redemption of Bond Principal	<u>785,000</u>	<u>-</u>	<u>785,000</u>	<u>785,000</u>	<u>-</u>
Total Expenditures	<u>1,153,675</u>	<u>-</u>	<u>1,153,675</u>	<u>1,153,675</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(134,330)</u>	<u>-</u>	<u>(134,330)</u>	<u>(134,330)</u>	<u>-</u>
OTHER FINANCING SOURCES					
Transfers In - Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(134,330)</u>	<u>-</u>	<u>(134,330)</u>	<u>(134,330)</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>134,330</u>	<u>-</u>	<u>134,330</u>	<u>134,330</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the District'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 District'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 District's current levels of outstanding debt and the District'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 District'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 annual comprehensive financial reports for the relevant year.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment In Capital Assets	\$ 19,818,725	\$ 16,616,775	\$ 20,252,716	\$ 17,450,063	\$ 17,736,926	\$ 98,561	\$ 722,011	\$ 52,128,884	\$ 51,624,397	\$ 50,511,169
Restricted					45,650	139,612	1,095,818	2,415,800	2,292,318	1,681,748
Unrestricted	(2,507,090)	(10,044,030)	(13,247,268)	(15,753,809)	(17,651,548)	(16,794,105)	(15,397,141)	(14,415,956)	(13,962,164)	(12,617,862)
Total Governmental Activities Net Position	\$ 17,311,635	\$ 6,572,745	\$ 7,005,448	\$ 1,696,254	\$ 131,028	\$ (16,555,932)	\$ (13,579,312)	\$ 40,128,728	\$ 39,954,551	\$ 39,575,055
Business-Type Activities										
Net Investment In Capital Assets				\$ 3,295	\$ 2,030	\$ 3,192	\$ 2,136	\$ 5,583	\$ 4,457	\$ 16,477
Restricted										
Unrestricted	\$ 1,930	\$ 298	\$ 819	(21,300)	8,341	19,556	26,583	545,802	194,855	8,192
Total Business-Type Activities Net Position	\$ 1,930	\$ 298	\$ 819	\$ (18,005)	\$ 10,371	\$ 22,748	\$ 28,719	\$ 551,385	\$ 199,312	\$ 24,669
District-Wide										
Net Investment In Capital Assets	\$ 19,818,725	\$ 16,616,775	\$ 20,252,716	\$ 17,453,358	\$ 17,738,956	\$ 101,753	\$ 724,147	\$ 52,134,467	\$ 51,628,854	\$ 50,527,646
Restricted	-	-	-	-	45,650	139,612	1,095,818	2,415,800	2,292,318	1,681,748
Unrestricted	(2,505,160)	(10,043,732)	(13,246,449)	(15,775,109)	(17,643,207)	(16,774,549)	(15,370,558)	(13,870,154)	(13,767,309)	(12,609,670)
Total District Net Position	\$ 17,313,565	\$ 6,573,043	\$ 7,006,267	\$ 1,678,249	\$ 141,399	\$ (16,533,184)	\$ (13,550,593)	\$ 40,680,113	\$ 40,153,863	\$ 39,599,724

Note 1 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Note 2 - Net Position at June 30, 2019 is restated to reflect corrections to capital assets values and unrecorded long-term liabilities.

Note 3 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

Note 4 - Net Position at June 30, 2021 is restated to reflect the implementation of GASB Statement No. 87, "Leases".

