

**LYNDHURST SCHOOL DISTRICT
County of Bergen, New Jersey**

**Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2012
(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, 2012

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, 2012, 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, 2012.

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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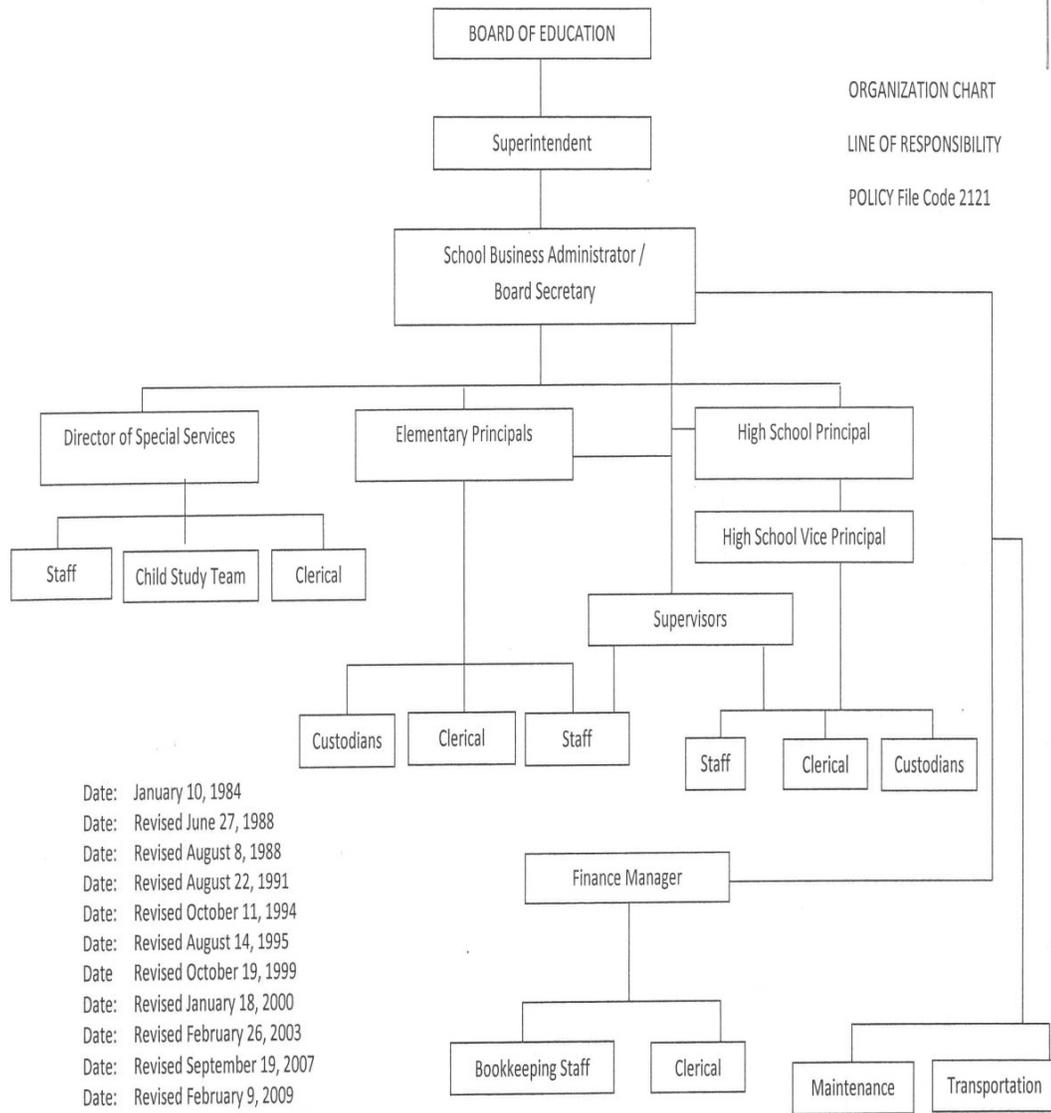
9. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial 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, 2012



- 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, 2012

<u>Board of Education</u>	<u>Term Expires</u>
Ellen Young - President	2012
Ronald Grillo - Vice President	2012
Annie Rowe	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, 2012

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
Capital One Bank

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, 2012, 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 Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2012, 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, 2012 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

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

December 5, 2012

REQUIRED SUPPLEMENTAL INFORMATION - PART I

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012**

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, 2012. 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 (2011-2012) and the prior year (2010-2011) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2011-2012 fiscal year include the following:

The assets of the Lyndhurst Board of Education exceeded its liabilities at the close of the fiscal year by \$ 16,605,660 (net assets).

The District's total net assets increased \$ 343,602.

Overall district revenues were \$ 38,995,917. General revenues accounted for \$ 33,117,369 or 85% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$ 5,878,548 or 15% of total revenues.

Overall district expenses were \$ 38,652,315. Governmental activities accounted for \$ 37,928,232 or 98% of all expenses. Business-type activities accounted for \$ 724,083 or 2% of all expenses.

The school district had \$ 37,928,232 in expenses for governmental activities; only \$ 5,456,695 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$ 32,842,369 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 \$ 854,923 an increase of \$ 68,858 when compared to the previous year ending fund balance at June 30, 2011 of \$ 786,065.

The General Fund unreserved undesignated fund balance at June 30, 2012 was \$ 640,711 a decrease of \$ 38,109 when compared with the ending unreserved undesignated fund balance at June 30, 2011 of \$ 678,820.

The General Fund unreserved, undesignated budgetary fund balance at June 30, 2012 was \$ 756,592 which represents an increase of \$ 35,143 when compared to the ending fund balance at June 30, 2011 of \$ 721,449.

**LYNDHURST BOARD OF EDUCATION
LYNDHURST, NEW JERSEY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012**

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.

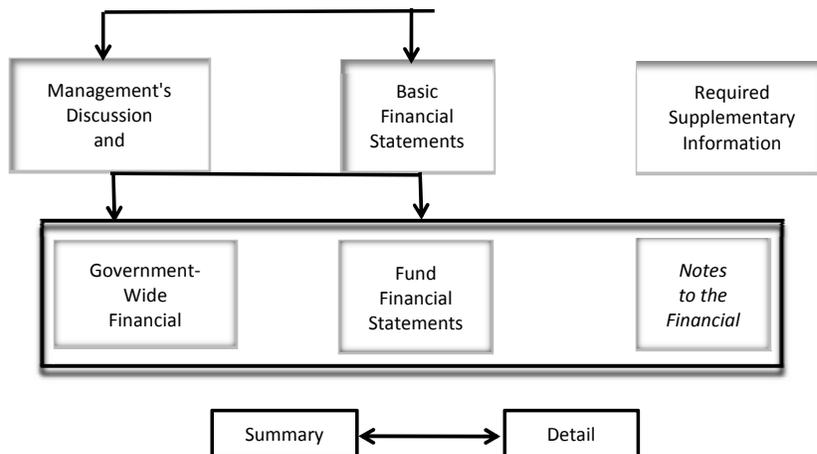
The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

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, 2012**

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, 2012**

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, 2012**

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 \$ 16,605,660 as of June 30, 2012 and \$ 16,262,058 as of June 30, 2011.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012**

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, 2012 and 2011**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current Assets	\$ 1,228,543	\$ 1,062,082	\$ 38,174	\$ 99,093	\$ 1,266,717	\$ 1,161,175
Capital Assets	22,767,883	22,942,883	-	-	22,767,883	22,942,883
Total Assets	23,996,426	24,004,965	38,174	99,093	24,034,600	24,104,058
Long-Term Liabilities	6,585,032	7,067,006	-	-	6,585,032	7,067,006
Other Liabilities	813,620	711,017	-	63,977	813,620	774,994
Total Liabilities	7,398,652	7,778,023	\$ -	\$ 63,977	7,398,652	7,842,000
Net Assets						
Invested in capital assets, net of related debt	19,077,883	18,952,883	-	-	19,077,883	18,952,883
Restricted	214,212	107,245	-	-	214,212	107,245
Unrestricted (Deficit)	(2,694,321)	(2,833,186)	7,886	35,116	(2,686,435)	(2,798,070)
Total Net Assets	\$ 16,597,774	\$ 16,226,942	\$ 7,886	\$ 35,116	\$ 16,605,660	\$ 16,262,058

