

LYNDHURST BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Lyndhurst, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Lyndhurst Board of Education

Lyndhurst, New Jersey

For The Fiscal Year Ended June 30, 2021

Prepared by

Business Office

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INTRODUCTORY SECTION



Lyndhurst Public Schools

BOARD OF EDUCATION

420 Fem Avenue ♦ Lyndhurst, NJ 07071

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

JOSEPH A. DECORSO
Superintendent of Schools

MARK HAYES, Ph. D.
Interim School Business Administrator

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

JAMES HYMAN
Asst. School Business Administrator

February 3, 2022

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Lyndhurst School District (District) for the fiscal year ending June 30, 2021 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, 2021, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include both regular and special education for learning disabled students.

The District completed the 2020-2021 fiscal year with an average daily enrollment 2,567 students.

Average Daily Enrollment
(ADE)

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2020-2021	2,567
2019-2020	2,642
2018-2019	2,615
2017-2018	2,507
2016-2017	2,468
2015-2016	2,385
2014-2015	2,390
2013-2014	2,312
2012-2013	2,240
2011-2012	2,336

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 2020-2021) ended with an unassigned budgetary fund balance of \$1,015,480.

3) MAJOR INITIATIVES UNDERTAKING DURING 2020 - 2021: The Lyndhurst Public School District is proud of all that it accomplished during the 2020-2021 school year. The following is a sampling of the District's achievements:

- Improved parent communication and involvement through district outreach efforts.
- Improved website/social media.
- Encouraged parents/care givers to use the parent-portal
- Created additional parent surveys to gather feedback about school operations, and topics of interest.
- Continued revisions and updates of curricula
- Improved observations of teachers in classroom which will include providing feedback that teachers can use to improve student achievement.
- Analyzed test data to address individualized needs of ALL students.
- Researched and implement a cohesive streamlined approach to NJDOE mandated professional development trainings.
- Implemented programs that will track, assign, and centrally manage all faculty training professional development.
- Infrastructure project/new Wi-Fi and phones
- 1:1 device initiative for all students in grades K through 8
- Tech Specialists
- New high school roof
- Renovated high school gym
- Promethean board upgrade
- High School field PA upgrade
- Reader's Workshop K-12
- New Math Grades 3-5
- New Science and Social Studies Grades 6-8
- High School Chromebook upgrade

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, 2021.

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

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements." The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Unit from a loss of funds on deposit with a failed banking institution on New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

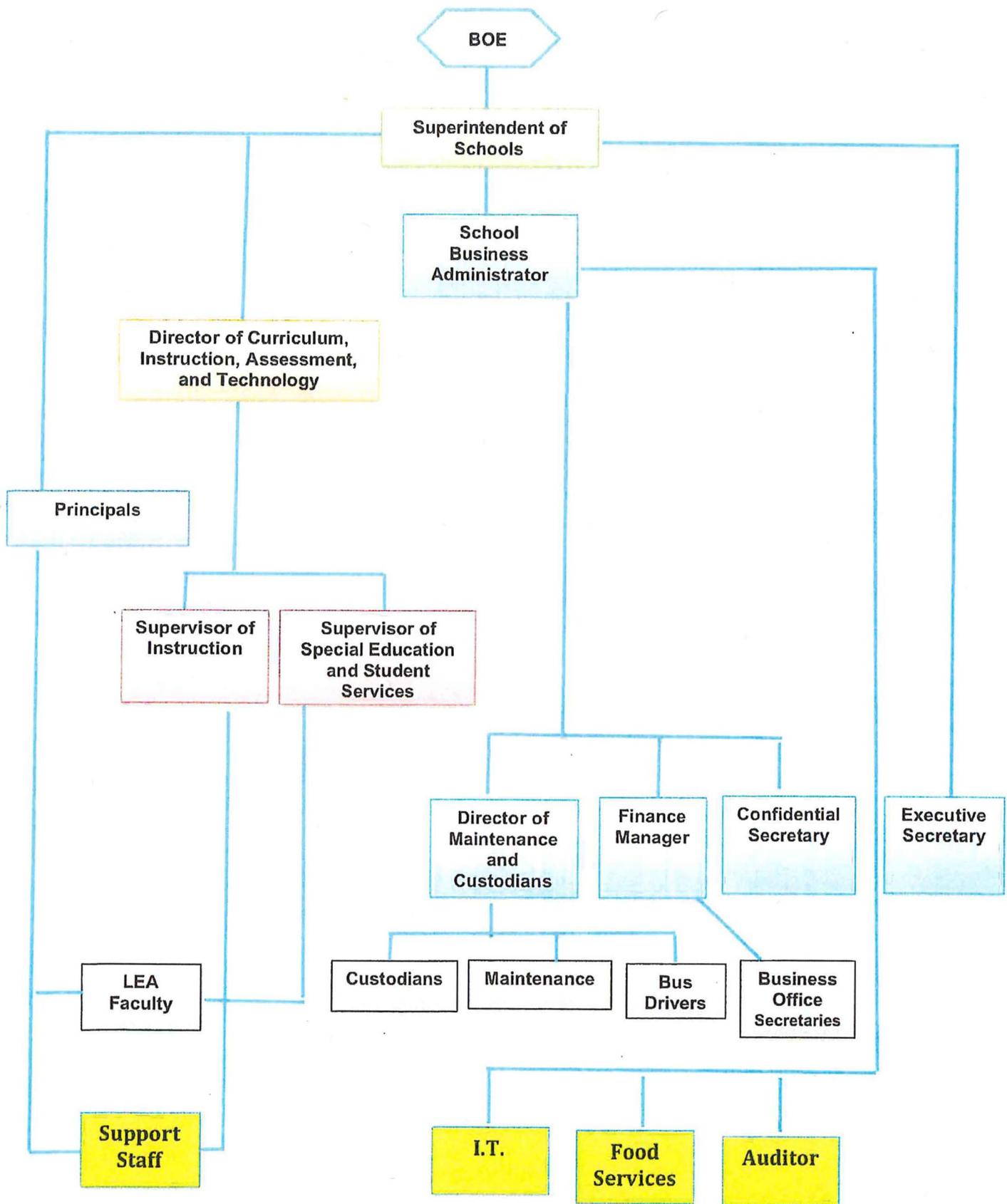
9) INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes,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

10) ACKNOWLEDGEMENT: We would like to express our appreciation to the members of the Lyndhurst Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Mark Hayes, Ph.D.
Interim School Business Administrator



LYNDHURST BOARD OF EDUCATION

BERGEN COUNTY, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2021

Board of Education President	<u>Term Expires</u>
Christopher Andrinopolous	2022
Board of Education Vice President	<u>Term Expires</u>
Richard Pizzuti	2021
<u>Members of Board of Education</u>	<u>Term Expires</u>
Domenick Abbate, Jr.	2023
Anthony Dell'Aquila	2021
James Donovan	2022
Frank Ferrandino	2021
Erin Keefe	2023
Elaine Stella	2022
Vacancy	2021
<u>Other Officials</u>	
Superintendent	Anthony Grieco
Interim School Business Administrator	Dr. Mark Hayes
Finance Manager	Valerie Troncone

LYNDHURST BOARD OF EDUCATION
CONSULTANTS & ADVISORS

State Monitor

Thomas Egan
N.J. Department of Education

District Treasurer of Monies

Angelo Desimone
1 Amy Way
Wayne, N.J. 07470

Audit Firm

Lerch, Vinci & Higgins, L.L.P.
17-17 Route 208
Fair Lawn, N.J. 07410

Attorney

Sciarrillo, 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 & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst Board of Education, as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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, 2021, 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2021, the Lyndhurst Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities which provided guidance on identifying fiduciary activities and how they should be reported. The adoption of this standard resulted in a change to how previously reported fiduciary fund activities are currently reported in the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lyndhurst Board of Education's basic financial statements. The introductory section, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Lyndhurst Board of Education.

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

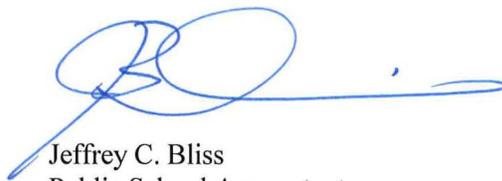
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 3, 2022 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.

Leach, Vinci & Higgins, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
February 3, 2022

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

This section of the Lyndhurst Board of Education's (District or Board) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements and the notes to the financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-2021 fiscal year include the following:

- The liabilities and deferred inflows of resources of the Lyndhurst Board of Education exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$40,744,187.
- The District's overall net position increased \$54,294,780.
- Overall District revenues were \$113,704,429. General revenues accounted for \$41,758,039 or 37% of all revenues. Revenues from special items for donated capital assets were \$51,852,237 or 45% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$20,094,153 or 18% of total revenues.
- The School District had \$58,823,382 in expenses for governmental activities; \$18,997,806 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$41,754,953 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 of \$8,442,488.
- The General Fund unassigned fund balance at June 30, 2021 was \$144,310 a decrease of \$58,449 when compared to the previous year's unassigned fund balance of \$202,759.
- The General Fund unassigned budgetary fund balance at June 30, 2021 was \$1,015,480 which represents an increase of \$295,304 when compared to the ending unassigned budgetary fund balance at June 30, 2020 of \$720,176.
- The District's total outstanding long-term liabilities increased \$18,201,428 during the current fiscal year.

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

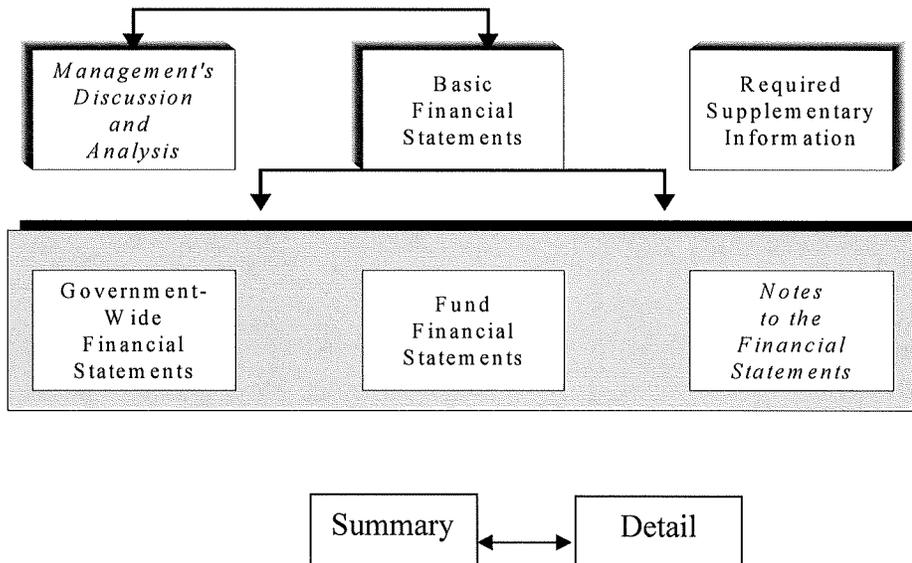
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

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 the information in the statements and provide more detailed data. The illustration below shows how the various parts of this annual report are arranged and related to one another.



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

**Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

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

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as Regular and Special Education Instruction and Building maintenance	Activities the district operates similar to private businesses: Enterprise Fund
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and changes in fund balances	Statement of Net Position Statement of revenue, expenses, and changes in fund net position Statement of cash flows
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; deferred outflow and inflow of resources information	All assets, liabilities, and deferred outflows/inflows of resources both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, liabilities, and deferred outflows/inflows of resources both financial and capital, and short-term and long-term
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 Financial Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District’s assets, deferred outflows, liabilities and deferred inflows. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District’s *net position* and how they have changed. Net position – the difference between the District’s assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District’s financial health or position.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

District-Wide Financial Statements (continued)

- Over time, increases or decreases in the District's net position are an indicator of whether its financial condition is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

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

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

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

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

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

- Food Service (Cafeteria)
- Preschool Program

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

Notes to the Financial Statements

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

Other Information

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

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

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$40,744,187 as of June 30, 2021. However, in the prior year, liabilities and deferred inflows exceeded assets and deferred outflows by \$13,550,593 as of June 30, 2020. The District received donated capital assets totaling \$51,852,237 in the form of a new middle school, significantly changing the District's financial position in the current year.

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

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

**Net Position
As of June 30, 2021 and 2020**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets						
Current Assets	\$ 11,555,259	\$ 12,188,252	\$ 583,235	\$ 69,199	\$ 12,138,494	\$ 12,257,451
Capital Assets	<u>68,793,538</u>	<u>7,813,666</u>	<u>5,583</u>	<u>2,136</u>	<u>68,799,121</u>	<u>7,815,802</u>
Total Assets	<u>80,348,797</u>	<u>20,001,918</u>	<u>588,818</u>	<u>71,335</u>	<u>80,937,615</u>	<u>20,073,253</u>
Deferred Outflows of Resources	<u>678,646</u>	<u>942,464</u>	<u>-</u>	<u>-</u>	<u>678,646</u>	<u>942,464</u>
Liabilities						
Long-Term Liabilities	34,359,401	16,157,973			34,359,401	16,157,973
Other Liabilities	<u>3,437,635</u>	<u>15,251,409</u>	<u>30,069</u>	<u>37,799</u>	<u>3,467,704</u>	<u>15,289,208</u>
Total Liabilities	<u>37,797,036</u>	<u>31,409,382</u>	<u>30,069</u>	<u>37,799</u>	<u>37,827,105</u>	<u>31,447,181</u>
Deferred Inflows of Resources	<u>3,037,605</u>	<u>3,114,312</u>	<u>7,364</u>	<u>4,817</u>	<u>3,044,969</u>	<u>3,119,129</u>
Net Position:						
Net Investment in Capital Assets	52,192,958	722,011	5,583	2,136	52,198,541	724,147
Restricted	2,415,800	1,095,818			2,415,800	1,095,818
Unrestricted	<u>(14,415,956)</u>	<u>(15,397,141)</u>	<u>545,802</u>	<u>26,583</u>	<u>(13,870,154)</u>	<u>(15,370,558)</u>
Total Net Position	<u>\$ 40,192,802</u>	<u>\$ (13,579,312)</u>	<u>\$ 551,385</u>	<u>\$ 28,719</u>	<u>\$ 40,744,187</u>	<u>\$ (13,550,593)</u>

The District's total net position of \$40,744,187 at June 30, 2021 represents a \$54,294,780 increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2021 and 2020, respectively.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

**Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2020**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
Revenues	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Program Revenues						
Charges for Services	\$ 484,674	\$ 205,672	\$ 4,030	\$ 211,939	\$ 488,704	\$ 417,611
Operating Grants and Contributions	18,432,348	13,183,013	1,092,317	248,523	19,524,665	13,431,536
Capital Grants and Contributions	80,784				80,784	-
General Revenues						
Property Taxes	40,622,200	39,555,241			40,622,200	39,555,241
State Aid - Unrestricted	584,297	410,053			584,297	410,053
Other	548,456	247,187	3,086	1,241	551,542	248,428
Special Items						
Donated Capital Assets	51,852,237	-	-	-	51,852,237	-
Total Revenues	<u>112,604,996</u>	<u>53,601,166</u>	<u>1,099,433</u>	<u>461,703</u>	<u>113,704,429</u>	<u>54,062,869</u>
Expenses						
Instruction						
Regular	26,341,161	21,610,822			26,341,161	21,610,822
Special Education	9,652,001	9,818,021			9,652,001	9,818,021
Other Instruction	1,184,008	1,152,865			1,184,008	1,152,865
School Sponsored Activities and Ath.	1,325,123	1,053,955			1,325,123	1,053,955
Support Services						
Student and Instruction Related Serv.	7,107,562	6,354,445			7,107,562	6,354,445
General Administrative Services	1,715,696	1,388,349			1,715,696	1,388,349
School Administrative Services	3,845,668	3,136,804			3,845,668	3,136,804
Central and Other Support Services	1,216,291	1,061,407			1,216,291	1,061,407
Plant Operations and Maintenance	4,883,204	3,523,808			4,883,204	3,523,808
Pupil Transportation	1,164,872	1,189,341			1,164,872	1,189,341
Interest on Long Term Debt	387,796	366,987			387,796	366,987
Food Services			586,267	725,106	586,267	725,106
Preschool Program	-	-	-	105,626	-	105,626
Total Expenses	<u>58,823,382</u>	<u>50,656,804</u>	<u>586,267</u>	<u>830,732</u>	<u>59,409,649</u>	<u>51,487,536</u>
Increase (Decrease) in Net Position						
Before Transfers	53,781,614	2,944,362	513,166	(369,029)	54,294,780	2,575,333
Transfers	(9,500)	(375,000)	9,500	375,000	-	-
Increase (Decrease) in Net Position	53,772,114	2,569,362	522,666	5,971	54,294,780	2,575,333
Net Position, Beginning of Year	(13,579,312)	(16,555,932)	28,719	22,748	(13,550,593)	(16,533,184)
Prior Period Adjustment	-	407,258	-	-	-	407,258
Net Position, End of Year	<u>\$ 40,192,802</u>	<u>\$ (13,579,312)</u>	<u>\$ 551,385</u>	<u>\$ 28,719</u>	<u>\$ 40,744,187</u>	<u>\$ (13,550,593)</u>

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

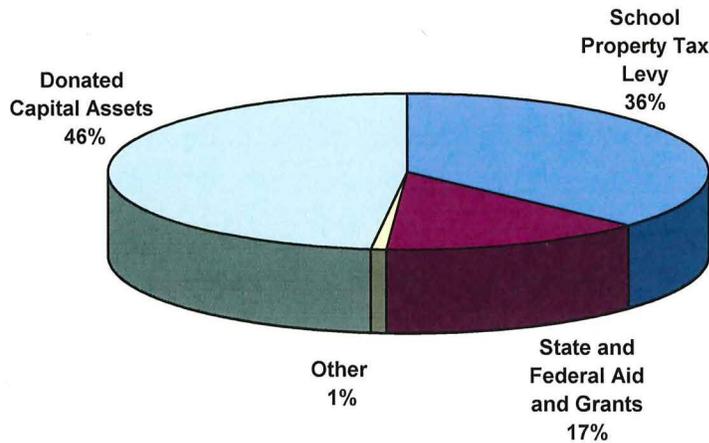
Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$112,604,996 for the fiscal year ended June 30, 2021, property taxes of \$40,622,200 represented 36% of revenues. Another significant portion of revenues came from special items for donated capital assets in the amount of \$51,852,237 representing 46% of revenues. A portion of revenues came from grants and aid; total State, Federal and local grants and aid was \$19,097,429 represented 17% of revenues. In addition other revenues from charges for services for tuition, transportation and student activities and other miscellaneous income from items which include interest, prior year refunds and other miscellaneous items was earned during the year.

The total cost of all governmental activities programs and services was \$58,823,382 for the fiscal year ended June 30, 2021. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$38,502,293 (65%) of total expenses. Support services totaled \$19,933,293 (34%) of total expenses. Interest charges for long-term debt represents 1% of governmental expenses.