Source: District financial statements

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 11,860,247	\$ 12,085,449	\$ 12,561,431	\$ 12,313,239	\$ 24,875,552	\$ 23,011,167	\$ 21,610,822	\$ 26,341,161	\$ 25,557,702	\$ 23,767,487
Special Education	2,630,426	3,523,300	3,416,548	3,740,517	9,527,569	9,780,983	9,818,021	9,652,001	9,520,103	10,173,432
Other Instruction	492,652	522,621	783,158	785,683	1,538,544	1,161,515	1,152,865	1,184,008	1,022,319	844,416
School Sponsored Activities and Athletics	724,117	738,452	743,964	793,920	1,129,029	1,093,371	1,053,955	1,325,123	1,560,933	1,720,811
Support Services										
Student and Instruction Related Services	3,623,245	3,773,261	3,919,115	4,381,210	7,771,240	5,888,655	6,354,445	7,107,562	7,826,643	8,560,556
General Administration	907,836	970,151	1,067,944	1,151,908	1,330,676	1,302,704	1,388,349	1,715,696	1,735,073	1,631,909
School Administrative Services	1,902,760	2,082,171	1,832,175	1,862,961	3,388,005	3,196,004	3,136,804	3,845,668	3,637,828	3,420,725
Central and Other Support Services	571,373	637,103	654,175	723,973	1,126,547	1,117,163	1,061,407	1,216,291	1,241,363	1,207,089
Plant Operation and Maintenance	3,203,055	3,181,439	3,879,186	3,780,148	4,459,533	3,982,590	3,523,808	4,883,204	4,978,907	5,303,986
Student Transportation Services	733,370	795,344	849,073	1,361,325	1,217,608	1,490,206	1,189,341	1,164,872	1,495,494	1,984,758
Unallocated Expenditures	13,003,133	23,434,250	12,858,478	25,558,417						
Interest on Long-Term Debt	195,008	171,658	147,653	23,643	186,076	305,972	366,987	387,796	431,172	358,826
Total Governmental Activities Expenses	<u>39,847,222</u>	<u>51,915,199</u>	<u>42,712,900</u>	<u>56,476,944</u>	<u>56,550,379</u>	<u>52,330,330</u>	<u>50,656,804</u>	<u>58,823,382</u>	<u>59,007,537</u>	<u>58,973,995</u>
Business-Type Activities:										
Food service	791,151	777,138	782,963	791,406	802,711	813,994	725,106	586,267	1,601,993	1,478,741
Pre-K Program	-	-	-	329	395,178	446,530	105,626	-	-	-
Before/After School Child Care/Pre-K	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expense	<u>791,151</u>	<u>777,138</u>	<u>782,963</u>	<u>791,735</u>	<u>1,197,889</u>	<u>1,260,524</u>	<u>830,732</u>	<u>586,267</u>	<u>1,601,993</u>	<u>1,478,741</u>
Total District Expenses	<u>\$ 40,638,373</u>	<u>\$ 52,692,337</u>	<u>\$ 43,495,863</u>	<u>\$ 57,268,679</u>	<u>\$ 57,748,268</u>	<u>\$ 53,590,854</u>	<u>\$ 51,487,536</u>	<u>\$ 59,409,649</u>	<u>\$ 60,609,530</u>	<u>\$ 60,452,736</u>
Program Revenues										
Governmental Activities:										
Charges for services			27,834		113,029	227,015	205,672	484,674	761,717	951,642
Operating grants and contributions	5,897,464	6,398,209	7,788,434	14,662,579	17,351,828	14,708,024	13,183,013	18,432,348	14,878,949	12,609,805
Capital grants and contributions								80,784	294,021	146,814
Total Governmental Activities Program Revenues	<u>5,897,464</u>	<u>6,398,209</u>	<u>7,816,268</u>	<u>14,662,579</u>	<u>17,464,857</u>	<u>14,935,039</u>	<u>13,388,685</u>	<u>18,997,806</u>	<u>15,934,687</u>	<u>13,708,261</u>
Business-Type Activities:										
Charges for services										
Food Service	240,472	203,661	191,362	190,928	164,716	175,180	132,344	4,030	65,273	347,743
Pre-K Program					235,361	248,165	79,595			
Operating grants and contributions	264,989	259,238	247,039	258,067	283,475	287,859	248,523	1,092,317	1,175,640	608,200
Capital grants and contributions										
Total Business Type Activities Program Revenues	<u>505,461</u>	<u>462,899</u>	<u>438,401</u>	<u>448,995</u>	<u>683,552</u>	<u>711,204</u>	<u>460,462</u>	<u>1,096,347</u>	<u>1,240,913</u>	<u>955,943</u>
Total District Program Revenues	<u>\$ 6,402,925</u>	<u>\$ 6,861,108</u>	<u>\$ 8,254,669</u>	<u>\$ 15,111,574</u>	<u>\$ 18,148,409</u>	<u>\$ 15,646,243</u>	<u>\$ 13,849,147</u>	<u>\$ 20,094,153</u>	<u>\$ 17,175,600</u>	<u>\$ 14,664,204</u>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental Activities	\$ (33,949,758)	\$ (45,516,990)	\$ (34,896,632)	\$ (41,814,365)	\$ (39,085,522)	\$ (37,395,291)	\$ (37,268,119)	\$ (39,825,576)	\$ (43,072,850)	\$ (45,265,734)
Business-Type Activities	(285,690)	(314,239)	(344,562)	(342,740)	(514,337)	(549,320)	(370,270)	510,080	(361,080)	(522,798)
Total District-Wide Net Expense	<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>	<u>\$ (37,638,389)</u>	<u>\$ (39,315,496)</u>	<u>\$ (43,433,930)</u>	<u>\$ (45,788,532)</u>
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 33,655,609	\$ 34,389,489	\$ 35,462,096	\$ 36,576,884	\$ 36,860,579	\$ 38,039,648	\$ 38,800,441	\$ 39,993,197	\$ 40,793,061	\$ 41,608,922
Property Taxes Levied for Debt Service					640,223	649,622	754,800	629,003	784,184	807,469
Unrestricted State and Federal Aid	389,292	603,510	28,749	1,784,790	428,077	410,128	410,053	558,300	1,023,738	2,452,684
State Aid for Debt Service Principal								25,997	40,886	144,168
Investment Earnings					58,222	153,850	174,567	192,107	150,446	122,230
Unrestricted Miscellaneous Revenues	204,074	97,601	183,490	325,617	75,510	102,934	72,620	356,349	106,358	95,765
Donated Capital Assets								51,852,237	-	-
Transfers	(272,000)	(312,500)	(345,000)	(320,500)	(542,315)	(561,000)	(375,000)	(9,500)	-	(345,000)
Total Governmental Activities	<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>	<u>39,837,481</u>	<u>93,597,690</u>	<u>42,898,673</u>	<u>44,886,238</u>
Business-Type Activities:										
Investment Earnings	288	107	83	121	398	697	1,241	3,086	9,007	3,155
Transfers	272,000	312,500	345,000	320,500	542,315	561,000	375,000	9,500	-	345,000
Total Business-Type Activities	<u>272,288</u>	<u>312,607</u>	<u>345,083</u>	<u>320,621</u>	<u>542,713</u>	<u>561,697</u>	<u>376,241</u>	<u>12,586</u>	<u>9,007</u>	<u>348,155</u>
Total District-Wide	<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>	<u>\$ 40,213,722</u>	<u>\$ 93,610,276</u>	<u>\$ 42,907,680</u>	<u>\$ 45,234,393</u>
Change In Net Position										
Governmental Activities	\$ 27,217	\$ (10,738,890)	\$ 432,703	\$ (3,447,574)	\$ (1,565,226)	\$ 1,399,891	\$ 2,569,362	\$ 53,772,114	\$ (174,177)	\$ (379,496)
Business-Type Activities	(13,402)	(1,632)	521	(22,119)	28,376	12,377	5,971	522,666	(352,073)	(174,643)
Total District	<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>	<u>\$ 2,575,333</u>	<u>\$ 54,294,780</u>	<u>\$ (526,250)</u>	<u>\$ (554,139)</u>

Source: District financial statements

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

	2014	2015	2016	2017 (Restated)	2018	2019	2020	2021	2022	2023
General Fund										
Restricted					\$ 301,224	\$ 301,224	\$ 841,245	\$ 2,162,739	\$ 2,060,326	\$ 1,589,472
Committed								339,100	-	-
Assigned					350,233	455,425	1,100,032	1,146,085	384,734	312,136
Unassigned	\$ 327,802	\$ 289,568	\$ (8,777)	\$ (2,847,479)	(4,927,771)	126,674	202,759	144,310	150,641	23,441
Total General Fund	\$ 327,802	\$ 289,568	\$ (8,777)	\$ (2,847,479)	\$ (4,276,314)	\$ 883,323	\$ 2,144,036	\$ 3,792,234	\$ 2,595,701	\$ 1,925,049
All Other Governmental Funds										
Restricted					\$ 45,650	\$ 139,612	\$ 555,797	\$ 4,650,254	\$ 533,216	\$ 508,581
Unassigned	-	-	-	\$ (692,660)	(1,818,880)	(3,976,532)	(5,531,932)	-	-	-
Total All Other Governmental Funds	\$ -	\$ -	\$ -	\$ (692,660)	\$ (1,773,230)	\$ (3,836,920)	\$ (4,976,135)	\$ 4,650,254	\$ 533,216	\$ 508,581