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, 2012**

**Change in Net Assets
For The Years Ended June 30, 2012 and 2011**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues						
Program Revenues						
Charges for Services	\$ -	\$ -	\$ 211,839	\$ 441,513	\$ 211,839	\$ 441,513
Operating Grants and Contributions	5,456,695	4,845,962	210,014	188,091	5,666,709	5,034,053
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues						
Property Taxes	32,684,721	31,807,753	-	-	32,684,721	31,807,753
State and Federal Aid	260,295	-	-	-	260,295	-
Other	172,353	451,073	-	-	172,353	451,073
Transfers	(275,000)	(336,800)	275,000	276,000	-	(60,800)
Total Revenues	38,299,064	36,767,988	696,853	905,604	38,995,917	37,673,592
Expenses						
Instruction						
Regular	10,850,650	10,258,383	-	-	10,850,650	10,258,383
Special Education	3,041,577	2,883,630	-	-	3,041,577	2,883,630
Basic Skills/Remedial	526,616	497,055	-	-	526,616	497,055
Bilingual	114,718	116,590	-	-	114,718	116,590
School Sponsored Activities & Athletics	692,043	601,361	-	-	692,043	601,361
Alternative Education Program	-	500	-	-	-	500
Undistributed Expenditures						
Instruction	3,072,615	3,330,268	-	-	3,072,615	3,330,268
Attendance and Social Work	86,298	32,735	-	-	86,298	32,735
Health Services	553,887	540,898	-	-	553,887	540,898
Students Related Services	588,084	700,532	-	-	588,084	700,532
Students - Extraordinary	15,756	15,176	-	-	15,756	15,176
Students - Regular	716,975	750,127	-	-	716,975	750,127
Students - Special	649,348	638,771	-	-	649,348	638,771
Improvement of Instructional Services	838,522	817,590	-	-	838,522	817,590
Educational Media	-	-	-	-	-	-
Services/School Library	118,927	110,475	-	-	118,927	110,475
Instructional Staff Training Services	44,530	68,401	-	-	44,530	68,401
General Administration	1,014,482	993,483	-	-	1,014,482	993,483
School Administration	1,611,203	1,500,106	-	-	1,611,203	1,500,106
Central Services	628,389	484,777	-	-	628,389	484,777
Required Maintenance for School Facilities	737,504	552,976	-	-	737,504	552,976
Custodial Services	1,826,736	1,785,479	-	-	1,826,736	1,785,479
Care & Upkeep of Grounds	54,083	13,715	-	-	54,083	13,715
Security	34,934	36,705	-	-	34,934	36,705
Student Transportation	663,149	839,842	-	-	663,149	839,842
Unallocated Employee Benefits	6,107,637	5,718,235	-	-	6,107,637	5,718,235
TPAF Pension	1,473,058	1,051,954	-	-	1,473,058	1,051,954
TPAF Social Security	1,211,608	1,171,264	-	-	1,211,608	1,171,264
Capital Outlay						
Interest Deposit to Capital Reserve	-	-	-	-	-	-
Equipment	193,000	75,000	-	-	193,000	75,000
Facilities Acquisition and Construction Services	169,719	308,000	-	-	169,719	308,000
Charter Schools	55,086	1,157	-	-	55,086	1,157
Debt Service						
Interest on Early Retirement Bonds	58,058	63,973	-	-	58,058	63,973
Interest on Bonds	179,040	192,840	-	-	179,040	192,840
Food Services	-	-	689,129	668,626	689,129	668,626
Before/After Child Care	-	-	34,954	218,796	34,954	218,796

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012**

Total Expenses	37,928,232	36,151,998	724,083	887,422	38,652,315	37,039,420
Change in Net Assets	370,832	615,990	(27,230)	18,182	343,602	634,172
Net Assets, Beginning of Year	16,226,942	15,610,952	35,116	16,934	16,262,058	15,627,886
Net Assets, End of Year	\$ 16,597,774	\$ 16,226,942	\$ 7,886	\$ 35,116	\$ 16,605,660	\$ 16,262,058

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012**

Governmental Activities - The District's total governmental activities' revenues, which includes State and Federal grants, were \$ 38,574,064 and \$ 37,104,788 for the years ended June 30, 2012 and June 30, 2011, respectively. Property taxes of \$ 32,684,721 and \$ 31,807,753 represented 85% and 86% of the revenues for the fiscal years ended June 30, 2012 and 2011, respectively. Another significant portion of revenues came from state aid; total state, federal and local aid and grants was \$ 5,716,990 and \$ 4,845,962 which represented 15% and 14% of the revenues for the fiscal years ended June 30, 2012 and 2011, 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 \$ 38,505,206 and \$ 36,969,859 for the years ended June 30, 2012 and 2011. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$ 15,225,604 and \$ 14,357,519 (40% and 39%) of total expenditures for the fiscal years ended June 30, 2012 and 2011, respectively. Support services, totaled \$ 23,279,602 and \$ 22,612,340 (60% and 61%) of total expenditures.

Total governmental activities for the year ended June 30, 2012 exceeded expenses, increasing net assets by \$ 343,858 over the previous year from \$ 786,065 at June 30, 2011 to \$ 854,923 at June 30, 2012.

The cost of all *governmental activities* this year was \$ 38,505,206 an increase of \$ 1,535,347 (4%) over the previous year.

Federal and state governments subsidized certain programs with operating and capital grants and contributions of \$ 5,716,990 an increase of \$ 871,028. The District also realized increases in Federal and State aid for operating grants and contributions of \$ 610,733 (13%).

District's costs in the amount of \$ 32,684,721, were provided from property taxes, an increase of \$ 876,968 (3%). This increase was a result of more property taxes levied due to increases in District operating costs.

District's costs in the amount of \$ 260,295 were provided from unrestricted federal and state aid an increase of \$ 260,295 (100%). The increase was the result of an increase in unrestricted State Aid allocated to most New Jersey Districts.

Other general revenues totaling \$ 172,353 were provided from miscellaneous local sources, a decrease of \$ 278,720.

For the most part, increases in expenses for 2012 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, 2012**

Net Cost of Governmental Activities - The District's total cost of services were \$ 37,928,232 and \$36,151,998 for the fiscal years ended June 30, 2012 and 2011, respectively. After applying program revenues, derived from charges for services and operating grants and contributions of \$ 5,456,695 and \$ 4,845,962 and capital grants and contribution of \$ 0 and \$ 0, for the years ended June 30, 2012 and 2011, respectively; the net cost of services of the District were \$ 32,471,537 and \$ 31,306,036 for the fiscal years ended June 30, 2012 and 2011, respectively.

	Total and Net Cost of Governmental Activities			
	Program Revenues		Net (Expense) Revenue of Services	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Instruction				
Regular	\$ 496,874	\$ 433,998	\$ (10,353,776)	\$ (9,824,385)
Special Education	2,275,155	2,056,179	(766,422)	(827,451)
Basic Skills	-	-	(526,616)	(497,055)
Bilingual	-	-	(114,718)	(116,590)
School Sponsored Activities & Athletics	-	-	(692,043)	(601,361)
Alternative Education Program	-	-	-	(500)
Undistributed Expenditures				
Instruction	-	-	(3,072,615)	(3,330,268)
Attendance and Social Work Services	-	-	(86,298)	(32,735)
Health Services	-	-	(553,887)	(540,898)
Students Related Services	-	-	(588,084)	(700,532)
Students - Extraordinary	-	-	(15,756)	(15,176)
Students - Regular	-	-	(716,975)	(750,127)
Students - Special	-	-	(649,348)	(638,771)
Improvement of Instructional Services	-	-	(838,522)	(817,590)
Educational Media Services/School Library	-	-	(118,927)	(110,475)
Instructional Staff Training Services	-	-	(44,530)	(68,401)
General Administration	-	-	(1,014,482)	(993,483)
School Administration	-	-	(1,611,203)	(1,500,106)
Central Services	-	-	(628,389)	(484,777)
Required Maintenance for School Facilities	-	-	(737,504)	(552,976)
Custodial Services	-	-	(1,826,736)	(1,785,479)
Care & Upkeep of Grounds	-	-	(54,083)	(13,715)
Security	-	-	(34,934)	(36,705)
Student Transportation	-	-	(663,149)	(839,842)
Allocated and Unallocated Employee Benefits	-	132,567	(6,107,637)	(5,585,668)
TPAF Pension	1,473,058	1,051,954	-	-
TPAF Social Security	1,211,608	1,171,264	-	-
Capital Outlay				
Interest Deposit to Capital Reserve	-	-		
Equipment	-	-	(193,000)	(75,000)
Facilities Acquisition and Construction Services	-	-	(169,719)	(308,000)
Charter Schools	-	-	(55,086)	(1,157)
Debt Service				
Interest on Early Retirement Bonds	-	-	(58,058)	(63,973)
Interest on Bonds	-	-	(179,040)	(192,840)
Total	\$ 5,456,695	\$ 4,845,962	\$ (32,471,537)	\$ (31,306,036)

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012**

Business-Type-Activities - The District's total business-type activities revenues were \$ 421,853 and \$ 629,604 for the years ended June 30, 2012 and June 30, 2011. Charges for services accounted for 50% and 70% of total revenues and operating grants and contributions accounted for 50% and 30% of total revenue for the years ended June 30, 2012 and 2011. There were no capital grants received for years ended June 30, 2012 or 2011.

The total cost of all business-type activities programs and services were \$ 724,083 and \$ 887,422 for the years ended June 30, 2012 and 2011. 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, 2012 did not surpass expenses, decreasing net assets by \$ 27,230 below the previous year from \$ 35,116 at June 30, 2011 to \$ 7,886 at June 30, 2012. The cost of business-type activities this year was \$ 724,083, a decrease of \$ 163,339 (18%) from the previous year.

Some of the cost was paid by users of the District's food service and Before/After School care program for a total of \$ 211,839, a decrease of \$ 229,674 (52%).

The Federal and State governments subsidized the food service program with grants and contributions of \$ 210,014, an increase of \$ 22,013 (12%).

The net decreases in expenses reflected the increased cost of sales (i.e., food and supply costs) associated with higher food prices net of the reduction of costs of the Before and After school care program due to its discontinuation in FY2012.

