

LYNDHURST SCHOOL DISTRICT
County of Bergen, New Jersey

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2011
(With Independent Auditors' Reports Thereon)

LYNDHURST SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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LYNDHURST SCHOOL DISTRICT
Comprehensive Annual Financial Report
Introductory Section

LYNDHURST BOARD OF EDUCATION

420 Fern Avenue

LYNDHURST, NEW JERSEY 07071

December 5, 2011

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

Dear Board Members:

The comprehensive annual financial report of the Lyndhurst School District for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Lyndhurst Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. 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 organizational chart and a list of principal officials. The financial section includes the general purpose 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 of 1984 and the U.S. Office of Management and Budget Circular A-133 "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the 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 section 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 NCGA Statement No. 14. All funds and account groups of the District are included in this report. The Lyndhurst Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular as well as special education for handicapped youngsters.

LYNDHURST BOARD OF EDUCATION

420 Fern Avenue

LYNDHURST, NEW JERSEY 07071

2. **ECONOMIC CONDITION AND OUTLOOK:** The Lyndhurst area is substantially developed which both residential and industrial taxpayers. The situation is expected to continue, which suggests that its tax base will remain stable.

3. **INTERNAL ACCOUNTING CONTROLS:** 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 the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by 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 federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

4. **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 the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

LYNDHURST BOARD OF EDUCATION

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5. 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 on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

6. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the act.

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

8. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Di Maria & Di Maria LLP, was selected 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 of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose 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.

LYNDHURST BOARD OF EDUCATION

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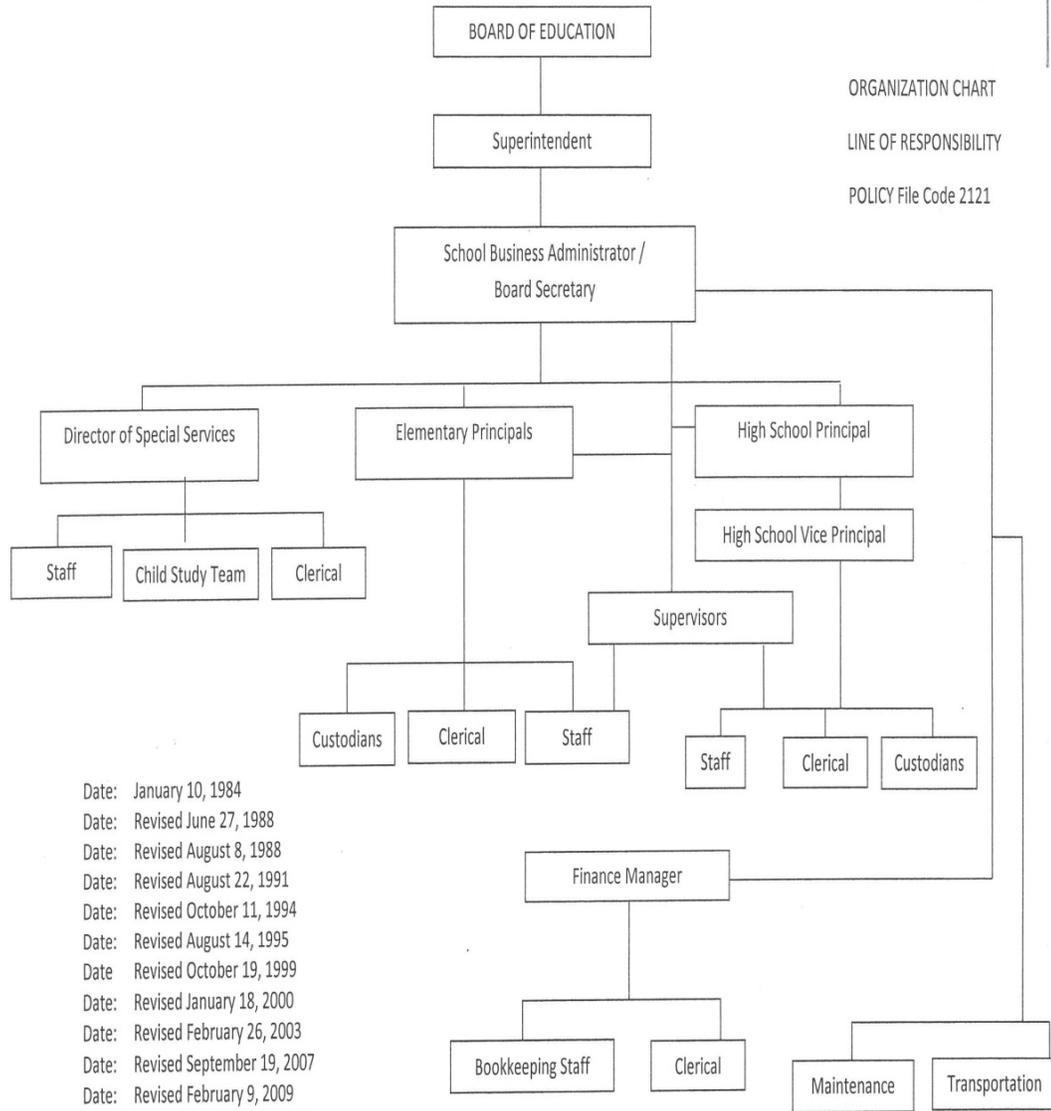
9. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Business Office staff.

Respectfully submitted,

David DiPisa
School Business Administrator

Valerie Troncone
Finance Manager

LYNDHURST SCHOOL DISTRICT
Organizational Chart
Fiscal Year Ended June 30, 2011



- Date: January 10, 1984
- Date: Revised June 27, 1988
- Date: Revised August 8, 1988
- Date: Revised August 22, 1991
- Date: Revised October 11, 1994
- Date: Revised August 14, 1995
- Date: Revised October 19, 1999
- Date: Revised January 18, 2000
- Date: Revised February 26, 2003
- Date: Revised September 19, 2007
- Date: Revised February 9, 2009
- Date: Revised September 20, 2010

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LYNDHURST SCHOOL DISTRICT
Roster of Officials
Fiscal Year Ended June 30, 2011

<u>Board of Education</u>	<u>Term Expires</u>
Ellen Young - President	2012
Ronald Grillo - Vice President	2012
William Barnaskas	2012
James Cunniff	2013
James Hooper	2013
Josephine Malaniak	2014
Christine Melleno	2013
Christopher Musto	2013
Stephen Vendola	2013

Other Officials

Dr. Tracey Marinelli, Superintendent

David DiPisa, Business Administrator/Board Secretary

Valerie Troncone, Finance Manager

Deborah R. Ferrato, Treasurer of School Monies

LYNDHURST SCHOOL DISTRICT
Consultants and Advisors
Fiscal Year Ended June 30, 2011

Independent Audit Firm
Di Maria & Di Maria, LLP
245 Union Street
Lodi, New Jersey 07644

Attorney
Wells, Jaworski, & Liebman, LLC
Paramus, New Jersey 07653

Official Depositories
TD Bank, NA

LYNDHURST SCHOOL DISTRICT
Comprehensive Annual Financial Report
Financial Section

245 Union Street
Lodi, New Jersey 07644
Voice 973.779.6890
Facsimile 973.779.6891

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Board of Education of the Lyndhurst School District, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Lyndhurst Board of Education's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Lyndhurst Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2011, 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.

Independent Auditors' Report (Continued)

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2011 on our consideration of the Lyndhurst Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lyndhurst Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information, such as, the combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Di Maria & Di Maria LLP

Independent Auditors' Report (Continued)

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

DI MARIA & DI MARIA LLP Accountants and Consultants

**Frank Di Maria
Licensed Public School Accountant
PSA No. CS 01168**

December 5, 2011

REQUIRED SUPPLEMENTAL INFORMATION - PART I

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

This section of the Lyndhurst Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued in June 1999. Certain comparative information between the current year (2010-2011) and the prior year (2009-2010) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2010-2011 fiscal year include the following:

The assets of the Lyndhurst Board of Education exceeded its liabilities at the close of the fiscal year by \$ 16,262,058 (net assets).

The District's total net assets increased \$ 634,172.

Overall district revenues were \$ 38,010,392. General revenues accounted for \$ 35,368,291 or 93% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$ 5,475,566 or 14% of total revenues.

Overall district expenses were \$ 37,857,281. Governmental activities accounted for \$ 36,969,859 or 98% of all expenses. Business-type activities accounted for \$ 887,422 or 2% of all expenses.

The school district had \$ 36,151,998 in expenses for governmental activities; only \$ 4,845,962 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$ 31,922,026 were adequate to provide for these programs.

As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$ 786,065 an increase of \$ 134,929 when compared to the previous year ending fund balance at June 30, 2010 of \$ 651,136.

The General Fund unreserved undesignated fund balance at June 30, 2011 was \$ 678,820 an increase of \$ 201,653 when compared with the ending unreserved undesignated fund balance at June 30, 2010 of \$ 477,167.

The General Fund unreserved, undesignated budgetary fund balance at June 30, 2011 was \$ 721,449 which represents an increase of \$ 41,555 when compared to the ending fund balance at June 30, 2009 of \$ 679,894.

**LYNDHURST BOARD OF EDUCATION
LYNDHURST, NEW JERSEY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts - Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

The first two statements are *district wide financial statements* that provide both short-term and long-term information about the District's overall financial status.

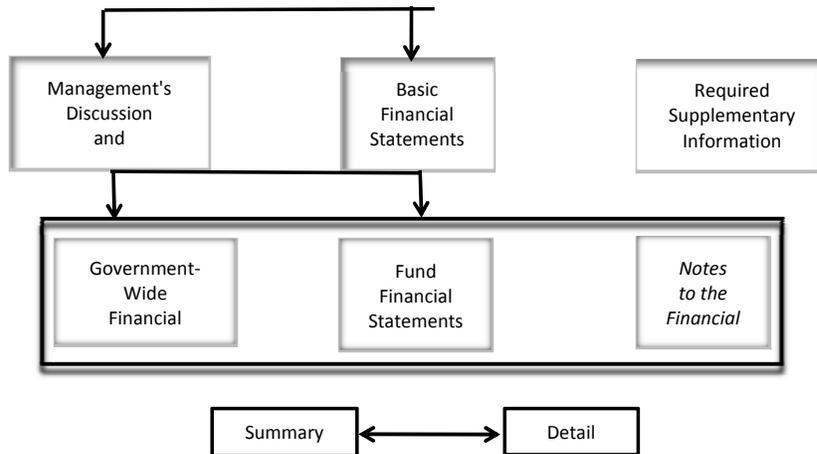
The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

The *governmental funds statements* tell how basic services were financed in the short term as well as what remains for future spending.

Proprietary funds statements offer short-term and long-term financial information about the activities the district operated like businesses.

Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain the information in the statements and provide more detailed data. The following illustration 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, 2011**

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

Major Features of the District-Wide and Fund Financial Statements

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

District-wide financial statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. 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 assets* and how they have changed. Net assets - the difference between the District's assets and liabilities - 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, 2011**

District-wide financial statements (continued)

Over time, increases or decreases in the District's net assets are an indicator of whether its financial position 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 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 Fund is 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 four kinds of funds:

1. *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 difference) between them.

2. *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.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

Fund financial statements (continued)

3. *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 the following enterprise funds.

- Food Service (Cafeteria)
- Before/After School Child Care

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

Notes to the basic financial statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for the general and special revenue funds as required supplementary information. The required supplementary information can be found following the notes to the basic financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$ 16,262,058 as of June 30, 2011 and \$ 15,627,886 as of June 30, 2010.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

By far the largest portion of the District's net assets 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.

**Net Assets
As of June 30, 2011 and 2010**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current Assets	\$ 1,062,082	\$ 1,417,225	\$ 99,093	\$ 67,293	\$ 1,161,175	\$ 1,484,518
Capital Assets	22,942,883	23,117,883	-	-	22,942,883	23,117,883
Total Assets	24,004,965	24,535,108	99,093	67,293	24,104,058	24,602,401
Long-Term Liabilities	7,067,006	8,158,067	-	-	7,067,006	8,158,067
Other Liabilities	711,017	766,089	63,977	50,359	774,994	816,448
Total Liabilities	7,778,023	8,924,156	\$ 63,977	\$ 50,359	7,842,000	8,974,515
Net Assets						
Invested in capital assets, net of related debt	18,952,883	18,827,883	0	0	18,952,883	18,827,883
Restricted	107,245	173,969	0	0	107,245	173,969
Unrestricted (Deficit)	(2,833,186)	(3,390,900)	35,116	16,934	(2,798,070)	(3,373,966)
Total Net Assets	\$ 16,226,942	\$ 15,610,952	\$ 35,116	\$ 16,934	\$ 16,262,058	\$ 15,627,886

A small portion of the District's Net Assets, less than one percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is in a deficit position and is a result of how the district expends its long-term liabilities for governmental activities such as compensated absences and claims and judgments on the District-wide financial statements. These long-term liabilities are recorded and expensed for governmental activities at the time the liabilities are incurred regardless of when payment is due. However, the revenue for these long-term liabilities of governmental activities is not raised until these liabilities are included in the District budget when compensated absences and claims and judgments for governmental activities are due and payable.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

**Change in Net Assets
For The Years Ended June 30, 2011 and 2010**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues						
Program Revenues						
Charges for Services	\$ -	\$ -	\$ 441,513	\$ 353,245	\$ 441,513	\$ 353,245
Operating Grants and Contributions	4,845,962	5,665,397	188,091	154,761	5,034,053	5,820,158
Capital Grants and Contributions	-	49,099	-	-	-	49,099
General Revenues						
Property Taxes	31,807,753	29,711,738	-	-	31,807,753	29,711,738
State and Federal Aid	-	1,033,564	-	-	-	1,033,564
Other	451,073	262,376	-	817	451,073	263,193
Transfers	(336,800)	(283,494)	276,000	218,000	(60,800)	(65,494)
Total Revenues	36,767,988	36,438,680	905,604	726,823	37,673,592	37,165,503
Expenses						
Instruction						
Regular	10,258,383	10,396,628	-	-	10,258,383	10,396,628
Special Education	2,883,630	2,885,367	-	-	2,883,630	2,885,367
Basic Skills/Remedial	497,055	516,898	-	-	497,055	516,898
Bilingual	116,590	111,418	-	-	116,590	111,418
School Sponsored Activities & Athletics	601,361	607,330	-	-	601,361	607,330
Alternative Education Program	500	500	-	-	500	500
Undistributed Expenditures						
Instruction	3,330,268	4,286,863	-	-	3,330,268	4,286,863
Attendance and Social Work	32,735	44,922	-	-	32,735	44,922
Health Services	540,898	585,717	-	-	540,898	585,717
Students Related Services	700,532	516,266	-	-	700,532	516,266
Students - Extraordinary	15,176	13,804	-	-	15,176	13,804
Students - Regular	750,127	718,033	-	-	750,127	718,033
Students - Special	638,771	662,917	-	-	638,771	662,917
Improvement of Instructional Services	817,590	688,241	-	-	817,590	688,241
Educational Media						
Services/School Library	110,475	111,429	-	-	110,475	111,429
Instructional Staff Training Services	68,401	66,265	-	-	68,401	66,265
General Administration	993,483	992,475	-	-	993,483	992,475
School Administration	1,500,106	1,498,398	-	-	1,500,106	1,498,398
Central Services	484,777	389,200	-	-	484,777	389,200
Required Maintenance for School Facilities	552,976	406,610	-	-	552,976	406,610
Custodial Services	1,785,479	1,408,168	-	-	1,785,479	1,408,168
Care & Upkeep of Grounds	13,715	4,026	-	-	13,715	4,026
Security	36,705	29,335	-	-	36,705	29,335
Student Transportation	839,842	903,699	-	-	839,842	903,699
Unallocated Employee Benefits	5,718,235	5,600,379	-	-	5,718,235	5,600,379
TPAF Pension	1,051,954	1,000,167	-	-	1,051,954	1,000,167
TPAF Social Security	1,171,264	1,153,079	-	-	1,171,264	1,153,079
Capital Outlay						
Interest Deposit to Capital Reserve	-	-	-	-	-	-
Equipment	75,000	14,779	-	-	75,000	14,779
Facilities Acquisition and Construction Services	308,000	258,775	-	-	308,000	258,775
Charter Schools	1,157	-	-	-	1,157	-
Debt Service						
Interest on Early Retirement Bonds	63,973	69,348	-	-	63,973	69,348
Interest on Bonds	192,840	206,640	-	-	192,840	206,640
Food Services	-	-	668,626	602,406	668,626	602,406
Before/After Child Care	-	-	218,796	124,682	218,796	124,682
Total Expenses	36,151,998	36,147,676	887,422	727,088	37,039,420	36,874,764

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

Change in Net Assets	615,990	291,004	18,182	(265)	634,172	290,739
Net Assets, Beginning of Year	<u>15,610,952</u>	<u>15,319,948</u>	<u>16,934</u>	<u>17,199</u>	<u>15,627,886</u>	<u>15,337,147</u>
Net Assets, End of Year	<u>\$ 16,226,942</u>	<u>\$ 15,610,952</u>	<u>\$ 35,116</u>	<u>\$ 16,934</u>	<u>\$ 16,262,058</u>	<u>\$ 15,627,886</u>

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

Governmental Activities - The District's total governmental activities' revenues, which includes State and Federal grants, were \$ 37,104,788 and \$ 36,722,174 for the years ended June 30, 2011 and June 30, 2010, respectively. Property taxes of \$ 31,807,753 and \$ 29,711,738 represented 86% and 81% of the revenues for the fiscal years ended June 30, 2011 and 2010, respectively. Another significant portion of revenues came from state aid; total state, federal and local aid and grants was \$ 4,845,962 and \$ 6,748,060 which represented 13% and 18% of the revenues for the fiscal years ended June 30, 2011 and 2010, respectively. State, federal and local aid and grants are reported as operating and capital grants and contributions if specific to a program or as general revenues if not specific to a program. In addition, other miscellaneous income is earned which includes items such as interest, prior year refunds and other miscellaneous items.

The total cost of all governmental activities programs and services were \$ 36,969,859 and \$ 36,628,563 for the years ended June 30, 2011 and 2010. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$ 14,357,519 and \$ 14,518,141 (39% and 40%) of total expenditures for the fiscal years ended June 30, 2011 and 2010, respectively. Support services, totaled \$ 22,612,340 and \$ 22,110,422 (61% and 60%) of total expenditures.

Total governmental activities for the year ended June 30, 2011 exceeded expenses, increasing net assets by \$ 471,729 over the previous year from \$ 651,136 at June 30, 2010 to \$ 786,065 at June 30, 2011.

The cost of all *governmental activities* this year was \$ 36,969,859 an increase of \$ 341,296 (1%) over the previous year.

Federal and state governments subsidized certain programs with operating and capital grants and contributions of \$ 4,845,962 a decrease of \$ 868,534. The District also realized decreases in Federal and State aid for operating grants and contributions of \$ 819,435 (14%).

District's costs in the amount of \$ 31,807,753, were provided from property taxes, an increase of \$ 2,096,015 (7%). This increase was a result of more property taxes levied due to increases in District operating costs.

District's costs in the amount of \$ 0 were provided from unrestricted federal and state aid a decrease of \$ 1,033,564 (100%). The decrease was the result of a decrease in unrestricted State Aid allocated to most New Jersey Districts.

Other general revenues totaling \$ 451,073 were provided from miscellaneous local sources, an increase of \$ 188,697.

For the most part, increases in expenses for 2011 closely paralleled inflation and the growth in the demand for services. Significant increases were noted in student and instruction related services functions which were mainly attributable to costs associated with increased expenses for support services to special services to special education students. Another significant area of increased expenses was also noted in the instruction for special education function for expenses associated with increased tuition costs for out-of-district placement of classified students.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

Net Cost of Governmental Activities - The District's total cost of services were \$ 36,151,998 and \$36,147,676 for the fiscal years ended June 30, 2011 and 2010, respectively. After applying program revenues, derived from charges for services and operating grants and contributions of \$ 4,845,962 and \$ 5,665,397 and capital grants and contribution of \$ 0 and \$ 49,099, for the years ended June 30, 2011 and 2010, respectively; the net cost of services of the District were \$ 31,306,036 and \$ 30,433,180 for the fiscal years ended June 30, 2011 and 2010, respectively.