Note 1 - Fund Balances at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 33,655,609	\$ 34,389,489	\$ 35,462,096	\$ 36,576,884	\$ 37,500,802	\$ 38,689,270	\$ 39,555,241	\$ 40,622,200	\$ 41,577,245	\$ 42,416,391
Tuition Charges					40,171	75,581	55,827	31,234	86,981	107,286
Transportation Fees					72,858	151,434	149,845	280,338		
Interest and Investment Earnings					58,222	153,850	174,567	192,107	150,446	122,230
Miscellaneous Revenues	204,074	97,601	218,124	325,617	75,510	102,934	73,567	601,208	895,376	1,045,970
State Sources	5,330,796	5,903,763	6,712,380	7,495,052	8,041,472	9,294,677	9,941,608	11,275,904	14,901,341	16,703,535
Federal Sources	955,960	1,097,956	1,098,003	1,105,976	1,127,947	1,170,194	1,086,779	1,982,591	3,377,343	2,930,597
Total Revenue	40,146,439	41,488,809	43,490,603	45,503,529	46,916,982	49,637,940	51,037,434	54,985,582	60,988,732	63,326,009
Expenditures										
Instruction										
Regular	11,860,247	12,085,449	12,561,431	12,313,239	19,675,191	20,538,470	19,722,336	22,353,402	25,677,934	25,077,771
Special Education	2,630,426	3,523,300	3,416,548	3,740,517	8,153,673	9,117,197	9,302,613	8,631,851	9,463,239	10,491,146
Other Instruction	492,652	522,621	783,158	785,683	1,198,003	1,029,531	1,045,598	979,404	996,052	854,991
School Sponsored Activities and Athletics	724,117	738,452	743,964	793,920	1,030,173	1,075,344	1,049,497	1,250,421	1,557,661	1,772,854
Undistributed Expenditures										
Student and Instruction Related Services	3,623,245	3,773,261	3,932,104	4,381,210	6,681,807	5,583,558	5,883,172	6,113,064	7,845,525	9,000,693
General Administration	907,836	970,151	1,088,102	1,151,908	1,254,322	1,287,516	1,448,485	1,577,202	1,743,819	1,699,240
School Administrative Services	1,902,760	2,082,171	1,876,788	1,862,961	2,755,784	2,918,434	2,923,768	3,290,002	3,631,135	3,599,542
Central and Other Support Services	571,373	637,103	654,175	723,973	1,036,303	1,095,235	1,055,782	1,106,179	1,218,886	1,248,634
Plant Operation and Maintenance	3,203,055	3,181,439	3,889,506	3,780,148	4,202,357	3,941,029	3,515,567	4,588,224	4,984,237	5,489,050
Student Transportation Services	733,370	795,344	849,073	1,361,325	1,172,226	1,481,367	1,186,451	1,135,471	1,464,962	2,004,335
Unallocated Expenditures	12,326,461	11,825,535	12,855,121	14,732,987						
Capital Outlay	379,830	403,059	136,325	851,899	1,126,220	2,157,652	2,242,003	11,039,111	6,127,595	852,133
Debt Service:										
Principal	495,000	505,000	510,000	525,000	565,000	425,000	1,436,604	1,188,174	1,213,816	1,734,723
Interest and Other Charges	195,008	171,658	147,653	93,643	82,673	224,622	435,667	293,990	594,219	388,314
Total Expenditures	40,045,380	41,214,543	43,443,948	47,098,413	48,933,732	50,874,955	51,247,543	63,546,495	66,519,080	64,213,426
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	101,059	274,266	46,655	(1,594,884)	(2,016,750)	(1,237,015)	(210,109)	(8,560,913)	(5,530,348)	(887,417)
Other Financing Sources (Uses)										
Bond Proceeds								19,845,000		
Capital Lease Proceeds							237,322		216,777	253,302
Other Financing Agreement Proceeds										283,828
State Aid Advance Loan Proceeds						4,800,000				
Premiums on Notes					49,660	93,962	62,027			
Transfers In					84,259	197,012	160,028	86,979	217,796	75,087
Transfers Out	(272,000)	(312,500)	(345,000)	(320,500)	(626,574)	(758,012)	(535,028)	(96,479)	(217,796)	(420,087)
Total Other Financing Sources (Uses)	(272,000)	(312,500)	(345,000)	(320,500)	(492,655)	4,332,962	(75,651)	19,835,500	216,777	192,130
Net Change In Fund Balances	\$ (170,941)	\$ (38,234)	\$ (298,345)	\$ (1,915,384)	\$ (2,509,405)	\$ 3,095,947	\$ (285,760)	\$ 11,274,587	\$ (5,313,571)	\$ (695,287)
Debt Service As A Percentage Of										
Noncapital Expenditures	1.74%	1.66%	1.52%	1.34%	1.35%	1.33%	3.82%	2.82%	2.99%	3.35%

* 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>Sale of Technology Equipment</u>	<u>Credits and Adjustments</u>	<u>Cancelled Prior Year Payables</u>	<u>Misc.</u>	<u>Total</u>
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	3,503	380,749
2020	102,566	55,827	149,845		66,923						5,697	380,858
2021	145,128	31,234	280,338		74,574		212,399				69,376	813,049
2022	148,638	86,981			254,740	36,704		67,542			2,112	596,717
2023	115,943	107,286			335,600	62,720				20,404	12,641	654,594

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.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^(d)
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
2020	53,454,200	1,613,755,950			487,727,300	387,211,000	164,442,400	2,706,590,850	3,755,173	2,710,346,023	3,159,375,520	1.479
2021	54,141,900	1,618,682,550			486,022,100	384,357,000	164,294,900	2,707,498,450	3,801,241	2,711,299,691	3,245,767,506	1.516
2022	48,136,900	1,626,247,750			409,119,200	392,797,100	226,505,900	2,702,806,850	3,767,452	2,706,574,302	3,410,394,459	1.552
2023	73,751,700	2,583,319,900			685,103,700	732,724,600	348,276,000	4,423,175,900	5,185,937	4,428,361,837	4,297,527,064	0.978

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	
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
2020	1.479	1.167	0.039	0.011	0.278	2.974
2021	1.516	1.187	0.040	0.012	0.285	3.040
2022	1.552	1.277	0.041	0.013	0.289	3.172
2023	0.978	0.791	0.031	0.010	0.222	2.032

Source: County Abstract of Ratables

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

Taxpayer	2023		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
MFREVF II - Lyndhurst LLC	\$ 110,011,500	2.48%		
340 Orient Way, LLC	67,136,200	1.52%	42,561,300	1.60%
Tiger Den Partners VI LLC	54,967,800	1.24%		
JERC Partners VII, LLC	48,451,200	1.09%		
Veterans Square Town Center, LLC	47,475,500	1.07%	32,875,000	1.23%
125 Chubb Avenue, LLC	50,988,400	1.15%		
Sika Chemical Corp./ANJ Corp.	43,338,200	0.98%	30,311,700	1.14%
Copper Ridge LLC	42,872,700	0.97%		
Avalon Bay Communities, Inc.			65,600,000	2.46%
Chubb Funding LLC	50,988,400	1.15%	37,868,900	1.42%
Wells Operating Partnership (2 Properties)			54,200,000	2.03%
DGDJ 1-1200 WSW 337771 LLC (ETALS)			25,560,400	0.96%
Moody Nat CY Lyndhurst H, LLC			20,213,600	0.76%
Lyndhurst Residential Comm2, LLC			21,731,000	0.82%
Denholtz 1099 Wall Street LLC (2 Properties)	16,816,200	0.38%	-	0.00%
DDR-SAU Lew Andowski LLC (2 Properties)			21,000,000	0.79%
	<u>\$ 533,046,100</u>	<u>10.51%</u>	<u>\$ 351,921,900</u>	<u>13.21%</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	
2014	\$ 33,655,609	\$ 33,655,609	100%	
2015	34,389,489	34,389,489	100%	
2016	35,462,096	35,462,096	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%	
2020	39,555,241	39,555,241	100%	
2021	40,622,200	40,622,200	100%	
2022	41,577,245	41,577,245	100%	
2023	42,416,391	42,416,391	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	Capital and Other Financing Agreements	Leases Payable	Total District	Population	Per Capita
2014	\$ 3,740,000					\$ 3,740,000	20,806	180
2015	3,235,000					3,235,000	21,482	151
2016	2,725,000					2,725,000	21,992	124
2017	2,130,000	\$ 1,000,000				3,130,000	21,976	142
2018	1,565,000	12,000,000				13,565,000	22,040	615
2019	1,140,000	12,000,000	\$ 4,800,000	\$ 1,139,005		19,079,005	22,484	849
2020	755,000	11,974,000	4,320,000	804,723		17,853,723	22,916	779
2021	20,220,000		3,840,000	476,549		24,536,549	22,781	1,077
2022	19,845,000		3,360,000	469,290	\$ 93,709	23,767,999	22,324	1,065
2023	19,060,000		2,880,000	614,138	16,268	22,570,406	22,286	1,013