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 \$ 854,923 for the year ended June 30, 2012 compared to a fund balance of \$ 786,065 for the year ended June 30, 2011, an increase in the balance of \$68,858 for the year.

Revenues for the District's governmental funds were \$ 38,574,064 and \$ 37,104,788, while total expenses were \$ 38,505,206 and \$ 36,969,859 for the fiscal years ended June 30, 2012 and 2011, respectively.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012**

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, 2012 and 2011:

	June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2012</u>	<u>2011</u>		
Local Sources				
Property Tax Levy	\$ 32,012,623	\$ 31,120,940	\$ 891,683	3%
Miscellaneous	172,353	451,073	(278,720)	-62%
State Sources	4,531,276	3,663,711	867,565	24%
Federal Sources	37,771	132,567	(94,796)	-72%
Total General Fund Revenues	<u>\$ 36,754,023</u>	<u>\$ 35,368,291</u>	<u>\$ 1,385,732</u>	4%

Local property taxes increased by \$ 891,683 or 3% over the previous year. State aid revenues increased \$ 867,565, 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, 2012 and 2011:

	June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2011</u>	<u>2010</u>		
Instruction	\$ 14,077,661	\$ 13,307,835	\$ 769,826	6%
Support Services	22,089,699	21,379,570	710,129	3%
Debt Services	-	-	-	N/A
Charter Schools	55,086	1,157	53,929	100%
Capital Outlay	187,719	158,895	28,824	18%
Total Expenditures	<u>\$ 36,410,165</u>	<u>\$ 34,847,457</u>	<u>\$ 1,562,708</u>	4%

Total General Fund expenditures increased \$ 1,562,708 or 4% 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, 2012**

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 \$ 1,147,943 and \$ 1,049,684 for the years ended June 30, 2012 and 2011. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 85% and 86% of the total revenues for the years ended June 30, 2012 and 2011.

Total Special Revenue Fund revenues increased \$ 98,259 or 9% from the previous year. State sources increased \$ 21,379 or 15% and Federal sources increased by \$ 76,880 or 9%.

Expenditures of the Special Revenue Fund were \$ 1,147,943 and \$ 1,049,684 for the fiscal years ended June 30, 2012 and 2011. Instructional expenditures were \$ 1,147,943 and \$ 1,049,684 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, 2012 and 2011, 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, 2012**

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

General Fund budgetary revenues exceeded General Fund budgetary and other financing uses increasing budgetary fund balance \$ 142,110 from the previous year. After deducting statutory reserves and designations, the unreserved/undesignated budgetary fund balance increased \$ 35,143 from a \$ 721,449 balance at June 30, 2011 to a \$ 756,592 fund balance at June 30, 2012.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2012 and 2011 amounted to \$ 22,767,883 and \$ 22,942,883 (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 2011-2012 and 2010-2011 amounted to \$ 175,000 and \$ 175,000 for governmental activities and \$ 0 and \$ 0 for business-type activities.

Capital Assets at June 30, 2012 and 2011
(Net of Accumulated Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land and Land Improvements	\$ 9,342,900	\$ 9,342,900	\$ -	\$ -	\$ 9,342,900	\$ 9,342,900
Building and Building Improvements	13,220,664	13,320,664	-	-	13,220,664	13,320,664
Machinery and Equipment	204,319	279,319	-	-	204,319	279,319
Construction in Progress	-	-	-	-	-	-
Total Net Assets	\$ 22,767,883	\$ 22,942,883	\$ -	\$ -	\$ 22,767,883	\$ 22,942,883

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

LONG TERM LIABILITIES

At June 30, 2012 and 2011, the District's long-term liabilities consisted of bonds payable of \$ 4,675,000 and \$ 5,110,000, and compensated absences payable of \$ 2,350,032 and \$ 2,392,006, 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, 2012**

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 2012 - 2013 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**

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash	\$ 900,283	\$ 22,285	\$ 922,568
Receivables, (Net)	328,260	15,889	344,149
Capital Assets, (Net)	22,767,883	-	22,767,883
Total Assets	\$ 23,996,426	\$ 38,174	\$ 24,034,600
<u>LIABILITIES</u>			
Accounts Payable	\$ 373,620	\$ 30,288	\$ 403,908
Non-Current Liabilities:			
Due Within One Year	440,000	-	440,000
Due Beyond One Year	6,585,032	-	6,585,032
Total liabilities	\$ 7,398,652	\$ 30,288	\$ 7,428,940
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 19,077,883	\$ -	\$ 19,077,883
Restricted for:			
Other Purposes	214,212	-	214,212
Unrestricted	(2,694,321)	7,886	(2,686,435)
Total Net Assets	\$ 16,597,774	\$ 7,886	\$ 16,605,660

LYNDHURST SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2012

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	\$ 10,850,650	\$ -	\$ -	\$ 10,850,650	\$ -	\$ 496,874	\$ -	\$ 496,874	\$ (10,353,776)	\$ -	\$ (10,353,776)
Special Education - Instruction	3,041,577	-	-	3,041,577	-	2,275,155	-	2,275,155	(766,422)	-	(766,422)
Basic Skills - Remedial Instruction	526,616	-	-	526,616	-	-	-	-	(526,616)	-	(526,616)
Bilingual Education - Instruction	114,718	-	-	114,718	-	-	-	-	(114,718)	-	(114,718)
School Sponsored Cocurricular Activities - Instruction	158,099	-	-	158,099	-	-	-	-	(158,099)	-	(158,099)
School Sponsored Athletics - Instruction	533,944	-	-	533,944	-	-	-	-	(533,944)	-	(533,944)
Alternative Education Program	-	-	-	-	-	-	-	-	-	-	-
Undistributed Expenditures:											
Instruction	3,072,615	-	-	3,072,615	-	-	-	-	(3,072,615)	-	(3,072,615)
Attendance and Social Work Services	86,298	-	-	86,298	-	-	-	-	(86,298)	-	(86,298)
Health Services	553,887	-	-	553,887	-	-	-	-	(553,887)	-	(553,887)
Other Support Services - Students Related Services	588,084	-	-	588,084	-	-	-	-	(588,084)	-	(588,084)
Other Support Services - Students Extraordinary Services	15,756	-	-	15,756	-	-	-	-	(15,756)	-	(15,756)
Other Support Services - Students Regular	716,975	-	-	716,975	-	-	-	-	(716,975)	-	(716,975)
Other Support Services - Students Special	649,348	-	-	649,348	-	-	-	-	(649,348)	-	(649,348)
Improvement of Instructional Services	838,522	-	-	838,522	-	-	-	-	(838,522)	-	(838,522)
Educational Media Services/School Library	118,927	-	-	118,927	-	-	-	-	(118,927)	-	(118,927)
Instructional Staff Training Services	44,530	-	-	44,530	-	-	-	-	(44,530)	-	(44,530)
Support Services - General Administration	1,014,482	-	-	1,014,482	-	-	-	-	(1,014,482)	-	(1,014,482)
Support Services - School Administration	1,611,203	-	-	1,611,203	-	-	-	-	(1,611,203)	-	(1,611,203)
Central Services	628,389	-	-	628,389	-	-	-	-	(628,389)	-	(628,389)
Required Maintenance for School Facilities	737,504	-	-	737,504	-	-	-	-	(737,504)	-	(737,504)
Custodial Services	1,826,736	-	-	1,826,736	-	-	-	-	(1,826,736)	-	(1,826,736)
Care & Upkeep of Grounds	54,083	-	-	54,083	-	-	-	-	(54,083)	-	(54,083)
Security	34,934	-	-	34,934	-	-	-	-	(34,934)	-	(34,934)
Student Transportation Services	663,149	-	-	663,149	-	-	-	-	(663,149)	-	(663,149)
Allocated and Unallocated Employee Benefits	6,149,611	(41,974)	-	6,107,637	-	-	-	-	(6,107,637)	-	(6,107,637)
TPAF Pension	1,473,058	-	-	1,473,058	-	1,473,058	-	1,473,058	-	-	-
TPAF Social Security	1,211,608	-	-	1,211,608	-	1,211,608	-	1,211,608	-	-	-
Capital Outlay											
Equipment	118,000	-	75,000	193,000	-	-	-	-	(193,000)	-	(193,000)
Facilities Acquisition and Construction Services	69,719	-	100,000	169,719	-	-	-	-	(169,719)	-	(169,719)
Charter Schools	55,086	-	-	55,086	-	-	-	-	(55,086)	-	(55,086)
Debt Service:											
Interest on Early Retirement Bonds	58,058	-	-	58,058	-	-	-	-	(58,058)	-	(58,058)
Redemption of Principal - Early Retirement Bonds	135,000	(135,000)	-	-	-	-	-	-	-	-	-
Interest on Bonds	179,040	-	-	179,040	-	-	-	-	(179,040)	-	(179,040)
Redemption of Principal	300,000	(300,000)	-	-	-	-	-	-	-	-	-
Total Governmental Activities	\$ 38,230,206	\$ (476,974)	\$ 175,000	\$ 37,928,232	\$ -	\$ 5,456,695	\$ -	\$ 5,456,695	\$ (32,471,537)	\$ -	\$ (32,471,537)
Business-Type Activities:											
Food Service	\$ 689,129	\$ -	\$ -	\$ 689,129	\$ 211,839	\$ 210,014	\$ -	\$ 421,853	\$ -	\$ (267,276)	\$ (267,276)
Before/After School Child Care	34,954	-	-	34,954	-	-	-	-	-	(34,954)	(34,954)
Total Business-Type Activities	\$ 724,083	\$ -	\$ -	\$ 724,083	\$ 211,839	\$ 210,014	\$ -	\$ 421,853	\$ -	\$ (302,230)	\$ (302,230)
Total Primary Government	\$ 38,954,289	\$ (476,974)	\$ 175,000	\$ 38,652,315	\$ 211,839	\$ 5,666,709	\$ -	\$ 5,878,548	\$ (32,471,537)	\$ (302,230)	\$ (32,773,767)
General Revenues:											
Local Tax Levy									32,684,721	-	32,684,721
Unrestricted Miscellaneous Revenues									172,353	-	172,353
Equalization State Aid									260,295	-	260,295
Transfers									(275,000)	275,000	-
Change in Net Assets									\$ 370,832	\$ (27,230)	\$ 343,602
Net Assets—Beginning									16,226,942	35,116	16,262,058
Net Assets—Ending									\$ 16,597,774	\$ 7,886	\$ 16,605,660