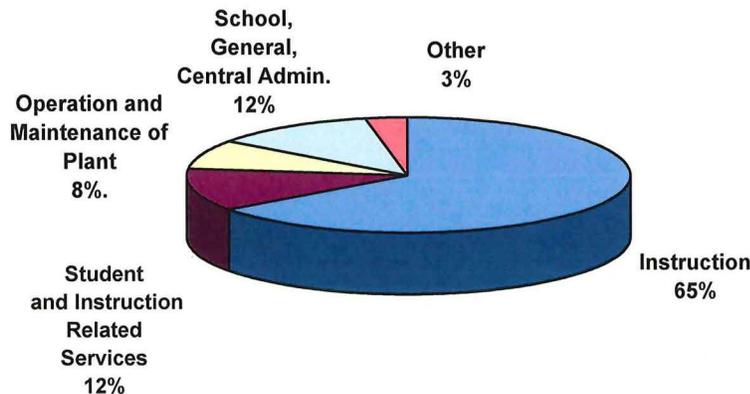
The District had transfers out of governmental activities to business-type activities in the amount of \$9,500.

Total governmental activities revenues exceeded expenses and transfers out increasing net position \$53,772,114 from the previous year.

**Revenues by Source- Governmental Activities
For Fiscal Year 2021**



**Expenses by Type- Governmental Activities
For Fiscal Year 2021**



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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

Total and Net Cost of Governmental Activities. The District's total cost of services was \$58,823,382 for the fiscal year ended June 30, 2021. After applying program revenues, derived from charges for services of \$484,674, operating grants and contributions of \$18,432,348 and capital grants and contributions of \$80,784 the net cost of services of the District is \$39,825,576.

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2021 and 2020**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Instruction				
Regular	\$ 26,341,161	\$ 21,610,822	\$ 17,510,303	\$ 15,734,183
Special Education	9,652,001	9,818,021	4,997,293	5,568,081
Other Instruction	1,184,008	1,152,865	775,397	825,709
School Sponsored Activities and Athletics	1,325,123	1,053,955	1,067,529	1,048,339
Support Services				
Student and Instruction Related Svcs.	7,107,562	6,354,445	4,868,686	4,621,257
General Administrative Services	1,715,696	1,388,349	1,462,175	1,301,639
School Administrative Services	3,845,668	3,136,804	2,822,053	2,519,569
Central and Other Support Services	1,216,291	1,061,407	1,088,021	1,054,715
Plant Operations and Maintenance	4,883,204	3,523,808	4,270,084	3,433,317
Pupil Transportation	1,164,872	1,189,341	594,077	794,323
Interest on Long Term Debt	387,796	366,987	369,958	366,987
Total	<u>\$ 58,823,382</u>	<u>\$ 50,656,804</u>	<u>\$ 39,825,576</u>	<u>\$ 37,268,119</u>

Business-Type Activities – The District's total business-type activities revenues were \$1,099,433 for the fiscal year ended June 30, 2021. Charges for services accounted for less than 1% or \$4,030 of total revenues for the year. Operating grants and contributions accounted for 99% or \$1,092,317 of total revenues for the year. In addition, miscellaneous revenue was earned from interest income which represented less than one percent of revenues for the year.

The total cost of all business-type activities programs and services was \$586,267. All of the District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District.

The District had transfers into business-type activities from governmental activities in the amount of \$9,500.

Total business-type activities revenues and transfers in surpassed expenses increasing net position by \$522,666 from the previous year.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$8,442,488. The prior year fund deficit at June 30, 2020 was \$2,832,099. The net increase for the year ended June 30, 2021 was \$11,274,587.

Revenues for the District's governmental funds were \$54,985,582 while total expenses were \$63,546,495 for the year ended June 30, 2021. The governmental funds also had other financing sources of \$19,931,979 and other financing uses of \$96,479.

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

The following schedule presents a summary of General Fund Revenues.

	Fiscal Year Ended <u>June 30, 2021</u>	Fiscal Year Ended <u>June 30, 2020</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Local Sources:				
Property Tax Levy	\$ 39,993,197	\$ 38,800,441	\$ 1,192,756	3%
Other	813,049	380,858	432,191	113%
State Sources	10,988,583	9,654,561	1,334,022	14%
Federal Sources	<u>140,164</u>	<u>56,233</u>	<u>83,931</u>	149%
 Total General Fund Revenues	 <u>\$ 51,934,993</u>	 <u>\$ 48,892,093</u>	 <u>\$ 3,042,900</u>	 6%

Total General Fund Revenues increased by \$3,042,900 or 6% over the previous year. Local property taxes increased by \$1,192,756 or 3% over the previous year primarily to offset increases in operating costs. Miscellaneous revenues increased \$432,191 from the previous year. In addition, State aid revenues increased \$1,334,022 or 14% largely due to an increase in on-behalf State aid for teachers' pension contributions paid by the State on behalf of the District's teaching professionals. Federal aid revenues increased by 149% due to a FEMA reimbursement for COVID related expenses in the current year.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

The following schedule presents a summary of General Fund expenditures.

	<u>Fiscal Year Ended June 30, 2021</u>	<u>Fiscal Year Ended June 30, 2020</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Instruction	\$ 31,456,141	\$ 30,159,212	\$ 1,296,929	4%
Support Services	17,237,211	15,655,517	1,581,694	10%
Debt Services	841,414	1,090,371	(248,957)	-23%
Capital Outlay	<u>741,228</u>	<u>660,603</u>	<u>80,625</u>	12%
Total Expenditures	<u>\$ 50,275,994</u>	<u>\$ 47,565,703</u>	<u>\$ 2,710,291</u>	6%

Total General Fund expenditures increased \$2,710,291 or approximately 6% from the previous year. The increase was mainly due to increases in regular education instruction costs and plant operations and maintenance support services costs which were offset by a decrease in special education instruction costs for the current year.

During the current fiscal year the District received other financing sources of \$38,699 which represented the transfer of interest earnings from the capital projects fund. In addition other financing uses totaled \$49,500 which represented transfers to the enterprise funds to subsidize food service operations in the amount of \$9,500 as well as the transfer of \$40,000 to the special revenue fund for student athletic activities in the current year.

For the fiscal year ended June 30, 2021 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$1,648,198. As a result, the total fund balance increased to \$3,792,234 at June 30, 2021. After deducting restricted, committed and assigned fund balances, the unassigned fund balance decreased by \$58,449 to \$144,310 at June 30, 2021 from a fund balance of \$202,759 at June 30, 2020. Restricted fund balances increased \$1,321,494, committed fund balance increased \$339,100 and assigned fund balances increased by \$46,053.

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

Revenues of the Special Revenue Fund were \$2,320,772 for the year ended June 30, 2021. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 79% or \$1,842,427 of the total revenue for the year. State sources accounted for 10% or \$243,486, while local revenues which represented 11% or \$244,859 for the current year.

Expenditures of the Special Revenue Fund were \$2,412,652. Instructional expenditures were \$1,758,937 or 73% and expenditures for support services were \$572,931 or 24% of the total amount expended for the year ended June 30, 2021. The remaining expenses were for capital outlay expenditures.

Capital Projects Fund - The capital project revenues and other financing sources exceeded expenditures and other financing uses by \$9,627,901 resulting in a fund balance of \$4,095,969 at June 30, 2021. This fund balance increase was the result of \$19,845,000 in bond proceeds related to the 2016 voter approved referendum projects for improvements to various schools which was permanently financed during the current year.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

Proprietary Funds

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

Revisions in the budget were also made through budget transfer.

General Fund budgetary revenues and other financing sources exceeded budgetary expenditures and other financing uses increasing the budgetary fund balance by \$2,001,951 from the previous year. After deducting restricted, committed and assigned fund balances, the unassigned budgetary fund balance increased \$295,304 from a fund balance of \$720,176 at June 30, 2020 to a fund balance of \$1,015,480 at June 30, 2021. In addition, the District increased the capital reserve by \$921,494 to a balance of \$1,191,515 at June 30, 2021. The District also increased its maintenance reserve by \$400,000 to a balance of \$670,000 at June 30, 2021. The District also committed and assigned \$1,475,696 of its year end fund balance for year end encumbrances.

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities as of June 30, 2021 amounts to \$68,793,538 (net of accumulated depreciation). The capital assets consist of land, construction in progress, buildings, building improvements, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2020-2021 amounted to \$1,840,908 for governmental activities. During the 2021 fiscal year the Township of Lyndhurst turned over ownership of the new middle school to the District. The new middle school was built and paid for by the Township.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

**Capital Assets at June 30, 2021 and 2020
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 171,125	\$ 180,454			\$ 171,125	\$ 180,454
Construction in Progress	15,905,104	5,654,113			15,905,104	5,654,113
Building and Building Improvements	51,850,259	1,434,783			51,850,259	1,434,783
Machinery and Equipment	<u>867,050</u>	<u>544,316</u>	<u>\$ 5,583</u>	<u>\$ 2,136</u>	<u>872,633</u>	<u>546,452</u>
Total Capital Assets, Net	<u>\$ 68,793,538</u>	<u>\$ 7,813,666</u>	<u>\$ 5,583</u>	<u>\$ 2,136</u>	<u>\$ 68,799,121</u>	<u>\$ 7,815,802</u>

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

LONG TERM LIABILITIES

At June 30, 2021 the District had \$34,359,401 of long term liabilities. Of this amount \$20,220,000 is for serial bonds; \$476,549 is for capital leases payable, \$3,265,941 is for compensated absences; \$32,613 is for deferred pension obligation; \$3,840,000 is for state aid advance loan payable; and \$6,524,298 is for the District's net pension liability. For fiscal year 2021 total outstanding long-term liabilities increased by \$18,201,428. The following is a comparison of the June 30, 2021 and 2020 balances.

**Long-Term Liabilities Outstanding
as of June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Bond Payable	\$ 20,220,000	\$ 755,000
Capital Leases Payable	476,549	804,723
Compensated Absences Payable	3,265,941	3,119,241
Deferred Pension Obligation	32,613	43,647
State Aid Advance Loan Payable	3,840,000	4,320,000
Net Pension Liability	<u>6,524,298</u>	<u>7,115,362</u>
Total	<u>\$ 34,359,401</u>	<u>\$ 16,157,973</u>

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

While many factors influence the district's future, the availability of funding for special education needs, student enrollment, condition of school facilities, financial condition of the District, the economy and the ongoing effects of the COVID-19 pandemic 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 2021-2022 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 2021-2022. Budgeted expenditures in the General Fund increased approximately 1% to \$44,780,247 in fiscal year 2021-2022.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator, Lyndhurst Board of Education, 420 Fern Avenue, Lyndhurst, NJ 07071.

DISTRICT-WIDE FINANCIAL STATEMENTS

LYNDHURST BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 11,000,338	\$ 510,020	\$ 11,510,358
Receivables, Net	412,165	190,065	602,230
Internal Balances	142,756	(142,756)	-
Inventory		25,906	25,906
Capital Assets, Not Being Depreciated	16,076,229		16,076,229
Capital Assets, Being Depreciated, Net	<u>52,717,309</u>	<u>5,583</u>	<u>52,722,892</u>
Total Assets	<u>80,348,797</u>	<u>588,818</u>	<u>80,937,615</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>678,646</u>	-	<u>678,646</u>
Total Deferred Outflows of Resources	<u>678,646</u>	-	<u>678,646</u>
Total Assets and Deferred Outflows of Resources	<u>81,027,443</u>	<u>588,818</u>	<u>81,616,261</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	3,033,680		3,033,680
Payable to Other Governments	36,240		36,240
Accrued Interest Payable	324,864		324,864
Unearned Revenue	42,851	30,069	72,920
Noncurrent Liabilities			
Due within one year	1,175,561		1,175,561
Due beyond one year	<u>33,183,840</u>	-	<u>33,183,840</u>
Total Liabilities	<u>37,797,036</u>	<u>30,069</u>	<u>37,827,105</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	3,037,605		3,037,605
Deferred Commodities Revenue	<u>-</u>	<u>7,364</u>	<u>7,364</u>
Total Deferred Inflows of Resources	<u>3,037,605</u>	<u>7,364</u>	<u>3,044,969</u>
Total Liabilities and Deferred Inflows of Resources	<u>40,834,641</u>	<u>37,433</u>	<u>40,872,074</u>
NET POSITION			
Net Investment in Capital Assets	52,192,958	5,583	52,198,541
Restricted for			
Capital Projects	1,191,515		1,191,515
Plant Maintenance	670,000		670,000
Student Activities	245,386		245,386
Debt Service	188,907		188,907
Scholarships	119,992		119,992
Unrestricted	<u>(14,415,956)</u>	<u>545,802</u>	<u>(13,870,154)</u>
Total Net Position	<u>\$ 40,192,802</u>	<u>\$ 551,385</u>	<u>\$ 40,744,187</u>

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

**LYNDHURST BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<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	\$ 26,341,161	\$ 31,234	\$ 8,718,840	\$ 80,784	\$ (17,510,303)		\$ (17,510,303)
Special Education	9,652,001		4,654,708		(4,997,293)		(4,997,293)
Other Instruction	1,184,008		408,611		(775,397)		(775,397)
School Sponsored Activities and Athletics	1,325,123	173,102	84,492		(1,067,529)		(1,067,529)
Support Services							
Student and Instruction Related Services	7,107,562		2,238,876		(4,868,686)		(4,868,686)
General Administrative Services	1,715,696		253,521		(1,462,175)		(1,462,175)
School Administrative Services	3,845,668		1,023,615		(2,822,053)		(2,822,053)
Central and Other Support Services	1,216,291		128,270		(1,088,021)		(1,088,021)
Plant Operations and Maintenance	4,883,204	-	613,120	-	(4,270,084)		(4,270,084)
Pupil Transportation	1,164,872	280,338	290,457		(594,077)		(594,077)
Interest on Long-Term Debt	387,796	-	17,838	-	(369,958)		(369,958)
Total Governmental Activities	<u>58,823,382</u>	<u>484,674</u>	<u>18,432,348</u>	<u>80,784</u>	<u>(39,825,576)</u>	<u>-</u>	<u>(39,825,576)</u>
Business-Type Activities							
Food Service	586,267	4,030	1,092,317	-	-	\$ 510,080	510,080
Preschool Program	-	-	-	-	-	-	-
Total Business-Type Activities	<u>586,267</u>	<u>4,030</u>	<u>1,092,317</u>	<u>-</u>	<u>-</u>	<u>510,080</u>	<u>510,080</u>
Total Primary Government	<u>\$ 59,409,649</u>	<u>\$ 488,704</u>	<u>\$ 19,524,665</u>	<u>\$ 80,784</u>	<u>(39,825,576)</u>	<u>510,080</u>	<u>(39,315,496)</u>

Continued

**LYNDHURST BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues			
Taxes			
Property Taxes Levied for General Purposes	\$ 39,993,197		\$ 39,993,197
Property Taxes Levied for Debt Service	629,003		629,003
State Aid -Unrestricted	558,300		558,300
State Aid for Debt Service Principal	25,997		25,997
Investment Earnings	192,107	\$ 3,086	195,193
Miscellaneous Income	356,349		356,349
Special Items			
Donation of Capital Assets	51,852,237		51,852,237
Transfers	(9,500)	9,500	-
Total General Revenues, Special Items and Transfers	93,597,690	12,586	93,610,276
Change in Net Position	53,772,114	522,666	54,294,780
Net Position, Beginning of Year (Restated)	(13,579,312)	28,719	(13,550,593)
Net Position, End of Year	\$ 40,192,802	\$ 551,385	\$ 40,744,187

FUND FINANCIAL STATEMENTS

**LYNDHURST BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2021**

	<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	\$ 6,084,501	\$ 365,378	\$ 4,415,482	\$ 134,977	\$ 11,000,338
Intergovernmental Receivables	102,845	282,528			385,373
Other Accounts Receivables	3,300	23,492			26,792
Due from Other Funds	468,111	-	-	53,930	522,041
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 6,658,757	\$ 671,398	\$ 4,415,482	\$ 188,907	\$ 11,934,544
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
LIABILITIES					
Liabilities					
Accounts Payable	\$ 772,964	\$ 149,977	\$ 20,924		\$ 943,865
Compensated Absences Payable	100,875				100,875
Accrued Liability for Insurance Claims	665,000				665,000
Payroll Deductions and Withholdings Payable	96,455				96,455
Employee Deposits Payable	1,227,485				1,227,485
Payable to State Government		25,552			25,552
Payable to Federal Government		10,688			10,688
Due to Other Funds	3,744	76,952	298,589		379,285
Unearned Revenue	-	42,851	-	-	42,851
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	2,866,523	306,020	319,513	-	3,492,056
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES					
Fund Balances					
Restricted					
Legally Restricted - Disallowed Grant Costs	301,224				301,224
Capital Reserve	1,191,515				1,191,515
Maintenance Reserve	670,000				670,000
Student Activities		245,386			245,386
Scholarships		119,992			119,992
Capital Projects			4,095,969		4,095,969
Debt Service				188,907	188,907
Committed					
Year End Encumbrances	339,100				339,100
Assigned					
Year End Encumbrances	1,136,596				1,136,596
FFCRA / SEMI	4,526				4,526
Designated for Subsequent Year's Expenditures	4,963				4,963
Unassigned	144,310	-	-	-	144,310
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	3,792,234	365,378	4,095,969	188,907	8,442,488
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 6,658,757	\$ 671,398	\$ 4,415,482	\$ 188,907	\$ 11,934,544
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**LYNDHURST BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2021**

Total Fund Balances (Exhibit B-1) \$ 8,442,488

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 \$79,230,969 and the accumulated depreciation is \$10,437,431. 68,793,538

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.

	\$ 678,646	
Deferred Outflows of Resources	(3,037,605)	
Deferred Inflows of Resources	<u> </u>	(2,358,959)

The District has financed capital assets through the issuance of long-term bonds and short-term notes. The interest accrual at year end is: (324,864)

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.