Source: District records

E - Estimate

LYNDHURST BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2014	\$ 3,740,000		\$ 3,740,000	0.14%	180
2015	3,235,000		3,235,000	0.12%	151
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%	69
2019	1,140,000	139,612	1,000,388	0.04%	44
2020	755,000	148,539	606,461	0.02%	26
2021	20,220,000	188,907	20,031,093	0.74%	879
2022	19,845,000	134,330	19,710,670	0.73%	883
2023	19,060,000		19,060,000	0.43%	855

Source: District records

LYNDHURST BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
(Unaudited)

	<u>Total Debt</u>
Municipal Debt: (1)	
Lyndhurst Board of Education (as of June 30, 2023)	\$ 19,060,000
Township of Lyndhurst	<u>93,499,752</u>
	<u>112,559,752</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	26,434,287
Passaic Valley Sewerage Commission (B)	<u>5,056,579</u>
	<u>31,490,866</u>
Total Direct and Overlapping Debt	<u>\$ 144,050,618</u>

Source:

(1) Borough's 2022 Annual Debt Statement

(A) The debt for this entity was apportioned to the Township by dividing the municipality's 2022 equalized value by the total 2022 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Township's 2022 billings by the total 2022 billing's of the Commission.

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

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis	
2020	3,222,515,597
2021	3,393,280,424
2022	4,116,367,423
	<u>\$10,732,163,444</u>

Average equalized valuation of taxable property	<u>\$ 3,577,387,815</u>
Debt limit (4% of average equalization value)	\$ 143,095,513
Total Net Debt Applicable to Limit	19,060,000
Legal debt margin	<u>\$ 124,035,513</u>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 116,240,840	\$ 108,674,738	\$ 108,129,248	\$ 113,738,883	\$ 123,269,568	\$ 129,520,287	\$ 129,348,949	\$ 127,861,826	\$ 130,036,526	\$ 143,095,513
Total net debt applicable to limit	3,740,000	3,235,000	2,740,000	21,788,807	21,403,807	21,013,807	20,602,807	20,222,807	19,845,000	19,060,000
Legal debt margin	<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>	<u>\$ 108,746,142</u>	<u>\$ 107,639,019</u>	<u>\$ 110,191,526</u>	<u>\$ 124,035,513</u>
Total net debt applicable to the limit as a percentage of debt limit	3.22%	2.98%	2.53%	19.16%	17.36%	16.22%	15.93%	15.82%	15.26%	13.32%

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>
2014	20,806	71,773	7.0%
2015	21,482	71,286	5.8%
2016	21,992	73,883	5.1%
2017	21,976	77,323	4.8%
2018	22,040	78,836	4.4%
2019	22,484	81,024	3.5%
2020	22,916	85,191	11.9%
2021	22,781	88,241	7.7%
2022	22,324	91,972	4.10%
2023	22,286	97,343	N/A

Source: New Jersey State Department of Education

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

Employer	2023		2014	
	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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular Programs (Including Aides)	162	163	163	164	158	164	158	166	169	178
Special Education (Including Aides)	58	63	64	66	71	83	72	60	62	72
Other Instruction	8	10	13	13	12	13	10	10	10	6
School Sponsored Activities and Athletics	1	1	1	1	1	1	1	1	1	1
Support Services:										
Student and Instruction Related Services	39	46	46	52	53	55	47	46	50	55
General Administration	6	6	6	5	5	5	5	6	6	6
School Administrative Services	21	21	20	22	21	21	22	22	22	22
Central Services and Admin. Info. Technology	6	6	6	8	10	10	9	9	9	9
Operation and Maintenance of Plant Svs.	34	27	27	40	32	32	33	33	38	38
Student Transportation Services	7	6	5	6	7	7	7	6	7	5
Total	<u>342</u>	<u>349</u>	<u>351</u>	<u>377</u>	<u>370</u>	<u>391</u>	<u>364</u>	<u>359</u>	<u>374</u>	<u>392</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 ^a</u>	<u>Operating Expenditures ^b</u>	<u>Cost Per Pupil ^c</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>
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%
2020	2,550.0	47,133,269	18,484	0.6%	217	12.0	2,550.0	2,403.0	-2.3%	94.2%
2021	2,468.0	51,025,220	20,675	11.9%	219	11.2	2,468.0	2,330.3	-3.2%	94.4%
2022	2,558.0	58,583,450	22,902	10.8%	227	11.3	2,558.0	2,445.5	3.6%	95.6%
2023	2,609.0	61,238,256	23,472	2.5%	227	11.5	2,609.0	2,490.9	2.0%	95.5%

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Building										
Elementary										
Columbus										
Square Feet	10,500	10,500	10,500	10,500	10,500	10,500	10,500	6,500	10,500	10,500
Capacity (students)	126.90	126.90	126.90	126.90	126.90	126.90	126.90	78.60	126.90	126.90
Enrollment	222.00	183.00	164.00	213.96	214.00	211.00	181.00	87.00	111.00	120.00
Franklin										
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	317.00	202.00	217.00	220.34	232.00	234.00	244.00	204.00	205.00	193.00
Jefferson										
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	266.00	268.00	276.00	268.00	274.00	270.00	271.00	261.00	277.00	238.00
Lincoln (Transferred to Township 2020/2021)										
Square Feet	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	-	-	-
Enrollment	241.00	248.00	278.00	265.06	266.00	255.00	256.00	-	-	-
Roosevelt										
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	377.00	388.00	408.00	401.95	400.00	416.00	445.00	296.00	327.00	296.00
Washington										
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	221.00	188.00	195.00	184.00	212.00	184.00	200.00	196.00	184.00	164.00
Memorial Campus										
Square Feet		17,800	17,800	17,800	17,800	17,800	17,800	17,800	17,800	17,800
Capacity (students)		150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
Enrollment		193.00	163.00	182.61	162.00	204.00	172.00	-	79.00	105.00
Middle School										
Lyndhurst Middle School										
Square Feet								143,000	143,000	143,000
Capacity (students)								650.00	650.00	650.00
Enrollment								573.00	661.00	617.00
High School										
Lyndhurst Senior High School										
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	704.00	721.00	735.00	732.07	747.00	753.00	781.00	743.00	884.00	834.00
Community School										
Community School										
Square Feet								4,000	4,000	4,000
Capacity (students)								48.30	48.30	48.30
Enrollment								39.00	57.00	42.00
Number of Schools at June 30, 2022										
Elementary = 6										
Middle School = 1										
High School = 1										
Community 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)