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

SECTION "B" - FUND FINANCIAL STATEMENTS

LYNDHURST SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
ASSETS					
Cash	\$ 884,899	\$ 15,384	\$ -	\$ -	\$ 900,283
Intergovernmental Receivable:					
Federal	-	16,572	-	-	16,572
State	311,688	-	-	-	311,688
Total Assets	<u>\$ 1,196,587</u>	<u>\$ 31,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,228,543</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 341,664	\$ 7,645	\$ -	\$ -	\$ 349,309
Intergovernmental Payable:					
State	-	18,034	-	-	18,034
Deferred Revenue	-	6,277	-	-	6,277
Total Liabilities	<u>\$ 341,664</u>	<u>\$ 31,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373,620</u>
Fund Balances:					
Reserve for Encumbrances	\$ 143,000	\$ -	\$ -	\$ -	\$ 143,000
Excess Surplus from FY2011	-	-	-	-	-
Designated for					
Subsequent Years' Expenditures	71,212	-	-	-	71,212
Undesignated	640,711	-	-	-	640,711
Total Fund Balances	<u>\$ 854,923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 854,923</u>
Total Liabilities and Fund Balances	<u>\$ 1,196,587</u>	<u>\$ 31,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,228,543</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. \$ 22,767,883

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. (7,025,032)

Net assets of governmental activities \$ 16,597,774

LYNDHURST SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
REVENUES					
Local Sources:					
Local Tax Levy	\$ 32,012,623	\$ -	\$ -	\$ 672,098	\$ 32,684,721
Unrestricted Miscellaneous Revenues	172,353	-	-	-	172,353
Total Local Sources	\$ 32,184,976	\$ -	\$ -	\$ 672,098	\$ 32,857,074
State Sources	4,531,276	167,230	-	-	4,698,506
Federal Sources	37,771	980,713	-	-	1,018,484
Total Revenues	\$ 36,754,023	\$ 1,147,943	\$ -	\$ 672,098	\$ 38,574,064
EXPENDITURES					
Current Expense:					
Instruction:					
Regular Programs	\$ 10,391,547	\$ 459,103	\$ -	\$ -	\$ 10,850,650
Regular Programs - Special Education	2,352,737	688,840	-	-	3,041,577
Basic Skills - Remedial	526,616	-	-	-	526,616
Bilingual Education	114,718	-	-	-	114,718
School Sponsored Cocurricular Activities	158,099	-	-	-	158,099
School Sponsored Athletics	533,944	-	-	-	533,944
Alternative Education Program	-	-	-	-	-
Undistributed Expenditures:					
Instruction	3,072,615	-	-	-	3,072,615
Attendance and Social Work Services	86,298	-	-	-	86,298
Health Services	553,887	-	-	-	553,887
Other Support Services - Students Related Services	588,084	-	-	-	588,084
Other Support Services - Students Extraordinary Services	15,756	-	-	-	15,756
Other Support Services - Students Regular	716,975	-	-	-	716,975
Other Support Services - Students Special	649,348	-	-	-	649,348
Improvement of Instructional Services	838,522	-	-	-	838,522
Educational Media Services/School Library	118,927	-	-	-	118,927
Instructional Staff Training Services	44,530	-	-	-	44,530
Support Services - General Administration	1,014,482	-	-	-	1,014,482
Support Services - School Administration	1,611,203	-	-	-	1,611,203
Central Services	628,389	-	-	-	628,389
Required Maintenance for School Facilities	737,504	-	-	-	737,504
Custodial Services	1,826,736	-	-	-	1,826,736
Care & Upkeep of Grounds	54,083	-	-	-	54,083
Security	34,934	-	-	-	34,934
Student Transportation Services	663,149	-	-	-	663,149
Allocated and Unallocated Employee Benefits	6,149,611	-	-	-	6,149,611
TPAF Pension	1,473,058	-	-	-	1,473,058
TPAF Social Security	1,211,608	-	-	-	1,211,608
Capital Outlay:					
Equipment	118,000	-	-	-	118,000
Facilities Acquisition and Construction Services	69,719	-	-	-	69,719
Charter Schools	55,086	-	-	-	55,086
Debt Service:					
Interest on Early Retirement Bonds	-	-	-	58,058	58,058
Redemption of Principal - Early Retirement Bonds	-	-	-	135,000	135,000
Interest on Bonds	-	-	-	179,040	179,040
Redemption of Principal	-	-	-	300,000	300,000
Total Expenditures	\$ 36,410,165	\$ 1,147,943	\$ -	\$ 672,098	\$ 38,230,206
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 343,858	\$ -	\$ -	\$ -	\$ 343,858
OTHER FINANCING SOURCES (USES)					
Operating Transfers	(275,000)	-	-	-	(275,000)
Net Change In Fund Balances	\$ 68,858	\$ -	\$ -	\$ -	\$ 68,858
Fund Balances - July 1	786,065	-	-	-	786,065
Fund Balances - June 30	\$ 854,923	\$ -	\$ -	\$ -	\$ 854,923

**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, 2012**

Total Net Change in Fund Balances - Governmental Funds (B-2)	\$ 68,858
Amounts reported for governmental activities in the statement	
Investment Earnings	
<p>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.</p>	
Depreciation Expense	(175,000)
Capital Outlays	-
<p>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.</p>	435,000
Employee Benefits	41,974
Change in net assets of governmental activities	<u>\$ 370,832</u>

**LYNDHURST SCHOOL DISTRICT
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF NET ASSETS
 AS OF JUNE 30, 2012**

	<u>Business-Type Activities</u> <u>Enterprise Funds</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 22,285
Intergovernmental Receivable:	
State	366
Federal	14,528
Accounts Receivable	995
Total Assets	<u>\$ 38,174</u>
<u>LIABILITIES</u>	
Accounts Payable	<u>\$ 30,288</u>
<u>NET ASSETS</u>	
Unrestricted	<u>\$ 7,886</u>

**LYNDHURST SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Business-Type Activities</u>
	<u>Enterprise Funds</u>
<u>OPERATING REVENUES</u>	
Charges for Services:	
Sales	\$ 210,014
<u>OPERATING EXPENSES</u>	
Salaries	\$ 274,475
Support Services - Employee Benefits	22,995
Purchased Property Services	-
Other Purchased Services	426,613
Supplies & Materials	-
Miscellaneous	-
	<u>\$ 724,083</u>
Operating Income (Loss)	<u>\$ (514,069)</u>
<u>NON-OPERATING REVENUES</u>	
Local Sources:	
Interest on Investments	\$ 205
State Sources:	
School Lunch Program	5,399
Federal Sources:	
School Breakfast Program	2,148
School Lunch Program	204,087
	<u>\$ 211,839</u>
Income (Loss) Before Other Financing Sources (Uses)	\$ (302,230)
Other Financing Sources (Uses):	
Operating Transfers	<u>\$ 275,000</u>
Change in Net Assets	\$ (27,230)
Total Net Assets - Beginning	35,116
Total Net Assets - Ending	<u><u>\$ 7,886</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, 2012**

	<u>Business-Type Activities</u> <u>Enterprise Funds</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash Receipts from Sales	\$ 210,652
Payments for Operating Expenses	<u>(757,772)</u>
	<u>\$ (547,120)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Cash Flows from Local, State and Federal Reimbursements	<u>\$ 507,626</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Purchase of Capital Assets	<u>\$ -</u>
Net Increase/(Decrease) in Cash	<u>\$ (39,494)</u>
Cash, July 1	<u>61,779</u>
Cash, June 30	<u><u>\$ 22,285</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (514,069)
Adjustments to Reconcile Operating Income (Loss) to Net Cash (Used for) Operating Activities:	
(Increase) Decrease in Accounts Receivable	638
Increase (Decrease) in Accounts Payable	<u>(33,689)</u>
Net Cash Provided by (Used For) Operating Activities	<u><u>\$ (547,120)</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, 2012**

ASSETS

Cash \$ 1,362,108

LIABILITIES

Due to Student Groups \$ 229,989
Payroll, Deductions and Withholdings Payable 1,058,818

Total Liabilities \$ 1,288,807

NET ASSETS

Held in Trust for Scholarships \$ 73,301

**LYNDHURST SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

ADDITIONS

Earnings on Investments	\$ 308
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DEDUCTIONS

Scholarships	\$ -
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Change in Net Assets	\$ 308
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Net Assets - Beginning	72,993
------------------------	--------

Net Assets - Ending	<u>\$ 73,301</u>
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**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2012**

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, 2012

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, 2012

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, 2012.