	Total and Net Cost of Governmental Activities			
	Program Revenues		Net (Expense) Revenue of Services	
	2011	2010	2011	2010
Instruction				
Regular	\$ 433,998	\$ 629,373	\$ (9,824,385)	\$ (9,767,255)
Special Education	2,056,179	2,665,277	(827,451)	(220,090)
Basic Skills	-	-	(497,055)	(516,898)
Bilingual	-	-	(116,590)	(111,418)
School Sponsored Activities & Athletics	-	-	(601,361)	(607,330)
Alternative Education Program	-	-	(500)	(500)
Undistributed Expenditures				
Instruction	-	-	(3,330,268)	(4,286,863)
Attendance and Social Work Services	-	-	(32,735)	(44,922)
Health Services	-	-	(540,898)	(585,717)
Students Related Services	-	-	(700,532)	(516,266)
Students - Extraordinary	-	-	(15,176)	(13,804)
Students - Regular	-	-	(750,127)	(718,033)
Students - Special	-	-	(638,771)	(662,917)
Improvement of Instructional Services	-	-	(817,590)	(688,241)
Educational Media Services/School Library	-	-	(110,475)	(111,429)
Instructional Staff Training Services	-	-	(68,401)	(66,265)
General Administration	-	-	(993,483)	(992,475)
School Administration	-	-	(1,500,106)	(1,498,398)
Central Services	-	-	(484,777)	(389,200)
Required Maintenance for School Facilities	-	-	(552,976)	(406,610)
Custodial Services	-	-	(1,785,479)	(1,408,168)
Care & Upkeep of Grounds	-	-	(13,715)	(4,026)
Security	-	-	(36,705)	(29,335)
Student Transportation	-	217,501	(839,842)	(686,198)
Allocated and Unallocated				
Employee Benefits	132,567	-	(5,585,668)	(5,600,379)
TPAF Pension	1,051,954	1,000,167	-	-
TPAF Social Security	1,171,264	1,153,079	-	-
Capital Outlay				
Interest Deposit to Capital Reserve	-	-		
Equipment	-	-	(75,000)	(14,779)
Facilities Acquisition and Construction Services	-	49,099	(308,000)	(209,676)
Charter Schools	-	-	(1,157)	-
Debt Service				
Interest on Early Retirement Bonds	-	-	(63,973)	(69,348)
Interest on Bonds	-	-	(192,840)	(206,640)
Total	\$ 4,845,962	\$ 5,714,496	\$ (31,306,036)	\$ (30,433,180)

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

Business-Type-Activities - The District's total business-type activities revenues were \$ 629,604 and \$ 508,006 for the years ended June 30, 2011 and June 30, 2010. Charges for services accounted for 70% and 70% of total revenues and operating grants and contributions accounted for 30% and 30% of total revenue for the years ended June 30, 2011 and 2010. There were no capital grants received for years ended June 30, 2011 or 2010.

The total cost of all business-type activities programs and services were \$ 887,422 and \$ 727,088 for the years ended June 30, 2011 and 2010. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District and Before/After School Care expenses.

The business-type activities revenues (including transfers) for the year ended June 30, 2011 surpassed expenses, increasing net assets by \$ 18,182 above the previous year from \$ 16,934 at June 30, 2010 to \$ 35,116 at June 30, 2011. The cost of business-type activities this year was \$ 887,422, an increase of \$ 160,334 (22%) from the previous year.

Some of the cost was paid by users of the Districts food service and Before/After School care program for a total of \$ 441,513, an increase of \$ 88,268 (25%).

The Federal and State governments subsidized the food service program with grants and contributions of \$ 188,091, an increase of \$ 33,330 (22%).

Increases in expenses reflected the increased cost of sales (i.e., food and supply costs) associated with higher food prices as well as rising costs of Before and After school care.

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, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

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 \$ 786,065 for the year ended June 30, 2011 compared to a fund balance of \$ 651,136 for the year ended June 30, 2010, an increase in the balance of \$ 134,929 for the year.

Revenues for the District's governmental funds were \$ 37,104,788 and \$ 36,722,174, while total expenses were \$ 36,969,859 and \$ 36,628,563 for the fiscal years ended June 30, 2011 and 2010, respectively.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

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

The following schedule presents a comparison of General Fund Revenues for the fiscal years ended June 30, 2011 and 2010:

	June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2011</u>	<u>2010</u>		
Local Sources				
Property Tax Levy	\$ 31,120,940	\$ 29,010,751	\$ 2,110,189	7%
Miscellaneous	451,073	262,370	188,703	72%
State Sources	3,663,711	4,821,019	(1,157,308)	-24%
Federal Sources	132,567	181,249	(48,682)	N/A
Total General Fund Revenues	<u>\$ 35,368,291</u>	<u>\$ 34,275,389</u>	<u>\$ 1,092,902</u>	3%

Local property taxes increased by \$ 2,110,189 or 7% over the previous year. State aid revenues decreased \$ 1,157,308, or 24%, predominantly attributable to a change in the State funding formula and adjustments made to aid during the year.

The following schedule presents a comparison of General Fund expenditures for the fiscal years ended June 30, 2011 and 2010:

	June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2011</u>	<u>2010</u>		
Instruction	\$ 13,307,835	\$ 12,821,448	\$ 486,387	4%
Support Services	21,379,570	20,844,766	534,804	3%
Debt Services	-	-	-	N/A
Charter Schools	1,157	-	1,157	100%
Capital Outlay	158,895	207,526	(48,631)	-23%
Total Expenditures	<u>\$ 34,847,457</u>	<u>\$ 33,873,740</u>	<u>\$ 973,717</u>	3%

Total General Fund expenditures increased \$ 973,717 or 3% from the previous year. The increase can be attribute to contractual increases in salaries and wages, health benefits and special education tuition costs.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

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 with special needs.

Revenues of the Special Revenue Fund were \$ 1,049,684 and \$ 1,696,693 for the years ended June 30, 2011 and 2010. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 86% and 92% of the total revenues for the years ended June 30, 2011 and 2010.

Total Special Revenue Fund revenues decreased \$ 647,009 or 38% from the previous year. State sources increased \$ 2,288 or 2% and Federal sources decreased by \$ 649,297 or 42%.

Expenditures of the Special Revenue Fund were \$ 1,049,684 and \$ 1,696,693 for the fiscal years ended June 30, 2011 and 2010. Instructional expenditures were \$ 1,049,684 and \$ 1,696,693 or 100% and 100% and expenditures for the support services were \$ 0 and \$ 0 or 0% and 0% of the total amounts expended for the years ended June 30, 2011 and 2010, respectively.

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 Before/After School Child Care 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

The District's budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the budgetary basis and encumbrance accounting. The most significant mandated revenue recognition of certain deferred state aid payments for budgetary purposes only. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times through appropriation transfers between budget line items.

Implementing budgets for specially funded projects, which include both Federal and State grants.

Reinstating prior year purchase orders being carried over as encumbrances.

Increases in appropriations for significant unbudgeted costs.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

General Fund budgetary revenues exceeded General Fund budgetary and other financing uses increasing budgetary fund balance \$ 23,936 from the previous year. After deducting statutory reserves and designations, the unreserved/undesignated budgetary fund balance increased \$ 41,555 from a \$ 679,894 balance at June 30, 2010 to a \$ 721,449 fund balance at June 30, 2011.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2011 and 2010 amounted to \$ 22,942,883 and \$ 23,117,883 (net of accumulated depreciation). The capital assets consist of land, land improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for fiscal years 2010-2011 and 2009-2010 amounted to \$ 175,000 and \$ 175,000 for governmental activities and \$ 0 and \$ 0 for business-type activities.

Capital Assets at June 30, 2011 and 2010
(Net of Accumulated Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land and Land Improvements	\$ 9,342,900	\$ 9,342,900	\$ -	\$ -	\$ 9,342,900	\$ 9,342,900
Building and Building Improvements	13,320,664	13,420,664	-	-	13,320,664	13,420,664
Machinery and Equipment	279,319	354,319	-	-	279,319	354,319
Construction in Progress	-	-	-	-	-	-
Total Net Assets	\$ 22,942,883	\$ 23,117,883	\$ -	\$ -	\$ 22,942,883	\$ 23,117,883

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

LONG TERM LIABILITIES

At June 30, 2011 and 2010, the District's long-term liabilities consisted of bonds payable of \$ 5,110,000 and \$ 5,540,000, and compensated absences payable of \$ 2,392,006 and \$ 2,618,067, respectively.

Additional information on the District's long term liabilities is presented in Note 5 of this report.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

While many factors influence the District's future, the availability of State funding, special education needs, capital improvements and the economy will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the District's administration during the process of developing the fiscal year 2011 - 2012 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, as well as, increased special education tuition costs.

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.

SECTION "A" - DISTRICT WIDE FINANCIAL STATEMENTS

**LYNDHURST SCHOOL DISTRICT
STATEMENT OF NET ASSETS**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 662,389	\$ 61,779	\$ 724,168
Receivables, (Net)	399,693	37,314	437,007
Capital Assets, (Net)	22,942,883	-	22,942,883
Total Assets	\$ 24,004,965	\$ 99,093	\$ 24,104,058
<u>LIABILITIES</u>			
Accounts Payable	\$ 276,017	\$ 63,977	\$ 339,994
Non-Current Liabilities:			
Due Within One Year	435,000	-	435,000
Due Beyond One Year	7,067,006	-	7,067,006
Total liabilities	\$ 7,778,023	\$ 63,977	\$ 7,842,000
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 18,952,883	\$ -	\$ 18,952,883
Restricted for:			
Other Purposes	107,245	-	107,245
Unrestricted	(2,833,186)	35,116	(2,798,070)
Total Net Assets	\$ 16,226,942	\$ 35,116	\$ 16,262,058

LYNDHURST SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2011

A-2

Functions/Programs	Program Expenses				Program Revenues				Net (Expense) Revenue & Changes in Net Assets		
	Budgetary Basis	Adjustments	Depreciation	Total	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Total	Governmental Activities	Business-type Activities	Total 2010
Governmental Activities:											
Current Expense:											
Instruction:											
Regular Programs - Instruction	\$ 10,258,383	\$ -	\$ -	\$ 10,258,383	\$ -	\$ 433,998	\$ -	\$ 433,998	\$ (9,824,385)	\$ -	\$ (9,824,385)
Special Education - Instruction	2,883,630	-	-	2,883,630	-	2,056,179	-	2,056,179	(827,451)	-	(827,451)
Basic Skills - Remedial Instruction	497,055	-	-	497,055	-	-	-	-	(497,055)	-	(497,055)
Bilingual Education - Instruction	116,590	-	-	116,590	-	-	-	-	(116,590)	-	(116,590)
School Sponsored Cocurricular Activities - Instruction	151,767	-	-	151,767	-	-	-	-	(151,767)	-	(151,767)
School Sponsored Athletics - Instruction	449,594	-	-	449,594	-	-	-	-	(449,594)	-	(449,594)
Alternative Education Program	500	-	-	500	-	-	-	-	(500)	-	(500)
Undistributed Expenditures:											
Instruction	3,330,268	-	-	3,330,268	-	-	-	-	(3,330,268)	-	(3,330,268)
Attendance and Social Work Services	32,735	-	-	32,735	-	-	-	-	(32,735)	-	(32,735)
Health Services	540,898	-	-	540,898	-	-	-	-	(540,898)	-	(540,898)
Other Support Services - Students Related Services	700,532	-	-	700,532	-	-	-	-	(700,532)	-	(700,532)
Other Support Services - Students Extraordinary Services	15,176	-	-	15,176	-	-	-	-	(15,176)	-	(15,176)
Other Support Services - Students Regular	750,127	-	-	750,127	-	-	-	-	(750,127)	-	(750,127)
Other Support Services - Students Special	638,771	-	-	638,771	-	-	-	-	(638,771)	-	(638,771)
Improvement of Instructional Services	817,590	-	-	817,590	-	-	-	-	(817,590)	-	(817,590)
Educational Media Services/School Library	110,475	-	-	110,475	-	-	-	-	(110,475)	-	(110,475)
Instructional Staff Training Services	68,401	-	-	68,401	-	-	-	-	(68,401)	-	(68,401)
Support Services - General Administration	993,483	-	-	993,483	-	-	-	-	(993,483)	-	(993,483)
Support Services - School Administration	1,500,106	-	-	1,500,106	-	-	-	-	(1,500,106)	-	(1,500,106)
Central Services	484,777	-	-	484,777	-	-	-	-	(484,777)	-	(484,777)
Required Maintenance for School Facilities	552,976	-	-	552,976	-	-	-	-	(552,976)	-	(552,976)
Custodial Services	1,785,479	-	-	1,785,479	-	-	-	-	(1,785,479)	-	(1,785,479)
Care & Upkeep of Grounds	13,715	-	-	13,715	-	-	-	-	(13,715)	-	(13,715)
Security	36,705	-	-	36,705	-	-	-	-	(36,705)	-	(36,705)
Student Transportation Services	839,842	-	-	839,842	-	-	-	-	(839,842)	-	(839,842)
Allocated and Unallocated Employee Benefits	5,944,296	(226,061)	-	5,718,235	-	132,567	-	132,567	(5,585,668)	-	(5,585,668)
TPAF Pension	1,051,954	-	-	1,051,954	-	1,051,954	-	1,051,954	-	-	-
TPAF Social Security	1,171,264	-	-	1,171,264	-	1,171,264	-	1,171,264	-	-	-
Capital Outlay											
Equipment	-	-	75,000	75,000	-	-	-	-	(75,000)	-	(75,000)
Facilities Acquisition and Construction Services	208,000	-	100,000	308,000	-	-	-	-	(308,000)	-	(308,000)
Charter Schools	1,157	-	-	1,157	-	-	-	-	(1,157)	-	(1,157)
Debt Service:											
Interest on Early Retirement Bonds	63,973	-	-	63,973	-	-	-	-	(63,973)	-	(63,973)
Redemption of Principal - Early Retirement Bonds	130,000	(130,000)	-	-	-	-	-	-	-	-	-
Interest on Bonds	192,840	-	-	192,840	-	-	-	-	(192,840)	-	(192,840)
Redemption of Principal	300,000	(300,000)	-	-	-	-	-	-	-	-	-
Total Governmental Activities	\$ 36,633,059	\$ (656,061)	\$ 175,000	\$ 36,151,998	\$ -	\$ 4,845,962	\$ -	\$ 4,845,962	\$ (31,306,036)	\$ -	\$ (31,306,036)
Business-Type Activities:											
Food Service	\$ 668,626	\$ -	\$ -	\$ 668,626	\$ 205,327	\$ 187,395	\$ -	\$ 392,722	\$ -	\$ (275,904)	\$ (275,904)
Before/After School Child Care	218,796	-	-	218,796	236,186	696	-	236,882	-	18,086	18,086
	\$ 887,422	\$ -	\$ -	\$ 887,422	\$ 441,513	\$ 188,091	\$ -	\$ 629,604	\$ -	\$ (257,818)	\$ (257,818)
Total Primary Government	\$ 37,520,481	\$ (656,061)	\$ 175,000	\$ 37,039,420	\$ 441,513	\$ 5,034,053	\$ -	\$ 5,475,566	\$ (31,306,036)	\$ (257,818)	\$ (31,563,854)
General Revenues:											
Local Tax Levy									31,807,753	-	31,807,753
Unrestricted Miscellaneous Revenues									451,073	-	451,073
Transfers									(336,800)	276,000	(60,800)
Change in Net Assets									\$ 615,990	\$ 18,182	\$ 634,172
Net Assets—Beginning									15,610,952	16,934	15,627,886
Net Assets—Ending									\$ 16,226,942	\$ 35,116	\$ 16,262,058

SECTION "B" - FUND FINANCIAL STATEMENTS

LYNDHURST SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
ASSETS					
Cash	\$ 697,410	\$ (35,021)	\$ -	\$ -	\$ 662,389
Intergovernmental Receivable:					
Federal	-	92,751	-	-	92,751
State	306,942	-	-	-	306,942
Total Assets	<u>\$ 1,004,352</u>	<u>\$ 57,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,062,082</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 218,287	\$ 44,766	\$ -	\$ -	\$ 263,053
Intergovernmental Payable:					
State	-	12,964	-	-	12,964
Total Liabilities	<u>\$ 218,287</u>	<u>\$ 57,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,017</u>
Fund Balances:					
Reserve for Encumbrances	\$ 662	\$ -	\$ -	\$ -	\$ 662
Excess Surplus from FY2011	71,212	-	-	-	71,212
Designated for					
Subsequent Years' Expenditures	35,371	-	-	-	35,371
Undesignated	678,820	-	-	-	678,820
Total Fund Balances	<u>\$ 786,065</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 786,065</u>
Total Liabilities and Fund Balances	<u>\$ 1,004,352</u>	<u>\$ 57,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,062,082</u>

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Net Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. \$ 22,942,883

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (7,502,006)

Net assets of governmental activities \$ 16,226,942

LYNDHURST SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
REVENUES					
Local Sources:					
Local Tax Levy	\$ 31,120,940	\$ -	\$ -	\$ 686,813	\$ 31,807,753
Unrestricted Miscellaneous Revenues	451,073	-	-	-	451,073
Total Local Sources	\$ 31,572,013	\$ -	\$ -	\$ 686,813	\$ 32,258,826
State Sources	3,663,711	145,851	-	-	3,809,562
Federal Sources	132,567	903,833	-	-	1,036,400
Total Revenues	\$ 35,368,291	\$ 1,049,684	\$ -	\$ 686,813	\$ 37,104,788
EXPENDITURES					
Current Expense:					
Instruction:					
Regular Programs	\$ 9,824,385	\$ 433,998	\$ -	\$ -	\$ 10,258,383
Regular Programs - Special Education	2,267,944	615,686	-	-	2,883,630
Basic Skills - Remedial	497,055	-	-	-	497,055
Bilingual Education	116,590	-	-	-	116,590
School Sponsored Cocurricular Activities	151,767	-	-	-	151,767
School Sponsored Athletics	449,594	-	-	-	449,594
Alternative Education Program	500	-	-	-	500
Undistributed Expenditures:					
Instruction	3,330,268	-	-	-	3,330,268
Attendance and Social Work Services	32,735	-	-	-	32,735
Health Services	540,898	-	-	-	540,898
Other Support Services - Students Related Services	700,532	-	-	-	700,532
Other Support Services - Students Extraordinary Services	15,176	-	-	-	15,176
Other Support Services - Students Regular	750,127	-	-	-	750,127
Other Support Services - Students Special	638,771	-	-	-	638,771
Improvement of Instructional Services	817,590	-	-	-	817,590
Educational Media Services/School Library	110,475	-	-	-	110,475
Instructional Staff Training Services	68,401	-	-	-	68,401
Support Services - General Administration	993,483	-	-	-	993,483
Support Services - School Administration	1,500,106	-	-	-	1,500,106
Central Services	484,777	-	-	-	484,777
Required Maintenance for School Facilities	552,976	-	-	-	552,976
Custodial Services	1,785,479	-	-	-	1,785,479
Care & Upkeep of Grounds	13,715	-	-	-	13,715
Security	36,705	-	-	-	36,705
Student Transportation Services	839,842	-	-	-	839,842
Allocated and Unallocated Employee Benefits	5,944,296	-	-	-	5,944,296
TPAF Pension	1,051,954	-	-	-	1,051,954
TPAF Social Security	1,171,264	-	-	-	1,171,264
Capital Outlay:					
Equipment	-	-	-	-	-
Facilities Acquisition and Construction Services	158,895	-	49,105	-	208,000
Charter Schools	1,157	-	-	-	1,157
Debt Service:					
Interest on Early Retirement Bonds	-	-	-	63,973	63,973
Redemption of Principal - Early Retirement Bonds	-	-	-	130,000	130,000
Interest on Bonds	-	-	-	192,840	192,840
Redemption of Principal	-	-	-	300,000	300,000
Total Expenditures	\$ 34,847,457	\$ 1,049,684	\$ 49,105	\$ 686,813	\$ 36,633,059
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 520,834	\$ -	\$ (49,105)	\$ -	\$ 471,729
OTHER FINANCING SOURCES (USES)					
Operating Transfers	(336,800)	-	-	-	(336,800)
Net Change In Fund Balances	\$ 184,034	\$ -	\$ (49,105)	\$ -	\$ 134,929
Fund Balances - July 1	602,031	-	49,105	-	651,136
Fund Balances - June 30	\$ 786,065	\$ -	\$ -	\$ -	\$ 786,065

**LYNDHURST SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Total Net Change in Fund Balances - Governmental Funds (B-2) \$ 134,929

Amounts reported for governmental activities in the statement
Investment Earnings

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	(175,000)
Capital Outlays	-