	Project # (s)	Gross Building Area (SF)									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
*School Facilities											
Lyndhurst Senior High School	N/A	\$ 618,629	\$ 514,288	\$ 512,059	\$ 450,383	\$ 388,111	\$ 361,366	\$ 319,021	\$ 374,433	\$ 288,869	\$ 336,067
Lyndhurst Middle School	N/A								78,021	136,390	138,853
Columbus Elementary School	N/A	54,989	45,715	101,332	127,886	36,288	33,787	29,828	52,305	81,751	80,588
Franklin Elementary School	N/A	96,231	80,001	83,979	137,700	63,591	59,209	52,271	85,277	39,101	125,004
Jefferson Elementary School	N/A	178,715	148,572	164,834	177,053	110,800	103,165	91,076	139,196	35,021	46,507
Lincoln Elementary School	N/A	137,473	114,287	60,881	66,450	83,981	78,194	69,031	4,795	-	-
Roosevelt Elementary School	N/A	123,726	102,858	114,043	92,652	74,650	69,506	61,361	72,042	252,477	245,763
Washington Elementary School	N/A	109,978	91,429	103,397	71,062	67,393	62,748	55,396	3,831	29,552	14,096
Community School	N/A									26,533	5,000
Memorial Campus	N/A	54,989	45,715	74,854	64,789	61,517	57,278	50,566	3,910	15,185	32,658
Grand Total		<u>\$ 1,374,730</u>	<u>\$ 1,142,865</u>	<u>\$ 1,215,379</u>	<u>\$ 1,187,975</u>	<u>\$ 886,331</u>	<u>\$ 825,253</u>	<u>\$ 728,550</u>	<u>\$ 813,810</u>	<u>\$ 904,879</u>	<u>\$ 1,024,536</u>

Source: District Records

N/A - Not Available

**LYNDHURST BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2023
(Unaudited)**

	<u>Coverage</u>	<u>Insurance Company</u>	<u>Deductible</u>
Property			
Blanket Building and Contents Coverage	\$ 500,000,000	School Alliance Insurance Fund	\$ 1,000
Special Flood Hazard Area Flood Zones	25,000,000	School Alliance Insurance Fund	500,000
All Flood Zones	75,000,000	School Alliance Insurance Fund	10,000
Earthquake	50,000,000	School Alliance Insurance Fund	
Terrorism	1,000,000		
Comprehensive General Liability			
Bodily Injury and Property Damage	16,000,000	School Alliance Insurance Fund	
Products/Completed Operations	16,000,000	School Alliance Insurance Fund	
Sexual Abuse	15,000,000		
Personal and Advertising Injury	16,000,000	School Alliance Insurance Fund	
Communicable Disease Outbreak (Per Occurrence)	1,000,000	School Alliance Insurance Fund	
Terrorism (Per Occurrence)	1,000,000	School Alliance Insurance Fund	
Premises Medical Expense (Per Person)	5,000	School Alliance Insurance Fund	
Employee Benefits	16,000,000	School Alliance Insurance Fund	1,000
School Leaders Professional Liability			
General Aggregate	5,000,000	School Alliance Insurance Fund	10,000
Each Occurrence	5,000,000	School Alliance Insurance Fund	
Environmental Liability			
Per Incident	1,000,000	CHUBB Ace Am Ins Co	
Fund Annual Aggregate	25,000,000	CHUBB Ace Am Ins Co	10,000
Cyber Liability			
Limit of Liability	2,000,000	School Alliance Insurance Fund	10,000
Student Accident			
Maximum Benefit	5,000,000	United States Fire Ins. Co.	
Benefit Period	10 Years	United States Fire Ins. Co.	
Business Auto			
Liability - Combined Single Limit (Per Accident)	16,000,000	School Alliance Insurance Fund	Comprhnsv-\$1,000 Collision - \$1,000
Medical Payments (Each Person)	5,000	School Alliance Insurance Fund	
Uninsured/Underinsured Motorists - Private Passenger	1,000,000	School Alliance Insurance Fund	
Uninsured/Underinsured Motorists - All Others	15,000	School Alliance Insurance Fund	
Crime			
Public Employee Dishonesty w/ Faithful Performance	500,000	School Alliance Insurance Fund	1,000
Forgery or Alteration	100,000	School Alliance Insurance Fund	1,000
Inside Premises	100,000	School Alliance Insurance Fund	1,000
Outside Premises	100,000	School Alliance Insurance Fund	1,000
Money Order and Counterfeit Paper Currency	100,000	School Alliance Insurance Fund	1,000
Computer Fraud	500,000	School Alliance Insurance Fund	1,000

**LYNDHURST BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2023
(Unaudited)**

	<u>Coverage</u>	<u>Insurance Company</u>	<u>Deductible</u>
Electronic Data Processing			
Data Processing Equipment Including Data	\$ 500,000,000	School Alliance Insurance Fund	\$ 1,000
Computer Virus	250,000	School Alliance Insurance Fund	
 Reinsurance Coverage			
Property Coverage (Per Occurrence)	500,000,000	School Excess Liability Insurance Fund	
Boiler and Machinery	100,000,000	School Excess Liability Insurance Fund	
Cyber Coverage (Aggregate Limit)	40,000,000	School Excess Liability Insurance Fund	
 Business Administrator Surety Bond			
Bond Amount	500,000	Hartford Fire Insurance Company	
 Treasurer of School Monies Surety Bond			
Bond Amount	500,000	Selective Insurance Company	

Source: School District records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

**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, 2023 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 January 16, 2024.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

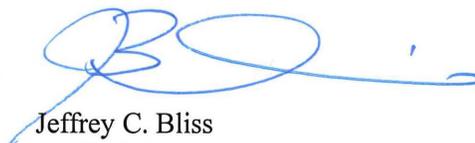
As part of obtaining reasonable assurance about whether the Lyndhurst Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we 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 January 16, 2024.

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


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 16, 2024



LERCH, VINCI & BLISS, LLP^{EXHIBIT K-2}

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE AS 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

Opinion on Each Major Federal and State Program

We have audited the Lyndhurst Board of Education's compliance with the types of compliance requirements identified as subject to audit 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 the Lyndhurst Board of Education's major federal and state programs for the fiscal year ended June 30, 2023. 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.