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, 2012

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, 2012

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, 2012, the amount earned by these employees but not disbursed was \$857,542.

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, 2012

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, 2012, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash</u>	<u>Investments</u>
Checking/Money Market Accounts - Governmental Funds	\$ 900,283	\$ -
Checking/Money Market Accounts - Proprietary Funds	22,285	-
Checking/Money Market Accounts - Fiduciary Funds	1,362,108	-
	<u>\$ 2,284,676</u>	<u>\$ -</u>

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

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, 2012:

	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	(5,745,450)	(100,000)	-	-	(5,845,450)
Machinery and Equipment	(952,241)	(75,000)	-	-	(1,027,241)
	<u>\$ (6,697,691)</u>	<u>\$ (175,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,872,691)</u>
Net Assets for Governmental Activities	<u>\$ 22,942,883</u>	<u>\$ (175,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,767,883</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, 2012**

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, 2012, 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, 2012

Note 5 - Long-Term Debt

During the fiscal year ended June 30, 2012, the following changes occurred in liabilities reported as general long-term debt:

	Beginning Balance	Issued	Retired	Adjustments	Ending Balance
Bonds Payable	\$ 5,110,000	\$ -	\$ (435,000)	\$ -	\$ 4,675,000
Compensated Absences Payable	2,392,006	160,864	(202,838)	-	2,350,032
	<u>\$ 7,502,006</u>	<u>\$ 160,864</u>	<u>\$ (637,838)</u>	<u>\$ -</u>	<u>\$ 7,025,032</u>

	Amounts Due within One Year	Long-Term Portion	Ending Balance
Bonds Payable	\$ 440,000	\$ 4,235,000	\$ 4,675,000
Compensated Absences Payable	-	2,350,032	2,350,032
	<u>\$ 440,000</u>	<u>\$ 6,585,032</u>	<u>\$ 7,025,032</u>

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

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, 2012, the Board had \$4,675,000 of bonds payable. As of June 30, 2012, 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, 2012, 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, 2012 are as follows:

Year Ended June 30,	08/15/01 School Bonds		2003 Pension Refunding Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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>\$ 3,690,000</u>	<u>\$ 906,770</u>	<u>\$ 985,000</u>	<u>\$ 198,696</u>	<u>\$ 4,675,000</u>	<u>\$ 1,105,466</u>

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

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. 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, 2010 and 2009, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	2010	2009
State of New Jersey	1	1
County Agencies	65	65
Municipalities	580	584
School Districts	581	566
Other Public Agencies	483	484
Total	<u>1,710</u>	<u>1,700</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.

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

Note 6 - Retirement Plans (Continued)

A. 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.

For Tier 1 members, 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 adjustment (COLA) 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. The COLA increases are funded by the retirement system and are included in the annual actuarial calculations of the required state-related employer contributions. Pursuant to the provisions of Chapter 78, P.L. 2011, COLA increases are suspended for all current and future retirees of all retirement systems. No further COLA increases will be granted. The law does not reduce any COLA increases that have already been added to retiree benefits.

Significant Legislation - Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and prior to November 2, 2008 (Tier 2 members) 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. Also, this law provided that the amount of compensation for Tier 2 members used for employer and member contributions and benefits under the PERS cannot exceed the annual maximum wage contribution base for Social Security, pursuant to the Federal Insurance Contributions Act.

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 and on or before May 21, 2010 (Tier 3 members). It also increased the minimum annual compensation required for membership eligibility for new Tier 3 members from \$1,500 to \$7,500 in addition to amending the early retirement reduction formula for Tier 3 members retiring with 25 years of service to 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 PERS hired after May 21, 2010 (Tier 4 and 5 members) from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for these members of PERS to 1/60 from 1/55, and it provided that the retirement allowance for these members be calculated using the average annual compensation for the last five years of service instead of the last three years of service. Tier 4 and 5 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.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for Tier 4 and 5 members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

Note 6 - Retirement Plans (Continued)

A. Public Employees' Retirement System (PERS) (Continued)

Membership in the system consisted of the following at June 30, 2010 and 2009, the dates of the most recent actuarial valuations:

	2010	2009
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	141,973	138,619
Active Members:		
Vested	149,506	144,698
Non-Vested	159,593	172,151
Total Active Members	309,099	316,849
Total	451,072	455,468

B. Teachers' Pension and Annuity Fund (TPAF)

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.

For Tier 1 members, 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 adjustment (COLA) 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. Pursuant to the provisions of Chapter 78, P.L. 2011, COLA increases are suspended for all current and future retirees of all retirement systems. No further COLA increases will be granted. The law does not reduce any COLA increases that have already been added to retiree benefits.

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

Note 6 - Retirement Plans (Continued)

B. Teachers' Pension and Annuity Fund (TPAF) (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. Also, this law provided that for members hired on or after July 1, 2007, the amount of compensation used for employer and member contributions and benefits under the TPAF cannot exceed the annual maximum wage contribution base for Social Security, pursuant to the Federal Insurance Contributions Act.

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. It also increased the minimum annual compensation required for membership eligibility for new members and amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to 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.

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 similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

Membership in the Fund consisted of the following at June 30, 2010 and 2009 the dates of the most recent actuarial valuations:

	2010	2009
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	80,714	78,782
Active members:		
Vested	82,719	78,829
Non-vested	74,304	78,280
Total active members	157,023	157,109
Total	237,737	235,891
Contributing Employers	35	35

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

Note 6 - Retirement Plans (Continued)

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 P.L. 2003 Phase - In Credit	Chapter 19 P.L. 2009 Deferral	Non-Contributory Group Life Insurance	Net Pension Obligation
2012	\$ 316,858	\$ -	\$ 12,958	\$ 20,188	\$ 350,004
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
2012	\$ 1,473,058	100%	- (On-Behalf)
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)

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, 2011, there were 93,323 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 \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2012**

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, 2012, 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, 2012**

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, 2012**

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, 2012, the Board has not established a Capital Reserve Account.

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2012

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, 2012

Note 12 - Interfund Receivables and Payables

Interfund balances as of June 30 were as follows:

	2012		2011	
	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, 2012

Note 13 - Retained Earnings - Enterprise Funds

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

	<u>2012</u>	<u>2011</u>
Retained Earnings	<u>\$ 7,886</u>	<u>\$ 35,116</u>

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2012

Note 14 - Fund Balance Analysis

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

	<u>2012</u>	<u>2011</u>
Reserve for Encumbrances	\$ 143,000	\$ 662
Excess Surplus from FY2011	-	71,212
Designated for Subsequent Years' Expenditures	71,212	35,371
Undesignated	640,711	678,820
	<u>\$ 854,923</u>	<u>\$ 786,065</u>

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2012

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>2012</u>	<u>2011</u>
Excess Fund Balance	<u>\$ -</u>	<u>\$ 71,212</u>

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2012

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

	<u>2012</u>	<u>2011</u>
Total Fund Balance, June 30 - Budgetary Basis	\$ 970,804	\$ 828,694
Less: Final Delayed State Aid Payment(s)	(115,881)	(42,629)
Total Fund Balance, June 30 - GAAP Basis	<u>\$ 854,923</u>	<u>\$ 786,065</u>

LYNDHURST SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2012

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, 2012**

Note 18 - Subsequent Events

We have evaluated subsequent events through December 5, 2012, 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, 2012

	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	\$ 32,012,623	\$ -	\$ -	\$ -	\$ 32,012,623	\$ 32,012,623	\$ -	
Unrestricted Miscellaneous Revenues	10-1xxx	103,375	-	-	-	103,375	172,353	68,978	
Total Local Sources		\$ 32,115,998	\$ -	\$ -	\$ -	\$ 32,115,998	\$ 32,184,976	\$ 68,978	
State Sources:									
Equalization Aid	10-3176	\$ 333,547	\$ -	\$ -	\$ -	\$ 333,547	\$ 333,547	\$ -	
Categorical Special Education Aid	10-3132	1,335,538	-	-	-	1,335,538	1,335,538	-	
Extraordinary Special Education Costs Aid	10-3131	100,000	-	-	-	100,000	250,777	150,777	
TPAF Pension (On-Behalf - Non-Budgeted)		-	-	-	-	-	1,473,058	1,473,058	
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	-	-	1,211,608	1,211,608	
Total State Sources		\$ 1,769,085	\$ -	\$ -	\$ -	\$ 1,769,085	\$ 4,604,528	\$ 2,835,443	
Federal Sources:									
Medicaid Reimbursement	10-4200	\$ 33,107	\$ -	\$ -	\$ -	\$ 33,107	\$ 35,048	\$ 1,941	
Education Jobs Fund	18-4522	-	2,723	-	-	2,723	2,723	-	
		\$ 33,107	\$ 2,723	\$ -	\$ -	\$ 35,830	\$ 37,771	\$ 1,941	
Total Revenues		\$ 33,918,190	\$ 2,723	\$ -	\$ -	\$ 33,920,913	\$ 36,827,275	\$ 2,906,362	