	(20,220,000)	
Bonds Payable	(476,549)	
Capital Leases Payable	(3,265,941)	
Compensated Absences	(32,613)	
Deferred Pension Obligation	(3,840,000)	
State Aid Advance Loan Payable	<u>(6,524,298)</u>	(34,359,401)
Net Pension Liability	<u> </u>	

Net Position of Governmental Activities (Exhibit A-1) \$ 40,192,802

LYNDHURST BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 39,993,197			\$ 629,003	\$ 40,622,200
Tuition	31,234				31,234
Transportation Fees	280,338				280,338
Interest	145,128		\$ 46,979		192,107
Miscellaneous - Unrestricted	356,349	\$ 244,859	-	-	601,208
Total - Local Sources	40,806,246	244,859	46,979	629,003	41,727,087
State Sources	10,988,583	\$ 243,486		43,835	11,275,904
Federal Sources	140,164	1,842,427	-	-	1,982,591
Total Revenues	51,934,993	2,330,772	46,979	672,838	54,985,582
EXPENDITURES					
Current					
Instruction					
Regular Instruction	21,535,185	818,217			22,353,402
Special Education Instruction	7,943,895	687,956			8,631,851
Other Instruction	949,624	29,780			979,404
School-Sponsored Activities and Athletics	1,027,437	222,984			1,250,421
Support Services					
Student and Instruction Related Services	5,749,266	363,798			6,113,064
General Administrative Services	1,577,202				1,577,202
School Administrative Services	3,290,002				3,290,002
Central and Other Support Services	1,106,179				1,106,179
Plant Operations and Maintenance	4,379,091	209,133			4,588,224
Student Transportation	1,135,471				1,135,471
Debt Service					
Principal	808,174			380,000	1,188,174
Interest and Other Charges	33,240			260,750	293,990
Capital Outlay	741,228	80,784	10,217,099	-	11,039,111
Total Expenditures	50,275,994	2,412,652	10,217,099	640,750	63,546,495
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,658,999	(81,880)	(10,170,120)	32,088	(8,560,913)
OTHER FINANCING SOURCES (USES)					
Bond Proceeds			19,845,000		19,845,000
Transfers In	38,699	40,000		8,280	86,979
Transfers Out	(49,500)	-	(46,979)	-	(96,479)
Total Other Financing Sources and Uses	(10,801)	40,000	19,798,021	8,280	19,835,500
Net Change in Fund Balances	1,648,198	(41,880)	9,627,901	40,368	11,274,587
Fund Balance (Deficits), Beginning of Year (Restated)	2,144,036	407,258	(5,531,932)	148,539	(2,832,099)
Fund Balance, End of Year	\$ 3,792,234	\$ 365,378	\$ 4,095,969	\$ 188,907	\$ 8,442,488

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, 2021**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 11,274,587

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

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

Capital Outlays	\$ 11,039,111	
Depreciation Expense	<u>(1,840,908)</u>	9,198,203

The net effect of various miscellaneous transactions involving capital assets (i.e., sales disposals, donations) is to increase net position. These transactions are not reported in the governmental fund financial statements

Donation of Capital Assets	51,852,237	
Loss on Disposal of Capital Assets	<u>(70,568)</u>	51,781,669

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

Bond Proceeds		(19,845,000)
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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	380,000	
Capital Lease Principal	328,174	
State Aid Advance Loan Payable	<u>480,000</u>	1,188,174

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

Amortization of Premium on Notes		12,922
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In the statement of activities, certain operating expenses - compensated absences and pension expense - are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Increase in Compensated Absences	(146,700)	
Decrease in Deferred Pension Obligations	11,034	
Decrease in Pension Expense	<u>403,953</u>	268,287

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

Increase in Accrued Interest		<u>(106,728)</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 53,772,114**

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**LYNDHURST BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>Non-Major Preschool Program</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 507,415	\$ 2,605	\$ 510,020
Intergovernmental Receivable, Net:	186,605		186,605
Accounts Receivable, Net	3,460		3,460
Due from Other Funds		3,744	3,744
Inventory	<u>25,906</u>	<u>-</u>	<u>25,906</u>
Total Current Assets	<u>723,386</u>	<u>6,349</u>	<u>729,735</u>
Capital Assets			
Equipment	100,028		100,028
Accumulated Depreciation	<u>(94,445)</u>	<u>-</u>	<u>(94,445)</u>
Total Capital Assets, Net	<u>5,583</u>	<u>-</u>	<u>5,583</u>
Total Assets	<u>728,969</u>	<u>6,349</u>	<u>735,318</u>
LIABILITIES			
Current Liabilities			
Due to Other Funds	146,500		146,500
Unearned Revenue	<u>30,069</u>	<u>-</u>	<u>30,069</u>
Total Current Liabilities	<u>176,569</u>	<u>-</u>	<u>176,569</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Commodities Revenue	<u>7,364</u>	<u>-</u>	<u>7,364</u>
Total Liabilities and Deferred Inflow of Resources	<u>183,933</u>	<u>-</u>	<u>183,933</u>
NET POSITION			
Investment in Capital Assets	5,583	-	5,583
Unrestricted	<u>539,453</u>	<u>6,349</u>	<u>545,802</u>
Total Net Position	<u>\$ 545,036</u>	<u>\$ 6,349</u>	<u>\$ 551,385</u>

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

**LYNDHURST BOARD OF EDUCATION
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	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 - Non-Reimbursable Program	\$ 4,030		\$ 4,030
Program Fees	-	-	-
Total Operating Revenues	<u>4,030</u>	<u>-</u>	<u>4,030</u>
OPERATING EXPENSES			
Cost of Sales - Reimbursable Programs	332,534		332,534
Cost of Sales - Non-Reimbursable Programs			-
Salaries	150,801		150,801
Employee Benefits	18,718		18,718
Purchased Management Services	22,543		22,543
Insurance	22,022		22,022
Other Purchased Services	8,855		8,855
Repair and Maintenance	1,663		1,663
General Supplies	15,940		15,940
Miscellaneous	11,010		11,010
Depreciation	2,181	-	2,181
Total Operating Expenses	<u>586,267</u>	<u>-</u>	<u>586,267</u>
Operating Loss	<u>(582,237)</u>	<u>-</u>	<u>(582,237)</u>
NONOPERATING REVENUES			
State Sources			
State School Lunch Program	37,079		37,079
Federal Sources			
National School Breakfast Program	370,873		370,873
National School Lunch Program	630,356		630,356
Emergency Operational Cost Program	26,107		26,107
Administrative Cost Program for Pandemic EBT	614		614
Food Distribution Program	27,288		27,288
Interest Income	3,086	-	3,086
Total Nonoperating Revenues	<u>1,095,403</u>	<u>-</u>	<u>1,095,403</u>
Changes in Net Position Before Transfers	513,166	-	513,166
Transfers In	9,500	-	9,500
Net Change in Net Position	522,666	-	522,666
Total Net Position, Beginning of Year	<u>22,370</u>	<u>6,349</u>	<u>28,719</u>
Total Net Position, End of Year	<u>\$ 545,036</u>	<u>\$ 6,349</u>	<u>\$ 551,385</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, 2021**

	Business-Type Activities Enterprise Funds		
	Food Service	Non-Major Preschool Program	Total
Cash Flows from Operating Activities			
Cash Received from Customers less refunds paid	\$ (235)	\$ 1,846	\$ 1,611
Cash Payments for Employees			
Salaries and Benefits	(169,519)	-	(169,519)
Cash Payments to Suppliers for Goods and Services	(376,271)	-	(376,271)
Net Cash Provided by (Used for) Operating Activities	(546,025)	1,846	(544,179)
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements and Grants	885,528	-	885,528
Cash Received from Other Funds	160,000	23,932	183,932
Cash Paid to Other Funds	-	(27,676)	(27,676)
Net Cash Provided by Noncapital Financing Activities	1,045,528	(3,744)	1,041,784
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(5,628)	-	(5,628)
Net Cash (Used for) Capital Related Financing Activities	(5,628)	-	(5,628)
Cash Flows from Investing Activities			
Interest Received	3,086	-	3,086
Net Cash Provided by Investing Activities	3,086	-	3,086
Net Increase (Decrease) in Cash	496,961	(1,898)	495,063
Cash, Beginning of Year	10,454	4,503	14,957
Cash, End of Year	\$ 507,415	\$ 2,605	\$ 510,020
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities			
Operating Loss	\$ (582,237)	\$ -	\$ (582,237)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities			
Depreciation	2,181	-	2,181
Non-Cash Federal Assistance-Food Distribution Program	27,288		27,288
Change in Assets, Liabilities and Deferred Inflows of Resources			
(Increase)/Decrease in Accounts Receivable	3,465	1,846	5,311
(Increase)/Decrease in Inventory	8,461		8,461
Increase/(Decrease) in Unearned Revenue	(7,730)		(7,730)
Increase/(Decrease) in Deferred Commodities Revenue	2,547	-	2,547
Total Adjustments	36,212	1,846	38,058
Net Cash Provided by (Used for) Operating Activities	\$ (546,025)	\$ 1,846	\$ (544,179)
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 29,834		

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, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Lyndhurst Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. A 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 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 Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent 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 2021, the District adopted the following GASB statement:

- GASB No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. 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.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 fund 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.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

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

The District reports the following major proprietary fund which is 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 fund which is 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 programs to resident children between the ages of 3 and 4 years old.

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.

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.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

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.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets*

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has one item which arises 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items which arise only under the accrual basis of accounting that qualify for reporting in this category. 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. The other item which qualifies 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.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated 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 sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. *Pensions*

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

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

8. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Debt premiums are deferred and amortized over the life of the bonds using the effective interest method. Debt payable is reported with the unamortized premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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.

Scholarship Awards – 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.

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

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustees 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, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

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.

FFCRA/SEMI - Represents fund balance assigned specifically for the Family First Coronavirus Response Act in the General Fund that was not appropriated in the 2020/2021 school year. These funds are available for appropriation in subsequent year's budgets.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

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.

10. *Fund Balance Policies*

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

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

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 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.

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 2019-2020 and 2020-2021 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 the 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.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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. Capital lease transactions are accounted for on the GAAP basis.

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

Budget adoptions and amendments are recorded in the District’s board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2020/2021. Also, during 2020/2021 the Board increased the original budget by \$1,418,521. The increase was funded by the additional appropriation of unassigned fund, student activity revenues, scholarship donations, grant awards and the reappropriation of prior year general fund encumbrances. In addition, the Board also approved to reduce General Fund appropriations by \$359,096 for the reduction of budgeted state aid.

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.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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			
Transportation Services			
Contracts Services –			
Special Education – Joint Agreements	\$583,504	\$628,150	\$(44,646)
Unallocated Benefits			
Unemployment Compensation	115,259	229,492	(114,233)
Health Benefits	4,206,847	4,387,023	(180,176)

The above variances were offset with other available resources.

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, 2021 is as follows:

Balance, July 1, 2020	\$ 270,021
Increased by	
Deposits Approved by Board Resolution	500,000
Deposits Approved by State Monitor	<u>421,494</u>
	<u>921,494</u>
Balance, June 30, 2021	<u>\$ 1,191,515</u>

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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.

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, 2021 is as follows:

Balance, July 1, 2020	\$ 270,000
Increased by	
Deposits Approved by Board Resolution	400,000
Balance, June 30, 2021	\$ 670,000

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,168,795.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

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, 2021, the book value of the Board's deposits were \$11,510,358 and bank and brokerage firm balances of the Board’s deposits amounted to \$14,329,260. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

Depository Account

Insured	\$ 14,329,260
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**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

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, 2021 none of the Board’s bank balances were exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law,” (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2021, the Board had no outstanding investments.

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.

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

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2021 for the district's individual major funds and nonmajor 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				
Local				\$ -
State	102,845		\$ 6,781	109,626
Federal		282,528	179,824	462,352
Accounts	<u>3,300</u>	<u>23,492</u>	<u>3,460</u>	<u>30,252</u>
Gross Receivables	106,145	306,020	190,065	602,230
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 106,145</u>	<u>\$ 306,020</u>	<u>\$ 190,065</u>	<u>\$ 602,230</u>

C. Unearned Revenue

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

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 4,707
Grant Draw Downs Reserved for Encumbrances	<u>38,144</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 42,851</u>

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	<u>Balance, July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2021</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 180,454		(9,329)	\$ 171,125
Construction in Progress	<u>5,654,113</u>	\$ 10,347,172	<u>(96,181)</u>	<u>15,905,104</u>
Total Capital Assets, Not Being Depreciated	<u>5,834,567</u>	<u>10,347,172</u>	<u>(105,510)</u>	<u>16,076,229</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	8,769,651	52,134,553	(286,805)	60,617,399
Machinery and Equipment	<u>2,031,537</u>	<u>505,804</u>	<u>-</u>	<u>2,537,341</u>
Total Capital Assets Being Depreciated	<u>10,801,188</u>	<u>52,640,357</u>	<u>(286,805)</u>	<u>63,154,740</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(7,334,868)	(1,657,838)	225,566	(8,767,140)
Machinery and Equipment	<u>(1,487,221)</u>	<u>(183,070)</u>	<u>-</u>	<u>(1,670,291)</u>
Total Accumulated Depreciation	<u>(8,822,089)</u>	<u>(1,840,908)</u>	<u>225,566</u>	<u>(10,437,431)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,979,099</u>	<u>50,799,449</u>	<u>(61,239)</u>	<u>52,717,309</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,813,666</u>	<u>\$ 61,146,621</u>	<u>\$ (166,749)</u>	<u>\$ 68,793,538</u>

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2021</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 94,400	\$ 5,628	-	\$ 100,028
Total Capital Assets Being Depreciated	<u>94,400</u>	<u>5,628</u>	<u>-</u>	<u>100,028</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(92,264)	(2,181)	-	(94,445)
Total Accumulated Depreciation	<u>(92,264)</u>	<u>(2,181)</u>	<u>-</u>	<u>(94,445)</u>
Total Capital Assets, Being Depreciated, Net	<u>2,136</u>	<u>3,447</u>	<u>-</u>	<u>5,583</u>
Business-Type Activities Capital Assets, Net	<u>\$ 2,136</u>	<u>\$ 3,447</u>	<u>\$ -</u>	<u>\$ 5,583</u>

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

Governmental Activities:

Instruction	
Regular	\$ 865,227
Special Education	276,136
Other Instruction	55,227
School Sponsored Activities and Athletics	<u>36,818</u>
Total Instruction	<u>1,233,408</u>
Support Services	
Students and Instruction Related Services	239,319
General Administrative Services	36,818
School Administrative Services	147,273
Central and Other Support Services	55,227
Plant Operations and Maintenance	110,454
Pupil Transportation	<u>18,409</u>
Total Support Services	<u>607,500</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,840,908</u>
Business-Type Activities:	
Food Service	<u>\$ 2,181</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 2,181</u>

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2021:

<u>Project</u>	<u>Remaining Commitment</u>
Building Additions and Interior Renovations to Four District Schools	\$ 3,505,507
Partial Roof Replacement Project at Lyndhurst High School	<u>339,100</u>
	<u>\$ 3,844,607</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 76,952
General Fund	Capital Projects Fund	244,659
General Fund	Food Service Fund	146,500
Debt Service Fund	Capital Projects Fund	53,930
Preschool Program Fund	General Fund	<u>3,744</u>
		<u>\$ 525,785</u>

The above balances are the result of revenues earned 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.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund Transfers

	Transfer In:				<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service Fund</u>	
Transfer Out:					
General Fund		40,000		\$ 9,500	\$ 49,500
Capital Projects Fund	38,699	-	8,280	-	46,979
Total	<u>\$ 38,699</u>	<u>\$ 40,000</u>	<u>\$ 8,280</u>	<u>\$ 9,500</u>	<u>\$ 96,479</u>

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

F. Leases

Operating Leases

The District leases copiers, AED devices, mail machines and technology equipment under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2021 were \$241,575. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2022	\$ 237,310
2023	237,310
2024	<u>17,403</u>
Total	<u>\$ 492,023</u>

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases

The District is leasing buses, copiers and various equipment totaling \$1,026,594 under capital leases. The leases are for terms of 4 to 5 years.

The capital assets acquired through capital leases are as follows:

	Governmental <u>Activities</u>
Machinery and Equipment	\$ <u>1,026,594</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u> Capital <u>Leases</u>
2022	\$ 249,836
2023	258,524
2024	<u>5,252</u>
Total minimum lease payments	513,612
Less: amount representing interest	<u>(37,063)</u>
Present value of minimum lease payments	<u>\$ 476,549</u>

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. 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, 2021 are comprised of the following issues:

\$2,270,000, 2016 Bonds, due in a final annual installment of \$375,000 on July 1, 2021, interest at 4.00%	\$375,000
\$19,845,000, 2020 Bonds, due in annual installments of \$785,000 to \$1,345,000 through September 1, 2040, interest at 1.00% to 2.00%	<u>19,845,000</u>
Total	<u>\$20,220,000</u>

Governmental Activities:

Fiscal Year Ended June 30,	Serial Bonds		Total
	Principal	Interest	
2022	\$ 375,000	\$ 566,400	\$ 941,400
2023	785,000	368,675	1,153,675
2024	810,000	360,700	1,170,700
2025	835,000	352,475	1,187,475
2026	850,000	339,800	1,189,800
2027-2031	4,730,000	1,425,400	6,155,400
2032-2036	5,490,000	915,300	6,405,300
2037-2041	<u>6,345,000</u>	<u>324,450</u>	<u>6,669,450</u>
	<u>\$ 20,220,000</u>	<u>\$ 4,653,200</u>	<u>\$ 24,873,200</u>

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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 2020/2021 school year.

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

Governmental activities:

Year Ended <u>June 30,</u>	<u>State Aid Advance Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 480,000		\$ 480,000
2023	480,000		480,000
2024	480,000		480,000
2025	480,000		480,000
2026	480,000		480,000
2027-2030	<u>1,440,000</u>	<u>-</u>	<u>1,440,000</u>
Total	<u>\$ 3,840,000</u>	<u>\$ -</u>	<u>\$ 3,840,000</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2021 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 127,861,826
Less: Net Debt Issued And Debt Authorized But Not Issued	<u>20,222,807</u>
Remaining Borrowing Power	<u>\$ 107,639,019</u>

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Deferred Pension Obligation

During the 2008/2009 school year the Board elected to contribute only 50% of its normal and accrued liability components of the Public Employee Retirement System (PERS) obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$90,663 and is being paid back with interest over 15 years beginning in the 2011/2012 fiscal year. The District is permitted to payoff the deferred PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest at June 30, 2021 is \$32,613.

During the fiscal years ended June 30, 2021, 2020 and 2019 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 <u>June 30,</u>	<u>PERS</u>
2021	\$ 14,482
2020	14,444
2019	14,327

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	<u>Balance,</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2021</u>	<u>Within</u> <u>One Year</u>
Governmental activities:					
Bonds Payable	\$ 755,000	\$ 19,845,000	\$ 380,000	\$ 20,220,000	\$ 375,000
Capital Leases	804,723		328,174	476,549	230,791
Compensated Absences	3,119,241	303,354	156,654	3,265,941	75,000
Deferred Pension Obligation	43,647	3,448	14,482	32,613	14,770
State Aid Advance Loan Payable	4,320,000		480,000	3,840,000	480,000
Net Pension Liability	<u>7,115,362</u>	<u>-</u>	<u>591,064</u>	<u>6,524,298</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 16,157,973</u>	<u>\$ 20,151,802</u>	<u>\$ 1,950,374</u>	<u>\$ 34,359,401</u>	<u>\$ 1,175,561</u>

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

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

I. Short-Term Debt

The Board’s short-term activity for the fiscal year ended June 30, 2021 was as follows:

Bond Anticipation Notes

The Board issues Bond Anticipation Notes (“Project Notes”) to temporarily finance Capital Projects. The Board’s short-term debt activity for the fiscal year ended June 30, 2021 was as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance, July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2021</u>
Bond Anticipation Notes:						
2016 Referendum Projects			\$ 11,974,000		\$ 11,974,000	\$ -
Add: Premiums			<u>12,922</u>	<u>-</u>	<u>12,922</u>	<u>-</u>
			<u>\$ 11,986,922</u>	<u>\$ -</u>	<u>\$ 11,986,922</u>	<u>\$ -</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

Estimates of claims payable and of claims incurred, but not reported (IBNR) at June 30, 2021, 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 \$665,000 reported at June 30, 2021 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 group medical and prescription drug benefits plan for the fiscal years ended June 30, 2021 and 2020 are as follows:

	<u>Year Ended</u>	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Unpaid Claims, beginning of fiscal year	\$ 720,000	\$ 742,000
Incurred claims (including IBNR's)	4,551,377	4,280,133
Claim payments	<u>(4,606,377)</u>	<u>(4,302,133)</u>
Unpaid claims, end of fiscal year	<u>\$ 665,000</u>	<u>\$ 720,000</u>

The District is a member of the School Alliance Insurance Fund (SAIF or Fund). 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 funds 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, 2021, 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, 2021**

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. The District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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.