In our opinion, the Lyndhurst Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Lyndhurst Board of Education's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Lyndhurst Board of Education's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

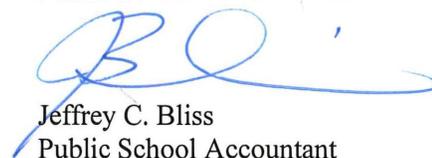
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

Report on Schedule of Expenditures of Federal Awards Required by 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 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, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 16, 2024, which contained unmodified opinions on those financial statements. 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 & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 16, 2024

LYNDHURST BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN	Grant Period	Award Amount	Balance July 1, 2022			Unearned Revenue/ Carryover/ Transfer Amount	Accounts Receivable/ Transfer Amount	Cash Received	Budgetary Expenditures	Adjustment	Balance, June 30, 2023			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture Passed-through State Department of Agriculture																
Enterprise Fund:																
Child Nutrition Cluster																
National School Breakfast Program																
Cash Assistance	10.553	231NJ304N1099	7/1/22-6/30/23	\$ 21,373					\$ 19,060	\$ 21,373		\$ (2,313)			\$ (2,313)	
Cash Assistance	10.553	221NJ304N1099	7/1/21-6/30/22	79,096	(8,542)				8,542			-				
National School Lunch Program																
Non-Cash Assistance	10.555	231NJ304N1099	7/1/22-6/30/23	72,296					72,296	63,228			\$ 9,068			
Non-Cash Assistance	10.555	221NJ304N1099	7/1/21-6/30/22	49,591		2,949				2,949						
Cash Assistance	10.555	231NJ304N1099	7/1/22-6/30/23	375,533					341,700	375,533		(33,833)		(33,833)		
Cash Assistance	10.555	221NJ304N1099	7/1/21-6/30/22	1,017,660	(91,250)				91,250			-				
Supply Chain Assistance	10.555	231NJ304N1099	7/1/22-6/30/23	129,215					129,215	129,215		-		-		
Total U.S. Department of Agriculture/Child Nutrition Cluster					(99,792)	2,949	-	-	662,063	592,298	-	(36,146)	9,068	-	(36,146)	
U.S. Department of Education Passed-through State Department of Education																
SPECIAL REVENUE FUND																
Special Education Cluster (IDEA)																
I.D.E.A. Part B, Basic Regular	84.027	H027A220100	7/1/22-9/30/23	708,262			\$ 7,373	\$ (7,373)	512,188	707,694		(203,447)	7,941		(195,506)	
I.D.E.A. Part B, Basic Regular	84.027	H027A210100	7/1/21-9/30/22	678,468	(226,230)	7,373	(7,373)	7,373	218,857			-	-		-	
I.D.E.A. Part B, ARP Basic	84.027X	H027X210100	7/1/21-9/30/22	129,306	(19,984)	125			19,415	125		(569)	-		(569)	
I.D.E.A. Part B, Preschool	84.173	H173A220114	7/1/22-9/30/23	29,388			871	(871)	24,340	27,524		(5,919)	2,735		(3,184)	
I.D.E.A. Part B, Preschool	84.173	H173A210114	7/1/21-9/30/22	26,367	(7,850)	3,481	-	(871)	6,979	2,610		-	-		-	
Total Special Education Cluster IDEA					(254,064)	10,979	-	-	781,779	737,953	-	(209,935)	10,676	-	(199,259)	
ESEA																
Title I, Part A	84.010	S010A220030	7/1/22-9/30/23	375,485			35,080	(35,080)	194,633	362,886		(215,932)	47,679		(168,253)	
Title I, Part A	84.010	S010A210030	7/1/21-9/30/22	276,838	(179,915)	35,080	-	(35,080)	144,835	-		-	-		-	
Total ESEA Title I					(179,915)	35,080	-	-	339,468	362,886	-	(215,932)	47,679	-	(168,253)	
Title II, Part A	84.367A	S367A220029	7/1/22-9/30/23	68,102			36,092	(36,092)	-	88,158		(104,194)	16,036		(88,158)	
Title II, Part A	84.367A	S367A210029	7/1/21-9/30/22	51,384	(22,414)	1,256	-	(1,256)	21,158	-		-	-		-	
Total ESEA Title II					(22,414)	1,256	-	34,836	(34,836)	21,158	-	(104,194)	16,036	-	(88,158)	
Title III	84.365	S365A220030	7/1/22-9/30/23	12,346			1,827	(1,827)		12,238		(14,173)	1,935		(12,238)	
Title III	84.365	S365A210030	7/1/21-9/30/22	13,394	(17,383)	1,827	-	(1,827)	15,556			-	-		-	
Title III - Immigrant	84.365	S365A220030	7/1/22-9/30/23	16,687			8,984	(8,984)	9,310	9,310		(25,671)	16,361		(9,310)	
Title III - Immigrant	84.365	S365A210030	7/1/21-9/30/22	10,568	(15,921)	8,984	-	(8,984)	6,937	-		-	-		-	
Total ESEA Title III					(33,304)	10,811	-	-	22,493	21,548	-	(39,844)	18,296	-	(21,548)	
Title IV	84.424	S424A220031	7/1/22-9/30/23	22,980			(22,980)	22,980				-	-		-	
Title IV	84.424	S424A210031	7/1/21-9/30/22	22,451	(19,221)	11,856	-	(11,856)	7,365	-		-	-		-	
Total NCLB Title IV					(19,221)	11,856	-	(34,836)	34,836	7,365	-	-	-	-	-	
Temporary Emergency Impact Aid	84.938C	S938C18005	N/A	10,688	-	-	\$ 10,688	-	-	-	-	-	-	\$ 10,688	-	
Elementary and Secondary School Emergency Relief (ESSER) Coronavirus Aid, Relief, and Economic Security (CARES) Act American Rescue Plan Consolidated																
CARES - Emergency Relief Grant	84.425D	S425D200027	3/13/20-9/30/22	267,307	(6,010)	30	-		5,980			(30)	30	-	-	
American Rescue Plan Consolidated																
ARP ESSER III	84.425U	S425U210027	3/13/20-9/30/24	2,265,726	(2,265,726)	897,045	-		1,142,642	433,016		(1,123,084)	464,029	-	(659,055)	
Accelerated Learning Coach and Educator Support	84.425D	S425U210027	3/13/20-9/30/24	223,394	(223,394)	179,094	-		112,800	105,700		(110,594)	73,394	-	(37,200)	
Evidence Based Summer Learning and Enrichment	84.425D	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000	-					(40,000)	40,000	-		
Evidence Based Comprehensive Beyond the School Day	84.425D	S425U210027	3/13/20-9/30/24	40,000	(40,000)	22,240	-		17,760	17,555		(22,240)	4,685	-	(17,555)	
NJTSS Mental Health Support Staffing	84.425D	S425U210027	3/13/20-9/30/24	45,000	(45,000)	45,000	-		22,500	22,500		(22,500)	22,500	-		