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2012

	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:									
Kindergarten - Salaries of Teachers	11-110-100-101	\$ 652,240	\$ -	\$ (42,311)	\$ -	\$ 609,929	\$ 609,929	\$ -	-
Grades 1-5 - Salaries of Teachers	11-120-100-101	3,214,307	-	(9,561)	-	3,204,746	3,204,746	-	-
Grades 6-8 - Salaries of Teachers	11-130-100-101	1,974,779	-	(88,360)	-	1,886,419	1,884,115	2,304	-
Grades 9-12 - Salaries of Teachers	11-140-100-101	3,705,598	-	(66,601)	-	3,638,997	3,638,997	-	-
Regular Programs - Home Instruction:									
Salaries of Teachers	11-150-100-101	25,000	-	37,693	-	62,693	62,693	-	-
Regular Programs - Undistributed Instruction:									
Other Salaries for Instruction	11-190-100-106	219,230	-	4,903	-	224,133	224,052	81	-
Purchased Professional - Educational Services	11-190-100-320	17,000	-	(9,915)	-	7,085	7,085	-	-
Rentals	11-190-100-440	-	-	89,000	-	89,000	89,000	-	-
Other Purchased Services	11-190-100-500	6,000	-	(3,760)	-	2,240	2,240	-	-
General Supplies	11-190-100-610	277,719	-	288,130	-	565,849	565,224	625	-
Textbooks	11-190-100-640	90,000	-	13,466	-	103,466	103,466	-	-
Total Regular Programs - Instruction		\$ 10,181,873	\$ -	\$ 212,684	\$ -	\$ 10,394,557	\$ 10,391,547	\$ 3,010	\$ -

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2012

	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	\$ 252,985	\$ -	\$ 366,605	\$ -	\$ 619,590	\$ 619,239	\$ 351	-
Other Salaries for Instruction	11-204-100-106	37,620	-	240,147	-	277,767	277,767	-	-
General Supplies	11-204-100-610	1,500	-	2,109	-	3,609	3,601	8	-
Textbooks	11-204-100-640	1,500	-	4,299	-	5,799	5,742	57	-
		<u>\$ 293,605</u>	<u>\$ -</u>	<u>\$ 613,160</u>	<u>\$ -</u>	<u>\$ 906,765</u>	<u>\$ 906,349</u>	<u>\$ 416</u>	<u>\$ -</u>
Special Education - Instruction - Multiple Disabilities:									
Salaries of Teachers	11-212-100-101	\$ 611,425	\$ -	\$ (611,425)	\$ -	\$ -	\$ -	\$ -	-
Other Salaries for Instruction	11-212-100-106	214,050	-	(214,050)	-	-	-	-	-
General Supplies	11-212-100-610	3,000	-	(858)	-	2,142	2,113	29	-
Textbooks	11-212-100-640	3,000	-	(3,000)	-	-	-	-	-
		<u>\$ 831,475</u>	<u>\$ -</u>	<u>\$ (829,333)</u>	<u>\$ -</u>	<u>\$ 2,142</u>	<u>\$ 2,113</u>	<u>\$ 29</u>	<u>\$ -</u>
Special Education - Instruction - Resource Room/Resource Center:									
Salaries of Teachers	11-213-100-101	\$ 1,088,935	\$ -	\$ 167,195	\$ -	\$ 1,256,130	\$ 1,256,117	\$ 13	\$ -
Other Salaries for Instruction	11-213-100-106	66,654	-	(2,934)	-	63,720	61,730	1,990	-
General Supplies	11-213-100-610	5,000	-	-	-	5,000	4,997	3	-
Textbooks	11-213-100-640	2,000	-	-	-	2,000	1,880	120	-
		<u>\$ 1,162,589</u>	<u>\$ -</u>	<u>\$ 164,261</u>	<u>\$ -</u>	<u>\$ 1,326,850</u>	<u>\$ 1,324,724</u>	<u>\$ 2,126</u>	<u>\$ -</u>
Special Education - Instruction - Preschool Disabilities - Part-Time:									
Salaries of Teachers	11-215-100-101	\$ 57,915	\$ -	\$ 13,210	\$ -	\$ 71,125	\$ 71,062	\$ 63	\$ -
Other Salaries for Instruction	11-215-100-106	14,850	-	9,650	-	24,500	23,734	766	-
Purchased Professional-Educational Services	11-215-100-600	500	-	(400)	-	100	21	79	-
		<u>\$ 73,265</u>	<u>\$ -</u>	<u>\$ 22,460</u>	<u>\$ -</u>	<u>\$ 95,725</u>	<u>\$ 94,817</u>	<u>\$ 908</u>	<u>\$ -</u>
Special Education - Instruction - Home Instruction:									
Salaries of Teachers	11-219-100-101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Professional-Educational Services	11-219-100-320	25,000	-	81	-	25,081	24,734	347	-
		<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 81</u>	<u>\$ -</u>	<u>\$ 25,081</u>	<u>\$ 24,734</u>	<u>\$ 347</u>	<u>\$ -</u>
Total Special Education - Instruction		<u>\$ 2,385,934</u>	<u>\$ -</u>	<u>\$ (29,371)</u>	<u>\$ -</u>	<u>\$ 2,356,563</u>	<u>\$ 2,352,737</u>	<u>\$ 3,826</u>	<u>\$ -</u>

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2012

	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	\$ 583,595	\$ -	\$ (58,358)	\$ -	\$ 525,237	\$ 525,237	\$ -	\$ -
General Supplies	11-230-100-610	2,300	-	-	-	2,300	1,379	921	-
		<u>\$ 585,895</u>	<u>\$ -</u>	<u>\$ (58,358)</u>	<u>\$ -</u>	<u>\$ 527,537</u>	<u>\$ 526,616</u>	<u>\$ 921</u>	<u>\$ -</u>
Bilingual Education - Instruction:									
Salaries of Teachers	11-240-100-101	\$ 123,080	\$ -	\$ (9,868)	\$ -	\$ 113,212	\$ 112,971	\$ 241	\$ -
General Supplies	11-240-100-610	800	-	1,000	-	1,800	1,747	53	-
Textbooks	11-240-100-640	1,000	-	(1,000)	-	-	-	-	-
		<u>\$ 124,880</u>	<u>\$ -</u>	<u>\$ (9,868)</u>	<u>\$ -</u>	<u>\$ 115,012</u>	<u>\$ 114,718</u>	<u>\$ 294</u>	<u>\$ -</u>
School Sponsored Co-Curricular Activities - Instruction:									
Salaries	11-401-100-100	\$ 128,212	\$ -	\$ 1,499	\$ -	\$ 129,711	\$ 127,571	\$ 2,140	\$ -
Purchased Services	11-401-100-500	1,000	-	(700)	-	300	300	-	-
Supplies and Materials	11-401-100-600	22,250	-	8,700	-	30,950	30,228	722	-
		<u>\$ 151,462</u>	<u>\$ -</u>	<u>\$ 9,499</u>	<u>\$ -</u>	<u>\$ 160,961</u>	<u>\$ 158,099</u>	<u>\$ 2,862</u>	<u>\$ -</u>
School Sponsored Athletics - Instruction:									
Salaries	11-402-100-100	\$ 379,083	\$ -	\$ (12,313)	\$ -	\$ 366,770	\$ 366,451	\$ 319	\$ -
Purchased Services	11-402-100-390	14,000	-	7,713	-	21,713	20,780	933	-
Travel	11-402-100-580	3,000	-	(600)	-	2,400	1,792	608	-
Supplies and Materials	11-402-100-600	80,800	-	3,400	-	84,200	82,530	1,670	-
Miscellaneous	11-402-100-890	-	-	1,000	-	1,000	391	609	-
Transfer to Cover Deficit	11-402-100-930	42,000	-	20,000	-	62,000	62,000	-	-
		<u>\$ 518,883</u>	<u>\$ -</u>	<u>\$ 19,200</u>	<u>\$ -</u>	<u>\$ 538,083</u>	<u>\$ 533,944</u>	<u>\$ 4,139</u>	<u>\$ -</u>
Alternative Education Program - Instruction:									
Other Objects	11-423-100-800	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ 500	\$ -
Total - Instruction		<u>\$ 13,949,427</u>	<u>\$ -</u>	<u>\$ 143,786</u>	<u>\$ -</u>	<u>\$ 14,093,213</u>	<u>\$ 14,077,661</u>	<u>\$ 15,552</u>	<u>\$ -</u>