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) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

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 PERS 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 or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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, 2021**

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, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32%. The collective net pension liability of the State funded TPAF at June 30, 2020 is \$66.0 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 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 2021.

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, 2021 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than 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 2021, 2020 and 2019 were equal to the required contributions.

During the fiscal years ended June 30, 2021, 2020 and 2019 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>
2021	\$ 437,671	\$ 5,043,524	\$ 35,910
2020	384,116	4,013,218	38,318
2019	390,582	3,518,074	31,938

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2021, 2020 and 2019 the District contributed \$0, \$2,058 and \$1,861, respectively for PERS and the State contributed \$3,282, \$4,160 and \$4,587, 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 \$1,437,658 during the fiscal year ended June 30, 2021 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, 2019 through June 30, 2020. 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, 2020 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2020.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$6,524,298 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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, 2020. At June 30, 2020, the District's proportionate share was .04001 percent, which was an increase of .00052 percent from its proportionate share measured as of June 30, 2019 of .03949 percent.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$33,718 for PERS. The pension contribution made by the District during the current 2020/2021 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, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. 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, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, 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	\$ 118,797	\$ 23,073
Changes of Assumptions	211,656	2,731,785
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	223,006	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>125,187</u>	<u>282,747</u>
Total	<u>\$ 678,646</u>	<u>\$ 3,037,605</u>

At June 30, 2021, 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>
2022	\$ (658,718)
2023	(619,687)
2024	(536,519)
2025	(461,700)
2026	<u>(82,335)</u>
	<u>\$ (2,358,959)</u>

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020) 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, 2020 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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	7.00%
2020	June 30, 2019	6.28%

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 (Continued)

There was no crossover period for the PERS defined benefit plan. Therefore the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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	\$ 8,213,003	\$ 6,524,298	\$ 5,091,386

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2020. A sensitivity analysis specific to the District's net pension liability at June 30, 2020 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, 2021**

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, 2019 through June 30, 2020. 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, 2020, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$7,360,228 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, 2021 the State's proportionate share of the net pension liability attributable to the District is \$118,361,592. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was .17975 percent, which was an increase of .00454 percent from its proportionate share measured as of June 30, 2019 of .17521 percent.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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, 2020) 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, 2020 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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

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

Period of Projected Benefit

Payments for which the Following Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2062
Municipal Bond Rate *	From July 1, 2062 and Thereafter

* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.40%, 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 (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	1% Decrease <u>(4.40%)</u>	Current Discount Rate <u>(5.40%)</u>	1% Increase <u>(6.40%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 139,029,552</u>	<u>\$ 118,361,592</u>	<u>\$ 101,200,320</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2020. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a 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.

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

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2020 is \$67.8 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2019 which were rolled forward to June 30, 2020.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2019 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 \$1.18 billion to the OPEB plan in fiscal year 2020.

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, 2021, 2020 and 2019 were \$1,580,562, \$1,488,830 and \$1,595,792, 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, 2019 through June 30, 2020. 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, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$5,031,035. 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, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$97,637,382. 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, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was .14399 percent, which was a decrease of .00251 percent from its proportionate share measured as of June 30, 2019 of .14650 percent.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.45%
Rate Thereafter	1.55% to 4.45%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	2.21%
2020	June 30, 2019	3.50%

The discount rate represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021 (measurement date June 30, 2020) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2019 Measurement Date	\$ <u>61,132,786</u>
Changes Recognized for the Fiscal Year:	
Service Cost	2,795,403
Interest on the Total OPEB Liability	2,208,890
Differences Between Expected and Actual Experience	15,313,574
Changes of Assumptions	17,834,995
Gross Benefit Payments	(1,699,786)
Contributions from the Member	<u>51,520</u>
Net Changes	\$ <u>36,504,596</u>
Balance, June 30, 2020 Measurement Date	\$ <u><u>97,637,382</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 % percent in 2019 to 2.21% percent in 2020.

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, 2020.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.21%, 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 (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 117,706,904</u>	<u>\$ 97,637,382</u>	<u>\$ 81,944,949</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	<u>\$ 78,816,187</u>	<u>\$ 97,637,382</u>	<u>\$ 120,049,242</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

F. Tax Abatements

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

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

NOTE 5 RESTATEMENT

On July 1, 2020, the Lyndhurst Board of Education implemented GASB Statement No. 84 "Fiduciary Activities". The Lyndhurst Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to student activities, scholarships and payroll related activities which were previously reported as fiduciary activities to governmental activities. The effect of this restatement is to increase net position of governmental activities by \$407,258 from \$(13,986,570) as previously reported to \$(13,579,312) as of June 30, 2020.

Governmental Funds

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to student activities, scholarships and payroll activities previously reported as fiduciary funds to governmental funds. The effect of this restatement is to increase fund balances of governmental funds by \$407,258 from \$(3,239,357) as previously reported to \$(2,832,099) as of June 30, 2020. Special Revenue Fund fund balance increased \$407,258 from \$0 as previously reported to \$407,258 as of June 30, 2020.

Fiduciary Funds

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$69,907 from \$69,907 as previously reported to \$0 as of June 30, 2020.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measure, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan 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 School District. It is too early to predict if the legislation will have its intended affect.

The largest portion of the School District’s revenues is derived from local tax revenues levied by the Borough. In that regard, under applicable State statutes, the Borough annually is required to pay 100% of the amount levied for operations and debt service to the School District regardless of delinquencies in applicable property tax collections. The ability of the Borough to fully collect property taxes on a timely basis may be affected by the economic impact of the Pandemic; however, the District does not anticipate an interruption in the timely collection of property taxes from the Borough.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	variance Final To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 39,993,197		\$ 39,993,197	\$ 39,993,197	
Tuition from Individuals	11,883		11,883	31,234	\$ 19,351
Tuition from Other LEAs within the State	48,500		48,500		(48,500)
Transportation from Individuals	150,000		150,000	280,338	130,338
Rents and Royalties	25,000		25,000		(25,000)
Interest				145,128	145,128
Miscellaneous	165,000	-	165,000	356,349	191,349
Total Local	40,393,580	-	40,393,580	40,806,246	412,666
State Sources					
Special Education Aid	1,609,062		1,609,062	1,609,062	-
Equalization Aid	930,893	\$ (359,096)	571,797	571,797	-
Security Aid	75,106		75,106	75,106	-
Transportation Aid	239,630		239,630	239,630	-
Extraordinary Aid	400,000		400,000	752,135	352,135
Non-Public Transportation Aid				29,580	29,580
On-behalf TPAF Contributions (Nonbudgeted)					
Pension Benefit Contribution				4,949,356	4,949,356
Pension - NCGI Premium				94,168	94,168
Post Retirement Medical Benefit Contribution				1,580,562	1,580,562
Long-Term Disability Insurance Premium				3,282	3,282
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,437,658	1,437,658
Total State	3,254,691	(359,096)	2,895,595	11,342,336	8,446,741
Federal Sources					
Medicaid Reimbursement	38,836	\$ -	38,836	64,415	25,579
FEMA Reimbursement	-	-	-	75,749	75,749
Total Federal Sources	38,836	-	38,836	140,164	101,328
Total Revenues	43,687,107	(359,096)	43,328,011	52,288,746	8,960,735
CURRENT EXPENDITURES					
Regular Programs-Instruction					
Salaries of Teachers:					
Preschool	184,410	-	184,410	184,010	400
Kindergarten	865,934	(74,084)	791,850	785,729	6,121
Grades 1-5	3,939,386	(40,993)	3,898,393	3,867,025	31,368
Grades 6-8	2,807,988	(6,056)	2,801,932	2,792,722	9,210
Grades 9-12	4,657,875	(74,230)	4,583,645	4,569,906	13,739
Regular Programs-Home Instruction					
Salaries of Teachers	50,000	7,937	57,937	57,037	900
Regular Programs-Undistributed Instruction					
Other Salaries for Instruction	469,963	(12,309)	457,654	435,282	22,372
Purchased Professional Educational Services	22,000	(5,600)	16,400	16,400	-
Other Purchased Services	323,818	33,998	357,816	356,463	1,353
General Supplies	445,215	(19,801)	425,414	371,391	54,023
Textbooks	197,500	(53,484)	144,016	95,795	48,221
Total Regular Programs	13,964,089	(244,622)	13,719,467	13,531,760	187,707

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 751,195	\$ 123,358	\$ 874,553	\$ 868,745	\$ 5,808
Other Salaries for Instruction	266,172	27,946	294,118	291,026	3,092
General Supplies	5,204	-	5,204	3,460	1,744
Total Language and/or Language Disabilities	<u>1,022,571</u>	<u>151,304</u>	<u>1,173,875</u>	<u>1,163,231</u>	<u>10,644</u>
Multiple Disabilities					
Salaries of Teachers	93,080	(93,080)	-	-	-
Other Salaries for Instruction	61,116	(61,116)	-	-	-
Total Multiple Disabilities	<u>154,196</u>	<u>(154,196)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Resource Room/Resource Center					
Salaries of Teachers	1,946,710	(11,055)	1,935,655	1,902,935	32,720
Other Salaries for Instruction	75,000	(173)	74,827	60,436	14,391
General Supplies	5,520	(1,510)	4,010	3,391	619
Total Resource Room/Resource Center	<u>2,027,230</u>	<u>(12,738)</u>	<u>2,014,492</u>	<u>1,966,762</u>	<u>47,730</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	64,935	97,180	162,115	143,462	18,653
Other Salaries for Instruction	34,500	23,370	57,870	56,083	1,787
General Supplies	450	-	450	-	450
Total Preschool Disabilities - Part-Time	<u>99,885</u>	<u>120,550</u>	<u>220,435</u>	<u>199,545</u>	<u>20,890</u>
Preschool Disabilities - Full-Time					
Salaries of Teachers	157,715	(151,458)	6,257	-	6,257
Other Salaries for Instruction	60,000	(60,000)	-	-	-
General Supplies	300	243	543	391	152
Total Preschool Disabilities - Full-Time	<u>218,015</u>	<u>(211,215)</u>	<u>6,800</u>	<u>391</u>	<u>6,409</u>
Home Instruction					
Purchased Professional Educational Service	26,000	2,000	28,000	27,533	467
Total Home Instruction	<u>26,000</u>	<u>2,000</u>	<u>28,000</u>	<u>27,533</u>	<u>467</u>
Total Special Education	<u>3,547,897</u>	<u>(104,295)</u>	<u>3,443,602</u>	<u>3,357,462</u>	<u>86,140</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	276,755	(2,000)	274,755	260,236	14,519
Total Basic Skills/Remedial - Instruction	<u>276,755</u>	<u>(2,000)</u>	<u>274,755</u>	<u>260,236</u>	<u>14,519</u>
Bilingual Education - Instruction					
Salaries of Teachers	329,630	932	330,562	330,562	-
Total Bilingual Education - Instruction	<u>329,630</u>	<u>932</u>	<u>330,562</u>	<u>330,562</u>	<u>-</u>

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<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	\$ 171,462	\$ 10,856	\$ 182,318	\$ 177,113	\$ 5,205
Purchased Services	1,500	3,175	4,675	4,663	12
Supplies and Materials	29,200	(9,599)	19,601	2,069	17,532
Other Objects	1,500	-	1,500	-	1,500
Total School Sponsored Co/Extra Curricular Activities	<u>203,662</u>	<u>4,432</u>	<u>208,094</u>	<u>183,845</u>	<u>24,249</u>
School Sponsored Athletics					
Salaries	485,994	(10,000)	475,994	467,450	8,544
Purchased Services	77,500	(20,441)	57,059	40,346	16,713
Supplies and Materials	84,500	26,899	111,399	81,396	30,003
Other Objects	500	-	500	-	500
Transfer to Cover Deficit (Agency Funds)	80,000	(74,000)	6,000	-	6,000
Total School Sponsored Athletics	<u>728,494</u>	<u>(77,542)</u>	<u>650,952</u>	<u>589,192</u>	<u>61,760</u>
Instructional Alt Ed Program - Instruction					
Other Objects	800	-	800	-	800
Total Instructional Alt Ed Program - Instruction	<u>800</u>	<u>-</u>	<u>800</u>	<u>-</u>	<u>800</u>
Total Instruction	<u>19,051,327</u>	<u>(423,095)</u>	<u>18,628,232</u>	<u>18,253,057</u>	<u>375,175</u>
Undistributed Expenditures					
Instruction:					
Tuition to Other LEAs Within State - Special	253,666	(150,125)	103,541	103,540	1
Tuition to County Voc. School District-Regular	338,328	41,958	380,286	367,943	12,343
Tuition to County Voc. School District-Special	396,936	(150,392)	246,544	209,604	36,940
Tuition to CSSD and Regional Day Schools	1,572,420	(478,918)	1,093,502	1,093,202	300
Tuition to Priv. School for the Disabled - Within State	1,702,224	(412,675)	1,289,549	1,289,549	-
Total Undistributed Expenditures- Instruction	<u>4,263,574</u>	<u>(1,150,152)</u>	<u>3,113,422</u>	<u>3,063,838</u>	<u>49,584</u>
Attendance and Social Work					
Salaries	72,422	2,035	74,457	74,457	-
Supplies and Materials	500	1,607	2,107	1,683	424
Total Attendance and Social Work	<u>72,922</u>	<u>3,642</u>	<u>76,564</u>	<u>76,140</u>	<u>424</u>
Health Services					
Salaries	675,920	(201)	675,719	659,009	16,710
Purchased Professional/Technical Services	4,400	-	4,400	1,392	3,008
Other Purchased Services	14,040	4,056	18,096	18,096	-
Supplies and Materials	7,900	243	8,143	5,210	2,933
Total Health Services	<u>702,260</u>	<u>4,098</u>	<u>706,358</u>	<u>683,707</u>	<u>22,651</u>
Speech, OT, PT, & Related Services					
Salaries	406,970	(9,458)	397,512	397,511	1
Purchased Professional/Educational Services	461,083	(31,500)	429,583	393,331	36,252
Supplies and Materials	2,600	(855)	1,745	882	863
Total Speech, OT, PT & Related Services	<u>870,653</u>	<u>(41,813)</u>	<u>828,840</u>	<u>791,724</u>	<u>37,116</u>
Other Support Services -Students- Extra Services					
Salaries	62,848	(15,105)	47,743	41,211	6,532
Purchased Professional/Educational Services	30,000	(10,000)	20,000	13,407	6,593
Supplies and Materials	10,000	(1,200)	8,800	7,794	1,006
Total Other Support Services - Students - Extra Services	<u>102,848</u>	<u>(26,305)</u>	<u>76,543</u>	<u>62,412</u>	<u>14,131</u>

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Guidance					
Salaries of Other Professional Staff	\$ 542,675	\$ 126,434	\$ 669,109	\$ 662,426	\$ 6,683
Salaries of Secretarial and Clerical Assistants	67,467	484	67,951	67,951	-
Purchased Professional/Educational Services	88,535	(10,130)	78,405	47,838	30,567
Other Purchased Professional & Technical Services	3,000	-	3,000	2,100	900
Supplies and Materials	4,725	-	4,725	1,592	3,133
Total Guidance	706,402	116,788	823,190	781,907	41,283
Child Study Team					
Salaries of Other Professional Staff	812,930	(35,969)	776,961	771,250	5,711
Salaries of Secretarial and Clerical Assistants	70,077	30,190	100,267	100,267	-
Purchased Professional-Educational Services	160,858	(86,341)	74,517	74,517	-
Other Purchased Services	3,000	-	3,000	-	3,000
Supplies and Materials	8,500	2,000	10,500	9,739	761
Total Child Study Team	1,055,365	(90,120)	965,245	955,773	9,472
Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	9,400	448,193	457,593	457,593	-
Other Objects	-	3,052	3,052	3,052	-
Total Improvement of Inst. Serv.	9,400	451,245	460,645	460,645	-
Educational Media/School Library					
Salaries	65,000	(23,015)	41,985	41,985	-
Supplies and Materials	9,500	(745)	8,755	7,159	1,596
Total Educational Media/School Library	74,500	(23,760)	50,740	49,144	1,596
Instructional Staff Training					
Purchased Professional-Educational Services	6,960	(287)	6,673	1,800	4,873
Other Purchased Services	18,500	(16,950)	1,550	-	1,550
Total Instructional Staff Training	25,460	(17,237)	8,223	1,800	6,423
General Administration					
Salaries	511,702	(7,258)	504,444	500,321	4,123
Salaries of State Monitors	96,000	4,306	100,306	82,416	17,890
Repayment of Principal - NJDOE Loan	480,000	-	480,000	480,000	-
Unused Vacation Payment to Terminated/Retired Staff	-	17,766	17,766	17,765	1
Legal Services	105,000	75,033	180,033	137,759	42,274
Audit Fees	65,000	38,092	103,092	61,977	41,115
Architectural/Engineering Services	25,000	(1,856)	23,144	42	23,102
Other Purchased Professional Services	30,000	8,690	38,690	38,514	176
Communications/Telephone	174,464	95,752	270,216	230,130	40,086
BOE Other Purchased Services	4,000	-	4,000	-	4,000
Miscellaneous Purchased Services	132,782	25,346	158,128	152,903	5,225
General Supplies	6,000	2,810	8,810	6,852	1,958
BOE In-House Training / Meeting Supplies	2,000	-	2,000	77	1,923
Miscellaneous Expenditures	8,450	-	8,450	7,638	812
BOE Membership Dues and Fees	17,000	(1,682)	15,318	15,318	-
Total General Administration	1,657,398	256,999	1,914,397	1,731,712	182,685

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
School Administration					
Salaries of Principals/Assistant Principals	\$ 1,801,028	\$ (247,016)	\$ 1,554,012	\$ 1,509,977	\$ 44,035
Salaries of Secretarial and Clerical Assistants	604,785	9,002	613,787	602,590	11,197
Unused Vacation Payment to Terminated/Retired Staff		8,616	8,616	8,615	1
Other Purchased Services	18,500	-	18,500	925	17,575
Supplies and Materials	19,350	50,997	70,347	24,284	46,063
Other Objects	17,400	(3,052)	14,348	9,840	4,508
Total School Administration	2,461,063	(181,453)	2,279,610	2,156,231	123,379
Central Services					
Salaries	537,502	(14,135)	523,367	490,424	32,943
Unused Vac. Payment to Terminated/Retired Staff		21,321	21,321	21,320	1
Purchased Professional Services	15,500	2,338	17,838	16,072	1,766
Purchased Technical Services	45,230	(338)	44,892	43,646	1,246
Miscellaneous Purchased Services	3,000	(2,500)	500	50	450
Supplies and Materials	18,000	(814)	17,186	8,795	8,391
Miscellaneous Expenditures	2,200	-	2,200	500	1,700
Total Central Services	621,432	5,872	627,304	580,807	46,497
Admin. Info Technology					
Salaries	272,148	(59,910)	212,238	192,146	20,092
Purchased Professional Services	-	73,400	73,400	48,240	25,160
Total Admin Info Technology	272,148	13,490	285,638	240,386	45,252
Required Maintenance for School Facilities					
Salaries	443,153	92,044	535,197	527,189	8,008
Cleaning, Repair and Maintenance Services	208,800	189,845	398,645	263,465	135,180
General Supplies	67,800	(44,564)	23,236	23,156	80
Total Required Maintenance for School Facilities	719,753	237,325	957,078	813,810	143,268
Custodial Services					
Salaries	1,117,321	212,938	1,330,259	1,309,641	20,618
Unused Vac. Payment to Terminated/Retired Staff		7,682	7,682	7,681	1
Cleaning, Repair and Maintenance Services	143,919	32,153	176,072	164,828	11,244
Rental of Land and Building Other Than Lease Purchase Agreement	350,000	6,159	356,159	356,159	-
Other Purchased Property Services		16,166	16,166	15,756	410
Insurance	196,439	90,156	286,595	286,595	-
General Supplies	192,025	(42,287)	149,738	115,073	34,665
Energy (Natural Gas)	218,900	(25,400)	193,500	151,552	41,948
Energy (Electricity)	393,200	(36,404)	356,796	330,651	26,145
Energy (Gasoline)	15,000	(1,117)	13,883	7,702	6,181
Other Objects	6,000	(2,800)	3,200	1,717	1,483
Total Custodial Services	2,632,804	257,246	2,890,050	2,747,355	142,695
Care and Upkeep of Grounds					
Salaries		50,798	50,798	50,797	1
Cleaning, Repair, and Maintenance Svc.	26,000	5,471	31,471	31,470	1
General Supplies	15,000	(3,276)	11,724	11,361	363
Total Care and Upkeep of Grounds	41,000	52,993	93,993	93,628	365
Security					
Salaries	115,000	(63,364)	51,636	51,256	380
Purchased Professional/Technical Services	-	11,561	11,561	11,561	-
Total Security	115,000	(51,803)	63,197	62,817	380