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

430,000

Employee Benefits

226,061

Change in net assets of governmental activities

\$ 615,990

**LYNDHURST SCHOOL DISTRICT
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF NET ASSETS
 AS OF JUNE 30, 2011**

	<u>Business-Type Activities</u> <u>Enterprise Funds</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 61,779
Intergovernmental Receivable:	
State	938
Federal	34,743
Accounts Receivable	1,633
Total Assets	<u>\$ 99,093</u>
<u>LIABILITIES</u>	
Accounts Payable	<u>\$ 63,977</u>
<u>NET ASSETS</u>	
Unrestricted	<u>\$ 35,116</u>

**LYNDHURST SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Business-Type Activities</u>
	<u>Enterprise Funds</u>
<u>OPERATING REVENUES</u>	
Charges for Services:	
Sales	\$ 441,513
<u>OPERATING EXPENSES</u>	
Salaries	\$ 386,600
Support Services - Employee Benefits	39,634
Purchased Property Services	100,000
Other Purchased Services	359,122
Supplies & Materials	1,862
Miscellaneous	204
	<u>\$ 887,422</u>
Operating Income (Loss)	<u>\$ (445,909)</u>
<u>NON-OPERATING REVENUES</u>	
Local Sources:	
Interest on Investments	\$ 926
State Sources:	
School Lunch Program	4,682
Federal Sources:	
School Breakfast Program	2,367
School Lunch Program	180,116
	<u>\$ 188,091</u>
Income (Loss) Before Other Financing Sources (Uses)	\$ (257,818)
Other Financing Sources (Uses):	
Operating Transfers	<u>\$ 276,000</u>
Change in Net Assets	\$ 18,182
Total Net Assets - Beginning	16,934
Total Net Assets - Ending	<u><u>\$ 35,116</u></u>

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

**LYNDHURST SCHOOL DISTRICT
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Business-Type Activities</u>
	<u>Enterprise Funds</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash Receipts from Sales	\$ 420,813
Payments for Operating Expenses	(851,569)
	<u>\$ (430,756)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Cash Flows from Local, State and Federal Reimbursements	<u>\$ 439,741</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Purchase of Capital Assets	<u>\$ -</u>
Net Increase/(Decrease) in Cash	<u>\$ 8,985</u>
Cash, July 1	<u>52,794</u>
Cash, June 30	<u><u>\$ 61,779</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (445,909)
Adjustments to Reconcile Operating Income (Loss) to Net Cash (Used for) Operating Activities:	
(Increase) Decrease in Accounts Receivable	1,535
Increase (Decrease) in Accounts Payable	13,618
Net Cash Provided by (Used For) Operating Activities	<u><u>\$ (430,756)</u></u>

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

**LYNDHURST SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

ASSETS

Cash	\$ 1,151,261
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LIABILITIES

Due to Student Groups	\$ 138,018
Payroll, Deductions and Withholdings Payable	940,250

Total Liabilities	<u>\$ 1,078,268</u>
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NET ASSETS

Held in Trust for Scholarships	<u>\$ 72,993</u>
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**LYNDHURST SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

ADDITIONS

Earnings on Investments	<u>\$ 587</u>
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DEDUCTIONS

Scholarships	<u>\$ 646</u>
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Change in Net Assets	\$ (59)
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Net Assets - Beginning	<u>73,052</u>
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Net Assets - Ending	<u><u>\$ 72,993</u></u>
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LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Board of Education (Board) of the Lyndhurst School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity

The Lyndhurst School District is a Type II School District located in Bergen County, New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The District includes seven school facilities, all located in the Borough of Lyndhurst which support the following programs:

Regular Programs:

- Preschool
- Kindergarten
- Grades 1 - 5
- Grades 6 - 8
- Grades 9 - 12

Special Education Program:

- Learning and/or Language Disabilities

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District over which the Board exercises operating control.

There were no additional entities required to be included in the reporting entity under the criteria, as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Fund Accounting

The accounts of the district are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types --

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds.)

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Proprietary Fund Type --

Enterprise (Food Service) Fund: The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Fund Types --

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of others as their agent. Agency funds are custodial in nature and do not involve a measurement of results of operations.

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recorded in the accounting period in which they are earned and expenses are recorded at the time liabilities are incurred.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. There were budget amendments during the fiscal year ended June 30, 2011.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

G. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in first-out (FIFO) method.

H. Fixed Assets

General Fixed Assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received.

The general fixed assets acquired or constructed prior to June 30, 1999, are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company.

General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 1 - Summary of Significant Accounting Policies (Continued)

I. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2011, the amount earned by these employees but not disbursed was \$0.

J. Deferred Revenue

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned. See note 1(e) regarding the special revenue fund.

K. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

L. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not appropriatable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

M. Memorandum Only - Total Columns

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund elimination's have not been made in the aggregation of this data.

N. Comparative Data

Comparative total data for the prior year has been presented in order to provide an understanding of changes on the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 2 - Cash and Cash Equivalents and Investments

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits --

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

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the daily balance of collected public funds on deposit.

The market value of the collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments --

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2011, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash</u>	<u>Investments</u>
Checking/Money Market Accounts	\$ 724,168	\$ -
	<u>\$ 724,168</u>	<u>\$ -</u>

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011**

Note 3 - Capital Assets

The following schedule is a summarization of the changes in general fixed assets by source for the fiscal year ended June 30, 2011:

	Beginning Balance	Additions	Disposals	Adjustments	Ending Balance
<i>Governmental Activities --</i>					
Capital Assets not being Depreciated:					
Sites	\$ 9,342,900	\$ -	\$ -	\$ -	\$ 9,342,900
Construction in Progress	-	-	-	-	-
	<u>\$ 9,342,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,342,900</u>
Capital Assets being Depreciated:					
Site Improvements	\$ -	\$ -	\$ -	\$ -	-
Building Improvements	19,066,114	-	-	-	19,066,114
Machinery and Equipment	1,231,560	-	-	-	1,231,560
	<u>\$ 20,297,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,297,674</u>
	<u>\$ 29,640,574</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,640,574</u>
Less Accumulated Depreciation:					
Site Improvements	\$ -	\$ -	\$ -	\$ -	-
Building Improvements	(5,645,450)	(100,000)	-	-	(5,745,450)
Machinery and Equipment	(877,241)	(75,000)	-	-	(952,241)
	<u>\$ (6,522,691)</u>	<u>\$ (175,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,697,691)</u>
Net Assets for Governmental Activities	<u>\$ 23,117,883</u>	<u>\$ (175,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,942,883</u>

Business Type Activities --

	Beginning Balance	Additions	Disposals	Adjustments	Ending Balance
Capital Assets being Depreciated:					
Machinery and Equipment	\$ -	\$ -	\$ -	\$ -	-
Less Accumulated Depreciation For:					
Machinery and Equipment	\$ -	\$ -	\$ -	\$ -	-
Net Assets for Business Type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 4 - Operating Leases and Other Commitments

In accordance with GAAP, the District does not include non-capitalized (operating) leases or other similar commitments in the financial statements. As of June 30, 2011, the District had not entered into any such agreements which would be considered material for subsequent year's obligation disclosure. The District has entered into such agreements which have been deemed immaterial to the financial statements for small office equipment, etc. Detailed information concerning these insignificant obligations is on file with the School Business Office.

LYNDHURST SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

Note 5 - Long-Term Debt

During the fiscal year ended June 30, 2011, the following changes occurred in liabilities reported as general long-term debt:

	Beginning Balance	Issued	Retired	Adjustments	Ending Balance
Bonds Payable	\$ 5,540,000	\$ -	\$ (430,000)	\$ -	\$ 5,110,000
Compensated Absences Payable	2,618,067	139,214	(365,275)	-	2,392,006
	<u>\$ 8,158,067</u>	<u>\$ 139,214</u>	<u>\$ (795,275)</u>	<u>\$ -</u>	<u>\$ 7,502,006</u>

	Amounts Due within One Year	Long-Term Portion	Ending Balance
Bonds Payable	\$ 435,000	\$ 4,675,000	\$ 5,110,000
Compensated Absences Payable	-	2,392,006	2,392,006
	<u>\$ 435,000</u>	<u>\$ 7,067,006</u>	<u>\$ 7,502,006</u>

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011**

Note 5 - Long-Term Debt (Continued)

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. As of June 30, 2011, the Board had \$5,110,000 of bonds payable. As of June 30, 2011, the Board had not authorized the issuance of any additional bonds.

B. Compensated Absences Payable

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and contractual obligations. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions. The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group. In the District-wide Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, no liability existed for compensated absences in the Food Service Fund.

C. Long-Term Debt Service to Maturity

The annual debt service requirement for long-term obligation requirements to maturity, including principal and interest as of June 30, 2011 are as follows:

Year Ended June 30,	08/15/01 School Bonds		2003 Pension Refunding		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 300,000	\$ 179,040	\$ 135,000	\$ 58,058	\$ 435,000	\$ 237,098
2013	300,000	165,240	140,000	51,578	440,000	216,818
2014	350,000	150,290	145,000	44,718	495,000	195,008
2015	350,000	134,190	155,000	37,468	505,000	171,658
2016	350,000	118,090	160,000	29,563	510,000	147,653
2017	350,000	101,990	170,000	21,243	520,000	123,233
2018	390,000	84,970	180,000	12,148	570,000	97,118
2019	400,000	66,500	35,000	1,978	435,000	68,478
2020	400,000	47,500	-	-	400,000	47,500
2021	400,000	28,500	-	-	400,000	28,500
2022	400,000	9,500	-	-	400,000	9,500
	<u>\$ 3,990,000</u>	<u>\$ 1,085,810</u>	<u>\$ 1,120,000</u>	<u>\$ 256,754</u>	<u>\$ 5,110,000</u>	<u>\$ 1,342,564</u>

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 6 - Retirement Plans

Those employees who are eligible for pension coverage are enrolled in either the Public Employees Retirement System of New Jersey (PERS) or the Teachers' Pension and Annuity Fund of New Jersey (TPAF). The systems are cost-sharing multiple-employer contributory defined benefit pension plans, and are component units of the State of New Jersey. Each retirement system has a Board of Trustees which is responsible for its organization and administration.

A. Plan Descriptions, Contribution Information and Funding Policies

Public Employees' Retirement System (PERS)

Description of the System - The State of New Jersey Public Employees' Retirement System (the System; PERS) is a cost-sharing multiple-employer contributory defined benefit plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The System is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey.

At June 30, 2009 and 2008, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	<u>2008</u>	<u>2008</u>
State of New Jersey	1	1
County Agencies	65	65
Municipalities	584	583
School Districts	566	561
Other Public Agencies	484	486
Total	<u>1,700</u>	<u>1,696</u>

The System's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The System's Board of Trustees is primarily responsible for the administration of the System.

According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

Note 6 - Retirement Plans (Continued)

A. Plan Descriptions, Contribution Information and Funding Policies (Continued)

Public Employees' Retirement System (PERS) (Continued)

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The System provides retirement, death and disability benefits. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the System. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of final average salary for each year of service credit (as defined). Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years service credit, as defined, or they may elect deferred retirement after achieving eight to ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for earnings on their contributions at 2% per annum. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in a dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008 as well as increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 6 - Retirement Plans (Continued)

A. Plan Descriptions, Contribution Information and Funding Policies (Continued)

Public Employees' Retirement System (PERS) (Continued)

Significant Legislation:

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. Th elaw also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similiar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Membership

Membership in the System consisted of the following at June 30, 2009 and 2008, the dates of the most recent actuarial valuations:

	<u>2009</u>	<u>2008</u>
Retirees and beneficiaries currently receiving benefits and employees entitled to benefits but not yet receiving them	138,619	134,555
Active Members:		
Vested	144,698	142,280
Non-Vested	172,151	176,902
Total Active Members	<u>316,849</u>	<u>319,182</u>
Total	<u><u>455,468</u></u>	<u><u>453,737</u></u>

Note 6 - Retirement Plans (Continued)

A. Plan Descriptions, Contribution Information and Funding Policies (Continued)

Teachers' Pension and Annuity Fund

Description of the Fund - The State of New Jersey Teachers' Pension and Annuity Fund (the Fund; TPAF) is a cost-sharing contributory defined benefit plan with a special funding situation which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The Fund is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey.

The Fund's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the Fund is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified. The Fund's Board of Trustees is primarily responsible for the administration of the Fund.

According to the State of New Jersey Administrative Code, all obligations of the Fund will be assumed by the State of New Jersey should the Fund terminate.

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 18A:66. The 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 the Fund. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of final average salary for each year of service credit (as defined). Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years service credit, as defined, or they may elect deferred retirement after achieving ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

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.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in a dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits (COLA) after 24 months of retirement.

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 6 - Retirement Plans (Continued)

A. Plan Descriptions, Contribution Information and Funding Policies (Continued)

Teachers' Pension and Annuity Fund (Continued)

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1 % for every year between age 55 and 60 plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the TPAF eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008 as well as increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of TPAF from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of TPAF to 1/60 from 1/55, and it provided that new members of TPAF have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of TPAF will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also requires the State to make its full pension contribution, defined as 1/7th of the required amount beginning in fiscal 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of TPAF with disability insurance coverage similiar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Membership and Contributing Employers

Membership in the Fund consisted of the following at June 30, 2009 and 2008, the dates of the most recent actuarial valuations:

	<u>2009</u>	<u>2008</u>
Retirees and beneficiaries currently receiving benefits and employees entitled to benefits but not yet receiving them	78,782	76,068
Active Members:		
Vested	78,829	76,368
Non-Vested	78,280	79,719
Total Active Members	<u>157,109</u>	<u>156,087</u>
Total	<u>235,891</u>	<u>232,155</u>
Contributing Employers	38	38

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 6 - Retirement Plans (Continued)

B. Trend Information

Historical trend information showing the plan's progress in accumulating sufficient assets to pay benefits when due are presented in the State of New Jersey's PERS and TPAF financial reports. Those reports may be obtained by writing to the State of New Jersey, Department of Treasury Division of Pensions & Benefits P.O. Box 295, Trenton, New Jersey 08625-0295 or by calling (609) 292-7524.

Contributions required by the District were as follows:

Public Employees Retirement System:

Year	Annual Pension Cost	Chapter 108		Chapter 19 P.L. 2009 Deferral	Non-Contributory Group Life Insurance	Net Pension Obligation
		P.L. 2003 Phase - In Credit				
2011	\$ 289,082	\$ -	-	\$ -	\$ 21,956	\$ 311,038
2010	202,589	-	-	-	28,094	230,683
2009	181,325	-	-	(90,663)	22,539	113,201
2008	179,095	(35,819)	-	-	-	143,276
2007	101,542	(40,617)	-	-	-	60,925
2006	89,401	(53,641)	-	-	-	35,760
2005	20,599	-	-	-	-	20,599
2004	-	-	-	-	-	-
2003	-	-	-	-	-	-
2002	-	-	-	-	-	-
2001	-	-	-	-	-	-

Teachers' Pension and Annuity Fund:

Year	Annual Pension Cost	Percentage Contributed	Total Obligation
2011	\$ 1,051,954	100%	- (On-Behalf)
2010	1,000,167	100%	- (On-Behalf)
2009	969,669	100%	- (On-Behalf)
2008	2,106,442	100%	- (On-Behalf)
2007	2,052,735	100%	- (On-Behalf)
2006	1,109,573	100%	- (On-Behalf)
2005	997,719	100%	- (On-Behalf)
2004	911,626	100%	- (On-Behalf)
2003	644,891	100%	- (On-Behalf)
2002	-	-	- (On-Behalf)
2001	422,616	100%	- (On-Behalf)

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 7 - Post-Retirement Benefits

Chapter 384 of P.L. 1987 and Chapter 6 of P.L. 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, Chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 8 - Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The the district wide Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, a liability existed for compensated absences in the Food Service Fund in the amount of \$0.

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 9 - Deferred Compensation

The Board offers its employees a choice of deferred compensation plans created in accordance with Internal Revenue Code Section 457 and 403(b). The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 10 - Capital Reserve Account

A capital reserve account was established by the Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the 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 (June 1 to June 30) 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. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

As of June 30, 2011, the Board has not established a Capital Reserve Account.

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 11 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

LYNDHURST SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2011

Note 12 - Interfund Receivables and Payables

Interfund balances as of June 30 were as follows:

	2011		2010	
	Interfund Receivable	Interfund Payable	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund	-	-	-	-
Capital Projects Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Enterprise Fund	-	-	-	-
Trust and Agency Fund	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 13 - Retained Earnings - Enterprise Funds

The Enterprise Fund has a cumulative retained earnings at June 30 as follows:

	<u>2011</u>	<u>2010</u>
Retained Earnings	<u>\$ 35,116</u>	<u>\$ 16,934</u>

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 14 - Fund Balance Analysis

General Fund -- The following is an analysis of the General Fund balance at June 30:

	<u>2011</u>	<u>2010</u>
Reserve for Encumbrances	\$ 662	\$ 124,864
Excess Surplus from FY2011	71,212	-
Designated for Subsequent Years' Expenditures	35,371	-
Undesignated	678,820	477,167
	<u>\$ 786,065</u>	<u>\$ 602,031</u>

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 15 - Calculation of Excess Surplus

The designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30 was as follows:

	<u>2011</u>	<u>2010</u>
Excess Fund Balance	<u>\$ 71,212</u>	<u>\$ -</u>

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 16 - Reconciliation of Budgetary Basis General Fund Balance to GAAP Basis General Fund Balance

	<u>2011</u>	<u>2010</u>
Total Fund Balance, June 30 - Budgetary Basis	\$ 828,694	\$ 804,758
Less: Final Delayed State Aid Payment(s)	<u>(42,629)</u>	<u>(202,727)</u>
Total Fund Balance, June 30 - GAAP Basis	<u>\$ 786,065</u>	<u>\$ 602,031</u>

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011

Note 17 - Contingent Liabilities

The Board is not involved in any claims which could be material to its operations.