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2012

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Tuition to Other LEAs Within the State - Special	11-000-100-562	1,004,567	-	(242,855)	-	761,712	761,712	-	-
Tuition to County Vocational School District - Regular	11-000-100-563	286,306	-	109,217	-	395,523	395,523	-	-
Tuition to County Vocational School District - Special	11-000-100-564	228,305	-	4,100	-	232,405	232,405	-	-
Tuition to CSSD & Regional Day Schools	11-000-100-565	586,090	-	76,634	-	662,724	662,724	-	-
Tuition to Private Schools for the Disabled - W/ State	11-000-100-566	1,105,209	-	(84,958)	-	1,020,251	1,020,251	-	-
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	-	-	-	-	-	-	-	-
		\$ 3,210,477	\$ -	\$ (137,862)	\$ -	\$ 3,072,615	\$ 3,072,615	\$ -	\$ -
Undistributed Expenditures - Attendance and Social Work:									
Salaries	11-000-211-100	\$ 33,864	\$ -	\$ 51,869	\$ -	\$ 85,733	\$ 85,733	\$ -	\$ -
Supplies and Materials	11-000-211-600	1,000	-	(400)	-	600	565	35	-
		\$ 34,864	\$ -	\$ 51,469	\$ -	\$ 86,333	\$ 86,298	\$ 35	\$ -
Undistributed Expenditures - Health Services:									
Salaries	11-000-213-100	\$ 522,350	\$ -	\$ 2,044	\$ -	\$ 524,394	\$ 524,394	\$ -	\$ -
Purchased Professional and Technical Services	11-000-213-300	14,100	-	2,345	-	16,445	16,445	-	-
Supplies and Materials	11-000-213-600	8,000	-	4,477	-	12,477	12,370	107	-
Other Objects	11-000-213-800	3,000	-	(2,322)	-	678	678	-	-
		\$ 547,450	\$ -	\$ 6,544	\$ -	\$ 553,994	\$ 553,887	\$ 107	\$ -
Undistributed Expenditures - Speech, OT, PT, Related Services:									
Salaries	11-000-216-100	\$ 312,415	\$ -	\$ 60,595	\$ -	\$ 373,010	\$ 372,882	\$ 128	\$ -
Purchased Professional Educational Services	11-000-216-320	338,400	-	(119,475)	-	218,925	212,759	6,166	-
Supplies and Materials	11-000-216-600	2,200	-	243	-	2,443	2,443	-	-
		\$ 653,015	\$ -	\$ (58,637)	\$ -	\$ 594,378	\$ 588,084	\$ 6,294	\$ -
Undistributed Expenditures - Other Support Services Students - Extraordinary Services:									
Salaries	11-000-217-100	\$ 15,491	\$ -	\$ (1,396)	\$ -	\$ 14,095	\$ 14,095	\$ -	\$ -
Supplies and Materials	11-000-217-600	-	-	1,661	-	1,661	1,661	-	-
		\$ 15,491	\$ -	\$ 265	\$ -	\$ 15,756	\$ 15,756	\$ -	\$ -

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2012

	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	\$ 560,450	\$ -	\$ 900	\$ -	\$ 561,350	\$ 560,375	\$ 975	\$ -
Salaries of Secretarial and Clerical Assistants	11-000-218-105	152,454	-	(51,896)	-	100,558	100,558	-	-
Purchased Professional - Educational Services	11-000-218-320	42,860	-	6,500	-	49,360	46,603	2,757	-
Other Purchased Professional and Technical Services	11-000-218-390	1,200	-	-	-	1,200	1,155	45	-
Supplies and Materials	11-000-218-600	9,000	-	-	-	9,000	8,284	716	-
		<u>\$ 765,964</u>	<u>\$ -</u>	<u>\$ (44,496)</u>	<u>\$ -</u>	<u>\$ 721,468</u>	<u>\$ 716,975</u>	<u>\$ 4,493</u>	<u>\$ -</u>
Undistributed Expenditures - Child Study Team:									
Salaries of Other Professional Staff	11-000-219-104	\$ 629,183	\$ -	\$ (39,589)	\$ -	\$ 589,594	\$ 589,594	\$ -	\$ -
Salaries of Secretarial and Clerical Assistants	11-000-219-105	49,134	-	(486)	-	48,648	48,237	411	-
Miscellaneous Purchased Services	11-000-219-592	2,500	-	-	-	2,500	1,338	1,162	-
Supplies and Materials	11-000-219-600	9,000	-	1,350	-	10,350	10,179	171	-
Other Objects	11-000-219-800	-	-	-	-	-	-	-	-
		<u>\$ 689,817</u>	<u>\$ -</u>	<u>\$ (38,725)</u>	<u>\$ -</u>	<u>\$ 651,092</u>	<u>\$ 649,348</u>	<u>\$ 1,744</u>	<u>\$ -</u>
Undistributed Expenditures - Improvement of Instructional Services:									
Salaries of Supervisors of Instruction	11-000-221-102	\$ 787,777	\$ -	\$ -	\$ -	\$ 787,777	\$ 787,777	\$ -	\$ -
Salaries of Secretarial and Clerical Assistants	11-000-221-105	57,406	-	(14,351)	-	43,055	43,055	-	-
Other Purchases Services	11-000-221-500	3,100	-	(75)	-	3,025	1,914	1,111	-
Supplies and Materials	11-000-221-600	500	-	-	-	500	442	58	-
Other Objects	11-000-221-800	5,700	-	(300)	-	5,400	5,334	66	-
		<u>\$ 854,483</u>	<u>\$ -</u>	<u>\$ (14,726)</u>	<u>\$ -</u>	<u>\$ 839,757</u>	<u>\$ 838,522</u>	<u>\$ 1,235</u>	<u>\$ -</u>
Undistributed Expenditures - Educational Media Services/School Library:									
Salaries	11-000-222-100	\$ 103,705	\$ -	\$ -	\$ -	\$ 103,705	\$ 103,705	\$ -	\$ -
Supplies and Materials	11-000-222-600	15,000	-	539	-	15,539	15,222	317	-
Other Objects	11-000-222-800	-	-	-	-	-	-	-	-
		<u>\$ 118,705</u>	<u>\$ -</u>	<u>\$ 539</u>	<u>\$ -</u>	<u>\$ 119,244</u>	<u>\$ 118,927</u>	<u>\$ 317</u>	<u>\$ -</u>
Undistributed Expenditures - Instructional Staff Training Services:									
Salaries of Other Professional Staff	11-000-223-104	\$ 67,557	\$ -	\$ (27,304)	\$ -	\$ 40,253	\$ 40,253	\$ -	\$ -
Purchased Professional - Educational Services	11-000-223-320	-	-	-	-	-	-	-	-
Other Purchased Services	11-000-223-500	4,000	-	375	-	4,375	4,277	98	-
		<u>\$ 71,557</u>	<u>\$ -</u>	<u>\$ (26,929)</u>	<u>\$ -</u>	<u>\$ 44,628</u>	<u>\$ 44,530</u>	<u>\$ 98</u>	<u>\$ -</u>

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2012

	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	\$ 451,238	\$ -	\$ 41,559	\$ -	\$ 492,797	\$ 492,683	\$ 114	\$ -
Legal Services	11-000-230-331	140,000	-	(61,754)	-	78,246	78,246	-	-
Audit Fees	11-000-230-332	30,800	-	450	-	31,250	31,247	3	-
Architectural/Engineering Services	11-000-230-334	17,000	-	8,360	-	25,360	25,356	4	-
Other Purchased Professional Services	11-000-230-339	16,300	-	(3,817)	-	12,483	11,229	1,254	-
Rentals	11-000-230-440	22,113	-	(1,282)	-	20,831	20,831	-	-
Communications/Telephone	11-000-230-530	111,458	-	42,829	-	154,287	153,390	897	-
Travel	11-000-230-580	4,000	-	(3,031)	-	969	951	18	-
BOE Other Purchased Services	11-000-230-585	3,000	-	12	-	3,012	3,012	-	-
Other Purchased Services	11-000-230-590	54,946	-	1,869	-	56,815	56,472	343	-
General Supplies	11-000-230-610	16,000	-	965	-	16,965	16,946	19	-
BOE In-House Training/Meeting Supplies	11-000-230-630	3,000	-	3,482	-	6,482	6,482	-	-
Judgements Against District	11-000-230-820	-	-	100,000	-	100,000	100,000	-	-
Miscellaneous Expenditures	11-000-230-890	2,200	-	119	-	2,319	2,319	-	-
BOE Membership Dues and Fees	11-000-230-895	15,500	-	(182)	-	15,318	15,318	-	-
		<u>\$ 887,555</u>	<u>\$ -</u>	<u>\$ 129,579</u>	<u>\$ -</u>	<u>\$ 1,017,134</u>	<u>\$ 1,014,482</u>	<u>\$ 2,652</u>	<u>\$ -</u>
Undistributed Expenditures - Support Services - School Administration:									
Salaries of Principals/Assistance Principals	11-000-240-103	\$ 1,088,414	\$ -	\$ 5,500	\$ -	\$ 1,093,914	\$ 1,093,914	\$ -	\$ -
Salaries of Secretarial and Clerical Assistants	11-000-240-105	383,358	-	7,770	-	391,128	390,239	889	-
Rentals	11-000-240-440	67,301	-	16,415	-	83,716	83,327	389	-
Travel	11-000-240-580	8,000	-	(2,258)	-	5,742	5,121	621	-
Supplies and Materials	11-000-240-600	36,800	-	(4,300)	-	32,500	31,429	1,071	-
Other Objects	11-000-240-800	8,000	-	(500)	-	7,500	7,173	327	-
		<u>\$ 1,591,873</u>	<u>\$ -</u>	<u>\$ 22,627</u>	<u>\$ -</u>	<u>\$ 1,614,500</u>	<u>\$ 1,611,203</u>	<u>\$ 3,297</u>	<u>\$ -</u>
Undistributed Expenditures - Central Services:									
Salaries	11-000-251-100	\$ 451,400	\$ -	\$ (14,305)	\$ -	\$ 437,095	\$ 437,002	\$ 93	\$ -
Purchased Professional Services	11-000-251-330	-	-	5,700	-	5,700	5,700	-	-
Purchased Technical Services	11-000-251-340	100,579	-	63,091	-	163,670	163,224	446	-
Travel	11-000-251-580	2,500	-	869	-	3,369	3,369	-	-
Supplies and Materials	11-000-251-610	11,000	-	6,700	-	17,700	17,629	71	-
Other Objects	11-000-251-890	1,800	-	(335)	-	1,465	1,465	-	-
		<u>\$ 567,279</u>	<u>\$ -</u>	<u>\$ 61,720</u>	<u>\$ -</u>	<u>\$ 628,999</u>	<u>\$ 628,389</u>	<u>\$ 610</u>	<u>\$ -</u>