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<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	\$ (21,565)	\$ 27,605	\$ 26,968	\$ 637
Sal. For Pupil Transportation (Bet. Home & Sch)-Reg.	97,678	(17,462)	80,216	75,835	4,381
Sal. For Pupil Transportation (Bet. Home & Sch)-Spec.	50,678	-	50,678	50,624	54
Sal. For Pupil Transportation (Other Than Bet. Home & Sch)	60,000	(25,338)	34,662	33,600	1,062
Cleaning, Repair & Maint. Services	30,000	6,866	36,866	36,865	1
Lease Purchase Payments - School Buses	103,663	-	103,663	103,662	1
Contr. Serv. Aid in Lieu Payments-Non Public	103,000	(46,526)	56,474	56,474	-
Contr. Serv. Aid in Lieu Payments-Charter Sch.	10,000	(2,053)	7,947	1,600	6,347
Contr. Serv. (Bet Home & Sch)-Vendor	1,000	-	1,000	184	816
Contr. Serv. (Other Than Bet Home & Sch)-Vendor	77,200	(43,850)	33,350	-	33,350
Contr. Serv. (Bet. Home & Sch)-Joint Agreements	85,000	56,000	141,000	141,000	-
Contr. Serv. (Spec. Ed. Students)-Joint Agreements	755,400	(171,896)	583,504	628,150	(44,646)
Transportation Supplies	17,000	(50)	16,950	9,204	7,746
Other Objects	1,000	150	1,150	1,150	-
Total Student Transportation Services	<u>1,440,789</u>	<u>(265,724)</u>	<u>1,175,065</u>	<u>1,165,316</u>	<u>9,749</u>
Unallocated Employee Benefits					
Social Security Contributions	489,000	39,620	528,620	528,620	-
Other Retirement Contributions - PERS	400,000	45,296	445,296	445,295	1
Other Retirement Contributions - Deferred PERS Pymt	15,000	(518)	14,482	14,482	-
Other Retirement Contributions - DCRP	35,000	1,000	36,000	35,910	90
Unemployment Compensation	90,000	25,259	115,259	229,492	(114,233)
Workmen's Compensation	196,000	(66,847)	129,153	129,153	-
Health Benefits	4,943,907	(737,060)	4,206,847	4,387,023	(180,176)
Other Employee Benefits	548,500	22,576	571,076	568,199	2,877
Unused Sick Payments to Terminated/Retired Staff	60,000	96,655	156,655	156,654	1
Total Unallocated Employee Benefits	<u>6,777,407</u>	<u>(574,019)</u>	<u>6,203,388</u>	<u>6,494,828</u>	<u>(291,440)</u>
On-behalf TPAF Contributions (Nonbudgeted)					
Pension Benefit Contribution				4,949,356	(4,949,356)
Pension - NCGI Premium				94,168	(94,168)
Post Retirement Medical Benefit Contribution				1,580,562	(1,580,562)
Long-Term Disability Insurance Premium				3,282	(3,282)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,437,658	(1,437,658)
Total TPAF On-Behalf	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,065,026</u>	<u>(8,065,026)</u>
Total Undistributed Expenditures	<u>24,622,178</u>	<u>(1,022,688)</u>	<u>23,599,490</u>	<u>31,079,006</u>	<u>(7,479,516)</u>
Total Current Expenditures	<u>43,673,505</u>	<u>(1,445,783)</u>	<u>42,227,722</u>	<u>49,332,063</u>	<u>(7,104,341)</u>
Equipment					
Grades 1-5		26,360	26,360	15,828	10,532
Grades 9-12		7,904	7,904	5,276	2,628
School Sponsored and Other Instructional Program		54,221	54,221	21,907	32,314
Undistrib. Expend. - Support Services - Health Services		7,800	7,800	7,800	-
Undistrib. Expend. - General Administration		15,000	15,000	15,000	-
Undistrib. Expend. - Administrative Information Technology		9,368	9,368	9,368	-
Undistrib. Expend. - Custodial Services		281,486	281,486	171,424	110,062
Undistrib. Expend. - Care and Upkeep of Grounds	-	9,298	9,298	9,298	-
Total Equipment	<u>-</u>	<u>411,437</u>	<u>411,437</u>	<u>255,901</u>	<u>155,536</u>

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Architectural / Engineering Services		\$ 171,500	\$ 171,500	\$ 120,574	\$ 50,926
Other Purchased Prof. and Tech. Services		211,422	211,422		211,422
Construction Services		1,003,324	1,003,324	364,753	638,571
Assessment for Debt Service on SDA Funding	\$ 24,331	-	24,331	24,331	-
Total Facilities Acquisition and Construction Services	<u>24,331</u>	<u>1,386,246</u>	<u>1,410,577</u>	<u>509,658</u>	<u>900,919</u>
Total Capital Outlay	<u>24,331</u>	<u>1,797,683</u>	<u>1,822,014</u>	<u>765,559</u>	<u>1,056,455</u>
Transfer Funds to Charter Schools	<u>124,517</u>	<u>53,855</u>	<u>178,372</u>	<u>178,372</u>	<u>-</u>
Total Expenditures	<u>43,822,353</u>	<u>405,755</u>	<u>44,228,108</u>	<u>50,275,994</u>	<u>(6,047,886)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(135,246)</u>	<u>(764,851)</u>	<u>(900,097)</u>	<u>2,012,752</u>	<u>2,912,849</u>
Other Financing Sources/(Uses)					
Transfer In - Capital Projects Fund				38,699	38,699
Transfer Out - Special Revenue Fund		(40,000)	(40,000)	(40,000)	-
Transfer Out - Food Service Fund	(399,500)	239,500	(160,000)	(9,500)	150,500
Total Other Financing Sources/(Uses)	<u>(399,500)</u>	<u>199,500</u>	<u>(200,000)</u>	<u>(10,801)</u>	<u>189,199</u>
Net Change in Fund Balances	(534,746)	(565,351)	(1,100,097)	2,001,951	3,102,048
Fund Balances, Beginning of Year	<u>2,661,453</u>	<u>-</u>	<u>2,661,453</u>	<u>2,661,453</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 2,126,707</u>	<u>\$ (565,351)</u>	<u>\$ 1,561,356</u>	<u>\$ 4,663,404</u>	<u>\$ 3,102,048</u>
Recapitulation of Fund Balances					
Restricted Fund Balance					
Legally Restricted - Disallowed Grant Costs				\$ 301,224	
Capital Reserve				1,191,515	
Maintenance Reserve				670,000	
Committed					
Year End Encumbrances				339,100	
Assigned Fund Balance					
Year End Encumbrances				1,136,596	
FFCRA / SEMI				4,526	
Designated for Subsequent Year's Expenditures				4,963	
Unassigned Fund Balance				<u>1,015,480</u>	
Fund Balance - Budgetary Basis				4,663,404	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Revenue Not Recognized on GAAP Basis				<u>(871,170)</u>	
Fund Balance (Deficit) Per Governmental Funds (GAAP)				<u>\$ 3,792,234</u>	

**LYNDHURST BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local		\$ 291,380	\$ 291,380	\$ 244,859	\$ (46,521)
State	\$ 300,130	4,178	304,308	266,792	(37,516)
Federal	1,083,909	876,708	1,960,617	1,853,265	(107,352)
Total Revenues	<u>1,384,039</u>	<u>1,172,266</u>	<u>2,556,305</u>	<u>2,364,916</u>	<u>(191,389)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	181,664	121,435	303,099	295,412	7,687
Purchased Professional and Technical Services	62,399	(3,845)	58,554	57,910	644
Other Purchased Services	613,053	46,274	659,327	659,327	-
General Supplies	47,339	410,168	457,507	436,282	21,225
Textbooks	15,022	1,778	16,800	16,533	267
Co-Curricular / Extracurricular Activities		177,784	177,784	177,784	-
Athletic Activities	-	45,200	45,200	45,200	-
Total Instruction	<u>919,477</u>	<u>798,794</u>	<u>1,718,271</u>	<u>1,688,448</u>	<u>29,823</u>
Support Services					
Purchased Professional and Technical Services	109,877	30,463	140,340	74,081	66,259
Purchased Professional - Educational Services	269,903	(120)	269,783	228,786	40,997
Other Purchased Services	11,098	21,341	32,439	22,014	10,425
Supplies and Materials	3,344	192,602	195,946	193,942	2,004
Scholarship Awards	-	75,802	75,802	75,802	-
Total Support Services	<u>394,222</u>	<u>320,088</u>	<u>714,310</u>	<u>594,625</u>	<u>119,685</u>
Unallocated Benefits					
Personal Services - Employee Benefits	70,340	12,600	82,940	82,939	1
Total Unallocated Benefits	<u>70,340</u>	<u>12,600</u>	<u>82,940</u>	<u>82,939</u>	<u>1</u>
Facilities Acquisition and Construction					
Non-Instructional Equipment	-	80,784	80,784	80,784	-
Total Facilities Acq. & Construction	<u>-</u>	<u>80,784</u>	<u>80,784</u>	<u>80,784</u>	<u>-</u>
Total Expenditures	<u>1,384,039</u>	<u>1,212,266</u>	<u>2,596,305</u>	<u>2,446,796</u>	<u>149,509</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	-	(40,000)	(40,000)	(81,880)	(41,880)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	40,000	40,000	40,000	-
Net Change in Fund Balances	-	-	-	(41,880)	(41,880)
Fund Balance, Beginning of Year, (Restated)	<u>407,258</u>	<u>-</u>	<u>407,258</u>	<u>407,258</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 407,258</u>	<u>\$ -</u>	<u>\$ 407,258</u>	<u>\$ 365,378</u>	<u>\$ (41,880)</u>
Recapitulation of Fund Balance					
Restricted					
Student Activities				\$ 245,386	
Scholarships				<u>119,992</u>	
				<u>\$ 365,378</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, 2021**

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.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1, C-2)	\$ 52,288,746	\$ 2,364,916
Difference - Budget to GAAP:		
State Aid payments recognized for GAAP purposes not recognized for budgetary statements (2019/2020 State Aid)	517,417	
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2020/2021 State Aid)	(871,170)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances - June 30, 2021		(38,144)
Encumbrances - June 30, 2020, net of cancellations	-	4,000
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)	<u>\$ 51,934,993</u>	<u>\$ 2,330,772</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 50,275,994	\$ 2,446,796
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, 2021		(38,144)
Encumbrances - June 30, 2020, net of cancellations	-	4,000
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 50,275,994</u>	<u>\$ 2,412,652</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 Eight Fiscal Years*

	<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)	.04001%	.03949%	0.03927%	0.03978%	0.04315%	0.04463%	0.04201%	0.04281%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,524,298	\$ 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	\$ 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	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	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.

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

LYNDHURST BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Eight Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 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>(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	\$ 3,001,529	\$ 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	14.58%	13.10%	13.18%	12.98%	13.93%	13.85%	11.31%	11.96%

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

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

Teachers Pension and Annuity Fund

Last Eight Fiscal Years*

	<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%
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>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>\$ 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	\$ 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%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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.

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

**LYNDHURST BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 Four Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 2,795,403	\$ 2,603,844	\$ 2,819,791	\$ 3,385,082
Interest on Total OPEB Liability	2,208,890	2,713,542	2,823,300	2,442,776
Differences Between Expected and Actual Experience	15,313,574	(11,690,490)	(4,529,198)	-
Changes of Assumptions	17,834,995	911,495	(7,851,005)	(10,162,066)
Gross Benefit Payments	(1,699,786)	(1,876,594)	(1,829,402)	(1,946,151)
Contribution from the Member	<u>51,520</u>	<u>55,627</u>	<u>63,227</u>	<u>71,662</u>
Net Change in Total OPEB Liability	36,504,596	(7,282,576)	(8,503,287)	(6,208,697)
Total OPEB Liability - Beginning	<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>\$ 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>97,637,382</u>	<u>61,132,786</u>	<u>68,415,362</u>	<u>76,918,649</u>
Total OPEB Liability - Ending	<u>\$ 97,637,382</u>	<u>\$ 61,132,786</u>	<u>\$ 68,415,362</u>	<u>\$ 76,918,649</u>
District's Covered Payroll	<u>\$ 21,828,412</u>	<u>\$ 21,518,779</u>	<u>\$ 21,924,307</u>	<u>\$ 21,024,163</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	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, 2021**

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, 2021**

REVENUES	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>Title I</u>	<u>Title II A</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>Title IV</u>	<u>CARES Act</u>	<u>Digital Divide</u>	<u>To Exhibit E-1A</u>
Local										
State										
Federal	\$ 704,753	\$ 20,406	\$ 328,614	\$ 25,398	\$ 24,631	\$ 7,340	\$ 14,906	\$ 246,671	\$ 249,500	\$ 1,622,219
Total Revenues	\$ 704,753	\$ 20,406	\$ 328,614	\$ 25,398	\$ 24,631	\$ 7,340	\$ 14,906	\$ 246,671	\$ 249,500	\$ 1,622,219
EXPENDITURES										
Instruction										
Salaries of Teachers			\$ 188,584		\$ 6,613	\$ 7,340		\$ 73,875		\$ 276,412
Purchased Professional and Technical Services			57,910							57,910
Other Purchased Services	\$ 659,327									659,327
General Supplies	18,774	\$ 20,406	741		11,827		\$ 12,156	101,962	\$ 249,500	415,366
Textbooks	-	-	-	-	-	-	-	-	-	-
Co-Curricular / Extracurricular Activities	-	-	-	-	-	-	-	-	-	-
Athletic Activities	-	-	-	-	-	-	-	-	-	-
Total Instruction	678,101	20,406	247,235	-	18,440	7,340	12,156	175,837	249,500	1,409,015
Support Services										
Personal Services - Employee Benefits			80,129		2,810					82,939
Purchased Professional and Technical Services				\$ 19,825	3,381		2,750			25,956
Purchased Professional - Educational Services	26,652									26,652
Other Purchased Services				5,573						5,573
Supplies and Materials			1,250					70,743		71,993
Scholarship Awards	-	-	-	-	-	-	-	-	-	-
Total Support Services	26,652	-	81,379	25,398	6,191	-	2,750	70,743	-	213,113
Facilities Acquisition and Construction										
Non-Instructional Equipment	-	-	-	-	-	-	-	91	-	91
Total Facilities Acq. & Construction	-	-	-	-	-	-	-	91	-	91
Total Expenditures	\$ 704,753	\$ 20,406	\$ 328,614	\$ 25,398	\$ 24,631	\$ 7,340	\$ 14,906	\$ 246,671	\$ 249,500	\$ 1,622,219
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, (Restated)	-	-	-	-	-	-	-	-	-	-
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, 2021**

	<u>Coronavirus Relief Fund</u>	<u>Bergen County CARES</u>	<u>Non-Public Digital Divide</u>	<u>Nonpublic Chapter 192</u>		<u>Nonpublic Chapter 193</u>			<u>To Exhibit E-1A</u>
				<u>Compensatory Education</u>	<u>ESL</u>	<u>Exam. & Classification</u>	<u>Corrective Speech</u>	<u>Supplemental Instruction</u>	
REVENUES									
Local				\$ 104,595	\$ 355	\$ 21,554	\$ 27,342	\$ 20,238	\$ 174,084
State				-	-	-	-	-	231,046
Federal	\$ 145,082	\$ 74,001	\$ 11,963	-	-	-	-	-	
Total Revenues	\$ 145,082	\$ 74,001	\$ 11,963	\$ 104,595	\$ 355	\$ 21,554	\$ 27,342	\$ 20,238	\$ 405,130
EXPENDITURES									
Instruction									
Salaries of Teachers									-
Purchased Professional and Technical Services									-
Other Purchased Services									-
General Supplies			\$ 11,963						\$ 11,963
Textbooks									-
Co-Curricular / Extracurricular Activities									-
Athletic Activities	-	-	-	-	-	-	-	-	-
Total Instruction	-	-	11,963	-	-	-	-	-	11,963
Support Services									
Personnel Services - Employee Benefits									-
Purchased Professional and Technical Services									-
Purchased Professional - Educational Services				\$ 104,595	\$ 355	\$ 21,554	\$ 27,342	\$ 20,238	174,084
Other Purchased Services		\$ 16,441							16,441
Supplies and Materials	\$ 71,204	50,745	-	-	-	-	-	-	121,949
Scholarship Awards	-	-	-	-	-	-	-	-	-
Total Support Services	71,204	67,186	-	104,595	355	21,554	27,342	20,238	312,474
Facilities Acquisition and Construction									
Non-Instructional Equipment	73,878	6,815	-	-	-	-	-	-	80,693
Total Facilities Acq. & Construction	73,878	6,815	-	-	-	-	-	-	80,693
Total Expenditures	\$ 145,082	\$ 74,001	\$ 11,963	\$ 104,595	\$ 355	\$ 21,554	\$ 27,342	\$ 20,238	\$ 405,130
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, (Restated)	-	-	-	-	-	-	-	-	-
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, 2021**