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2011**

Note 18 - Subsequent Events

We have evaluated subsequent events through December 5, 2011, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION - PART II

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	Encumbered (Memo Only)
REVENUES									
Local Sources:									
Local Tax Levy	10-1210	\$ 31,120,940	\$ -	\$ -	\$ -	\$ 31,120,940	\$ 31,120,940	\$ -	
Unrestricted Miscellaneous Revenues	10-1xxx	97,706	-	-	-	97,706	451,073	353,367	
Total Local Sources		<u>\$ 31,218,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,218,646</u>	<u>\$ 31,572,013</u>	<u>\$ 353,367</u>	
State Sources:									
Equalization Aid	10-3176	\$ 706,592	\$ -	\$ -	\$ -	\$ 706,592	\$ -	\$ (706,592)	
Categorical Special Education Aid	10-3132	325,300	-	-	-	325,300	1,031,892	706,592	
Extraordinary Special Education Costs Aid	10-3131	186,275	-	-	-	186,275	248,503	62,228	
TPAF Pension (On-Behalf - Non-Budgeted)		-	-	-	-	-	1,051,954	1,051,954	
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	-	-	1,171,264	1,171,264	
Total State Sources		<u>\$ 1,218,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,218,167</u>	<u>\$ 3,503,613</u>	<u>\$ 2,285,446</u>	
Federal Sources:									
Medicaid Reimbursement	10-4200	\$ 24,341	\$ -	\$ -	\$ -	\$ 24,341	\$ 45,640	\$ 21,299	
Education Jobs Fund	18-4522	-	86,927	-	-	86,927	86,927	-	
		<u>\$ 24,341</u>	<u>\$ 86,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,268</u>	<u>\$ 132,567</u>	<u>\$ 21,299</u>	
Total Revenues		<u>\$ 32,461,154</u>	<u>\$ 86,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,548,081</u>	<u>\$ 35,208,193</u>	<u>\$ 2,660,112</u>	

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	Encumbered (Memo Only)
<u>EXPENDITURES</u>									
<u>General Current Expense</u>									
Regular Programs - Instruction:									
Preschool - Salaries of Teachers	11-105-100-101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Kindergarten - Salaries of Teachers	11-110-100-101	688,184	-	37,891	-	726,075	726,074	1	-
Grades 1-5 - Salaries of Teachers	11-120-100-101	3,163,154	-	(153,721)	-	3,009,433	3,009,433	-	-
Grades 6-8 - Salaries of Teachers	11-130-100-101	1,889,976	-	(67,950)	-	1,822,026	1,822,026	-	-
Grades 9-12 - Salaries of Teachers	11-140-100-101	3,676,361	-	(159,718)	-	3,516,643	3,516,643	-	-
Grades 9-12 - Salaries of Teachers	16-140-100-101	-	-	-	-	-	-	-	-
Grades 9-12 - Salaries of Teachers	17-140-100-101	-	-	-	-	-	-	-	-
Regular Programs - Home Instruction:									
Salaries of Teachers	11-150-100-101	25,000	-	14,300	-	39,300	39,300	-	-
Regular Programs - Undistributed Instruction:									
Other Salaries for Instruction	11-190-100-106	194,966	-	22,584	-	217,550	216,897	653	-
Purchased Professional - Educational Services	11-190-100-320	17,500	-	24,450	-	41,950	41,950	-	-
Other Purchased Services	11-190-100-500	79,841	-	(77,816)	-	2,025	2,025	-	-
General Supplies	11-190-100-610	247,000	-	72,804	-	319,804	318,016	1,788	-
Textbooks	11-190-100-640	135,000	-	(2,965)	-	132,035	132,021	14	-
Total Regular Programs - Instruction		\$ 10,116,982	\$ -	\$ (290,141)	\$ -	\$ 9,826,841	\$ 9,824,385	\$ 2,456	\$ -

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	Encumbered (Memo Only)
<u>EXPENDITURES (Continued)</u>									
<u>General Current Expense (Continued)</u>									
Special Education - Instruction - Learning and/or Language Disabilities:									
Salaries of Teachers	11-204-100-101	\$ 240,005	\$ -	\$ (770)	\$ -	\$ 239,235	\$ 238,748	\$ 487	-
Other Salaries for Instruction	11-204-100-106	37,620	-	6,845	-	44,465	44,453	12	-
General Supplies	11-204-100-610	3,000	-	(1,525)	-	1,475	1,301	174	-
Textbooks	11-204-100-640	1,500	-	(1,200)	-	300	190	110	-
		<u>\$ 282,125</u>	<u>\$ -</u>	<u>\$ 3,350</u>	<u>\$ -</u>	<u>\$ 285,475</u>	<u>\$ 284,692</u>	<u>\$ 783</u>	<u>\$ -</u>
Special Education - Instruction - Multiple Disabilities:									
Salaries of Teachers	11-212-100-101	\$ 511,895	\$ -	\$ 40,880	\$ -	\$ 552,775	\$ 552,123	\$ 652	\$ -
Other Salaries for Instruction	11-212-100-106	103,760	-	103,350	-	207,110	207,105	5	-
General Supplies	11-212-100-610	2,380	-	2,403	-	4,783	4,601	182	-
Textbooks	11-212-100-640	1,000	-	17,865	-	18,865	18,857	8	-
		<u>\$ 619,035</u>	<u>\$ -</u>	<u>\$ 164,498</u>	<u>\$ -</u>	<u>\$ 783,533</u>	<u>\$ 782,686</u>	<u>\$ 847</u>	<u>\$ -</u>
Special Education - Instruction - Resource Room/Resource Center:									
Salaries of Teachers	11-213-100-101	\$ 1,081,225	\$ -	\$ (45,989)	\$ -	\$ 1,035,236	\$ 1,034,312	\$ 924	\$ -
Other Salaries for Instruction	11-213-100-106	65,142	-	5,192	-	70,334	70,333	1	-
General Supplies	11-213-100-610	5,000	-	(1,200)	-	3,800	3,752	48	-
Textbooks	11-213-100-640	2,000	-	(2,000)	-	-	-	-	-
		<u>\$ 1,153,367</u>	<u>\$ -</u>	<u>\$ (43,997)</u>	<u>\$ -</u>	<u>\$ 1,109,370</u>	<u>\$ 1,108,397</u>	<u>\$ 973</u>	<u>\$ -</u>
Special Education - Instruction - Preschool Disabilities - Part-Time:									
Salaries of Teachers	11-215-100-101	\$ 47,775	\$ -	\$ 7,300	\$ -	\$ 55,075	\$ 55,075	\$ -	\$ -
Other Salaries for Instruction	11-215-100-106	-	-	15,165	-	15,165	15,165	-	-
Purchased Professional-Educational Services	11-215-100-600	500	-	(87)	-	413	338	75	-
		<u>\$ 48,275</u>	<u>\$ -</u>	<u>\$ 22,378</u>	<u>\$ -</u>	<u>\$ 70,653</u>	<u>\$ 70,578</u>	<u>\$ 75</u>	<u>\$ -</u>
Special Education - Instruction - Home Instruction:									
Salaries of Teachers	11-219-100-101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Professional-Educational Services	11-219-100-320	29,000	-	(3,000)	-	26,000	21,591	4,409	-
		<u>\$ 29,000</u>	<u>\$ -</u>	<u>\$ (3,000)</u>	<u>\$ -</u>	<u>\$ 26,000</u>	<u>\$ 21,591</u>	<u>\$ 4,409</u>	<u>\$ -</u>
Total Special Education - Instruction		<u>\$ 2,131,802</u>	<u>\$ -</u>	<u>\$ 143,229</u>	<u>\$ -</u>	<u>\$ 2,275,031</u>	<u>\$ 2,267,944</u>	<u>\$ 7,087</u>	<u>\$ -</u>

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	Encumbered (Memo Only)
<u>EXPENDITURES (Continued)</u>									
<u>General Current Expense (Continued)</u>									
Basic Skills/Remedial - Instruction:									
Salaries of Teachers	11-230-100-101	\$ 594,635	\$ -	\$ (97,941)	\$ -	\$ 496,694	\$ 495,745	\$ 949	\$ -
General Supplies	11-230-100-610	2,300	-	(700)	-	1,600	1,310	290	-
		<u>\$ 596,935</u>	<u>\$ -</u>	<u>\$ (98,641)</u>	<u>\$ -</u>	<u>\$ 498,294</u>	<u>\$ 497,055</u>	<u>\$ 1,239</u>	<u>\$ -</u>
Bilingual Education - Instruction:									
Salaries of Teachers	11-240-100-101	\$ 116,300	\$ -	\$ -	\$ -	\$ 116,300	\$ 116,240	\$ 60	\$ -
General Supplies	11-240-100-610	800	-	(400)	-	400	350	50	-
Textbooks	11-240-100-640	1,000	-	(1,000)	-	-	-	-	-
		<u>\$ 118,100</u>	<u>\$ -</u>	<u>\$ (1,400)</u>	<u>\$ -</u>	<u>\$ 116,700</u>	<u>\$ 116,590</u>	<u>\$ 110</u>	<u>\$ -</u>
School Sponsored Co-Curricular Activities - Instruction:									
Salaries	11-401-100-100	\$ 113,304	\$ -	\$ 13,639	\$ -	\$ 126,943	\$ 126,942	\$ 1	\$ -
Purchased Services	11-401-100-500	1,000	-	(750)	-	250	250	-	-
Supplies and Materials	11-401-100-600	22,250	-	2,325	-	24,575	24,575	-	-
		<u>\$ 136,554</u>	<u>\$ -</u>	<u>\$ 15,214</u>	<u>\$ -</u>	<u>\$ 151,768</u>	<u>\$ 151,767</u>	<u>\$ 1</u>	<u>\$ -</u>
School Sponsored Athletics - Instruction:									
Salaries	11-402-100-100	\$ 355,527	\$ -	\$ (8,987)	\$ -	\$ 346,540	\$ 346,539	\$ 1	\$ -
Purchased Services	11-402-100-500	14,000	-	13,890	-	27,890	27,708	182	-
Supplies and Materials	11-402-100-600	80,800	-	(5,300)	-	75,500	75,347	153	-
		<u>\$ 450,327</u>	<u>\$ -</u>	<u>\$ (397)</u>	<u>\$ -</u>	<u>\$ 449,930</u>	<u>\$ 449,594</u>	<u>\$ 336</u>	<u>\$ -</u>
Alternative Education Program - Instruction:									
Other Objects	11-423-100-800	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ 500	\$ -	\$ -
Total - Instruction		<u>\$ 13,551,200</u>	<u>\$ -</u>	<u>\$ (232,136)</u>	<u>\$ -</u>	<u>\$ 13,319,064</u>	<u>\$ 13,307,835</u>	<u>\$ 11,229</u>	<u>\$ -</u>

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	Encumbered (Memo Only)
<u>EXPENDITURES (Continued)</u>									
<u>General Current Expense (Continued)</u>									
Undistributed Expenditures - Instruction:									
Tuition to Other LEAs Within the State - Regular	11-000-100-561	\$ -	\$ -	\$ 28,957	\$ -	\$ 28,957	\$ 28,957	\$ -	-
Tuition to Other LEAs Within the State - Special	11-000-100-562	971,242	-	(30,215)	-	941,027	941,025	2	-
Tuition to County Vocational School District - Regular	11-000-100-563	356,900	-	(64,053)	-	292,847	292,847	-	-
Tuition to County Vocational School District - Special	11-000-100-564	284,220	-	(52,835)	-	231,385	231,385	-	-
Tuition to CSSD & Regional Day Schools	11-000-100-565	524,092	-	101,364	-	625,456	621,156	4,300	-
Tuition to Private Schools for the Disabled - W/ State	11-000-100-566	1,184,202	-	31,122	-	1,215,324	1,211,278	4,046	-
Tuition to Private Schools for the Disabled - Outside	11-000-100-567	-	-	-	-	-	-	-	-
Tuition - State Facilities	11-000-100-568	-	-	-	-	-	-	-	-
Tuition - Other	11-000-100-569	-	-	3,620	-	3,620	3,620	-	-
		\$ 3,320,656	\$ -	\$ 17,960	\$ -	\$ 3,338,616	\$ 3,330,268	\$ 8,348	\$ -
Undistributed Expenditures - Attendance and Social Work:									
Salaries	11-000-211-100	\$ 39,494	\$ -	\$ (7,690)	\$ -	\$ 31,804	\$ 31,804	\$ -	\$ -
Supplies and Materials	11-000-211-600	1,000	-	-	-	1,000	931	69	-
		\$ 40,494	\$ -	\$ (7,690)	\$ -	\$ 32,804	\$ 32,735	\$ 69	\$ -
Undistributed Expenditures - Health Services:									
Salaries	11-000-213-100	\$ 583,455	\$ -	\$ (76,742)	\$ -	\$ 506,713	\$ 506,713	\$ -	\$ -
Purchased Professional and Technical Services	11-000-213-300	14,100	-	12,660	-	26,760	25,051	1,709	-
Supplies and Materials	11-000-213-600	8,000	-	(1,000)	-	7,000	6,560	440	-
Other Objects	11-000-213-800	3,000	-	-	-	3,000	2,574	426	-
		\$ 608,555	\$ -	\$ (65,082)	\$ -	\$ 543,473	\$ 540,898	\$ 2,575	\$ -
Undistributed Expenditures - Speech, OT, PT, Related Services:									
Salaries	11-000-216-100	\$ 307,015	\$ -	\$ (471)	\$ -	\$ 306,544	\$ 306,334	\$ 210	\$ -
Purchased Professional Educational Services	11-000-216-320	215,255	-	177,764	-	393,019	392,974	45	-
Supplies and Materials	11-000-216-600	2,200	-	(530)	-	1,670	1,224	446	-
		\$ 524,470	\$ -	\$ 176,763	\$ -	\$ 701,233	\$ 700,532	\$ 701	\$ -
Undistributed Expenditures - Other Support Services Students - Extraordinary Services:									
Salaries	11-000-217-100	\$ 15,491	\$ -	\$ (3,157)	\$ -	\$ 12,334	\$ 12,197	\$ 137	\$ -
Supplies and Materials	11-000-217-600	-	-	2,983	-	2,983	2,979	4	-
		\$ 15,491	\$ -	\$ (174)	\$ -	\$ 15,317	\$ 15,176	\$ 141	\$ -

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	Encumbered (Memo Only)
<u>EXPENDITURES (Continued)</u>									
<u>General Current Expense (Continued)</u>									
Undistributed Expenditures - Guidance:									
Salaries of Other Professional Staff	11-000-218-104	\$ 544,700	\$ -	\$ (55)	\$ -	\$ 544,645	\$ 543,911	\$ 734	\$ -
Salaries of Secretarial and Clerical Assistants	11-000-218-105	106,938	-	39,494	-	146,432	146,432	-	-
Purchased Professional - Educational Services	11-000-218-320	38,120	-	15,149	-	53,269	53,187	82	-
Other Purchased Professional and Technical Services	11-000-218-390	1,200	-	(100)	-	1,100	1,100	-	-
Supplies and Materials	11-000-218-600	9,000	-	(3,500)	-	5,500	5,497	3	-
		<u>\$ 699,958</u>	<u>\$ -</u>	<u>\$ 50,988</u>	<u>\$ -</u>	<u>\$ 750,946</u>	<u>\$ 750,127</u>	<u>\$ 819</u>	<u>\$ -</u>
Undistributed Expenditures - Child Study Team:									
Salaries of Other Professional Staff	11-000-219-104	\$ 598,783	\$ -	\$ (16,147)	\$ -	\$ 582,636	\$ 582,045	\$ 591	\$ -
Salaries of Secretarial and Clerical Assistants	11-000-219-105	44,429	-	1,500	-	45,929	45,605	324	-
Miscellaneous Purchased Services	11-000-219-592	3,000	-	(500)	-	2,500	2,091	409	-
Supplies and Materials	11-000-219-600	9,000	-	100	-	9,100	9,030	70	-
Other Objects	11-000-219-800	-	-	-	-	-	-	-	-
		<u>\$ 655,212</u>	<u>\$ -</u>	<u>\$ (15,047)</u>	<u>\$ -</u>	<u>\$ 640,165</u>	<u>\$ 638,771</u>	<u>\$ 1,394</u>	<u>\$ -</u>
Undistributed Expenditures - Improvement of Instructional Services:									
Salaries of Supervisors of Instruction	11-000-221-102	\$ 742,404	\$ -	\$ 9,485	\$ -	\$ 751,889	\$ 751,888	\$ 1	\$ -
Salaries of Secretarial and Clerical Assistants	11-000-221-105	56,006	-	-	-	56,006	56,006	-	-
Other Purchases Services	11-000-221-500	3,100	-	665	-	3,765	3,763	2	-
Supplies and Materials	11-000-221-600	500	-	190	-	690	688	2	-
Other Objects	11-000-221-800	4,700	-	545	-	5,245	5,245	-	-
		<u>\$ 806,710</u>	<u>\$ -</u>	<u>\$ 10,885</u>	<u>\$ -</u>	<u>\$ 817,595</u>	<u>\$ 817,590</u>	<u>\$ 5</u>	<u>\$ -</u>
Undistributed Expenditures - Educational Media Services/School Library:									
Salaries	11-000-222-100	\$ 101,805	\$ -	\$ -	\$ -	\$ 101,805	\$ 101,805	\$ -	\$ -
Supplies and Materials	11-000-222-600	15,000	-	(5,900)	-	9,100	8,670	430	-
Other Objects	11-000-222-800	-	-	-	-	-	-	-	-
		<u>\$ 116,805</u>	<u>\$ -</u>	<u>\$ (5,900)</u>	<u>\$ -</u>	<u>\$ 110,905</u>	<u>\$ 110,475</u>	<u>\$ 430</u>	<u>\$ -</u>
Undistributed Expenditures - Instructional Staff Training Services:									
Salaries of Other Professional Staff	11-000-223-104	\$ 66,873	\$ -	\$ (964)	\$ -	\$ 65,909	\$ 65,909	\$ -	\$ -
Purchased Professional - Educational Services	11-000-223-320	-	-	-	-	-	-	-	-
Other Purchased Services	11-000-223-500	4,000	-	-	-	4,000	2,492	1,508	-
		<u>\$ 70,873</u>	<u>\$ -</u>	<u>\$ (964)</u>	<u>\$ -</u>	<u>\$ 69,909</u>	<u>\$ 68,401</u>	<u>\$ 1,508</u>	<u>\$ -</u>

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	Encumbered (Memo Only)
<u>EXPENDITURES (Continued)</u>									
<u>General Current Expense (Continued)</u>									
Undistributed Expenditures - Support Services - General Administration:									
Salaries	11-000-230-100	\$ 648,725	\$ -	\$ (213,664)	\$ -	\$ 435,061	\$ 435,060	\$ 1	\$ -
Legal Services	11-000-230-331	140,000	-	43,871	-	183,871	183,740	131	-
Audit Fees	11-000-230-332	30,800	-	(752)	-	30,048	30,045	3	-
Architectural/Engineering Services	11-000-230-334	17,000	-	29,138	-	46,138	46,137	1	-
Other Purchased Professional Services	11-000-230-339	17,300	-	12,615	-	29,915	29,915	-	-
Communications/Telephone	11-000-230-530	151,330	-	(20,419)	-	130,911	130,596	315	-
BOE Other Purchased Services	11-000-230-585	6,000	-	(4,610)	-	1,390	1,387	3	-
Other Purchased Services	11-000-230-590	92,520	-	2,111	-	94,631	94,457	174	-
General Supplies	11-000-230-610	16,000	-	7,801	-	23,801	23,774	27	-
BOE In-House Training/Meeting Supplies	11-000-230-630	3,000	-	(2,114)	-	886	885	1	-
Miscellaneous Expenditures	11-000-230-890	4,500	-	(2,331)	-	2,169	2,169	-	-
BOE Membership Dues and Fees	11-000-230-895	16,000	-	(682)	-	15,318	15,318	-	-
		\$ 1,143,175	\$ -	\$ (149,036)	\$ -	\$ 994,139	\$ 993,483	\$ 656	\$ -
Undistributed Expenditures - Support Services - School Administration:									
Salaries of Principals/Assistance Principals	11-000-240-103	\$ 1,088,515	\$ -	\$ (73,287)	\$ -	\$ 1,015,228	\$ 1,015,227	\$ 1	\$ -
Salaries of Secretarial and Clerical Assistants	11-000-240-105	397,666	-	(31,880)	-	365,786	365,610	176	-
Other Purchased Services	11-000-240-500	74,270	-	(4,000)	-	70,270	69,773	497	-
Supplies and Materials	11-000-240-600	32,000	-	9,871	-	41,871	41,860	11	-
Other Objects	11-000-240-800	8,000	-	(100)	-	7,900	7,636	264	-
		\$ 1,600,451	\$ -	\$ (99,396)	\$ -	\$ 1,501,055	\$ 1,500,106	\$ 949	\$ -
Undistributed Expenditures - Central Services:									
Salaries	11-000-251-100	\$ 286,452	\$ -	\$ 84,543	\$ -	\$ 370,995	\$ 370,980	\$ 15	\$ -
Purchased Professional Services	11-000-251-330	-	-	-	-	-	-	-	-
Purchased Technical Services	11-000-251-340	99,047	-	(310)	-	98,737	98,737	-	-
Miscellaneous Purchased Services	11-000-251-592	2,500	-	-	-	2,500	2,402	98	-
Supplies and Materials	11-000-251-600	11,000	-	1,310	-	12,310	12,208	102	-
Other Objects	11-000-251-890	1,800	-	(1,350)	-	450	450	-	-
		\$ 400,799	\$ -	\$ 84,193	\$ -	\$ 484,992	\$ 484,777	\$ 215	\$ -

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	Encumbered (Memo Only)
<u>EXPENDITURES (Continued)</u>									
<u>General Current Expense (Continued)</u>									
Undistributed Expenditures - Required Maintenance for School Facilities:									
Salaries	11-000-261-100	\$ 197,266	\$ -	\$ 19,106	\$ -	\$ 216,372	\$ 216,243	\$ 129	\$ -
Cleaning, Repair and Maintenance Services	11-000-261-420	268,300	-	23,601	-	291,901	291,827	74	-
General Supplies	11-000-261-610	37,000	-	8,032	-	45,032	44,906	126	-
Other Objects	11-000-261-800	60	-	(60)	-	-	-	-	-
		<u>\$ 502,626</u>	<u>\$ -</u>	<u>\$ 50,679</u>	<u>\$ -</u>	<u>\$ 553,305</u>	<u>\$ 552,976</u>	<u>\$ 329</u>	<u>\$ -</u>
Undistributed Expenditures - Custodial Services:									
Salaries	11-000-262-100	\$ 795,975	\$ -	\$ 3,283	\$ -	\$ 799,258	\$ 799,255	\$ 3	\$ -
Purchased Professional and Technical Services	11-000-262-300	1,500	-	-	-	1,500	1,500	-	-
Cleaning, Repair and Maintenance Services	11-000-262-420	88,611	-	(7,795)	633	81,449	80,744	705	662
Rental of Land & Bldg. Other Than Lease Purch Agrmt.	11-000-262-441	350,000	-	-	-	350,000	350,000	-	-
Insurance	11-000-262-520	94,140	-	491	-	94,631	94,631	-	-
General Supplies	11-000-262-610	59,000	-	(11,430)	-	47,570	47,523	47	-
Energy (Natural Gas)	11-000-262-621	214,000	-	(48,329)	-	165,671	164,929	742	-
Energy (Electricity)	11-000-262-622	230,000	-	8,640	-	238,640	238,637	3	-
Energy (Gasoline)	11-000-262-626	6,000	-	-	-	6,000	6,000	-	-
Other Objects	11-000-262-800	2,000	-	260	-	2,260	2,260	-	-
		<u>\$ 1,841,226</u>	<u>\$ -</u>	<u>\$ (54,880)</u>	<u>\$ 633</u>	<u>\$ 1,786,979</u>	<u>\$ 1,785,479</u>	<u>\$ 1,500</u>	<u>\$ 662</u>
Undistributed Expenditures - Care & Upkeep of Grounds:									
Cleaning, Repair, and Maintenance Services	11-000-263-420	2,000	-	9,900	-	11,900	11,900	-	-
General Supplies	11-000-263-610	6,000	-	(4,149)	-	1,851	1,815	36	-
		<u>\$ 8,000</u>	<u>\$ -</u>	<u>\$ 5,751</u>	<u>\$ -</u>	<u>\$ 13,751</u>	<u>\$ 13,715</u>	<u>\$ 36</u>	<u>\$ -</u>
Undistributed Expenditures - Security:									
Salaries	11-000-266-100	30,780	-	5,925	-	36,705	36,705	-	-
		<u>\$ 30,780</u>	<u>\$ -</u>	<u>\$ 5,925</u>	<u>\$ -</u>	<u>\$ 36,705</u>	<u>\$ 36,705</u>	<u>\$ -</u>	<u>\$ -</u>