LYNDHURST BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN	Grant Period	Award Amount	Balance July 1, 2022			Unearned Revenue Carryover/ Transfer Amount	Accounts Receivable Carryover/ Transfer Amount	Cash Received	Budgetary Expenditures	Adjustment	Balance, June 30, 2023			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Account Receivable)	Unearned Revenue	Due to Grantor	
Elementary and Secondary School Emergency Relief (ESSER II)																
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act																
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	\$ 1,008,139	\$ (569,864)	\$ 383,414			\$ 269,955	\$ 382,899		\$ (299,909)	\$ 515		\$ (299,394)	
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	64,697	(28,433)	22,333			25,347	21,501		(3,086)	832		(2,254)	
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(24,484)	19,955	-	-	21,330	19,863	-	(3,154)	92	-	(3,062)	
Total ESSER Cluster					(3,242,911)	1,609,111	-	-	1,618,314	1,003,034	-	(1,624,597)	606,077	-	(1,018,520)	
Coronavirus State and Local Fiscal Recovery																
Additional or Compensatory Special Education and Related Service	21.027	SLFRFDOE1SES	7/1/22-6/30/23	507,631					274,942	505,079		(232,689)	\$ 2,552		(232,689)	
Additional or Compensatory Special Education and Related Service	21.027	SLFRFDOE1SES	7/1/21-6/30/22	28,554	(12,207)	-	-	-	12,207	-	-	-	-	-	-	
Total Special Revenue Fund					(3,764,036)	1,679,093	\$ 10,688	-	3,077,726	2,718,658	-	(2,427,191)	698,764	13,240	(1,728,427)	
Total U.S. Department of Education					(3,764,036)	1,679,093	10,688	-	3,077,726	2,718,658	-	(2,427,191)	698,764	13,240	(1,728,427)	
U.S. Department of Health and Human Services																
General Fund																
Medical Assistant Program - ARRA Semi	93.778	2005NJ5MAP	7/1/22-6/30/23	4,795					4,795	4,795						
Medical Assistance Program	93.778	2005NJ5MAP	7/1/22-6/30/23	110,245	-	-	-	-	110,245	110,245	-	-	-	-	-	
Total Medical Assistant Program Cluster					-	-	-	-	115,040	115,040	-	-	-	-	-	
U.S. Department of Homeland Security																
Passed-through State Department of Law & Public Safety																
General Fund																
FEMA - Public Assistance Grant - Hurricane IDA	97.036	N/A	7/1/22-6/30/23	17,252	-	-	-	-	17,252	17,252	-	-	-	-	-	
Total General Fund					-	-	-	-	132,292	132,292	-	-	-	-	-	
Total Federal Awards					\$ (3,863,828)	\$ 1,682,042	\$ 10,688	\$ -	\$ 3,872,081	\$ 3,443,248	\$ -	\$ (2,463,337)	\$ 707,832	\$ 13,240	(1,764,573)	

LYNDHURST BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2023			Memo	
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education													
General Fund:													
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	\$ 2,573,122		\$ 2,393,549	\$ 2,573,122				\$ (179,573)			\$ 2,573,122
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	1,055,599	\$ (59,135)	59,135					-			-
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	1,826,886		1,699,392	1,826,886				(127,494)			1,826,886
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	1,781,596	(99,805)	99,805					-			-
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	75,106		69,865	75,106				(5,241)			75,106
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	75,106	(4,207)	4,207					-			-
Total State Aid - Public Cluster				(163,147)	4,325,953	4,475,114	-	-		(312,308)	-	-	4,475,114
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	239,630		222,907	239,630				(16,723)			239,630
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	239,630	(13,425)	13,425					-			-
Non-Public Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	30,888			30,888				(30,888)		\$ (30,888)	30,888
Non-Public Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	27,550	(27,550)	27,550					-			-
Total Transportation Aid Cluster				(40,975)	263,882	270,518	-	-		(47,611)	-	(30,888)	270,518
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	747,672			747,672				(747,672)			747,672
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	790,852	(790,852)	790,852					-			-
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	7/1/22-6/30/23	1,697,050		1,616,444	1,697,050				(80,606)		(80,606)	1,697,050
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	7/1/21-6/30/22	1,556,156	(74,817)	74,817					-			-
On-Behalf TPAF													
Pension Benefit Cost	23-495-034-5094-002	7/1/22-6/30/23	6,980,779		6,980,779	6,980,779							6,980,779
Pension - NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	96,850		96,850	96,850							96,850
Post Retire. Medical	23-495-034-5094-001	7/1/22-6/30/23	1,859,276		1,859,276	1,859,276							1,859,276
Long-Term Disability Insurance Prem.	23-495-034-5094-004	7/1/22-6/30/23	2,707	-	2,707	2,707							2,707
New Jersey Schools Development Authority													
Alyssa's Law School Security Grant	1270-050-14-1005-G-04	N/A	138,363	-	-	-	-	-	-	-	-	-	-
Total General Fund				(1,069,791)	16,011,560	16,129,966	-	-		(1,188,197)	-	(111,494)	16,129,966
Special Revenue:													
New Jersey Nonpublic Aid:													
Auxiliary Services:													
Compensatory Education	23-100-034-5120-067	7/1/23-6/30/23	172,558		172,558	147,257					\$ 25,301		147,257
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	137,057	18,363				\$ 18,363					
English as a Second Language	23-100-034-5120-067	7/1/22-6/30/23	23,252		23,252	15,135					8,117		15,135
English as a Second Language	22-100-034-5120-067	7/1/21-6/30/22	10,963	3,655	-			3,655					
Total Nonpublic Auxiliary Services Aid (Chapter 192) Cluster				22,018	195,810	162,392	-	22,018			33,418		162,392
Handicapped Services:													
Examination & Classification	23-100-034-5120-066	7/1/22-6/30/23	39,234		39,234	33,170					6,064		33,170
Examination & Classification	22-100-034-5120-066	7/1/21-6/30/22	39,816	12,323				12,323					
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	25,606		25,606	18,502					7,104		18,502
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	29,736	9,582				9,582					
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	45,384		45,384	34,875					10,509		34,875
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	39,990	7,068	-			7,068					
Total Nonpublic Handicapped Aid (Chapter 193) Cluster				28,973	110,224	86,547	-	28,973			23,677		86,547