	<u>Exhibit E-1 Subtotal</u>	<u>Exhibit E-1A Subtotal</u>	<u>Nonpublic Textbook</u>	<u>Nonpublic Nursing</u>	<u>Nonpublic Security</u>	<u>Local Grant Programs</u>	<u>Student Activities</u>	<u>Scholarships</u>	<u>Total</u>
REVENUES									
Local	\$ -					\$ 27,953	\$ 173,102	\$ 43,804	\$ 244,859
State	-	\$ 174,084	\$ 16,533	\$ 28,050	\$ 48,125				266,792
Federal	1,622,219	231,046	-	-	-	-	-	-	1,853,265
Total Revenues	\$ 1,622,219	\$ 405,130	\$ 16,533	\$ 28,050	\$ 48,125	\$ 27,953	\$ 173,102	\$ 43,804	\$ 2,364,916
EXPENDITURES									
Instruction									
Salaries of Teachers	\$ 276,412	-				\$ 19,000			\$ 295,412
Purchased Professional and Technical Services	57,910	-							57,910
Other Purchased Services	659,327	-							659,327
General Supplies	415,366	\$ 11,963				8,953			436,282
Textbooks	-	-	\$ 16,533						16,533
Co-Curricular / Extracurricular Activities	-	-					\$ 177,784		177,784
Athletic Activities	-	-					45,200		45,200
Total Instruction	1,409,015	11,963	16,533	-	-	27,953	222,984	-	1,688,448
Support Services									
Personnel Services - Employee Benefits	82,939	-							82,939
Purchased Professional and Technical Services	25,956	-			\$ 48,125				74,081
Purchased Professional - Educational Services	26,652	174,084		\$ 28,050					228,786
Other Purchased Services	5,573	16,441							22,014
Supplies and Materials	71,993	121,949							193,942
Scholarship Awards	-	-						\$ 75,802	75,802
Total Support Services	213,113	312,474	-	28,050	48,125	-	-	75,802	677,564
Facilities Acquisition and Construction									
Non-Instructional Equipment	91	80,693							80,784
Total Facilities Acq. & Construction	91	80,693	-	-	-	-	-	-	80,784
Total Expenditures	\$ 1,622,219	\$ 405,130	\$ 16,533	\$ 28,050	\$ 48,125	\$ 27,953	\$ 222,984	\$ 75,802	\$ 2,446,796
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	(49,882)	(31,998)	(81,880)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	40,000	-	40,000
Total Other Financing Sources (Uses)	-	-	-	-	-	-	40,000	-	40,000
Net Changes in Fund Balances	-	-	-	-	-	-	(9,882)	(31,998)	(41,880)
Fund Balance, Beginning of Year, (Restated)	-	-	-	-	-	-	255,268	151,990	407,258
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245,386	\$ 119,992	\$ 365,378

**LYNDHURST BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Unexpended Balance</u>
2016 Referendum - Improvements to Various Schools	\$ 19,873,807	\$ 5,557,932	\$ 10,217,099	\$ 4,098,776
	<u>\$ 19,873,807</u>	<u>\$ 5,557,932</u>	<u>\$ 10,217,099</u>	<u>\$ 4,098,776</u>
	<u>Reconciliation to GAAP Basis</u>			
	Project Balance, June 30, 2021			\$ 4,098,776
	Less: Bonds Authorized But Not Issued			<u>(2,807)</u>
	Fund Balance, June 30, 2021 (GAAP Basis)			<u>\$ 4,095,969</u>
<u>Recapitulation of Fund Balance - June 30, 2021 (GAAP Basis)</u>				
Restricted for Capital Projects				
Year End Encumbrances				\$ 3,934,915
Designated for Capital Projects				<u>161,054</u>
Total Fund Balance - Capital Projects Fund				<u>\$ 4,095,969</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, 2021**

Revenues and Other Financing Sources

Revenues:

Local Sources - Interest	\$ 46,979
Other Financing Sources	
Bond Proceeds	<u>19,845,000</u>

Total Revenues and Other Financing sources	<u>19,891,979</u>
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Expenditures and Other Financing Uses

Expenditures:

Salaries	5,000
Legal Services	22,419
Purchased Professional and Technical Services	500,954
Other Purchased Services	37,685
Construction Services	9,628,173
General Supplies	963
Other Objects	21,905
Other Financing Uses	
Transfer Out - General Fund	38,699
Transfer Out - Debt Service Fund	<u>8,280</u>

Total Expenditures and Other Financing Uses	<u>10,264,078</u>
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Excess (Deficiency) of Revenues and Other Financing Sources	
---	--

Over (Under) Expenditures and Other Financing Uses	9,627,901
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Fund Balance (Deficit), Beginning of Year	<u>(5,531,932)</u>
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Fund Balance (Deficit), End of Year	<u>\$ 4,095,969</u>
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Reconciliation to GAAP Basis

Fund Balance (Deficit) - Budgetary Basis	<u>\$ 4,095,969</u>
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Fund Balance (Deficit) - GAAP Basis	<u>\$ 4,095,969</u>
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**LYNDHURST BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
2016 REFERENDUM - IMPROVEMENT TO VARIOUS SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds		\$ 19,845,000	\$ 19,845,000	\$ 19,847,807
Transfer In - Debt Service Fund (Project Note Paydown)	\$ 26,000	-	26,000	26,000
 Total Revenues and Other Financing Sources	 26,000	 19,845,000	 19,871,000	 19,873,807
Expenditures and Other Financing Uses				
Salaries		\$ 5,000	\$ 5,000	5,000
Legal Services	\$ 54,211	22,419	76,630	77,000
Purchased Professional & Technical Services	3,177,758	500,954	3,678,712	4,000,000
Other Purchased Services	64,180	37,685	101,865	102,000
Construction Services	1,374,392	9,628,173	11,002,565	14,766,307
General Supplies	247,162	963	248,125	248,500
Other Objects	640,229	21,905	662,134	675,000
 Total Expenditures and Other Financing Uses	 5,557,932	 10,217,099	 15,775,031	 19,873,807
 Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 \$ (5,531,932)	 \$ 9,627,901	 \$ 4,095,969	 \$ -

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	November 8, 2016
Bonds Authorized	\$ 19,873,807
Bonds Issued	-
Original Authorized Cost	\$ 19,873,807
Additional Authorized Cost	-
Revised Authorized Cost	\$ 19,873,807

Percentage Increase(Decrease) Over Original

Authorized Cost	0.00%
Percentage Completion	79.38%
Original Target Completion Date	June 2020
Revised Target Completion Date	September 2021

ENTERPRISE FUND

SCHEDULE G-1

**LYNDHURST BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021**

<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, 2020</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>					
General Refunding Bonds	1/1/2016	\$ 2,270,000	7/1/2021	\$ 375,000	4.00%	\$ 755,000	-	\$ 380,000	\$ 375,000
2020 School Bonds	9/1/2020	19,845,000	9/1/2022	785,000	1.00%				
			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	-	19,845,000
						<u>\$ 755,000</u>	<u>\$ 19,845,000</u>	<u>\$ 380,000</u>	<u>\$ 20,220,000</u>
								<u>\$ 380,000</u>	
									Paid by Budget Appropriation

**LYNDHURST BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Capital Leases</u>	Amount of Original Issue	Balance, July 1, 2020	Issued	Retired	Balance, June 30, 2021
2016 Bus Lease	\$ 163,283	\$ 34,665		\$ 34,665	-
2017 Copier Lease	95,444	25,469		25,469	-
2017 Copier Lease	198,995	51,752		51,752	-
2017 Copier Lease	199,805	124,942		39,741	\$ 85,201
2018 Copier Lease	145,706	91,557		29,075	62,482
2018 Copier Lease	145,706	91,555		29,075	62,480
2019 Bus Lease	298,055	187,461		59,470	127,991
2020 Copier Lease	139,473	139,473		44,465	95,008
2020 Various Equipment (Plant Operations)	97,849	<u>57,849</u>	<u>-</u>	<u>14,462</u>	<u>43,387</u>
Total		<u>\$ 804,723</u>	<u>\$ -</u>	<u>\$ 328,174</u>	<u>\$ 476,549</u>
			Paid by Budget Appropriation	<u>\$ 328,174</u>	

**LYNDHURST BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<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	\$ 629,003	-	\$ 629,003	\$ 629,003	-
State Sources					
Debt Service Aid	<u>43,835</u>	<u>-</u>	<u>43,835</u>	<u>43,835</u>	<u>-</u>
Total Revenues	<u>672,838</u>	<u>-</u>	<u>672,838</u>	<u>672,838</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest on Bonds/Notes	381,800		381,800	260,750	\$ 121,050
Redemption of Bond Principal	<u>385,000</u>	<u>-</u>	<u>385,000</u>	<u>380,000</u>	<u>5,000</u>
Total Expenditures	<u>766,800</u>	<u>-</u>	<u>766,800</u>	<u>640,750</u>	<u>126,050</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(93,962)</u>	<u>-</u>	<u>(93,962)</u>	<u>32,088</u>	<u>126,050</u>
OTHER FINANCING SOURCES					
Transfers In - Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,280</u>	<u>8,280</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,280</u>	<u>8,280</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(93,962)</u>	<u>-</u>	<u>(93,962)</u>	<u>40,368</u>	<u>134,330</u>
Fund Balance, Beginning of Year	<u>148,539</u>	<u>-</u>	<u>148,539</u>	<u>148,539</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 54,577</u>	<u>\$ -</u>	<u>\$ 54,577</u>	<u>\$ 188,907</u>	<u>\$ 134,330</u>

Recapitulation of Fund Balance**Restricted for Debt Service:**

Designated for Subsequent Year's Expenditures	\$ 54,577
Available for Debt Service	<u>134,330</u>

Total Fund Balance Restricted for Debt Service	<u>\$ 188,907</u>
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STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities						(Restated)		(Restated)		
Net Investment In Capital Assets	\$ 19,077,883	\$ 19,822,284	\$ 19,818,725	\$ 16,616,775	\$ 20,252,716	\$ 17,450,063	\$ 17,736,926	\$ 98,561	\$ 722,011	\$ 52,192,958
Restricted	214,212	65,218					45,650	139,612	1,095,818	2,415,800
Unrestricted	(2,694,321)	(2,603,084)	(2,507,090)	(10,044,030)	(13,247,268)	(15,753,809)	(17,651,548)	(16,794,105)	(15,397,141)	(14,415,956)
Total Governmental Activities Net Position	<u>\$ 16,597,774</u>	<u>\$ 17,284,418</u>	<u>\$ 17,311,635</u>	<u>\$ 6,572,745</u>	<u>\$ 7,005,448</u>	<u>\$ 1,696,254</u>	<u>\$ 131,028</u>	<u>\$ (16,555,932)</u>	<u>\$ (13,579,312)</u>	<u>\$ 40,192,802</u>
Business-Type Activities										
Net Investment In Capital Assets						\$ 3,295	\$ 2,030	\$ 3,192	\$ 2,136	\$ 5,583
Restricted										
Unrestricted	\$ 7,886	\$ 15,332	\$ 1,930	\$ 298	\$ 819	(21,300)	8,341	19,556	26,583	545,802
Total Business-Type Activities Net Position	<u>\$ 7,886</u>	<u>\$ 15,332</u>	<u>\$ 1,930</u>	<u>\$ 298</u>	<u>\$ 819</u>	<u>\$ (18,005)</u>	<u>\$ 10,371</u>	<u>\$ 22,748</u>	<u>\$ 28,719</u>	<u>\$ 551,385</u>
District-Wide										
Net Investment In Capital Assets	\$ 19,077,883	\$ 19,822,284	\$ 19,818,725	\$ 16,616,775	\$ 20,252,716	\$ 17,453,358	\$ 17,738,956	\$ 101,753	\$ 724,147	\$ 52,198,541
Restricted	214,212	65,218	-	-	-	-	45,650	139,612	1,095,818	2,415,800
Unrestricted	(2,686,435)	(2,587,752)	(2,505,160)	(10,043,732)	(13,246,449)	(15,775,109)	(17,643,207)	(16,774,549)	(15,370,558)	(13,870,154)
Total District Net Position	<u>\$ 16,605,660</u>	<u>\$ 17,299,750</u>	<u>\$ 17,313,565</u>	<u>\$ 6,573,043</u>	<u>\$ 7,006,267</u>	<u>\$ 1,678,249</u>	<u>\$ 141,399</u>	<u>\$ (16,533,184)</u>	<u>\$ (13,550,593)</u>	<u>\$ 40,744,187</u>

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".

Source: District financial statements

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 10,850,650	\$ 11,251,065	\$ 11,860,247	\$ 12,085,449	\$ 12,561,431	\$ 12,313,239	\$ 24,875,552	\$ 23,011,167	\$ 21,610,822	\$ 26,341,161
Special Education	3,041,577	3,068,156	2,630,426	3,523,300	3,416,548	3,740,517	9,527,569	9,780,983	9,818,021	9,652,001
Other Instruction	641,334	549,722	492,652	522,621	783,158	785,683	1,538,544	1,161,515	1,152,865	1,184,008
School Sponsored Activities and Athletics	692,043	714,817	724,117	738,452	743,964	793,920	1,129,029	1,093,371	1,053,955	1,325,123
Support Services										
Student and Instruction Related Services	3,612,327	3,303,366	3,623,245	3,773,261	3,919,115	4,381,210	7,771,240	5,888,655	6,354,445	7,107,562
General Administration	1,014,482	977,981	907,836	970,151	1,067,944	1,151,908	1,330,676	1,302,704	1,388,349	1,715,696
School Administrative Services	1,611,203	1,811,058	1,902,760	2,082,171	1,832,175	1,862,961	3,388,005	3,196,004	3,136,804	3,845,668
Central and Other Support Services	628,389	579,310	571,373	637,103	654,175	723,973	1,126,547	1,117,163	1,061,407	1,216,291
Plant Operation and Maintenance	2,653,257	2,900,593	3,203,055	3,181,439	3,879,186	3,780,148	4,459,533	3,982,590	3,523,808	4,883,204
Student Transportation Services	663,149	776,810	733,370	795,344	849,073	1,361,325	1,217,608	1,490,206	1,189,341	1,164,872
Unallocated Expenditures	12,282,723	13,369,711	13,003,133	23,434,250	12,858,478	25,558,417	-	-	-	-
Interest on Long-Term Debt	237,098	216,818	195,008	171,658	147,653	23,643	186,076	305,972	366,987	387,796
Total Governmental Activities Expenses	<u>37,928,232</u>	<u>39,519,407</u>	<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>
Business-Type Activities:										
Food service	689,129	702,878	791,151	777,138	782,963	791,406	802,711	813,994	725,106	586,267
Pre-K Program						329	395,178	446,530	105,626	-
Before/After School Child Care/Pre-K	34,954	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expense	<u>724,083</u>	<u>702,878</u>	<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>
Total District Expenses	<u>\$ 38,652,315</u>	<u>\$ 40,222,285</u>	<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>
Program Revenues										
Governmental Activities:										
Charges for services					27,834		113,029	227,015	205,672	484,674
Operating grants and contributions	5,456,695	6,334,844	5,897,464	6,398,209	7,788,434	14,662,579	17,351,828	14,708,024	13,183,013	18,432,348
Capital grants and contributions										80,784
Total Governmental Activities Program Revenues	<u>5,456,695</u>	<u>6,334,844</u>	<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>
Business-Type Activities:										
Charges for services	211,839									
Food Service		197,948	240,472	203,661	191,362	190,928	164,716	175,180	132,344	4,030
Pre-K Program							235,361	248,165	79,595	
Operating grants and contributions	210,014	227,376	264,989	259,238	247,039	258,067	283,475	287,859	248,523	1,092,317
Capital grants and contributions										
Total Business Type Activities Program Revenues	<u>421,853</u>	<u>425,324</u>	<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>
Total District Program Revenues	<u>\$ 5,878,548</u>	<u>\$ 6,760,168</u>	<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>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental Activities	\$ (32,471,537)	\$ (33,184,563)	\$ (33,949,758)	\$ (45,516,990)	\$ (34,896,632)	\$ (41,814,365)	\$ (39,085,522)	\$ (37,395,291)	\$ (37,268,119)	\$ (39,825,576)
Business-Type Activities	(302,230)	(277,554)	(285,690)	(314,239)	(344,562)	(342,740)	(514,337)	(549,320)	(370,270)	510,080
Total District-Wide Net Expense	<u>\$ (32,773,767)</u>	<u>\$ (33,462,117)</u>	<u>\$ (34,235,448)</u>	<u>\$ (45,831,229)</u>	<u>\$ (35,241,194)</u>	<u>\$ (42,157,105)</u>	<u>\$ (39,599,859)</u>	<u>\$ (37,944,611)</u>	<u>\$ (37,638,389)</u>	<u>\$ (39,315,496)</u>
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 32,684,721	\$ 32,976,035	\$ 33,655,609	\$ 34,389,489	\$ 35,462,096	\$ 36,576,884	\$ 36,860,579	\$ 38,039,648	\$ 38,800,441	\$ 39,993,197
Property Taxes Levied for Debt Service							640,223	649,622	754,800	629,003
Unrestricted State and Federal Aid	260,295	381,161	389,292	603,510	28,749	1,784,790	428,077	410,128	410,053	558,300
State Aid for Debt Service Principal										25,997
Investment Earnings							58,222	153,850	174,567	192,107
Unrestricted Miscellaneous Revenues	172,353	147,309	204,074	97,601	183,490	325,617	75,510	102,934	72,620	356,349
Capital Asset Adjustments		651,702								
Donated Capital Assets										51,852,237
Transfers	(275,000)	(285,000)	(272,000)	(312,500)	(345,000)	(320,500)	(542,315)	(561,000)	(375,000)	(9,500)
Total Governmental Activities	<u>32,842,369</u>	<u>33,871,207</u>	<u>33,976,975</u>	<u>34,778,100</u>	<u>35,329,335</u>	<u>38,366,791</u>	<u>37,520,296</u>	<u>38,795,182</u>	<u>39,837,481</u>	<u>93,597,690</u>
Business-Type Activities:										
Investment Earnings			288	107	83	121	398	697	1,241	3,086
Transfers	275,000	285,000	272,000	312,500	345,000	320,500	542,315	561,000	375,000	9,500
Total Business-Type Activities	<u>275,000</u>	<u>285,000</u>	<u>272,288</u>	<u>312,607</u>	<u>345,083</u>	<u>320,621</u>	<u>542,713</u>	<u>561,697</u>	<u>376,241</u>	<u>12,586</u>
Total District-Wide	<u>\$ 33,117,369</u>	<u>\$ 34,156,207</u>	<u>\$ 34,249,263</u>	<u>\$ 35,090,707</u>	<u>\$ 35,674,418</u>	<u>\$ 38,687,412</u>	<u>\$ 38,063,009</u>	<u>\$ 39,356,879</u>	<u>\$ 40,213,722</u>	<u>\$ 93,610,276</u>
Change In Net Position										
Governmental Activities	\$ 370,832	\$ 686,644	\$ 27,217	\$ (10,738,890)	\$ 432,703	\$ (3,447,574)	\$ (1,565,226)	\$ 1,399,891	\$ 2,569,362	\$ 53,772,114
Business-Type Activities	(27,230)	7,446	(13,402)	(1,632)	521	(22,119)	28,376	12,377	5,971	522,666
Total District	<u>\$ 343,602</u>	<u>\$ 694,090</u>	<u>\$ 13,815</u>	<u>\$ (10,740,522)</u>	<u>\$ 433,224</u>	<u>\$ (3,469,693)</u>	<u>\$ (1,536,850)</u>	<u>\$ 1,412,268</u>	<u>\$ 2,575,333</u>	<u>\$ 54,294,780</u>

Source: District financial statements

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

	2012	2013	2014	2015	2016	2017 (Restated)	2018	2019	2020	2021
General Fund										
Restricted							\$ 301,224	\$ 301,224	\$ 841,245	\$ 2,162,739
Committed										339,100
Assigned							350,233	455,425	1,100,032	1,146,085
Unassigned	\$ 854,923	\$ 498,743	\$ 327,802	\$ 289,568	\$ (8,777)	\$ (2,847,479)	(4,927,771)	126,674	202,759	144,310
Total General Fund	\$ 854,923	\$ 498,743	\$ 327,802	\$ 289,568	\$ (8,777)	\$ (2,847,479)	\$ (4,276,314)	\$ 883,323	\$ 2,144,036	\$ 3,792,234
All Other Governmental Funds										
Reserved										
Restricted							\$ 45,650	\$ 139,612	\$ 555,797	\$ 4,650,254
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				