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	Encumbered (Memo Only)
<u>EXPENDITURES (Continued)</u>									
<u>General Current Expense (Continued)</u>									
Undistributed Expenditures - Student Transportation Services:									
Salaries of Non-Instructional Aides	11-000-270-107	\$ 17,633	\$ -	\$ 7,331	\$ -	\$ 24,964	\$ 24,963	\$ 1	\$ -
Salaries for Pupil Trans. (Between Home and School)	R 11-000-270-160	15,844	-	13,787	-	29,631	29,631	-	-
Salaries for Pupil Trans. (Between Home and School)	- 11-000-270-161	15,844	-	13,787	-	29,631	29,631	-	-
Sal. for Pupil Trans. (Other Than Bet. Home and Sch)	11-000-270-162	25,000	-	1,420	-	26,420	26,420	-	-
Cleaning, Repair and Maintenance Services	11-000-270-420	15,000	-	22,627	-	37,627	37,627	-	-
Lease Purchase Payments - School Buses	11-000-270-443	69,449	-	-	-	69,449	69,449	-	-
Contr Serv (Other Than Bet Home and Sch) - Vendors	11-000-270-512	35,200	-	(7,450)	-	27,750	26,750	1,000	-
Contr Serv (Bet Home and Sch) - Joint Agreements	11-000-270-513	60,000	-	45,019	-	105,019	104,965	54	-
Contr Serv (Special Ed Students) - Joint Agreements	11-000-270-515	500,000	-	(20,606)	-	479,394	453,928	25,466	-
Miscellaneous Purchased Services - Transportation	11-000-270-593	21,135	-	-	-	21,135	21,135	-	-
Transportation Supplies	11-000-270-615	10,000	-	4,916	-	14,916	14,909	7	-
Other Objects	11-000-270-800	400	-	34	-	434	434	-	-
		\$ 785,505	\$ -	\$ 80,865	\$ -	\$ 866,370	\$ 839,842	\$ 26,528	\$ -
Unallocated Benefits - Employee Benefits:									
Social Security Contributions	11-000-291-220	\$ 260,000	\$ -	\$ 65,402	\$ -	\$ 325,402	\$ 324,214	\$ 1,188	\$ -
Other Retirement Contributions - PERS	11-000-291-241	253,022	-	58,016	-	311,038	311,038	-	-
Other Retirement Contributions - Regular	11-000-291-249	-	-	5,000	-	5,000	2,808	2,192	-
Unemployment Compensation	11-000-291-250	43,000	-	20,800	-	63,800	63,617	183	-
Workmen's Compensation	11-000-291-260	140,000	-	(18,776)	-	121,224	121,224	-	-
Health Benefits	11-000-291-270	4,710,341	-	(47,316)	-	4,663,025	4,662,728	297	-
Health Benefits	18-000-291-270	-	86,927	-	-	86,927	86,927	-	-
Other Employee Benefits	11-000-291-290	36,894	-	335,460	-	372,354	371,740	614	-
		\$ 5,443,257	\$ 86,927	\$ 418,586	\$ -	\$ 5,948,770	\$ 5,944,296	\$ 4,474	\$ -
TPAF Pension (On-Behalf - Non-Budgeted)		\$ -	\$ -	\$ -	\$ -	\$ -	1,051,954	\$ (1,051,954)	\$ -
TPAF Social Security (Reimbursed - Non-Budgeted)		\$ -	\$ -	\$ -	\$ -	\$ -	1,171,264	\$ (1,171,264)	\$ -
Total Undistributed Expenditures		\$ 18,615,043	\$ 86,927	\$ 504,426	\$ 633	\$ 19,207,029	\$ 21,379,570	\$ (2,172,541)	\$ 662
Total Expenditures - Current Expense		\$ 32,166,243	\$ 86,927	\$ 272,290	\$ 633	\$ 32,526,093	\$ 34,687,405	\$ (2,161,312)	\$ 662

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	Encumbered (Memo Only)
<u>Capital Outlay</u>									
Equipment:									
Undistributed Expenditures - Support Services - Extraor	12-000-216-730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Undistributed Expenditures - General Administration	12-000-230-730	-	-	-	-	-	-	-	-
Undistributed Expenditures - Security	12-000-266-731	-	-	-	-	-	-	-	-
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Facilities Acquisition and Construction Services:									
Other Purchased Professional and Technical Services	12-000-400-390	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
Construction Services	12-000-400-450	-	-	5,319	124,231	129,550	129,550	-	-
Other Objects	12-000-400-800	29,345	-	-	-	29,345	29,345	-	-
		<u>\$ 29,345</u>	<u>\$ -</u>	<u>\$ 5,319</u>	<u>\$ 124,231</u>	<u>\$ 158,895</u>	<u>\$ 158,895</u>	<u>\$ -</u>	<u>\$ -</u>
Total Capital Outlay		<u>\$ 29,345</u>	<u>\$ -</u>	<u>\$ 5,319</u>	<u>\$ 124,231</u>	<u>\$ 158,895</u>	<u>\$ 158,895</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Charter Schools</u>									
Transfers to Charter Schools	10-000-100-56X	\$ 18,566	\$ -	(17,409)	\$ -	\$ 1,157	\$ 1,157	\$ -	\$ -

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2011

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	Encumbered (Memo Only)
Total Expenditures		\$ 32,214,154	\$ 86,927	\$ 260,200	\$ 124,864	\$ 32,686,145	\$ 34,847,457	\$ (2,161,312)	\$ 662
Excess (Deficiency) of Revenues Over (Under) Expenditures		\$ 247,000	\$ -	\$ (260,200)	\$ (124,864)	\$ (138,064)	\$ 360,736	\$ 498,800	\$ 662
Other Financing Sources (Uses):									
Operating Transfers:									
Food Service Enterprise Fund	11-000-310-930	\$ (205,000)	\$ -	\$ (71,000)	\$ -	\$ (276,000)	\$ (276,000)	\$ -	\$ -
Student Athletics Fund	11-402-100-930	(42,000)	-	(18,800)	-	(60,800)	(60,800)	-	-
		\$ (247,000)	\$ -	\$ (89,800)	\$ -	\$ (336,800)	\$ (336,800)	\$ -	\$ -
Excess (Deficiency) of Revenues Over (Under) Expenditures and Expenditures and Other Financing Uses		\$ -	\$ -	\$ (350,000)	\$ (124,864)	\$ (474,864)	\$ 23,936	\$ 498,800	\$ 662
Fund Balances, July 1		804,758	-	-	-	804,758	804,758	-	-
Fund Balances, June 30		\$ 804,758	\$ -	\$ (350,000)	\$ (124,864)	\$ 329,894	\$ 828,694	\$ 498,800	
<i>Recapitulation of Excess (Deficiency) of Revenues Under Expenditures:</i>									
Adjustment for Prior Year Encumbrances		\$ -	\$ -	\$ -	\$ (124,864)	\$ (124,864)	\$ (124,864)	\$ -	
Budgeted Fund Balance		-	-	(350,000)	-	(350,000)	148,800	498,800	
		\$ -	\$ -	\$ (350,000)	\$ (124,864)	\$ (474,864)	\$ 23,936	\$ 498,800	

Recapitulation of Fund Balance:

Reserve for Encumbrances	\$ 662
Excess Surplus from FY2011	71,212
Designated for Subsequent Year's Expenditures	35,371
Unreserved - Undesignated	721,449
	<u>828,694</u>

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payment(s) not recognized on GAAP basis	(42,629)
Fund Balance per Governmental Funds (GAAP) (Exhibit B-1)	<u>\$ 786,065</u>

**LYNDHURST SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

Not Applicable

LYNDHURST SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 Fiscal Year Ended June 30, 2011

**Note 1 Explanation of Differences between Budgetary Inflows and Outflows and
 GAAP Revenues and Expenditures**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1,2) Difference - budget to GAAP:	\$ 35,208,193	\$ 1,049,684
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
State aid payment recognized for GAAP purposes, not recognized for budgetary statements	202,727	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	(42,629)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<u>\$ 35,368,291</u>	<u>\$ 1,049,684</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 34,847,457	\$ 1,049,684
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 <i>financial reporting</i> purposes.	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 34,847,457</u>	<u>\$ 1,049,684</u>

**LYNDHURST SCHOOL DISTRICT
COMBINING BALANCE SHEET
GENERAL FUND**

Not Applicable

**LYNDHURST SCHOOL DISTRICT
BLENDED RESOURCE FUND - SCHEDULE OF EXPENDITURES TO BE ALLOCATED
BETWEEN RESOURCE TYPE
GENERAL FUND**

Not Applicable

**LYNDHURST SCHOOL DISTRICT
BLENDED RESOURCE FUND - SCHEDULE OF BLENDED EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND**

Not Applicable

LYNDHURST SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
Fiscal Year Ended June 30, 2011

E-1

	<u>231</u>	<u>270</u>	<u>271</u> N.C.L.B.	<u>241</u>	<u>280</u>	<u>250</u> I.D.E.A. Part B (Handicapped)	<u>251</u>	<u>454</u>	<u>452</u> ARRA	<u>453</u>
	Title I	Title II - Part A	Title II - Part D	Title III	Title IV	Basic	Preschool	Title I	I.D.E.A. Basic	I.D.E.A. Preschool
REVENUES										
State Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	206,992	67,287	399	13,469	-	590,964	24,722	-	-	-
Total Revenues	\$ 206,992	\$ 67,287	\$ 399	\$ 13,469	\$ -	\$ 590,964	\$ 24,722	\$ -	\$ -	\$ -
EXPENDITURES										
Instruction:										
Salaries of Teachers	\$ 162,000	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Purchased Services	-	-	-	-	-	553,142	20,893	-	-	-
General Supplies	3,000	2,949	339	9,815	-	2,182	3,829	-	-	-
Textbooks	-	-	-	-	-	-	-	-	-	-
Total Instruction	\$ 165,000	\$ 8,949	\$ 339	\$ 9,815	\$ -	\$ 555,324	\$ 24,722	\$ -	\$ -	\$ -
Support Services:										
Personal Services - Employee Benefits	35,314	459	-	-	-	-	-	-	-	-
Purchased Professional - Educational Services	6,678	48,833	60	3,654	-	24,642	-	-	-	-
Purchased Technical Services	-	2,400	-	-	-	-	-	-	-	-
Other Purchased Services	-	6,533	-	-	-	-	-	-	-	-
Travel	-	113	-	-	-	-	-	-	-	-
Total Support Services	\$ 41,992	\$ 58,338	\$ 60	\$ 3,654	\$ -	\$ 24,642	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Services:										
Buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instructional Equipment	-	-	-	-	-	10,998	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,998	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 206,992	\$ 67,287	\$ 399	\$ 13,469	\$ -	\$ 590,964	\$ 24,722	\$ -	\$ -	\$ -

LYNDHURST SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
Fiscal Year Ended June 30, 2011

E-1

	501	507	507	508	506	502	503	504	509	
	N.J. Non-Public Handicapped Services					N.J. Non-Public Auxiliary Services			N.J. Non-Public	
	N.J. Non-Public Textbook Aid	Initial Examination & Classification	Annual Examination & Classification	Corrective Speech	Supplementary Instruction	Compensatory Education	E.S.L.	Home Instruction	Nursing Aid	Total
REVENUES										
State Sources	\$ 15,290	\$ 13,387	\$ 2,557	\$ 27,851	\$ 6,323	\$ 60,618	\$ 1,708	\$ -	\$ 18,117	\$ 145,851
Federal Sources	-	-	-	-	-	-	-	-	-	903,833
Total Revenues	\$ 15,290	\$ 13,387	\$ 2,557	\$ 27,851	\$ 6,323	\$ 60,618	\$ 1,708	\$ -	\$ 18,117	\$ 1,049,684
EXPENDITURES										
Instruction:										
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168,000
Other Purchased Services	-	-	-	-	-	-	-	-	-	574,035
General Supplies	-	-	-	-	-	-	-	-	-	22,114
Textbooks	15,290	-	-	-	-	-	-	-	-	15,290
Total Instruction	\$ 15,290	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 779,439
Support Services:										
Personal Services - Employee Benefits	-	-	-	-	-	-	-	-	-	35,773
Purchased Professional - Educational Services	-	13,387	2,557	27,851	6,323	60,618	1,708	-	18,117	214,428
Purchased Technical Services	-	-	-	-	-	-	-	-	-	2,400
Other Purchased Services	-	-	-	-	-	-	-	-	-	6,533
Travel	-	-	-	-	-	-	-	-	-	113
Total Support Services	\$ -	\$ 13,387	\$ 2,557	\$ 27,851	\$ 6,323	\$ 60,618	\$ 1,708	\$ -	\$ 18,117	\$ 259,247
Facilities Acquisition and Construction Services:										
Buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instructional Equipment	-	-	-	-	-	-	-	-	-	10,998
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,998
Total Expenditures	\$ 15,290	\$ 13,387	\$ 2,557	\$ 27,851	\$ 6,323	\$ 60,618	\$ 1,708	\$ -	\$ 18,117	\$ 1,049,684

**LYNDHURST SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
PRESCHOOL - ALL PROGRAMS - BUDGETARY BASIS**

Not Applicable

**LYNDHURST SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND**

	<u>Account Number</u>	<u>School Improvements</u>
<u>REVENUES</u>		
Additional State School Bldg Aid - EDA Grant	30-3255	\$ -
Municipal Surplus	30-1220	-
Earnings on Investments	30-1510	-
Bond Principal	30-5110	-
Bond Premium	30-5120	-
Other Financing Sources		-
		<u>\$ -</u>
<u>EXPENDITURES</u>		
Salaries	30-000-400-100	\$ -
Legal Services	30-000-400-100	-
Other Purchased Professional and Technical Services	30-000-400-390	-
Construction Services	30-000-400-450	49,105
General Supplies	30-000-400-610	-
Land and Improvements	30-000-400-710	-
Lease Purchase Agreements - Principal	30-000-400-721	-
Buildings Other Than Lease Purchase Agreements	30-000-400-610	-
Other Objects	30-000-400-610	-
Total Expenditures		<u>\$ 49,105</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		\$ (49,105)
<u>OTHER FINANCING SOURCES/(USES)</u>		
Operating Transfers from/(to) Other Funds:		
General Fund	30-5200	\$ -
Debt Service Fund	30-5200	-
Total Operating Transfers		<u>\$ -</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources/(Uses)		\$ (49,105)
Fund Balances, July 1		49,105
Fund Balances, June 30		<u>\$ -</u>

SECTION "G" - ENTERPRISE FUNDS

**LYNDHURST SCHOOL DISTRICT
 COMBINING SCHEDULE OF NET ASSETS
 ENTERPRISE FUNDS
 AS OF JUNE 30, 2011**

	Food Service	Before/After School Child Care	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 27,356	\$ 34,423	\$ 61,779
Intergovernmental Receivable:			
State	938	-	938
Federal	34,743	-	34,743
Accounts Receivable	1,102	531	1,633
Total Assets	<u>\$ 64,139</u>	<u>\$ 34,954</u>	<u>\$ 99,093</u>
<u>LIABILITIES</u>			
Accounts Payable	<u>\$ 63,977</u>	<u>\$ -</u>	<u>\$ 63,977</u>
<u>NET ASSETS</u>			
Unrestricted	<u>\$ 162</u>	<u>\$ 34,954</u>	<u>\$ 35,116</u>

**LYNDHURST SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSE
 ENTERPRISE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Food Service	Before/After School Child Care	Total
<u>OPERATING REVENUES</u>			
Charges for Services:			
Sales	\$ 205,327	\$ 236,186	\$ 441,513
<u>OPERATING EXPENSES</u>			
Salaries	\$ 287,319	\$ 99,281	\$ 386,600
Support Services - Employee Benefits	23,887	15,747	39,634
Purchased Property Services	-	100,000	100,000
Other Purchased Services	357,216	1,906	359,122
Supplies & Materials	-	1,862	1,862
Miscellaneous	204	-	204
	<u>\$ 668,626</u>	<u>\$ 218,796</u>	<u>\$ 887,422</u>
Operating Income (Loss)	<u>\$ (463,299)</u>	<u>\$ 17,390</u>	<u>\$ (445,909)</u>
Non-Operating Revenues:			
Local Sources:			
Interest on Investments	\$ 230	\$ 696	\$ 926
State Sources:			
State School Lunch Program	4,682	-	4,682
Federal Sources:			
School Breakfast Program	2,367	-	2,367
National School Lunch Program	180,116	-	180,116
	<u>\$ 187,395</u>	<u>\$ 696</u>	<u>\$ 188,091</u>
Income (Loss) Before Other Financing Sources (Uses)	<u>\$ (275,904)</u>	<u>\$ 18,086</u>	<u>\$ (257,818)</u>
Other Financing Sources (Uses):			
Operating Transfers:			
General Fund	\$ 276,000	\$ -	\$ 276,000
Change in Net Assets	\$ 96	\$ 18,086	\$ 18,182
Total Net Assets - Beginning	66	16,868	16,934
Total Net Assets - Ending	<u>\$ 162</u>	<u>\$ 34,954</u>	<u>\$ 35,116</u>

**LYNDHURST SCHOOL DISTRICT
 COMBINING SCHEDULE OF CASH FLOWS
 ENTERPRISE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Food Service	Before/After School Child Care	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from Sales	\$ 207,393	\$ 213,420	\$ 420,813
Payments for Operating Expenses	(632,773)	(218,796)	(851,569)
	<u>\$ (425,380)</u>	<u>\$ (5,376)</u>	<u>\$ (430,756)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Local Sources	\$ 276,230	\$ 696	\$ 276,926
State Sources	4,260	-	4,260
Federal Sources	158,555	-	158,555
	<u>\$ 439,045</u>	<u>\$ 696</u>	<u>\$ 439,741</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Purchase of Capital Assets	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Increase (Decrease) in Cash	<u>\$ 13,665</u>	<u>\$ (4,680)</u>	<u>\$ 8,985</u>
Balances - Beginning of Year	13,691	39,103	52,794
Balances - End of Year	<u>\$ 27,356</u>	<u>\$ 34,423</u>	<u>\$ 61,779</u>
	-	-	-
Reconciliation of Operating Income (Loss) to Net Cash Provided			
(Used) by Operating Activities:			
Operating Income (Loss)	\$ (463,299)	\$ 17,390	\$ (445,909)
Adjustments to Reconcile Operating			
(Used for) Operating Activities:			
(Increase) Decrease in Accounts Receivable	2,066	(531)	1,535
Increase (Decrease) in Accounts Payable	35,853	(22,235)	13,618
Net Cash Provided by (used for)			
Operating Activities	<u>\$ (425,380)</u>	<u>\$ (5,376)</u>	<u>\$ (430,756)</u>

SECTION "H" - FIDUCIARY FUNDS

LYNDHURST SCHOOL DISTRICT
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF NET ASSETS
 AS OF JUNE 30, 2011

	Agency Funds			Scholarship Trust	Total
	Student Activity	Payroll	Total		
<u>ASSETS</u>					
Cash	\$ 138,018	\$ 940,250	\$ 1,078,268	\$ 72,993	\$ 1,151,261
<u>LIABILITIES</u>					
Due to Student Groups	\$ 138,018	\$ -	\$ 138,018	\$ -	\$ 138,018
Payroll, Deductions and Withholdings Payable	-	940,250	940,250	-	940,250
Total Liabilities	\$ 138,018	\$ 940,250	\$ 1,078,268	\$ -	\$ 1,078,268
<u>NET ASSETS</u>					
Unrestricted	\$ -	\$ -	\$ -	\$ 72,993	\$ 72,993