LYNDHURST BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2023			Memo			
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures		
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	\$ 20,460		\$ 20,460	\$ 20,460					\$ -		\$ 20,460		
Textbook Aid	22-100-034-5120-064	7/1/21-6/30/22	18,066	\$ 4				\$ 4			-		-		
Nursing Services	23-100-034-5120-070	7/1/22-6/30/23	34,720	-	34,720	34,720					-		34,720		
Technology Aid	23-100-034-5120-373	7/1/22-6/30/23	13,020	-	13,020	13,020					-		13,020		
Technology Aid	22-100-034-5120-373	7/1/21-6/30/22	12,642	125				125			-		-		
Security Aid	22-100-034-5120-509	7/1/21-6/30/22	63,550	-	63,550	63,435	-	-			115		63,435		
New Jersey Schools Development Authority															
Emergent and Capital Maintenance Needs	N/A	N/A	90,951	30,040	60,911	84,268	-	-			6,683		-	84,268	
Total Special Revenue Fund				81,160	498,695	464,842	-	51,120			6,683	57,210	-	464,842	
Debt Service Fund															
School Construction Debt Service Aid	23-495-034-5120-075	7/1/22-6/30/23	211,876	-	211,876	211,876	-	-			-		-	211,876	
State Department of Agriculture															
Enterprise Funds:															
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	15,361		14,034	15,361			\$ (1,327)				(1,327)	15,361	
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	23,922	(2,100)	2,100	-	-	-			-		-	-	
State School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	541	-	484	541	-	-			(57)		(57)	541	
Total Enterprise Funds/Child Nutrition Cluster				(2,100)	16,618	15,902	-	-			(1,384)			(1,384)	15,902
Total State Financial Assistance Subject to Single Audit Determination				(990,731)	16,738,749	16,822,586	-	51,120			(1,189,581)	6,683	57,210	(112,878)	16,822,586
State Financial Assistance Not Subject to Major Program Determination															
General Fund															
On-Behalf TPAF															
Pension Benefit Cost	23-495-034-5094-002	7/1/22-6/30/23			(6,980,779)	(6,980,779)								(6,980,779)	
Pension - NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23			(96,850)	(96,850)								(96,850)	
Post Retire. Medical	23-495-034-5094-001	7/1/22-6/30/23			(1,859,276)	(1,859,276)								(1,859,276)	
Long-Term Disability Insurance Prem.	23-495-034-5094-004	7/1/22-6/30/23			(2,707)	(2,707)								(2,707)	
Total State Financial Assistance Subject to Major Program Determination				\$ (990,731)	\$ 7,799,137	\$ 7,882,974	\$ -	\$ 51,120	\$ (1,189,581)	\$ 6,683	\$ 57,210	\$ (112,878)	\$ 7,882,974		

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 REPORTING ENTITY

The Lyndhurst Board of Education (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 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.

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 \$109,279 for the general fund and an increase of \$89,275 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	\$ 132,292	\$ 16,020,687	\$ 16,152,979
Special Revenue Fund	2,798,305	470,972	3,269,277
Debt Service Fund		211,876	211,876
Food Service Fund	<u>592,298</u>	<u>15,902</u>	<u>608,200</u>
Total Awards and Financial Assistance	<u>\$ 3,522,895</u>	<u>\$ 16,719,437</u>	<u>\$ 20,242,332</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, 2023**

NOTE 5 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 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 \$1,697,050 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, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$7,077,629 , TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,859,276 and TPAF Long-Term Disability Insurance in the amount of \$2,707 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

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 (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Part I – Summary of Auditor’s Results

State Awards Section

Internal control over major programs:

1) Material weakness(es) identified: _____ yes X no

2) Significant deficiencies identified not considered to be material weakness(es)? _____ 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 N.J. Circular Letter 15-08? _____ yes X no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>495-034-5120-075</u>	<u>Debt Service Aid</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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

Auditee qualified as low-risk auditee? X yes _____ no

**LYNDHURST BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.

There are none.

**LYNDHURST BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Finding 2023-001

Our audit of salaries charged to the ESSER grant programs revealed time and effort activity reports were not completed for certain employees whose salaries were charged to the grant programs.

Federal Program Information

ESSER Program Cluster 84.425D/84.425U

Criteria or Specific Requirement

Federal Grant Compliance Supplement – Allowable Costs/Cost Principles

Condition

Time and effort reports were not completed for individuals charged to the program.

Questioned Costs

Undeterminable.

Context

Total salaries charged to the ESSER programs were \$420,804 for 2022/2023. We noted the time and effort reports were not completed for any individuals tested whose salaries were charged to the program.

Effect

Personnel charged to Federal grants may not be allowable grant charges.

Cause

Unknown.

Recommendation

All employees charged to federally funded grant programs be included on the time and effort activity reports and certified semi-annually as required.

Views of Responsible Officials and Planned Corrective Action Plan

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

**LYNDHURST BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 2023-002

Our audit of the Teachers Pension and Annuity Fund (TPAF) reimbursement to the State for salaries charged to Federal grant programs revealed not all TPAF pensionable wages were included for reimbursement. In addition, we noted a non-TPAF pension salary was incorrectly included for reimbursement.

State program information:

Reimbursed TPAF Social Security	495-034-5094-003
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Criteria or specific requirement:

State Grant Compliance Supplement – Reimbursed TPAF Social Security Contributions - Eligibility

Condition:

The report to reimburse the State for District employees enrolled in the TPAF pension system whose pensionable base pay was funded by Federal grant programs did not include all salary amounts subject to reimbursement and also included salary amounts not subject to reimbursement.

Questioned Costs:

\$30,735.

Context:

TPAF pensionable salaries charged to Federal programs resulting in a reimbursement due of \$261,623, however the District calculated the reimbursement amount to be \$230,888.

Effect:

The District underpaid the State for the reimbursement of TPAF salaries charged to the Federal grant program.

Cause:

TPAF pensionable base wages charged to Federal grant programs was not properly determined and calculated when completing the TPAF reimbursement voucher.

Recommendation:

Greater care be exercised when completing the TPAF reimbursement to the State for federally funded salaries to ensure all TPAF pensionable base wages are properly included for reimbursement to the State.

Views of Responsible Officials and Planned Corrective Action Plan:

Management has reviewed this finding and indicated it will review and 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, 2023**

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 2022-001

Our audit of the Federal CARES-ESSER, CRRSA-ESSER and ARP-ESSER grant programs revealed the following with respect to compliance with purchasing and contract awards:

- Our audit revealed two instances where contracts awards from a cooperative purchasing program vendor that exceeded the bid threshold were not approved in the minutes.
- We noted payments made for several goods and services which exceeded the quote threshold, however competitive quotations were not provided for audit.

Current Status

Corrective action was taken with respect to the Federal ESSER programs. See Auditor's Management Report on "Administrative Findings – Financial, Compliance and Performance", dated January 16, 2024.

Finding 2022-002

Our audit of purchases and contract awards in excess of the bid threshold revealed the following as it related to compliance with the Public School Contracts Law and State procurement regulations:

- We noted payments to contractors for construction services which exceeded the bid threshold that were not awarded through a public bidding process. In addition, we noted the contract awards were not approved in the minutes nor was contract documentation on file.
- We noted two instances for contracts awarded through a public bid process for which the public advertisement for bids and other bid documentation was not available for audit.
- Our audit revealed several instances where purchases and contract awards from cooperative purchasing program vendors that exceeded the bid threshold were not approved in the minutes.
- We noted cooperative purchasing program contract award information was not on file in the District and not being reviewed to ensure amounts invoiced were goods or services and prices in the approved cooperative purchasing program award.
- We noted payments made for several goods and services which exceeded the quote threshold, however competitive quotations were not provided for audit.

Current Status

Partial corrective action was taken. See Auditor's Management Report on "Administrative Findings – Financial, Compliance and Performance", dated January 16, 2024.