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	\$ 32,684,721	\$ 32,976,035	\$ 33,655,609	\$ 34,389,489	\$ 35,462,096	\$ 36,576,884	\$ 37,500,802	\$ 38,689,270	\$ 39,555,241	\$ 40,622,200
Tuition Charges							40,171	75,581	55,827	31,234
Transportation Fees							72,858	151,434	149,845	280,338
Interest							58,222	153,850	174,567	192,107
Unrestricted Miscellaneous Revenues	172,353	147,309	204,074	97,601	218,124	325,617	75,510	102,934	73,567	601,208
State Sources	4,698,506	5,686,705	5,330,796	5,903,763	6,712,380	7,495,052	8,041,472	9,294,677	9,941,608	11,275,904
Federal Sources	1,018,484	1,029,300	955,960	1,097,956	1,098,003	1,105,976	1,127,947	1,170,194	1,086,779	1,982,591
Total Revenue	38,574,064	39,839,349	40,146,439	41,488,809	43,490,603	45,503,529	46,916,982	49,637,940	51,037,434	54,985,582
Expenditures										
Instruction										
Regular	10,850,650	11,251,065	11,860,247	12,085,449	12,561,431	12,313,239	19,675,191	20,538,470	19,722,336	22,353,402
Special Education	3,041,577	3,068,156	2,630,426	3,523,300	3,416,548	3,740,517	8,153,673	9,117,197	9,302,613	8,631,851
Other Instruction	641,334	549,722	492,652	522,621	783,158	785,683	1,198,003	1,029,531	1,045,598	979,404
School Sponsored Activities and Athletics	692,043	714,817	724,117	738,452	743,964	793,920	1,030,173	1,075,344	1,049,497	1,250,421
Undistributed Expenditures										
Student and Instruction Related Services	3,612,327	3,303,366	3,623,245	3,773,261	3,932,104	4,381,210	6,681,807	5,583,558	5,883,172	6,113,064
General Administration	1,014,482	977,981	907,836	970,151	1,088,102	1,151,908	1,254,322	1,287,516	1,448,485	1,577,202
School Administrative Services	1,611,203	1,811,058	1,902,760	2,082,171	1,876,788	1,862,961	2,755,784	2,918,434	2,923,768	3,290,002
Central and Other Support Services	628,389	579,310	571,373	637,103	654,175	723,973	1,036,303	1,095,235	1,055,782	1,106,179
Plant Operation and Maintenance	2,653,257	2,900,593	3,203,055	3,181,439	3,889,506	3,780,148	4,202,357	3,941,029	3,515,567	4,588,224
Student Transportation Services	663,149	776,810	733,370	795,344	849,073	1,361,325	1,172,226	1,481,367	1,186,451	1,135,471
Unallocated Expenditures	11,961,978	12,800,152	12,326,461	11,825,535	12,855,121	14,732,987				
Capital Outlay	187,719	520,681	379,830	403,059	136,325	851,899	1,126,220	2,157,652	2,242,003	11,039,111
Debt Service:										
Principal	435,000	440,000	495,000	505,000	510,000	525,000	565,000	425,000	1,436,604	1,188,174
Interest and Other Charges	237,098	216,818	195,008	171,658	147,653	93,643	82,673	224,622	435,667	293,990
Total Expenditures	38,230,206	39,910,529	40,045,380	41,214,543	43,443,948	47,098,413	48,933,732	50,874,955	51,247,543	63,546,495
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	343,858	(71,180)	101,059	274,266	46,655	(1,594,884)	(2,016,750)	(1,237,015)	(210,109)	(8,560,913)
Other Financing Sources (Uses)										
Bond Proceeds										19,845,000
Capital Lease Proceeds									237,322	
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
Transfers Out							(626,574)	(758,012)	(535,028)	(96,479)
Operating Transfers	(275,000)	(285,000)	(272,000)	(312,500)	(345,000)	(320,500)				
Total Other Financing Sources (Uses)	(275,000)	(285,000)	(272,000)	(312,500)	(345,000)	(320,500)	(492,655)	4,332,962	(75,651)	19,835,500
Net Change In Fund Balances	\$ 68,858	\$ (356,180)	\$ (170,941)	\$ (38,234)	\$ (298,345)	\$ (1,915,384)	\$ (2,509,405)	\$ 3,095,947	\$ (285,760)	\$ 11,274,587
Debt Service As A Percentage Of										
Noncapital Expenditures	1.77%	1.67%	1.74%	1.66%	1.52%	1.34%	1.35%	1.33%	3.82%	2.82%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District financial statements

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

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

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 ^(e)
2012 *	\$ 51,468,800	\$ 1,562,667,400			\$ 404,209,800	\$ 575,492,500	\$ 56,843,600	\$ 2,650,682,100	\$ 4,652,311	\$ 2,655,334,411	\$ 2,937,565,920	\$ 1.237
2013	51,265,900	1,564,237,000			403,364,900	575,442,300	56,709,600	2,651,019,700	4,355,209	2,655,374,909	2,833,854,903	1.255
2014	44,980,600	1,564,703,800			402,979,800	548,475,500	98,707,100	2,659,846,800	3,793,814	2,663,640,614	2,768,369,321	1.277
2015	44,625,700	1,569,316,100			391,876,900	536,260,800	121,818,000	2,663,897,500	3,964,445	2,667,861,945	2,464,660,097	1.309
2016	40,684,000	1,571,756,600			386,804,700	534,765,200	146,464,000	2,680,474,500	4,042,008	2,684,516,508	2,806,717,871	1.342
2017	40,526,500	1,582,588,500			381,588,200	523,912,600	145,959,000	2,674,574,800	3,633,059	2,678,207,859	3,164,601,688	1.385
2018	40,303,400	1,602,980,300			465,671,000	407,708,000	145,649,900	2,662,312,600	3,407,271	2,665,719,871	3,342,149,248	1.385
2019	39,329,100	1,609,428,800			511,299,200	383,112,600	164,639,900	2,707,809,600	3,541,653	2,711,351,253	3,309,300,670	1.443
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

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		
2012	\$ 1.237	\$ 1.032	\$ 0.040	\$ 0.003	\$ 0.238	\$ 2.550	
2013	1.255	1.102	0.035	0.003	0.236	2.631	
2014	1.277	1.160	0.034	0.003	0.237	2.711	
2015	1.309	1.189	0.033	0.003	0.213	2.747	
2016	1.342	1.217	0.034	0.003	0.240	2.836	
2017	1.385	1.188	0.039	0.012	0.277	2.901	
2018	1.428	1.202	0.042	0.012	0.292	2.976	
2019	1.443	1.178	0.040	0.011	0.280	2.952	
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	

Source: County Abstract of Ratables

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

Taxpayer	2021		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
MFREVF II - Lyndhurst LLC	\$ 65,600,000	2.42%		
340 Orient Way, LLC	54,592,400	2.01%		
Tiger Den Partners VI LLC	49,049,200	1.81%		
JERC Partners VII, LLC	37,000,000	1.36%		
Veterans Square 2016, LLC	32,875,000	1.21%	31,000,000	1.17%
125 Chubb Avenue, LLC	31,607,000	1.17%		
Sika Chemical Corp./ANJ Corp.	30,347,000	1.12%	32,396,800	1.22%
Copper Ridge LLC	27,700,000	1.02%		
VA7 Heritage Lyndhurst LLC	25,390,000	0.94%		
Colfin 2018-7 Industrial Owner LLC	21,932,000	0.81%		
Avalon Bay Communities, Inc.			65,600,000	2.47%
Chubb Funding LLC			50,122,100	1.89%
Wells Operating Partnership (2 Properties)			54,200,000	2.04%
DGDJ 1-1200 WSW 337771 LLC (ETALS)			30,072,200	1.13%
Riverside Plz Urban RN, LLC (3 Properties)			21,740,000	0.82%
Lyndhurst Residential Comm2, LLC			21,731,000	0.82%
Denholtz 1099 Wall Street LLC (2 Properties)			21,269,800	0.80%
DDR-SAU Lew Andowski LLC (2 Properties)			21,000,000	0.79%
	<u>\$ 376,092,600</u>	<u>13.87%</u>	<u>\$ 349,131,900</u>	<u>13.15%</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	
2012	\$ 67,857,360	\$ 67,857,360	100%	
2013	70,634,586	70,634,586	100%	
2014	71,843,371	71,843,371	100%	
2015	72,387,868	72,387,868	100%	
2016	74,784,471	74,784,471	100%	
2017	36,576,884	36,576,884	100%	
2018	37,500,802	37,500,802	100%	
2019	38,689,270	38,689,270	100%	
2020	39,555,241	39,555,241	100%	
2021	40,622,200	40,622,200	100%	

Source: District records

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

Fiscal Year Ended June 30,	Governmental Activities				Total District	Population	Per Capita
	General Obligation Bonds	Bond Anticipation Notes	State Aid Advance Loan	Capital Leases/Lease- Purchase Agreements			
2012	\$ 4,675,000				\$ 4,675,000	20,709	\$ 226
2013	4,235,000				4,235,000	20,767	204
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

Source: District records

E - Estimate

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2012	\$ 4,675,000		\$ 4,675,000	0.18%	\$ 226
2013	4,235,000		4,235,000	0.16%	204
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

Source: District records

**LYNDHURST BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Lyndhurst Board of Education (as of June 30, 2021)	\$ 20,220,000
Township of Lyndhurst	<u>100,491,511</u>
	<u>120,711,511</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	25,790,368
Passaic Valley Sewerage Commission (B)	<u>2,762,497</u>
	<u>28,552,865</u>
Total Direct and Overlapping Debt	<u>\$ 149,264,376</u>

Source:

(1) Borough's 2020 Annual Debt Statement

(A) The debt for this entity was apportioned to the Township by dividing the municipality's 2020 equalized value by the total 2020 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Township's 2020 billings by the total 2020 billings of the Commission.

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

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized valuation basis
	2018 \$ 3,230,177,869
	2019 3,136,943,466
	2020 3,222,515,597
	<u>\$ 9,589,636,932</u>
Average equalized valuation of taxable property	<u>\$ 3,196,545,644</u>
Debt limit (4% of average equalization value)	\$ 127,861,826
Total Net Debt Applicable to Limit	<u>20,222,807</u>
Legal debt margin	<u>\$ 107,639,019</u>

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt limit	\$ 134,051,720	\$ 124,799,788	\$ 116,240,840	\$ 108,674,738	\$ 108,129,248	\$ 113,738,883	\$ 123,269,568	\$ 129,520,287	\$ 129,348,949	\$ 127,861,826
Total net debt applicable to limit	<u>4,675,000</u>	<u>4,235,000</u>	<u>3,740,000</u>	<u>3,235,000</u>	<u>2,740,000</u>	<u>21,788,807</u>	<u>21,403,807</u>	<u>21,013,807</u>	<u>20,602,807</u>	<u>20,222,807</u>
Legal debt margin	<u>\$ 129,376,720</u>	<u>\$ 120,564,788</u>	<u>\$ 112,500,840</u>	<u>\$ 105,439,738</u>	<u>\$ 105,389,248</u>	<u>\$ 91,950,076</u>	<u>\$ 101,865,761</u>	<u>\$ 108,506,480</u>	<u>\$ 108,746,142</u>	<u>\$ 107,639,019</u>
Total net debt applicable to the limit as a percentage of debt limit	3.49%	3.39%	3.22%	2.98%	2.53%	19.16%	17.36%	16.22%	15.93%	15.82%

Source: Annual Debt Statements

EXHIBIT J-14

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>
2012	20,706	\$ 66,068	11.0%
2013	20,767	69,056	8.0%
2014	20,806	72,164	7.0%
2015	21,482	71,699	5.8%
2016	21,992	74,480	5.1%
2017	21,976	77,767	4.8%
2018	22,040	79,407	4.4%
2019	22,484	81,676	3.5%
2020	22,916	86,404	11.9%
2021	22,781	89,456	N/A

Source: New Jersey State Department of Education

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

	<u>2021</u>		<u>2012</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

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>2012</u>	<u>2013</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>
Instruction										
Regular Programs (Including Aides)	156	158	162	163	163	164	158	164	158	166
Special Education (Including Aides)	51	54	58	63	64	66	71	83	72	60
Other Instruction	10	9	8	10	13	13	12	13	10	10
School Sponsored Activities and Athletics	1	1	1	1	1	1	1	1	1	1
Support Services:										
Student and Instruction Related Services	38	38	39	46	46	52	53	55	47	46
General Administration	7	7	6	6	6	5	5	5	5	6
School Administrative Services	18	19	21	21	20	22	21	21	22	22
Central Services and Admin. Info. Technology	7	6	6	6	6	8	10	10	9	9
Operation and Maintenance of Plant Svs.	23	33	34	27	27	40	32	32	33	33
Student Transportation Services	3	8	7	6	5	6	7	7	7	6
Total	<u>314</u>	<u>333</u>	<u>342</u>	<u>349</u>	<u>351</u>	<u>377</u>	<u>370</u>	<u>391</u>	<u>364</u>	<u>359</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>
2012	2,336.0	\$ 35,820,540	\$ 15,334	2.0%	155	15.1	2,336.0	2,222.5	1.0%	95.1%
2013	2,240.3	36,857,527	16,452	7.3%	159	14.1	2,240.3	2,132.4	-4.1%	95.2%
2014	2,311.7	37,275,715	16,125	-2.0%	149	15.5	2,311.7	2,200.9	3.2%	95.2%
2015	2,390.2	38,089,632	15,936	-1.2%	170	14.1	2,390.2	2,273.7	3.4%	95.1%
2016	2,385.0	39,610,060	16,608	4.2%	167	14.6	2,385.0	2,269.8	-0.2%	95.2%
2017	2,468.0	42,505,052	17,222	3.7%	171	14.8	2,468.0	2,351.7	3.5%	95.3%
2018	2,507.0	47,159,839	18,811	9.2%	180	13.9	2,503.1	2,356.9	1.4%	94.2%
2019	2,615.0	48,067,681	18,382	-2.3%	217	12.1	2,610.1	2,461.4	4.3%	94.3%
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%

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
District Building										
<u>Elementary</u>										
Columbus										
Square Feet	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	6,500
Capacity (students)	126.90	126.90	126.90	126.90	126.90	126.90	126.90	126.90	126.90	78.60
Enrollment	151.00	207.00	222.00	183.00	164.00	213.96	214.00	211.00	181.00	87.00
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	249.00	303.00	317.00	202.00	217.00	220.34	232.00	234.00	244.00	204.00
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	276.00	259.00	266.00	268.00	276.00	268.00	274.00	270.00	271.00	261.00
Lincoln (Transferred to Township 2020/2021)										
Square Feet	24,300	24,300	24,300	24,300	24,300	24,300	24,300	24,300	24,300	-
Capacity (students)	283.50	283.50	283.50	283.50	283.50	283.50	283.50	283.50	283.50	-
Enrollment	263.00	238.00	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	475.00	402.00	377.00	388.00	408.00	401.95	400.00	416.00	445.00	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	255.00	211.00	221.00	188.00	195.00	184.00	212.00	184.00	200.00	196.00
Memorial Campus										
Square Feet				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
Enrollment				193.00	163.00	182.61	162.00	204.00	172.00	-
<u>Middle School</u>										
Lyndhurst Middle School										
Square Feet										143,000
Capacity (students)										650.00
Enrollment										573.00
<u>High School</u>										
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	683.00	672.00	704.00	721.00	735.00	732.07	747.00	753.00	781.00	443.00
<u>Community School</u>										
Square Feet										4,000
Capacity (students)										48.30
Enrollment										39.00
Number of Schools at June 30, 2021										
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)**

*School Facilities	Project # (s)	Gross Building Area (SF)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Lyndhurst Senior High School	N/A		\$ 387,873	\$ 329,062	\$ 618,629	\$ 514,288	\$ 512,059	\$ 450,383	\$ 388,111	\$ 361,366	\$ 319,021	\$ 374,433
Lyndhurst Middle School	N/A											78,021
Columbus Elementary School	N/A		19,436	60,522	54,989	45,715	101,332	127,886	36,288	33,787	29,828	52,305
Franklin Elementary School	N/A		47,705	288,847	96,231	80,001	83,979	137,700	63,591	59,209	52,271	85,277
Jefferson Elementary School	N/A		110,215	262,287	178,715	148,572	164,834	177,053	110,800	103,165	91,076	139,196
Lincoln Elementary School	N/A		51,667	47,289	137,473	114,287	60,881	66,450	83,981	78,194	69,031	4,795
Roosevelt Elementary School	N/A		52,779	55,563	123,726	102,858	114,043	92,652	74,650	69,506	61,361	72,042
Washington Elementary School	N/A		67,829	142,801	109,978	91,429	103,397	71,062	67,393	62,748	55,396	3,831
Memorial Campus	N/A		-	-	54,989	45,715	74,854	64,789	61,517	57,278	50,566	3,910
Grand Total			\$ 737,504	\$ 1,186,371	\$ 1,374,730	\$ 1,142,865	\$ 1,215,379	\$ 1,187,975	\$ 886,331	\$ 825,253	\$ 728,550	\$ 813,810

Source: District Records

N/A - Not Available

LYNDHURST BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2021
(Unaudited)

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

LYNDHURST BOARD OF EDUCATION
 INSURANCE SCHEDULE
 JUNE 30, 2021
 (Unaudited)

	<u>Coverage</u>	<u>Insurance Company</u>	<u>Deductible</u>
Equipment Floater		School Alliance Insurance Fund	\$ 1,000
Umbrella			
Liability - Each Occurrence	5,000,000	School Alliance Insurance Fund	
Excess Umbrella - NJUEP			
Liability - Each Occurrence	30,000,000	Hudson Insurance Group Allied World (F/F)	
Aggregate Limit	5,000,000	Evanston/Markel	
Accidental Death & Dismemberment			
Coverage Limit Per Person	10,000	Berkley Life & Health Ins. Co.	
Aggregate Limit	500,000	Berkley Life & Health Ins. Co.	
Employee Blanket Bond			
Bond Amount	100,000	Selective Insurance Company	
	1,000	Selective Insurance Company	
Business Administrator Surety Bond			
Bond Amount	500,000	Selective Insurance Company	
Treasurer of School Monies Surety Bond			
Bond Amount	500,000	Selective Insurance Company	

Source: School District records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst Board of Education as of and for the fiscal year ended June 30, 2021 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 February 3, 2022.

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.

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 February 3, 2022.

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.