**LYNDHURST SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

REVENUES

Earnings on Investments	<u>\$ 587</u>
-------------------------	---------------

EXPENDITURES

Scholarships	<u>646</u>
	\$ (59)

Fund Balance, July 1	<u>73,052</u>
Fund Balance, June 30	<u><u>\$ 72,993</u></u>

LYNDHURST SCHOOL DISTRICT
 STUDENT ACTIVITY AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Cash Receipts	Cash Disbursements	Balance June 30, 2011
Elementary Student Activities	\$ 25,570	\$ 84,078	\$ 86,173	\$ 23,475
High School Student Activities	143,964	275,837	311,707	108,094
Student Athletics	1,134	139,382	134,067	6,449
	<u>\$ 170,668</u>	<u>\$ 499,297</u>	<u>\$ 531,947</u>	<u>\$ 138,018</u>

LYNDHURST SCHOOL DISTRICT
 PAYROLL AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<u>ASSETS</u>				
Cash:				
Net Payroll Account	\$ -	\$ 11,743,349	\$ 11,743,349	\$ -
Payroll Agency Account	153,818	21,997,942	22,007,389	144,371
Summer Payment Plan Account	708,868	805,129	718,118	795,879
	<u>\$ 862,686</u>	<u>\$ 34,546,420</u>	<u>\$ 34,468,856</u>	<u>\$ 940,250</u>
<u>LIABILITIES</u>				
Payroll, Deductions and Withholdings Payable	<u>\$ 862,686</u>	<u>\$ 34,546,420</u>	<u>\$ 34,468,856</u>	<u>\$ 940,250</u>

SECTION "I" - LONG-TERM DEBT

LYNDHURST SCHOOL DISTRICT
 SCHEDULE OF SERIAL BONDS
 FISCAL YEAR ENDED JUNE 30, 2011

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Amount Outstanding June 30, 2010</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2011</u>
School Bonds	07/01/01	\$ 6,190,000	\$ 4,290,000	\$ -	\$ 300,000	\$ 3,990,000
Pension Refunding Bonds	03/15/03	\$ 2,030,000	1,250,000	-	130,000	1,120,000
			<u>\$ 5,540,000</u>	<u>\$ -</u>	<u>\$ 430,000</u>	<u>\$ 5,110,000</u>

**LYNDHURST SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FISCAL YEAR ENDED JUNE 30, 2011**

Not Applicable

LYNDHURST SCHOOL DISTRICT
 DEBT SERVICE FUND BUDGET COMPARISON SCHEDULE
 FISCAL YEAR ENDED JUNE 30, 2011

	Account Number	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable / (Unfavorable)
REVENUES						
Local Sources:						
Local Tax Levy	40-1210	\$ 686,813	\$ -	\$ 686,813	\$ 686,813	\$ -
EXPENDITURES						
Regular Debt Service						
Interest on Early Retirement Bonds	40-701-510-835	\$ 63,973	\$ -	\$ 63,973	\$ 63,973	\$ -
Redemption of Principal - Early Retirement Bonds	40-701-510-910	130,000	-	130,000	130,000	-
Interest on Bonds	40-701-510-834	192,840	-	192,840	192,840	-
Redemption of Principal	40-701-510-910	300,000	-	300,000	300,000	-
Total Expenditures		\$ 686,813	\$ -	\$ 686,813	\$ 686,813	\$ -
Excess (Deficiency) of Revenues Over (Under) Expenditures		-	-	-	-	-
Fund Balances, July 1		-	-	-	-	-
Fund Balances, June 30		\$ -	\$ -	\$ -	\$ -	\$ -

LYNDHURST SCHOOL DISTRICT
Comprehensive Annual Financial Report
Statistical Section

LYNDHURST SCHOOL DISTRICT
NET ASSETS BY COMPONENT (District)
(Unaudited)

	2011	2010	2009	2008	2007
Governmental activities					
Invested in capital assets, net of related debt	\$ 18,952,883	\$ 17,577,883	\$ 17,145,263	\$ 23,274,783	\$ 17,751,185
Restricted	107,245	-	-	2	393,956
Unrestricted	(2,833,186)	(1,966,931)	(1,825,315)	(8,118,628)	(3,596,201)
Total governmental activities	\$ 16,226,942	\$ 15,610,952	\$ 15,319,948	\$ 15,156,157	\$ 14,548,940
Business-type activities					
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Unrestricted	35,116	16,934	17,199	18,350	44,255
Total business-type activities	\$ 35,116	\$ 16,934	\$ 17,199	\$ 18,350	\$ 44,255
District-wide					
Invested in capital assets, net of related debt	\$ 18,952,883	\$ 17,577,883	\$ 17,145,263	\$ 23,274,783	\$ 17,751,185
Restricted	107,245	-	-	2	393,956
Unrestricted	(2,798,070)	(1,949,997)	(1,808,116)	(8,100,278)	(3,551,946)
Total district-wide	\$ 16,262,058	\$ 15,627,886	\$ 15,337,147	\$ 15,174,507	\$ 14,593,195

**LYNDHURST SCHOOL DISTRICT
CHANGES IN NET ASSETS (District)
(Unaudited)**

	2011	2010	2009	2008	2007
Expenses					
Governmental Activities:					
Instruction					
Regular Programs	\$ 10,258,383	\$ 10,396,628	\$ 10,271,102	\$ 9,843,904	\$ 9,712,168
Special Education	2,883,630	2,885,367	2,089,010	2,031,642	1,968,877
Basic Skills - Remedial Instruction	497,055	516,898	542,798	519,204	457,076
Bilingual Education	116,590	111,418	104,344	106,068	100,527
School Sponsored Cocurricular Activities	151,767	167,481	161,805	153,243	165,780
School Sponsored Athletics	449,594	439,849	433,813	389,549	377,962
Alternative Education Program	500	500	-	-	-
Undistributed Expenditures:					
Instruction	3,330,268	4,286,863	3,905,443	3,723,516	3,343,210
Attendance and Social Work	32,735	44,922	83,380	73,782	67,966
Health Services	540,898	585,717	602,789	556,444	474,108
Other Support Services - Students Related Svc	700,532	516,266	529,504	515,673	453,466
Other Support Services - Students Ext Svcs	15,176	13,804	24,552	9,402	-
Other Support Services - Students Regular	750,127	718,033	635,967	652,995	634,412
Other Support Services - Students Special	638,771	662,917	687,152	658,789	619,833
Improvement of Instructional Services	817,590	688,241	535,941	521,591	506,312
Educational Media Services/School Library	110,475	111,429	119,383	107,954	116,463
Instructional Staff Training Services	68,401	66,265	64,855	60,671	110,167
Support Services - General Administration	993,483	992,475	927,451	914,452	916,307
Support Services - School Administration	1,500,106	1,498,398	1,432,945	1,461,553	1,481,003
Central Services	484,777	389,200	398,387	373,665	315,991
Required Maintenance for School Facilities	552,976	406,610	483,078	434,097	394,734
Operation and Maintenance of Plant Services	1,785,479	1,408,168	1,294,668	1,342,662	1,291,249
Care & Upkeep of Grounds	13,715	4,026	-	-	-
Security	36,705	29,335	-	-	-
Student Transportation Services	839,842	903,699	792,493	912,586	994,260
Allocated and Unallocated Employee Benefits	5,718,235	5,600,379	4,892,766	4,453,197	4,829,653
TPAF Pension	1,051,954	1,000,167	969,669	2,106,442	2,052,735
TPAF Social Security	1,171,264	1,153,079	1,119,367	1,074,768	1,029,913
Capital Outlay	383,000	273,554	364,647	(266,362)	532,558
Charter Schools	1,157	-	-	-	-
Special Schools	-	-	-	-	-
Debt Service:					
Principal on Commissioner Approved LP Agreement	-	-	-	-	-
Interest on Commissioner Approved LP Agreement	-	-	-	3,306	7,525
Interest on Early Retirement Bonds	63,973	69,348	74,208	78,405	81,925
Redemption of Principal - Early Retirement Bonds	-	-	-	-	-
Interest on Bonds	192,840	206,640	219,290	230,790	242,290
Redemption of Principal	-	-	-	-	-
Total Governmental Activities Expenses	\$ 36,151,998	\$ 36,147,676	\$ 33,760,807	\$ 33,043,988	\$ 33,278,470
Business-Type Activities:					
Food Service	\$ 668,626	\$ 602,406	\$ 576,973	\$ 579,984	\$ 520,515
Before/After School Child Care	218,796	124,682	233,639	240,517	225,336
Saturday Enrichment	-	-	-	-	-
Total Business-Type Activities Expenses	\$ 887,422	\$ 727,088	\$ 810,612	\$ 820,501	\$ 745,851
Total District Expenses	\$ 37,039,420	\$ 36,874,764	\$ 34,571,419	\$ 33,864,489	\$ 34,024,321

**LYNDHURST SCHOOL DISTRICT
CHANGES IN NET ASSETS (District)
(Unaudited)**

	2011	2010	2009	2008	2007
Program Revenues					
Governmental Activities:					
Charges for Services	\$ -	\$ -	\$ 7,715	\$ 4,060	\$ 12,006
Operating Grants and Contributions	4,845,962	5,665,397	4,303,864	4,912,222	5,824,749
Capital Grants and Contributions	-	49,099	-	-	-
Total Governmental Activities Program Revenues	\$ 4,845,962	\$ 5,714,496	\$ 4,311,579	\$ 4,916,282	\$ 5,836,755
Business-Type Activities:					
Charges for Services	\$ 441,513	\$ 353,245	\$ 463,609	\$ 482,703	\$ 466,853
Operating Grants and Contributions	188,091	154,761	140,676	113,531	112,138
Capital Grants and Contributions	-	-	-	-	-
Total Business-Type Activities Program Revenues	629,604	508,006	604,285	596,234	578,991
Total District Program Revenues	\$ 5,475,566	\$ 6,222,502	\$ 4,915,864	\$ 5,512,516	\$ 6,415,746
Net (Expense)/Revenue					
Governmental Activities	\$ (31,306,036)	\$ (30,433,180)	\$ (29,449,228)	\$ (28,127,706)	\$ (27,441,715)
Business-Type Activities	(257,818)	(219,082)	(206,327)	(224,267)	(166,860)
Total District-Wide	\$ (31,563,854)	\$ (30,652,262)	\$ (29,655,555)	\$ (28,351,973)	\$ (27,608,575)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Local Tax Levy	31,807,753	29,711,738	28,477,291	27,502,953	26,525,895
Unrestricted Miscellaneous Revenues	451,073	262,376	139,738	136,975	218,770
State Sources	-	1,004,607	326,318	652,395	355,435
Federal Sources	-	28,957	828,219	811,405	2,933
Other Financing Sources	-	-	-	-	-
Interest Earned on Capital Reserve Funds	-	-	-	-	-
Fixed Asset Adjustments	-	-	-	-	-
Other Adjustments	-	-	-	-	(809,498)
Transfers	(336,800)	(283,494)	(281,496)	(245,856)	(192,000)
Total Governmental Activities	\$ 31,922,026	\$ 30,724,184	\$ 29,490,070	\$ 28,857,872	\$ 26,101,535
Business-Type Activities:					
Unrestricted Miscellaneous Revenues	\$ -	\$ 817	\$ 1,176	\$ 1,362	\$ -
Transfers	276,000	218,000	204,000	197,000	152,000
Total business-type activities	\$ 276,000	\$ 218,817	\$ 205,176	\$ 198,362	\$ 152,000
Total district-wide	\$ 32,198,026	\$ 30,943,001	\$ 29,695,246	\$ 29,056,234	\$ 26,253,535
Change in Net Assets					
Governmental Activities	\$ 615,990	\$ 291,004	\$ 40,842	\$ 730,166	\$ (1,340,180)
Business-Type Activities	18,182	(265)	(1,151)	(25,905)	(14,860)
Total District	\$ 634,172	\$ 290,739	\$ 39,691	\$ 704,261	\$ (1,355,040)
Net Assets - Beginning	15,627,886	15,337,147	15,297,456	14,593,195	15,948,235
Net Assets - Ending	\$ 16,262,058	\$ 15,627,886	\$ 15,337,147	\$ 15,297,456	\$ 14,593,195

LYNDHURST SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS (District)
(Unaudited)

	2011	2010	2009	2008	2007
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	786,065	602,031	557,524	463,301	642,302
Total General Fund	<u>\$ 786,065</u>	<u>\$ 602,031</u>	<u>\$ 557,524</u>	<u>\$ 463,301</u>	<u>\$ 642,302</u>
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special Revenue Fund	-	-	-	-	-
Capital Projects Fund	-	49,105	-	-	-
Debt Service Fund	-	-	1	3	174
Total all Other Governmental Funds	<u>\$ -</u>	<u>\$ 49,105</u>	<u>\$ 1</u>	<u>\$ 3</u>	<u>\$ 174</u>
Total Governmental Funds	<u>\$ 786,065</u>	<u>\$ 651,136</u>	<u>\$ 557,525</u>	<u>\$ 463,304</u>	<u>\$ 642,476</u>

LYNDHURST SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (District)
(Unaudited)

	2011	2010	2009	2008	2007
Revenues:					
Local Tax Levy	\$ 31,807,753	\$ 29,711,738	\$ 28,477,291	\$ 27,502,953	\$ 26,525,895
Tuition	-	-	7,715	4,060	12,006
Unrestricted Miscellaneous Revenues	451,073	262,376	139,738	136,975	218,770
State Sources	3,809,562	5,013,681	4,753,131	5,564,617	5,337,436
Federal Sources	1,036,400	1,734,379	828,219	811,405	845,681
Total Revenue	<u>\$ 37,104,788</u>	<u>\$ 36,722,174</u>	<u>\$ 34,206,094</u>	<u>\$ 34,020,010</u>	<u>\$ 32,939,788</u>
Expenditures:					
Instruction					
Regular Programs	\$ 10,258,383	\$ 10,396,628	\$ 10,271,102	\$ 9,843,904	\$ 9,712,168
Special Education	2,883,630	2,885,367	2,089,010	2,031,642	1,968,877
Basic Skills - Remedial Instruction	497,055	516,898	542,798	519,204	457,076
Bilingual Education	116,590	111,418	104,344	106,068	100,527
School Sponsored Cocurricular Activities	151,767	167,481	161,805	153,243	165,780
School Sponsored Athletics	449,594	439,849	433,813	389,549	377,962
Alternative Education Program	500	500	-	-	-
Support Services:					
Instruction	3,330,268	4,286,863	3,905,443	3,723,516	3,343,210
Attendance and Social Work	32,735	44,922	83,380	73,782	67,966
Health Services	540,898	585,717	602,789	556,444	474,108
Other Support Services - Students Related Serv	700,532	516,266	529,504	515,673	453,466
Other Support Services - Students Extraordinary	15,176	13,804	24,552	9,402	-
Other Support Services - Students Regular	750,127	718,033	635,967	652,995	634,412
Other Support Services - Students Special	638,771	662,917	687,152	658,789	619,833
Improvement of Instructional Services	817,590	688,241	535,941	521,591	506,312
Educational Media Services/School Library	110,475	111,429	119,383	107,954	116,463
Instructional Staff Training Services	68,401	66,265	64,855	60,671	110,167
Support Services - General Administration	993,483	992,475	927,451	914,452	916,307
Support Services - School Administration	1,500,106	1,498,398	1,432,945	1,461,553	1,481,003
Central Services	484,777	389,200	398,387	373,665	315,991
Required Maintenance for School Facilities	552,976	406,610	483,078	434,097	394,734
Custodial Services	1,785,479	1,408,168	1,294,668	1,342,662	1,291,249
Care and Upkeep of Grounds	13,715	4,026	-	-	-
Security	36,705	29,335	-	-	-
Student Transportation Services	839,842	903,699	792,493	912,586	994,260
Allocated and Unallocated Employee Benefits	5,944,296	5,365,152	4,756,856	4,563,937	4,339,717
TPAF Pension	1,051,954	1,000,167	969,669	2,106,442	2,052,735
TPAF Social Security	1,171,264	1,153,079	1,119,367	1,074,768	1,029,913
Sub-Total	<u>\$ 35,737,089</u>	<u>\$ 35,362,907</u>	<u>\$ 32,966,752</u>	<u>\$ 33,108,589</u>	<u>\$ 31,924,236</u>
Capital Outlay	\$ 209,157	\$ 281,174	\$ 200,127	\$ 85,647	\$ 684,744
Debt Service:					
Principal on Commissioner Approved LP Agreeer	-	-	-	81,589	77,370
Interest on Commissioner Approved LP Agreeem	-	-	-	3,306	7,525
Interest on Early Retirement Bonds	63,973	69,348	74,208	78,405	81,925
Redemption of Principal - Early Retirement Bonc	130,000	125,000	120,000	115,000	110,000
Interest on Bonds	192,840	206,640	219,290	230,790	242,290
Redemption of Principal	300,000	300,000	250,000	250,000	250,000
Total Expenditures	<u>\$ 36,633,059</u>	<u>\$ 36,345,069</u>	<u>\$ 33,830,377</u>	<u>\$ 33,953,326</u>	<u>\$ 33,378,090</u>
Excess (Deficiency) of revenues over (under) expenditures	\$ 471,729	\$ 377,105	\$ 375,717	\$ 66,684	\$ (438,302)
Other Financing Sources (Uses)					
Serial Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
State of New Jersey - N.J.S.A. 18:7Q-15	-	-	-	-	-
Port Authority of NY & NJ Grant	-	-	-	-	-
Operating Transfers	(336,800)	(283,494)	(281,496)	(245,856)	(192,000)
Private Donation	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>\$ (336,800)</u>	<u>\$ (283,494)</u>	<u>\$ (281,496)</u>	<u>\$ (245,856)</u>	<u>\$ (192,000)</u>
Net change in fund balances	<u>\$ 134,929</u>	<u>\$ 93,611</u>	<u>\$ 94,221</u>	<u>\$ (179,172)</u>	<u>\$ (630,302)</u>
Debt service as a percentage of noncapital expenditures	1.35%	1.40%	1.40%	1.42%	1.51%

LYNDHURST SCHOOL DISTRICT
General Fund Other Local Revenue by Source (District)
(Unaudited)

Fiscal Year Ended June 30,	Tuition	Interest on Investments	Rent	State Health Benefits Rebate	Prior Year Refunds/ Credits	Adult Education Fees	Credits & Adjustments	Miscellaneous	Total
2011	-	19,643	71,248	-	309,207	-	-	50,975	451,073
2010	1,915	15,782	159,775	-	71,762	-	10,988	2,148	262,370
2009	7,715	26,557	87,500	-	16,523	-	(3,307)	4,750	139,738
2008	4,060	77,203	32,500	-	14,480	-	-	12,792	141,035
2007	12,006	122,004	25,000	-	55,056	-	-	16,710	230,776
2006	12,019	38,392	-	-	53,931	-	-	34,281	138,623
2005	-	24,775	-	-	22,792	-	-	7,744	55,311
2004	-	21,184	-	-	40,813	-	-	21,299	83,296
2003	-	2,136	-	-	51,941	-	-	-	54,077
2002	-	10,993	-	-	15,533	-	-	-	26,526
2001	6,218	83,430	-	-	19,876	-	-	-	109,524
2000	-	96,224	-	-	56,869	-	-	-	153,093
1999	-	101,562	8,000	-	31,992	-	-	9,007	150,561
1998	800	120,188	-	-	12,323	28,354	-	31,526	193,191
1997	800	94,435	-	-	44,520	47,650	-	6,655	194,060
1996	9,358	94,329	-	-	83,439	39,682	-	19,172	245,980
1995	1,300	77,813	-	258,401	85,533	55,548	-	12,286	490,881
1994	1,300	16,671	-	-	27,275	56,550	-	20,869	122,665

LYNDHURST SCHOOL DISTRICT
Assessed Value and Estimated Actual Value of Taxable Property (Municipality)
(Unaudited)