Fair Lawn, New Jersey
February 3, 2022

Lerch, Vinci & Higgins, LLP
LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

**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

We have audited the Lyndhurst Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Lyndhurst Board of Education's major federal and state programs for the fiscal year ended June 30, 2021. The Lyndhurst Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Lyndhurst Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Lyndhurst Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Lyndhurst Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-002 that we consider to be a significant deficiency.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the 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 the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the 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, 2021, 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 February 3, 2022, 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 & HIGGINS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
February 3, 2022

LYNDHURST BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2020			Unearned Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Balance, June 30, 2021			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	211N304N1099	N/A	7/1/20-6/30/21	\$ 370,873					\$ 313,501	\$ 370,873		\$ (57,372)			\$ (57,372)	
Cash Assistance	10.553	201N304N1099	N/A	7/1/19-6/30/20	24,239	(2,532)				2,532			-				
National School Lunch Program																	
Non-Cash Assistance	10.555	211N304N1099	N/A	7/1/20-6/30/21	29,834					29,834	22,470			\$ 7,364			
Non-Cash Assistance	10.555	201N304N1099	N/A	7/1/19-6/30/20	34,512	4,818					4,818						
Cash Assistance	10.555	211N304N1099	N/A	7/1/20-6/30/21	630,356					534,625	630,356		(95,731)			(95,731)	
Cash Assistance	10.555	201N304N1099	N/A	7/1/19-6/30/20	189,243	(4,501)				4,501							
Emergency Operational Cost Program	10.558	202121H170341	N/A	7/1/20-6/30/21	26,107						26,107		(26,107)			(26,107)	
P-EBT Administrative Costs	10.649	202125900941	N/A	7/1/20-6/30/21	614						614		(614)			(614)	
Total U.S. Department of Agriculture/Child Nutrition Cluster						(7,033)	4,818	-	-	884,993	1,055,238	-	(179,824)	7,364	-	(179,824)	
U.S. Department of Education																	
Passed-through State Department of Education																	
SPECIAL REVENUE FUND																	
Special Education Cluster (IDEA)																	
L.D.E.A. Part B, Basic Regular	84.027	H027A200100	FT-100002	7/1/20-9/30/21	703,690			16,774	(16,774)	586,302	704,753		(134,162)	15,711		(118,451)	
L.D.E.A. Part B, Basic Regular	84.027	H027A190100	FT-100002	7/1/19-6/30/20	651,761	(101,454)	16,774	(16,774)	16,774	84,680							
L.D.E.A. Part B, Preschool	84.173	H173A200114	PS-100005	7/1/20-9/30/21	26,176			2,080	(2,080)	7,879	20,406		(20,377)	7,850		(12,527)	
L.D.E.A. Part B, Preschool	84.173	H173A190114	PS-100005	7/1/19-9/30/20	25,877	(28,164)	2,080	(2,080)	2,080	26,084							
Total Special Education Cluster IDEA						(129,618)	18,854	-	-	704,945	725,159	-	(154,539)	23,561	-	(130,978)	
ESEA																	
Title I, Part A	84.010	S010A200030	ESSA-200300	7/1/20-9/30/21	307,616			21,426	(21,426)	211,823	328,614		(117,219)	428		(116,791)	
Title I, Part A	84.010	S010A190030	ESSA-190300	7/1/19-9/30/20	306,836	(113,466)	21,427	(21,426)	21,426	92,039							
Total ESEA Title I						(113,466)	21,427	-	-	303,862	328,614	-	(117,219)	428	-	(116,791)	
Title II, Part A	84.367A	S367A200029	ESSA-200300	7/1/20-9/30/21	65,223			4,183	(4,183)	12,091	25,398		(57,315)	44,008		(13,307)	
Title II, Part A	84.367A	S367A190029	ESSA-190300	7/1/19-9/30/20	55,605	(19,120)	4,183	(4,183)	4,183	14,937							
Total ESEA Title II						(19,120)	4,183	-	-	27,028	25,398	-	(57,315)	44,008	-	(13,307)	
Title III	84.365	S365A200030	ESSA-200300	7/1/20-9/30/21	35,332			587	(587)	8,179	24,631		(27,740)	11,288		(16,452)	
Title III	84.365	S365A190030	ESSA-190300	7/1/19-9/30/20	16,181	(13,516)	586	(587)	587	12,930							
Title III - Immigrant	84.365	S365A200030	ESSA-200300	7/1/20-9/30/21	9,448			8,527	(8,527)	2,340	7,340		(15,635)	10,635		(5,000)	
Title III - Immigrant	84.365	S365A190030	ESSA-190300	7/1/19-9/30/20	8,528	(10,168)	8,528	(8,527)	8,527	1,640							
Title III - Immigrant	84.365	S365A180030	ESSA-180300	7/1/18-6/30/19	7,589			1,202	-				1,202				
Total ESEA Title III						(23,684)	9,114	1,202	-	25,089	31,971	1,202	(43,375)	21,923	-	(21,452)	
Title IV	84.424	S424A200031	ESSA-200300	7/1/20-9/30/21	22,657			19,264	(19,264)	14,906	14,906		(27,015)	27,015		-	
Title IV	84.424	S424A190031	ESSA-190300	7/1/19-9/30/20	19,122	(19,264)	19,264	(19,264)	19,264								
Total NCLB Title IV						(19,264)	19,264	-	-	14,906	14,906	-	(27,015)	27,015	-	-	
Temporary Emergency Impact Aid	84.938C	S938C18005	N/A	N/A	10,688		10,688								\$ 10,688		
Elementary and Secondary School Emergency Relief (ESSER)																	
Coronavirus Aid, Relief, and Economic Security (CARES) Act																	
CARES - Emergency Relief Grant	84.425D	S425D200027	N/A	3/13/20-9/30/22	267,307	(267,307)	267,307			246,671	246,671		(20,636)	20,636		-	
Digital Divide	84.425D	S425D200027	N/A	7/16/20-10/31/20	249,500					249,500	249,500					-	
Elementary and Secondary School Emergency Relief (ESSER II)																	
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act																	
ESSER II	84.425D	S425D210027	N/A	3/13/20-9/30/23	1,008,139								(1,008,139)	1,008,139		-	
Learning Acceleration	84.425D	S425D210027	N/A	3/13/20-9/30/23	64,697								(64,697)	64,697		-	
Mental Health	84.425D	S425D210027	N/A	3/13/20-9/30/23	45,000								(45,000)	45,000		-	
Total ESSER Cluster						(267,307)	267,307	-	-	496,171	496,171	-	(1,138,472)	1,138,472	-	-	
Corona Relief Fund (CRF) (Passed through County of Bergen)	21.019	N/A	N/A	3/13/20-12/31/21	74,001					74,001	74,001					-	
Corona Relief Fund (CRF)	21.019	N/A	N/A	3/13/20-12/31/21	145,082					145,082	145,082					-	
Digital Divide for Non-Public Schools	21.019	S377A130031	N/A	7/16/20-10/31/20	11,963					11,963	11,963					-	
Total CRF Cluster										231,046	231,046					-	
Total Special Revenue Fund						(572,459)	350,837	1,202	-	1,803,047	1,853,265	1,202	(1,537,935)	1,255,407	10,688	(282,528)	
Total U.S. Department of Education						(572,459)	350,837	1,202	-	1,803,047	1,853,265	1,202	(1,537,935)	1,255,407	10,688	(282,528)	

LYNDHURST BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2020			Unearned Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Balance, June 30, 2021			Memo GAAP Receivable
						(Accounts Receivable)	Unearned Revenue	Due to Grantor					Repayment of Prior Years Balances	(Account Receivable)	Unearned Revenue	
U.S Department of Health and Human Services General Fund Medical Assistance Program	93.778	1905NJSMAP	N/A	7/1/20-6/30/21	\$ 64,415	-	-	-	-	\$ 64,415	\$ 64,415	-	-	-	-	-
U.S Department of Homeland Security FEMA	97.000		N/A	7/1/20-6/30/21	75,749	-	-	-	-	75,749	75,749	-	-	-	-	-
Total General Fund					-	-	-	-	-	140,164	140,164	-	-	-	-	-
Total Federal Awards					\$ (579,492)	\$ 355,655	\$ 1,202	\$ -	\$ -	\$ 2,828,204	\$ 3,048,667	\$ 1,202	\$ (1,717,759)	\$ 1,262,771	\$ 10,688	(462,352)

LYNDHURST BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2021			Memo	
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education													
General Fund:													
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	\$ 571,797		\$ 544,523	\$ 571,797			\$ (27,274)				\$ 571,797
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	404,524	(13,777)	13,777				-				-
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	1,609,062		1,532,313	1,609,062			(76,749)				1,609,062
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	1,609,062	(54,801)	54,801				-				-
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	75,106		71,524	75,106			(3,582)				75,106
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	75,106	(2,558)	2,558				-				-
Total State Aid - Public Cluster				(71,136)	2,219,496	2,255,965	-	-	(107,605)	-	-	-	2,255,965
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	239,630		228,200	239,630			(11,430)				239,630
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	239,630	(8,161)	8,161				-				-
Non-Public Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	29,580		-	29,580			(29,580)			\$ (29,580)	29,580
Total Transportation Aid Cluster				(8,161)	236,361	269,210	-	-	(41,010)	-	-	(29,580)	269,210
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	752,135		-	752,135			(752,135)				752,135
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	438,120	(438,120)	438,120				-				-
Reimbursed TPAF Social Security Contribution On-Behalf TPAF	21-495-034-5094-003	7/1/20-6/30/21	1,437,658		1,364,393	1,437,658			(73,265)			(73,265)	1,437,658
Pension Benefit Cost	21-495-034-5094-002	7/1/20-6/30/21	4,949,356		4,949,356	4,949,356			-				4,949,356
Pension - NCGI Premium	21-495-034-5094-004	7/1/20-6/30/21	94,168		94,168	94,168			-				94,168
Post Retire. Medical	21-495-034-5094-001	7/1/20-6/30/21	1,580,562		1,580,562	1,580,562			-				1,580,562
Long-Term Disability Insurance Prem.	21-495-034-5094-004	7/1/20-6/30/21	3,282	-	3,282	3,282			-				3,282
Total General Fund				(517,417)	10,885,738	11,342,336	-	-	(974,015)	-	-	(102,845)	11,342,336
Special Revenue:													
New Jersey Nonpublic Aid:													
Auxiliary Services:													
Compensatory Education	21-100-034-5120-067	7/1/20-6/30/21	113,218		113,218	104,595			-		\$ 8,623		104,595
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	111,700	(9,878)	17,258				-				-
English as a Second Language	21-100-034-5120-067	7/1/20-6/30/21	1,421		1,421	355		\$ 7,380					355
English as a Second Language	20-100-034-5120-067	7/1/19-6/30/20	3,061	3,061	-			3,061					-
Nonpublic Home Instruction	20-100-034-5120-067	7/1/19-6/30/20	930	(930)	930			-					-
Total Nonpublic Auxiliary Services Aid (Chapter 192) Cluster				(7,747)	132,827	104,950	-	10,441	-	-	9,689	-	104,950
Handicapped Services:													
Examination & Classification	21-100-034-5120-066	7/1/20-6/30/21	30,469		30,469	21,554			-		8,915		21,554
Examination & Classification	20-100-034-5120-066	7/1/19-6/30/20	41,238	7,242	-			7,242					-
Supplemental Instruction	21-100-034-5120-066	7/1/20-6/30/21	21,451		21,451	20,238			-		1,213		20,238
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	23,960	2,751	-			2,751					-
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	32,810		32,810	27,342			-		5,468		27,342
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	30,988	(3,606)	8,072			4,466					-
Total Nonpublic Handicapped Aid (Chapter 193) Cluster				6,387	92,802	69,134	-	14,459	-	-	15,596	-	69,134

LYNDHURST BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2021			GAAP Receivable	Memo Cumulative Total Expenditures
									(Accounts Receivable)	Unearned Revenue	Due to Grantor		
Textbook Aid	21-100-034-5120-064	7/1/20-6/30/21	\$ 16,800		\$ 16,800	\$ 16,533					\$ 267		\$ 16,533
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	15,022	\$ 88			\$ 88				-		-
Nursing Services	21-100-034-5120-070	7/1/20-6/30/21	28,050		28,050	28,050					-		28,050
Technology Aid	20-100-034-5120-373	7/1/19-6/30/20	10,260	1,276			1,276				-		-
Security Aid	21-100-034-5120-509	7/1/20-6/30/21	48,125		48,125	48,125					-		48,125
Security Aid	20-100-034-5120-509	7/1/19-6/30/20	42,750	2,750	-	-	2,750				-		-
Total Special Revenue Fund				<u>2,754</u>	<u>318,604</u>	<u>266,792</u>	<u>-</u>	<u>29,014</u>	<u>\$ -</u>	<u>-</u>	<u>25,552</u>	<u>\$ -</u>	<u>266,792</u>
State Department of Agriculture													
Enterprise Funds:													
State School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	35,687		28,906	35,687			\$ (6,781)			(6,781)	35,687
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	4,154	(71)	1,463	1,392	-	-	-			-	1,392
Total Enterprise Funds/Child Nutrition Cluster				<u>(71)</u>	<u>30,369</u>	<u>37,079</u>	<u>-</u>	<u>-</u>	<u>(6,781)</u>	<u>-</u>	<u>-</u>	<u>(6,781)</u>	<u>37,079</u>
Total State Financial Assistance Subject to Single Audit Determination				<u>(514,734)</u>	<u>11,234,711</u>	<u>11,646,207</u>	<u>-</u>	<u>29,014</u>	<u>(980,796)</u>	<u>-</u>	<u>25,552</u>	<u>(109,626)</u>	<u>11,646,207</u>
State Financial Assistance Not Subject to Major Program Determination													
General Fund													
On-Behalf TPAF													
Pension Benefit Cost	21-495-034-5094-002	7/1/20-6/30/21	4,949,356		(4,949,356)	(4,949,356)							(4,949,356)
Pension - NCGI Premium	21-495-034-5094-004	7/1/20-6/30/21	64,168		(94,168)	(94,168)							(94,168)
Post Retire. Medical	21-495-034-5094-001	7/1/20-6/30/21	1,580,562		(1,580,562)	(1,580,562)							(1,580,562)
Long-Term Disability Insurance Prem.	21-495-034-5094-004	7/1/20-6/30/21	3,282	-	(3,282)	(3,282)	-	-	-	-	-	-	(3,282)
Total State Financial Assistance Subject to Major Program Determination				<u>\$ (514,734)</u>	<u>\$ 4,607,343</u>	<u>\$ 5,018,839</u>	<u>\$ -</u>	<u>\$ 29,014</u>	<u>\$ (980,796)</u>	<u>\$ -</u>	<u>\$ 25,552</u>	<u>\$ (109,626)</u>	<u>\$ 5,018,839</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, 2021**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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 \$353,753 for the general fund and a decrease of \$34,144 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	\$ 140,164	\$ 10,988,583	\$ 11,128,747
Special Revenue Fund	1,842,427	243,486	2,085,913
Debt Service Fund		43,835	43,835
Food Service Fund	<u>1,055,238</u>	<u>37,079</u>	<u>1,092,317</u>
Total Financial Assistance	<u>\$ 3,037,829</u>	<u>\$ 11,312,983</u>	<u>\$ 14,350,812</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, 2021**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 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 \$1,437,658 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, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$5,043,524, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,580,562 and TPAF Long-Term Disability Insurance in the amount of \$3,282 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

NOTE 6 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 7 DE MINIMIS INDIRECT COST RATE

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

**LYNDHURST BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted? yes X no

Federal Awards Section

Internal Control over major programs:

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

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

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

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

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553</u>	<u>National School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.558</u>	<u>Emergency Operational Cost Program</u>
<u>10.649</u>	<u>P-EBT Administration Costs</u>
<u>84.425D</u>	<u>CARES - Emergency Relief Grant</u>
<u>84.425D</u>	<u>Digital Divide</u>

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

Auditee qualified as low-risk auditee? yes X no

LYNDHURST BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Part I – Summary of Auditor’s Results

State Awards Section

Internal control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08? yes _____ no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-014</u>	<u>Transporation Aid</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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

Auditee qualified as low-risk auditee? _____ yes no

**LYNDHURST BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021**

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 2021-001

Our audit of the National School Lunch and Breakfast programs revealed the following:

- Meals claimed for reimbursement were not in agreement with meals served per the supporting tally sheets in certain instances.
- We noted for days tested more than two meals were claimed per day per individual in certain instances.
- It appears daily tally sheets were not marked as meals were served in certain instances.
- Tally sheets did not identify severe needs and non-severe needs breakfast meals served.

Information on Federal Program

National School Breakfast	10.553
National School Lunch	10.555

Criteria or Specific Requirement

Federal Compliance Supplement

Condition

Meals served per tally sheets did not support meals claimed for reimbursement. Tally sheets did not provide sufficient detail on meals served.

Questioned Costs

For meals tested, it appears meals overclaimed totaled \$12,140.

Context

- National School Lunch meals tested totaled 45,973 and meals verified totaled 43,759, resulting in an overclaim of 2,214 meals.
- National School Breakfast meals tested totaled 46,229 and meals verified totaled 44,384, resulting in an overclaim of 1,845 meals.

**LYNDHURST BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 2021-001 (Continued)

Effect

Meals claimed for reimbursement may not be eligible meals served, resulting in an overclaim.

Cause

Unknown.

Recommendation

- Meals claimed for reimbursement be in agreement with meals served per daily tally sheets.
- Tally sheets be maintained and completed to provide sufficient detail on the number and type of meals served on a daily basis.

View of Responsible Officials and Planned Corrective Action

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

**LYNDHURST BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 2021-002

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 a contract for cable and fiber network wiring services which exceeded the bid threshold was not awarded through a public bidding process. In addition, we noted the contract award was not approved in the minutes nor was contract documentation on file.
- 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 were made for air purifiers and various repair services which exceeded the quote threshold, however competitive quotations were not sought.
- Our audit indicated that the District did not submit to the Office of the State Comptroller the pre-advertisement or post award notices for a contract award which exceeding the reporting threshold as required by NJSA 52:15C-10.

State Program Information

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

Criteria or Specific Requirement

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

Condition

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

Questioned Costs

Unknown.

**LYNDHURST BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 2021-002 (Continued)

Context

- A contract for cable and fiber network wiring services exceeded the bid threshold that was not awarded through public bidding. Contract payments totaled \$483,795 for the 2021 fiscal year.
- Cooperative purchasing program contract award information was not on file in the District and therefore not reviewed to ensure goods or services purchased and prices paid were in agreement to the respective cooperative program approved contract award for several vendors.
- In multiple instances competitive quotations were not sought for purchasing exceeded \$6,600.
- The District did not properly notify the Office of the State Comptroller of a contract awarded in excess of the reporting threshold. The contract was awarded in the amount of \$12,528,000.

Effect

Noncompliance with requirements of the Public School Contracts Law.

Cause

Unknown.

Recommendation

Continued efforts be made over purchasing procedures to ensure all contract awards and purchases that exceed the bid and quote thresholds are procured in accordance with the requirements of the Public School Contracts Law and State procurement regulations. In addition, documentation be maintained on file to support the District' awards pursuant to cooperative purchasing agreements.

View of Responsible Officials and Planned Corrective Action

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

**LYNDHURST BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 2020-001

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

- Our audit indicated several vendors paid in excess of the bid threshold were based on the use of cooperative purchasing agreements which were not approved by the Board and included in the official minutes. Furthermore, the applicable cooperative purchasing agreements were not provided in order to determine the validity of the contracts.
- We noted purchases in excess of the bid threshold made through a National Purchasing Cooperative agreement vendor that was not approved in the minutes and was not publicly advertised for intent to purchase. In addition, documentation was not provided to support verification of bid process or proof of cost savings.

Current Status

Partial corrective action has been taken. See Finding 2021-002.