J-6

Description	2010		2009		2008		2007		2006**	
	# of Parcels	Value								
Net Valuations Taxable:										
Vacant Land	116	\$ 155,689,200	140	\$ 157,651,000	132	\$ 171,367,000	134	\$ 171,122,400	129	\$ 170,988,700
Residential	5113	2,114,056,800	5092	2,108,894,900	5084	2,100,885,000	5080	2,093,002,000	5087	2,091,288,700
Farm (Regular)	0	-	0	-	0	-	0	-	0	-
Farm (Qualified)	0	-	0	-	0	-	0	-	0	-
Commercial	327	469,021,100	321	450,421,800	323	460,341,500	328	469,160,100	330	468,897,400
Industrial	103	696,219,400	103	718,638,000	102	729,566,800	101	673,322,100	100	672,083,500
Apartments	<u>52</u>	<u>61,743,700</u>	<u>53</u>	<u>89,243,700</u>	<u>51</u>	<u>62,057,300</u>	<u>51</u>	<u>62,057,300</u>	<u>50</u>	<u>61,502,300</u>
Sub-Total	5711	3,496,730,200	5709	3,524,849,400	5692	3,524,217,600	5694	3,468,663,900	5696	3,464,760,600
Personal Property		<u>6,577,516</u>		<u>6,512,570</u>		<u>3,946,801</u>		<u>3,395,221</u>		<u>3,395,221</u>
Net Valuations Taxable		<u>3,503,307,716</u>		<u>3,531,361,970</u>		<u>3,528,164,401</u>		<u>3,472,059,121</u>		<u>3,468,155,821</u>
County Equalization Adjustment		(218,482)		(82,452,935)		(78,772,637)		(354,239,177)		(823,180,695)
County Equalized Valuations		<u>\$ 3,503,089,234</u>		<u>\$ 3,448,909,035</u>		<u>\$ 3,449,391,764</u>		<u>\$ 3,117,819,944</u>		<u>\$ 2,644,975,126</u>
County Equalization Ratio		<u>100.82%</u>		<u>103.27%</u>		<u>103.11%</u>		<u>112.30%</u>		<u>132.34%</u>
Average Residential Assessment		<u>\$ 413,467</u>		<u>\$ 414,158</u>		<u>\$ 413,235</u>		<u>\$ 412,008</u>		<u>\$ 411,105</u>
Total County Equalized Valuations		<u>\$ 183,412,099,706</u>		<u>\$ 187,580,071,463</u>		<u>\$ 182,767,512,263</u>		<u>\$ 172,863,500,734</u>		<u>\$ 153,984,695,626</u>
Municipal Percentage										
County Equalized Valuations		<u>1.91%</u>		<u>1.84%</u>		<u>1.89%</u>		<u>1.80%</u>		<u>1.72%</u>

**Revaluation Year

LYNDHURST SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates (Municipality)
(Unaudited)

	2010	2009	2008	2007	2006**
NET VALUATIONS TAXABLE	\$ 3,503,307,716	\$ 3,531,361,970	\$ 3,528,164,401	\$ 3,472,059,121	\$ 3,468,155,821
<u>TAX REQUIREMENTS</u>					
County	\$ 6,663,683	\$ 6,212,674	\$ 5,967,116	\$ 5,256,991	\$ 4,668,674
County Open Space	87,577	344,891	344,939	311,782	264,497
Local School	30,759,746	29,094,514	27,990,122	27,014,424	25,769,847
Municipal	25,997,381	24,031,493	23,491,674	22,655,215	19,501,068
Total	<u>\$ 63,508,387</u>	<u>\$ 59,683,572</u>	<u>\$ 57,793,851</u>	<u>\$ 55,238,412</u>	<u>\$ 50,204,086</u>
<u>TAX RATES</u>					
County	0.191	0.176	0.170	0.151	0.135
County Open Space	0.002	0.010	0.010	0.010	0.010
Local School	0.878	0.824	0.793	0.778	0.743
Municipal	0.742	0.681	0.666	0.661	0.562
Total	<u>1.81</u>	<u>1.69</u>	<u>1.64</u>	<u>1.60</u>	<u>1.45</u>

**Revaluation Year

LYNDHURST SCHOOL DISTRICT
Principal Property Taxpayers (Municipality)
(Unaudited)

Taxpayer	CY2010 Assessed Valuation	As a Percent of Total CY2010 Net Valuations \$ 3,503,307,716
Encap Golf Holdings LLC (12 Properties)	\$ 129,425,700	3.69%
Avalon Bay Communities, Inc.	68,064,100	1.94%
Chubb Funding LLC	59,941,300	1.71%
Wells Operating Partnership (2 Properties)	57,700,000	1.65%
DGDJ 1-1200 WSW 337771 LLC (ETALS)	35,633,600	1.02%
Veterans Square Towne Center LLC	34,254,400	0.98%
Sika Chemical Corp. (2 Properties)	32,396,800	0.92%
Lyndhurst Residential Communities LLC	27,500,000	0.78%
City of Jersey City, Division of Water (17 Properties)	25,053,500	0.72%
DDR-SAU Lew Andowski LLC (2 Properties)	24,326,900	0.69%
	\$ 494,296,300	

LYNDHURST SCHOOL DISTRICT
Property Tax Levies and Collections (Municipality)
(Unaudited)

	<u>CY2010</u>	<u>TY2009</u>	<u>SFY2009</u>	<u>SFY2008</u>	<u>SFY2007</u>
Total Tax Levy	<u>\$ 63,393,449</u>	<u>\$ 30,904,791</u>	<u>\$ 58,847,938</u>	<u>\$ 57,492,435</u>	<u>\$ 52,934,078</u>
Total Credits	<u>\$ 58,425,753</u>	<u>\$ 27,416,737</u>	<u>\$ 56,344,944</u>	<u>\$ 55,791,491</u>	<u>\$ 51,687,766</u>
% of Tax Levy Collected	<u>92.16%</u>	<u>88.71%</u>	<u>95.75%</u>	<u>97.04%</u>	<u>97.65%</u>
Tax Title Liens	\$ 5,634,175	\$ 2,895,284	\$ 2,323,315	\$ 2,326,553	\$ 2,244,178
Delinquent Taxes	7,098,769	6,412,223	4,158,299	2,177,262	1,596,468
Total Delinquent	<u>\$ 12,732,944</u>	<u>\$ 9,307,507</u>	<u>\$ 6,481,614</u>	<u>\$ 4,503,815</u>	<u>\$ 3,840,646</u>
Total Tax Levy	<u>\$ 63,393,449</u>	<u>\$ 30,904,791</u>	<u>\$ 58,847,938</u>	<u>\$ 57,492,435</u>	<u>\$ 52,934,078</u>
% of Delinquencies to Tax Levy	<u>20.09%</u>	<u>30.12%</u>	<u>11.01%</u>	<u>7.83%</u>	<u>7.26%</u>
Foreclosed Property: Assessed Valuation	<u>\$ 7,542,000</u>				

LYNDHURST SCHOOL DISTRICT
Ratios of Outstanding Debt By Type (District)
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities		Total District	(Exhibit J-14)	Outstanding Debt Per Capita	(Exhibit J-14)	Percentage of Personal Income
	General Obligation Bonds	Certificates of Participation		District Population		(County) Per Capita Income	
2011	\$ 5,110,000	\$ -	\$ 5,110,000	19,290	\$ 265	\$ 64,388	0.41%
2010	\$ 5,540,000	\$ -	\$ 5,540,000	19,290	\$ 287	\$ 64,388	0.45%
2009	\$ 5,965,000	\$ -	\$ 5,965,000	19,290	\$ 309	\$ 64,388	0.48%
2008	\$ 6,335,000	\$ -	\$ 6,335,000	19,234	\$ 329	\$ 68,541	0.48%
2007	\$ 6,700,000	\$ -	\$ 6,700,000	19,279	\$ 348	\$ 67,113	0.52%
2006	\$ 7,165,000	\$ -	\$ 7,165,000	19,330	\$ 371	\$ 63,021	0.59%
2005	\$ 7,415,000	\$ -	\$ 7,415,000	19,134	\$ 388	\$ 56,963	0.68%
2004	\$ 7,720,000	\$ -	\$ 7,720,000	19,282	\$ 400	\$ 54,669	0.73%
2003	\$ 8,020,000	\$ -	\$ 8,020,000	19,287	\$ 416	\$ 51,291	0.81%
2002	\$ 6,190,000	\$ -	\$ 6,190,000	19,302	\$ 321	\$ 51,931	0.62%

LYNDHURST SCHOOL DISTRICT
Ratios of General Bonded Debt Outstanding (District)
(Unaudited)

	2010	2009	2008	2007	2006
Population (Exhibit J-14)	19,290	19,290	19,234	19,279	19,330
County Equalized Valuations Valuations (Exhibit J-6)	\$ 3,503,089,234	\$ 3,448,909,035	\$ 3,449,391,764	\$ 3,117,819,944	\$ 2,644,975,126
Gross Debt (Exhibit J-10)	\$ 5,540,000	\$ 5,965,000	\$ 6,335,000	\$ 6,700,000	\$ 7,165,000
Gross Debt Per Capita	\$ 287	\$ 309	\$ 329	\$ 348	\$ 371
Ratio of Gross Debt to County Equalized Valuations	0.16%	0.17%	0.18%	0.21%	0.27%

LYNDHURST SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt (Municipality)
(Unaudited)

DIRECT DEBT

	December 31, 2010	December 31, 2009	June 30, 2009	June 30, 2008	June 30, 2007
Municipal:					
General Purposes:					
B&N Issued and Outstanding:					
Serial Bonds	\$ 12,563,000	\$ 14,263,000	\$ 15,298,000	\$ 16,913,000	\$ 18,503,000
Bond Anticipation Notes	37,250,008	26,169,238	26,169,238	17,503,453	4,288,300
Loans	-	-	-	-	-
B&N Authorized But Not Issued	5,962,500	2,525,000	-	8,665,785	2,007,000
Credits	-	-	-	-	-
	<u>\$ 55,775,508</u>	<u>\$ 42,957,238</u>	<u>\$ 41,467,238</u>	<u>\$ 43,082,238</u>	<u>\$ 24,798,300</u>
Water Utility:					
B&N Issued and Outstanding:					
Serial Bonds	\$ 2,400,000	\$ 2,565,000	\$ 2,615,000	\$ 2,780,000	\$ 3,580,000
Bond Anticipation Notes	1,313,670	635,000	635,000	635,000	-
B&N Authorized But Not Issued	15,000,000	-	-	-	-
	<u>\$ 18,713,670</u>	<u>\$ 3,200,000</u>	<u>\$ 3,250,000</u>	<u>\$ 3,415,000</u>	<u>\$ 3,580,000</u>
Local School:					
Serial Bonds Issued	\$ 5,540,000	\$ 5,965,000	\$ 5,965,000	\$ 6,335,000	\$ 6,700,000
Total Direct Debt	<u>\$ 80,029,178</u>	<u>\$ 52,122,238</u>	<u>\$ 50,682,238</u>	<u>\$ 52,832,238</u>	<u>\$ 35,078,300</u>

OVERLAPPING DEBT

	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006
(1) County Debt:					
Municipal Equalized Valuations	\$ 3,503,089,234	\$ 3,448,909,035	\$ 3,449,391,764	\$ 3,117,819,944	\$ 2,644,975,126
Total County Equalized Valuations	\$ 183,412,099,706	\$ 187,580,071,463	\$ 182,767,512,263	\$ 172,863,500,734	\$ 153,984,695,626
	1.91%	1.84%	1.89%	1.80%	1.72%
X's Outstanding County Debt	1,248,273,490	1,138,505,430	1,102,573,565	1,087,757,268	825,597,736
	<u>\$ 23,842,024</u>	<u>\$ 20,948,500</u>	<u>\$ 20,838,640</u>	<u>\$ 19,579,631</u>	<u>\$ 14,200,281</u>
(2) Passaic Valley Sewerage Commission:					
Municipal Sewer Flow Charges	\$ 1,596,174	\$ 1,569,661	\$ 1,532,212	\$ 1,440,543	\$ 1,320,352
Total Flow Charges	\$ 129,963,014	\$ 127,525,062	\$ 125,403,855	\$ 121,388,216	\$ 118,930,095
	1.23%	1.23%	1.22%	1.19%	1.11%
X's Outstanding Debt	355,234,494	305,533,465	293,135,787	305,405,498	316,172,356
	<u>\$ 4,369,384</u>	<u>\$ 3,758,062</u>	<u>\$ 3,576,257</u>	<u>\$ 3,634,325</u>	<u>\$ 3,509,513</u>
Total Overlapping Debt	<u>\$ 28,211,408</u>	<u>\$ 24,706,562</u>	<u>\$ 24,414,897</u>	<u>\$ 23,213,956</u>	<u>\$ 17,709,794</u>
Total Direct and Overlapping Debt	<u>\$ 108,240,586</u>	<u>\$ 76,828,800</u>	<u>\$ 75,097,135</u>	<u>\$ 76,046,194</u>	<u>\$ 52,788,094</u>

LYNDHURST SCHOOL DISTRICT
Legal Debt Margin Information (Municipality and District)
(Unaudited)

	December 31,		June 30,		
	2010	2009	2009	2008	2007
State Equalized Valuation Basis	\$ 3,426,599,226	\$ 3,287,313,029	\$ 3,287,313,029	\$ 3,012,126,129	\$ 2,640,169,226
Municipal Borrowing Power:					
3 1/2% of Equalized Valuation Basis	\$ 119,930,973	\$ 115,055,956	\$ 115,055,956	\$ 105,424,415	\$ 92,405,923
Net Debt	53,004,421	39,536,151	37,517,238	41,892,238	19,480,663
Remaining Borrowing Power	\$ 66,926,552	\$ 75,519,805	\$ 77,538,718	\$ 63,532,177	\$ 72,925,260
School Borrowing Power:					
4% of Equalized Valuation Basis	\$ 137,063,969	\$ 131,492,521	\$ 131,492,521	\$ 120,485,045	\$ 105,606,769
Net School Debt	5,540,000	5,965,000	5,965,000	6,335,000	6,700,000
School Borrowing Margin Available	\$ 131,523,969	\$ 125,527,521	\$ 125,527,521	\$ 114,150,045	\$ 98,906,769

LYNDHURST SCHOOL DISTRICT
Demographic and Economic Statistics (Municipality)
(Unaudited)

J-14

	2010	2009	2008	2007	2006	2005	2004	2003
Average Labor Force Estimates by Municipality:								
Labor Force	11,193	11,262	11,048	10,886	10,893	10,751	10,707	9,658
Employment	9,967	10,057	10,376	10,375	10,327	10,210	10,105	9,170
Unemployment	1,226	1,205	673	511	566	540	601	488
Unemployment Rate	11.0%	10.7%	6.1%	4.7%	5.2%	5.0%	5.6%	5.1%
Per Capital Personal Income by County								
	64,388	64,388	68,541	67,113	\$ 63,021	\$ 56,963	\$ 54,669	\$ 51,291
Subcounty Population Estimates:								
	Estimates as of July 1,							Corrected Census 2000 Count
Lyndhurst TWP	19,290	19,290	19,234	19,279	19,330	19,134	19,282	19,383
County of Bergen	895,250	895,250	889,915	885,664	884,581	887,322	890,232	884,118

**LYNDHURST SCHOOL DISTRICT
PRINCIPAL EMPLOYERS (Municipality)
(Unaudited)**

Not Available

LYNDHURST SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM (District)
(Unaudited)

		<u>2011</u>
<u>Function/Program</u>		
Instruction:		
Regular Programs (Including Aides)	1XX	147
Special Education (Including Aides)	2XX	51
Basic Skills/Remedial	230	7
Bilingual Education	240	2
School Sponsored Co/Extra Curr. Activities	401	-
School Sponsored Athletics	402	1
Support Services:		
Tuition	100	-
Attendance and Social Work Services	211	1
Health Services	213	6
Students - Related and Extraordinary	216,217	4
Guidance	218	10
Child Study Teams	219	11
Improvement of Instructional Services	221	7
Educational Media Services/School Library	222	1
Instructional Staff Training Services	223	1
General Administration	230	7
School Administration	240	16
Central Svcs. & Admin. Info. Technology	25X	6
Operation and Maintenance of Plant Services	26X	25
Student Transportation Services	270	4
Personal Services - Employee Benefits	XXX	-
Special Schools		-
Food Service	310	-
Child Care	000	-
		<u>307</u>

**LYNDHURST SCHOOL DISTRICT
OPERATING STATISTICS (District)
(Unaudited)**

(Exhibit J-4)									
Fiscal Year	Average Daily Enrollment	% Change	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Average Daily Attendance	Student Attendance Percentage
2011	2312.0	0.2%	\$ 33,513,871	14,496	0.7%	162	14.3	2191.1	94.8%
2010	2307.5	-7.9%	\$ 33,209,661	14,392	16.8%	160	14.4	2177.7	94.4%
2009	2504.9	12.1%	\$ 30,877,716	12,327	-8.0%	176	14.2	2355.7	94.0%
2008	2234.7	1.3%	\$ 29,927,379	13,392	2.4%	156	14.3	2102.2	94.1%
2007	2205.2	0.1%	\$ 28,841,588	13,079	7.2%	154	14.3	2081.1	94.4%
2006	2203.4	0.8%	\$ 26,876,282	12,198	5.4%	153	14.4	2078.8	94.3%
2005	2185.7	1.7%	\$ 25,283,556	11,568	0.9%	150	14.6	2066.4	94.5%
2004	2148.6		\$ 24,630,278	11,463		149	14.4	2039.2	94.9%

**LYNDHURST SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION (District)
(Unaudited)**

2011

Elementary

Columbus:	
Square Feet	10,500
Capacity (students)	126.90
Enrollment	135.00
Franklin:	
Square Feet	18,400
Capacity (students)	205.20
Enrollment	241.00
Jefferson:	
Square Feet	32,060
Capacity (students)	260.10
Enrollment	274.00
Lincoln:	
Square Feet	24,300
Capacity (students)	283.50
Enrollment	285.00
Roosevelt:	
Square Feet	21,600
Capacity (students)	431.10
Enrollment	440.00
Washington:	
Square Feet	19,500
Capacity (students)	273.70
Enrollment	278.00

High School

Lyndhurst High School:	
Square Feet	112,300
Capacity (students)	906.95
Enrollment	673.00
District Totals:	
Square Feet	238,660
Capacity (students)	2,487.45
Enrollment	2,326.00

LYNDHURST SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility (District)
(Unaudited)

<u>School Facilities</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Lyndhurst Senior High School	\$ 257,611	\$ 220,136	\$ 238,214	\$ 195,507	\$ 212,164
Columbus Elementary School	19,049	8,376	13,483	31,880	10,817
Franklin Elementary School	32,025	22,947	51,019	33,253	24,389
Jefferson Elementary School	84,430	60,240	78,532	61,590	57,534
Lincoln Elementary School	68,282	37,552	32,773	42,880	27,863
Roosevelt Elementary School	41,985	19,068	14,683	18,673	22,326
Washington Elementary School	49,594	38,291	54,374	50,314	39,641
	<u>\$ 552,976</u>	<u>\$ 406,610</u>	<u>\$ 483,078</u>	<u>\$ 434,097</u>	<u>\$ 394,734</u>

**LYNDHURST SCHOOL DISTRICT
Insurance Schedule (District)
(Unaudited)**

SCHEDULE OF YOUR CURRENT INSURANCE

PREPARED FOR:
Lyndhurst Board of Education
420 Fern Avenue
Lyndhurst, NJ 07071

POLARIS GALAXY
Risk Managers
Hasbrou
(201)727-1729 Fax (201)727-

Date Prepared: 7/20/10

COVERAGE	LIMITS	TERM	COMPANY	POLICY NUMBER	PREMIUM
COMMERCIAL PACKAGE POLICY Property Blanket Building & Contents Extra Expense Replacement Cost Agreed Amount Deductible	81,071,612 1,000	7/1/2010-11	School Alliance Insurance Fund	Master # PR-0801 Certificate # 183	\$ 115,941
CRIME COVERAGE Employee Dishonesty W/Faithful Performance Forgery & Alteration Theft, Disappearance & Destruction Inside the Premises Outside the Premises Computer Fraud Deductible	500,000 50,000 50,000 50,000 50,000 1,000	7/1/2010-11	School Alliance Insurance Fund	Certificate # 183	Included Above
FLOOD Subject to FEMA Deductible In Flood Zone "A&V" EARTHQUAKE	10,000,000 25,000,000	7/1/2010-11	School Alliance Insurance Fund	Certificate # 183	Included Above

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IMPORTANT: This is only an outline of the insurance coverage arranged through this office. It does not include all terms, coverages, exclusions, limitations and conditions in the actual contract. You must read the policy for those details.

**LYNDHURST SCHOOL DISTRICT
Insurance Schedule (District)
(Unaudited)**

SCHEDULE OF YOUR CURRENT INSURANCE

PREPARED FOR:
Lyndhurst Board of Education
420 Fern Avenue
Lyndhurst, NJ 07071

Date Prepared: 7/20/10

COVERAGE	LIMITS	TERM	COMPANY	POLICY NUMBER	PREMIUM
BOILER & MACHINERY Coverage Deductible	100,000,000 1,000	7/1/2010-11	School Alliance Insurance Fund	Certificate # 183	Included Above
GENERAL LIABILITY Each Occurrence General Aggregate Pro/Completed Oper. Personal Injury Fire Damage Medical Expense (Excludes Students) Employee Benefit Liability Aggregate(Claims Made) Deductible: Employee Benefit Sexual Molestation Limit	5,000,000 5,000,000 5,000,000 5,000,000 5,000,000 100,000 5,000 5,000,000 5,000,000 1,000 3,000,000	7/1/2010-11	School Alliance Insurance Fund	Certificate # 183	Included Above
AUTOMOBILE COVERAGE Combined Single Limit Hired/Non Owned Uninsured/Underinsured P.I.P. When Applicable Physical Damage Deductible Comprehensive Collision Garage Keepers Coverage Per Occurrence Deductible	5,000,000 5,000,000 15/30/5,000 500 500 Included in Limit 1,000	7/1/2010-11	School Alliance Insurance Fund	Certificate # 183	Included Above

IMPORTANT: This is only an outline of the insurance coverage arranged through this office. It does not include all terms, coverages, exclusions, limitations and conditions in the actual contract. You must read the policy for those details.

LYNDHURST SCHOOL DISTRICT
Insurance Schedule (District)
(Unaudited)

SCHEDULE OF YOUR CURRENT INSURANCE

PREPARED FOR:
 Lynhurst Board of Education
 420 Fern Avenue
 Lynhurst, NJ 07071

Date Prepared: 7/20/10

COVERAGE	LIMITS	TERM	COMPANY	POLICY NUMBER	PREMIUM
SCHOOL LEADERS Liability & Employment Practices Liability Each Claim/Each Insured Aggregate/Each Insured Each Claim/All Insureds Maximum Policy Agg. Retention-SLLL -EPL	5,000,000 5,000,000 10,000,000 20,000,000 25,000 25,000	7/1/2010-11	Ace American Insurance	EONG21650377-008 Cert. # 1063	Included Above
EXCESS LIABILITY Each Occurrence Aggregate Excess School Leaders E & O/Each Loss Each Policy Year	5,000,000 5,000,000	7/1/2010-11	School Alliance Insurance Fund	Certificate # 183	Included Above
EXCESS LIABILITY (CAP) Each Occurrence Aggregate	50,000,000 50,000,000	7/1/2010-11	Fireman's Fund	XTM-000-8279-6459 Certificate CAP14	Included Above
ENVIRONMENTAL Each Claim Master Policy Aggregate limit of SIR-Per Pollution Condition	1,000,000 25,000,000 10,000	7/1/2010-11	ACE	PPL G2356527 006	Incl. In Pkg.

IMPORTANT: This is only an outline of the insurance coverage arranged through this office. It does not include all terms, coverages, exclusions, limitations and conditions in the actual contract. You must read the policy for those details.

**LYNDHURST SCHOOL DISTRICT
Insurance Schedule (District)
(Unaudited)**

SCHEDULE OF YOUR CURRENT INSURANCE

PREPARED FOR:
Lynchurst Board of Education
420 Fern Avenue
Lynchurst, NJ 07071

Date Prepared: 7/20/10

COVERAGE	LIMITS	TERM	COMPANY	POLICY NUMBER	PREMIUM
AD & D Principal Sum Aggregate Limit/per accident Bus Admin/Superintendent Board Members	100,000 500,000	7/1/2010-11	Gerber Life Ins Co. Life Ins. Co. of America	BTA37350	Included Above

IMPORTANT: This is only an outline of the insurance coverage arranged through this office. It does not include all terms, coverages, exclusions, limitations and conditions in the actual contract. You must read the policy for those details.

LYNDHURST SCHOOL DISTRICT
Insurance Schedule (District)
(Unaudited)

First Indemnity of America Insurance Company
119 Littleton Road
Parsippany, NJ 07054
Phone: 973-402-1200

PUBLIC OFFICIAL BOND

Bond No. A01263

Know All Men By These Presents:

That **David DiPisa** of 760 Chase Avenue, Lyndhurst, State of New Jersey (hereinafter called the Principal) and **First Indemnity of America Insurance Company** (hereinafter called the Surety) a corporation under the laws of the State of New Jersey, with its principal office in the Town of Parsippany and the State of New Jersey are held and firmly bound unto **Lyndhurst Board of Education, 420 Fern Avenue, Lyndhurst, NJ 07071** (hereinafter called the Obligee) in the sum of **Fifty Thousand & 00/100 Dollars (\$50,000.00)** for the payment whereof to the Obligee the Principal binds himself, his heirs, executors, administrators and assigns, and the Surety binds itself, its successors and assigns, jointly and severally, firmly by these presents.

Signed, sealed, and dated this **1st** day of **July, 2011**.

Whereas the above-named Principal has been duly appointed to the office of:

School/Business Administrator for Lyndhurst Board of Education

Now, therefore, the condition of the foregoing obligation is such that if the Principal shall during the period beginning on the **1st** day of **July, 2011** and ending on the **30th** day of **June, 2012**, faithfully perform such duties as may be imposed on him by law and shall honestly account for all money that may come into his hands in his official capacity during such period, then this obligation shall be void; otherwise it shall remain in force.

DAVID DIPISA

(Witness as To the Principal)

Principal

First Indemnity of America Insurance Company

By _____
MARY JANE FUNICELLI Attorney-In-Fact



LYNDHURST SCHOOL DISTRICT
Comprehensive Annual Financial Report
Single Audit Section

Di Maria & Di Maria LLP**Accountants and Consultants**

245 Union Street
Lyndhurst, New Jersey 07644
Voice 973.779.6890
Facsimile 973.779.6891

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

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

We have audited the financial statements of the Board of Education of the Lyndhurst School District, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated December 5, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Lyndhurst Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Lyndhurst Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lyndhurst Board of Education's internal control over financial reporting.

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 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.

Di Maria & Di Maria LLP

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* (Continued)**Internal Control Over Financial Reporting (Continued)**

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to the Board of Education of the Lyndhurst School District in a separate report entitled, Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance dated December 5, 2011.

Di Maria & Di Maria LLP

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* (Continued)

This report is intended solely for the information and use of the audit committee, management, the Lyndhurst Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank Di Maria
Licensed Public School Accountant
PSA No. CS 01168

December 5, 2011

Di Maria & Di Maria LLP**Accountants and Consultants**

245 Union Street
Lyndhurst, New Jersey 07644
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Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04

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

Compliance

We have audited the compliance of the Board of Education of the Lyndhurst School District, in the County of Bergen, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Lyndhurst Board of Education's major federal and state programs for the year ended June 30, 2011. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Lyndhurst Board of Education's management. Our responsibility is to express an opinion on the Lyndhurst Board of Education's compliance based on our audit.

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; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; the audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, 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.

Di Maria & Di Maria LLP

Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04**Compliance (Continued)**

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. Our audit does not provide a legal determination of Lyndhurst Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Lyndhurst School District, in the County of Bergen, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its federal and state programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

Management of the Board of Education of the Lyndhurst School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered Lyndhurst Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, 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 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.

Di Maria & Di Maria LLP

Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04

Our consideration of the 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 compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Lyndhurst Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Lyndhurst Board of Education's response and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the audit committee, management, the Lyndhurst Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank Di Maria
Licensed Public School Accountant
PSA No. CS 01168

December 5, 2011

LYNDHURST SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Fiscal Year Ended June 30, 2011

K-3
 Schedule A

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	Local Function Number	State Aid/Grant Program Titles	State Project Number	Award Amount	Grant Period		Balance June 30, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2011	Deferred Revenue June 30, 2011	Due to Grantor at June 30, 2011
						From	To									
General Fund																
Medical Assistance Program	93.778		Special Education Medicaid Initiative	N/A	\$ 45,640	09/01/10	06/30/11	\$ -	\$ -	\$ 45,640	\$ (45,640)	\$ -	\$ -	\$ -	\$ -	\$ -
Education Jobs Fund	84.410A		Education Jobs Fund	N/A	86,927	09/01/10	06/30/11	-	-	86,927	(86,927)	-	-	-	-	-
								<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,567</u>	<u>\$ (132,567)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Special Revenue Fund																
Title I Grants to Local Educational Agencies	84.010	231	Title I, Part A	NCLB 286010	\$ 218,355	09/01/09	08/31/10	\$ (88,769)	\$ -	\$ 88,769	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Title I Grants to Local Educational Agencies	84.010	231	Title I, Part A	NCLB 286011	206,992	09/01/10	08/31/11	-	-	149,506	(206,992)	-	-	(57,486)	-	-
Improving Teacher Quality State Grants	84.367	270	Title II, Part A	NCLB 286010	68,981	09/01/09	08/31/10	(28,844)	-	28,844	-	-	-	-	-	-
Improving Teacher Quality State Grants	84.367	270	Title II, Part A	NCLB 286011	67,287	09/01/10	08/31/11	-	-	49,722	(67,287)	-	-	(17,565)	-	-
Improving Teacher Quality State Grants	84.367	271	Title II, Part D	NCLB 286010	2,225	09/01/09	08/31/10	(1,990)	-	1,990	-	-	-	-	-	-
Improving Teacher Quality State Grants	84.367	271	Title II, Part D	NCLB 286011	399	09/01/10	08/31/11	-	-	299	(399)	-	-	(100)	-	-
English Language Acquisition Grants	84.365	241	Title III	Consortium	6,704	09/01/09	08/31/10	(6,704)	-	6,704	-	-	-	-	-	-
English Language Acquisition Grants	84.365	241	Title III	Consortium	13,469	09/01/10	08/31/11	-	-	6,891	(13,469)	-	-	(6,578)	-	-
Safe and Drug-Free Schools and Communities	84.184	280	Title IV	NCLB 286010	6,061	09/01/09	08/31/10	(4,534)	-	4,534	-	-	-	-	-	-
Safe and Drug-Free Schools and Communities	84.184	280	Title IV	NCLB 286011	-	09/01/10	08/31/11	-	-	-	-	-	-	-	-	-
Special Education - Grants to States	84.027	250	I.D.E.A. Part B - Basic	IDEA 286010	578,223	09/01/09	08/31/10	(21,290)	-	21,290	-	-	-	-	-	-
Special Education - Grants to States	84.027	250	I.D.E.A. Part B - Basic	IDEA 286011	590,964	09/01/10	08/31/11	-	-	580,497	(590,964) *	-	-	(10,467)	-	-
Special Education - Grants to States	84.027	251	I.D.E.A. Part B - Preschool	IDEA 286010	23,539	09/01/09	08/31/10	(3,701)	-	3,948	(247)	-	-	-	-	-
Special Education - Grants to States	84.027	251	I.D.E.A. Part B - Preschool	IDEA 286011	24,722	09/01/10	08/31/11	-	-	24,167	(24,722)	-	-	(555)	-	-
ARRA - Title I Part A	84.389	454	ARRA - Title I Part A	N/A	72,070	09/01/09	08/31/11	(13,600)	-	13,600	-	-	-	-	-	-
ARRA - IDEA Part B	84.391	452	ARRA - IDEA Part B	N/A	557,098	09/01/09	08/31/11	(454,451)	-	454,451	-	-	-	-	-	-
ARRA - Preschool Grants	84.392	453	ARRA - Preschool Grants	N/A	20,121	09/01/09	08/31/11	(5,297)	-	5,297	-	-	-	-	-	-
								<u>Total Special Revenue Fund</u>	<u>\$ (629,180)</u>	<u>\$ -</u>	<u>\$ 1,440,509</u>	<u>\$ (904,080)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (92,751)</u>	<u>\$ -</u>
Enterprise Fund																
School Breakfast Program	10.553		School Breakfast Program	N/A	\$ 1,505	09/01/09	06/30/10	\$ (160)	\$ -	\$ 160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School Breakfast Program	10.553		School Breakfast Program	N/A	2,367	09/01/10	06/30/11	-	-	1,878	(2,367)	-	-	(489)	-	-
National School Lunch Program	10.555		National School Lunch Program	N/A	146,150	09/01/09	06/30/10	(10,655)	-	10,655	-	-	-	-	-	-
National School Lunch Program	10.555		National School Lunch Program	N/A	180,116	09/01/10	06/30/11	-	-	145,862	(180,116)	-	-	(34,254)	-	-
								<u>Total Enterprise Fund</u>	<u>\$ (10,815)</u>	<u>\$ -</u>	<u>\$ 158,555</u>	<u>\$ (182,483)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (34,743)</u>	<u>\$ -</u>
								<u>Total Federal Financial Awards</u>	<u>\$ (639,995)</u>	<u>\$ -</u>	<u>\$ 1,731,631</u>	<u>\$ (1,219,130)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (127,494)</u>	<u>\$ -</u>

* Indicates Major Program

LYNDHURST SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 For the Fiscal Year Ended June 30, 2011

K-4
 Schedule B

State Grantor / Program Title	Grant or State Project Number	Local Function Number	Award Amount	Grant Period		Balance June 30, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2011	Deferred Revenue June 30, 2011	Due to Grantor at June 30, 2011
				From	To									
General Fund														
Special Education Categorical Aid	11-495-034-5120 -089		\$ 1,031,892	09/01/10	06/30/11	\$ -	\$ -	\$ 1,031,892	\$ (1,031,892) *	\$ -	\$ -	\$ -	\$ -	\$ -
Extraordinary Special Education Costs Aid	11-100-034-5120 -473		248,503	09/01/10	06/30/11	-	-	-	(248,503)	-	-	(248,503)	-	-
Extraordinary Special Education Costs Aid	10-100-034-5120 -473		229,199	09/01/09	06/30/10	(229,199)	-	229,199	-	-	-	-	-	-
TPAF (Post Retirement Medical)	11-495-034-5095 -001		1,004,654	09/01/10	06/30/11	-	-	1,004,654	(1,004,654) *	-	-	-	-	-
TPAF (NCGI Premiums)	11-495-034-5095 -007		47,300	09/01/10	06/30/11	-	-	47,300	(47,300)	-	-	-	-	-
Social Security Tax	11-495-034-5095 -002		1,171,264	09/01/10	06/30/11	-	-	1,112,825	(1,171,264) *	-	-	(58,439)	-	-
Total General Fund						\$ (229,199)	\$ -	\$ 3,425,870	\$ (3,503,613)	\$ -	\$ -	\$ (306,942)	\$ -	\$ -
Special Revenue Fund														
N.J. Non-Public Textbook Aid	11-100-034-5120 -064	501	\$ 15,290	09/01/10	06/30/11	\$ -	\$ -	\$ 15,290	\$ (15,290)	\$ -	\$ -	\$ -	\$ -	\$ -
N.J. Non-Public Handicapped Services Aid:														
Initial Examination & Classification	11-100-034-5120 -066	507	13,387	09/01/10	06/30/11	-	-	13,387	(13,387)	-	-	-	-	-
Initial Examination & Classification	10-100-034-5120 -066	507	12,787	09/01/09	06/30/10	851	-	-	-	-	(851)	-	-	-
Annual Examination & Classification	11-100-034-5120 -066	507	3,516	09/01/10	06/30/11	-	-	3,516	(2,557)	-	-	-	-	959
Annual Examination & Classification	10-100-034-5120 -066	507	3,664	09/01/09	06/30/10	1,004	-	-	-	-	(1,004)	-	-	-
Corrective Speech	11-100-034-5120 -066	508	31,997	09/01/10	06/30/11	-	-	31,997	(27,851)	-	-	-	-	4,146
Corrective Speech	10-100-034-5120 -066	508	26,901	09/01/09	06/30/10	8,301	-	-	-	-	(8,301)	-	-	-
Supplementary Instruction	11-100-034-5120 -066	506	8,824	09/01/10	06/30/11	-	-	8,824	(6,323)	-	-	-	-	2,501
Supplementary Instruction	10-100-034-5120 -066	506	9,557	09/01/09	06/30/10	1,875	-	-	-	-	(1,875)	-	-	-
N.J. Non-Public Auxiliary Services Aid:														
Compensatory Education	11-100-034-5120 -067	502	61,707	09/01/10	06/30/11	-	-	61,707	(60,618)	-	-	-	-	1,089
ESL	11-100-034-5120 -067	503	5,977	09/01/10	06/30/11	-	-	5,977	(1,708)	-	-	-	-	4,269
ESL	10-100-034-5120 -067	503	2,936	09/01/09	06/30/10	1,312	-	-	-	-	(1,312)	-	-	-
Home Instruction	11-100-034-5120 -067	504	-	09/01/10	06/30/11	-	-	-	-	-	-	-	-	-
Home Instruction	10-100-034-5120 -067	504	1,918	09/01/09	06/30/10	(1,918)	-	1,918	-	-	-	-	-	-
N.J. Non-Public Nursing Aid	11-100-034-5120 -070	509	18,117	09/01/10	06/30/11	-	-	18,117	(18,117)	-	-	-	-	-
Total Special Revenue Fund						\$ 11,425	\$ -	\$ 160,733	\$ (145,851)	\$ -	\$ (13,343)	\$ -	\$ -	\$ 12,964
Enterprise Fund														
State School Breakfast Program	10-100-010-3350 -021		\$ 150	09/01/09	06/30/10	\$ (15)	\$ -	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State School Lunch Program	11-100-010-3350 -023		4,682	09/01/10	06/30/11	-	-	3,744	(4,682)	-	-	(938)	-	-
State School Lunch Program	10-100-010-3350 -023		6,956	09/01/09	06/30/10	(501)	-	501	-	-	-	-	-	-
Total Enterprise Fund						\$ (516)	\$ -	\$ 4,260	\$ (4,682)	\$ -	\$ -	\$ (938)	\$ -	\$ -
Total State Financial Assistance						\$ (218,290)	\$ -	\$ 3,590,863	\$ (3,654,146)	\$ -	\$ (13,343)	\$ (307,880)	\$ -	\$ 12,964

* Indicates Major Program

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
Fiscal Year Ended June 30, 2011**

Note 1 - General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Lyndhurst School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state 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 of expenditures of awards and financial assistance are presented on 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 bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3 - Relationship to General-Purpose Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June 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, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$160,098 for the general fund and \$0 for the special revenue fund. See Note 1 [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 basic financial statements on a GAAP basis as presented on the following page:

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
Fiscal Year Ended June 30, 2011**

Note 3 - Relationship to General-Purpose Financial Statements (Continued)

	Federal	State	Total
General Fund	\$ (132,567)	\$ (3,503,613)	\$ (3,636,180)
Special Revenue Fund	(904,080)	(145,851)	(1,049,931)
Debt Service Fund	-	-	-
Enterprise Fund	(182,483)	(4,682)	(187,165)
Total Awards and Financial Assistance	<u>\$ (1,219,130)</u>	<u>\$ (3,654,146)</u>	<u>\$ (4,873,276)</u>

Note 4 - Relationship to Federal and State Financial Reports

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

Note 5 - Federal and State Loans Outstanding

The District did not have any federal and state loans outstanding at of June 30, 2011.

Note 6 - Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

**LYNDHURST SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2011**

Section I -- Summary of Auditors' Results

Financial Statements

A) Type of auditors' report issued:	Unqualified	
B) Internal control over financial reporting:		
1. Material weakness(es) identified?	_____ yes	___X___ no
2. Reportable condition(s) identified that are not considered to be material weakness(es)?	_____ yes	___X___ none reported
C) Noncompliance material to financial statements noted?	_____ yes	___X___ no

**LYNDHURST SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2011**

Section I -- Summary of Auditors' Results (Continued)

Federal Awards

A) Internal control over major programs:

1. Material weakness(es) identified? _____ yes X no
2. Reportable condition(s) identified that are
not considered to be material weakness(es)? _____ yes X none reported

B) Type of auditors' report issued on compliance for major progra Unqualified

C) Any audit findings disclosed that are required
to be reported in accordance with .510(a) of Circular A-133? _____ yes X no

D) Identification of major programs:

<u>Name of Program</u>	<u>Number</u>
Special Education - Grants to States	84.027

E) Dollar threshold used to distinguish between
type A and type B programs: \$300,000

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

**LYNDHURST SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2011**

Section II -- Financial Statement Findings

There were no matters identified.

**LYNDHURST SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2011**

Section III -- Federal Awards and State Financial Assistance Findings and Questioned Costs

Current Year

Federal Awards:

There were no matters identified.

State Awards:

There were no matters identified.

**LYNDHURST SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Fiscal Year Ended June 30, 2011**

Not Applicable - No Prior Audit Findings