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2012

	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	\$ 231,025	\$ -	\$ 45,416	\$ -	\$ 276,441	\$ 276,441	\$ -	\$ -
Cleaning, Repair and Maintenance Services	11-000-261-420	268,300	-	139,732	-	408,032	408,032	-	-
General Supplies	11-000-261-610	37,000	-	16,143	-	53,143	53,031	112	-
Other Objects	11-000-261-800	60	-	-	-	60	-	60	-
		<u>\$ 536,385</u>	<u>\$ -</u>	<u>\$ 201,291</u>	<u>\$ -</u>	<u>\$ 737,676</u>	<u>\$ 737,504</u>	<u>\$ 172</u>	<u>\$ -</u>
Undistributed Expenditures - Custodial Services:									
Salaries	11-000-262-100	\$ 806,265	\$ -	\$ 34,986	\$ -	\$ 841,251	\$ 839,819	\$ 1,432	\$ -
Purchased Professional and Technical Services	11-000-262-300	1,500	-	-	-	1,500	1,500	-	-
Cleaning, Repair and Maintenance Services	11-000-262-420	90,765	-	241	662	91,668	91,668	-	-
Rental of Land & Bldg. Other Than Lease Purch Agrmt.	11-000-262-441	350,000	-	-	-	350,000	350,000	-	-
Insurance	11-000-262-520	98,416	-	(3,757)	-	94,659	94,659	-	-
General Supplies	11-000-262-610	59,000	-	2,093	-	61,093	61,075	18	-
Energy (Natural Gas)	11-000-262-621	165,000	-	(32,487)	-	132,513	132,513	-	-
Energy (Electricity)	11-000-262-622	261,000	-	(13,671)	-	247,329	247,327	2	-
Energy (Gasoline)	11-000-262-626	6,000	-	-	-	6,000	6,000	-	-
Other Objects	11-000-262-800	2,500	-	(325)	-	2,175	2,175	-	-
		<u>\$ 1,840,446</u>	<u>\$ -</u>	<u>\$ (12,920)</u>	<u>\$ 662</u>	<u>\$ 1,828,188</u>	<u>\$ 1,826,736</u>	<u>\$ 1,452</u>	<u>\$ -</u>
Undistributed Expenditures - Care & Upkeep of Grounds:									
Cleaning, Repair, and Maintenance Services	11-000-263-420	2,000	-	45,926	-	47,926	47,908	18	-
General Supplies	11-000-263-610	6,000	-	200	-	6,200	6,175	25	-
		<u>\$ 8,000</u>	<u>\$ -</u>	<u>\$ 46,126</u>	<u>\$ -</u>	<u>\$ 54,126</u>	<u>\$ 54,083</u>	<u>\$ 43</u>	<u>\$ -</u>
Undistributed Expenditures - Security:									
Salaries	11-000-266-100	34,750	-	400	-	35,150	34,934	216	-
		<u>\$ 34,750</u>	<u>\$ -</u>	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ 35,150</u>	<u>\$ 34,934</u>	<u>\$ 216</u>	<u>\$ -</u>

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2012

	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	\$ 24,435	\$ -	\$ 8,046	\$ -	\$ 32,481	\$ 32,481	\$ -	\$ -
Salaries for Pupil Trans. (Between Home and School)	R 11-000-270-160	36,757	-	(8,319)	-	28,438	28,421	17	-
Salaries for Pupil Trans. (Between Home and School)	- 11-000-270-161	36,757	-	(8,336)	-	28,421	28,421	-	-
Sal. for Pupil Trans. (Other Than Bet. Home and Sch)	11-000-270-162	30,000	-	10,739	-	40,739	40,739	-	-
Cleaning, Repair and Maintenance Services	11-000-270-420	25,000	-	13,557	-	38,557	38,557	-	-
Lease Purchase Payments - School Buses	11-000-270-443	40,000	-	(40,000)	-	-	-	-	-
Contr Serv (Other Than Bet Home and Sch) - Vendors	11-000-270-512	35,200	-	7,020	-	42,220	42,220	-	-
Contr Serv (Bet Home and Sch) - Joint Agreements	11-000-270-513	60,000	-	20,777	-	80,777	79,965	812	-
Contr Serv (Special Ed Students) - Joint Agreements	11-000-270-515	475,000	-	(143,054)	-	331,946	324,950	6,996	-
Miscellaneous Purchased Services - Transportation	11-000-270-593	21,980	-	(690)	-	21,290	21,290	-	-
Transportation Supplies	11-000-270-615	15,000	-	9,993	-	24,993	24,993	-	-
Other Objects	11-000-270-800	400	-	712	-	1,112	1,112	-	-
		\$ 800,529	\$ -	\$ (129,555)	\$ -	\$ 670,974	\$ 663,149	\$ 7,825	\$ -
Unallocated Benefits - Employee Benefits:									
Social Security Contributions	11-000-291-220	\$ 280,000	\$ -	\$ 56,697	\$ -	\$ 336,697	\$ 336,697	\$ -	\$ -
Other Retirement Contributions - PERS	11-000-291-241	386,875	-	(35,099)	-	351,776	351,776	-	-
Other Retirement Contributions - Deferred PERS	11-000-291-248	12,958	-	-	-	12,958	12,958	-	-
Unemployment Compensation	11-000-291-250	53,000	-	12,422	-	65,422	65,422	-	-
Workmen's Compensation	11-000-291-260	120,335	-	3,043	-	123,378	123,378	-	-
Health Benefits	11-000-291-270	5,538,236	-	(516,199)	-	5,022,037	5,021,079	958	-
Health Benefits	18-000-291-270	-	2,723	-	-	2,723	2,723	-	-
Other Employee Benefits	11-000-291-290	132,024	-	103,554	-	235,578	235,578	-	-
		\$ 6,523,428	\$ 2,723	\$ (375,582)	\$ -	\$ 6,150,569	\$ 6,149,611	\$ 958	\$ -
TPAF Pension (On-Behalf - Non-Budgeted)		\$ -	\$ -	\$ -	\$ -	\$ -	1,473,058	\$ (1,473,058)	\$ -
TPAF Social Security (Reimbursed - Non-Budgeted)		\$ -	\$ -	\$ -	\$ -	\$ -	1,211,608	\$ (1,211,608)	\$ -
Total Undistributed Expenditures		\$ 19,752,068	\$ 2,723	\$ (318,872)	\$ 662	\$ 19,436,581	\$ 22,089,699	\$ (2,653,118)	\$ -
Total Expenditures - Current Expense		\$ 33,701,495	\$ 2,723	\$ (175,086)	\$ 662	\$ 33,529,794	\$ 36,167,360	\$ (2,637,566)	\$ -

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2012

	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 - Operation & Maintenance	12-000-263-730	-	-	3,000	-	3,000	3,000	-	-
Undistributed Expenditures - Security	12-000-266-731	-	-	-	-	-	-	-	-
Undistributed Expenditures - Student Transportation	12-000-270-733	-	-	115,000	-	115,000	115,000	-	-
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,000</u>	<u>\$ -</u>	<u>\$ 118,000</u>	<u>\$ 118,000</u>	<u>\$ -</u>	<u>\$ -</u>
Facilities Acquisition and Construction Services:									
Other Purchased Professional and Technical Services	12-000-400-390	\$ -	\$ -	32,755	\$ -	32,755	\$ 32,755	\$ -	\$ -
Construction Services	12-000-400-450	-	-	176,850	-	176,850	19,898	156,952	143,000
Other Objects	12-000-400-800	17,066	-	-	-	17,066	17,066	-	-
		<u>\$ 17,066</u>	<u>\$ -</u>	<u>\$ 209,605</u>	<u>\$ -</u>	<u>\$ 226,671</u>	<u>\$ 69,719</u>	<u>\$ 156,952</u>	<u>\$ 143,000</u>
Total Capital Outlay		<u>\$ 17,066</u>	<u>\$ -</u>	<u>\$ 327,605</u>	<u>\$ -</u>	<u>\$ 344,671</u>	<u>\$ 187,719</u>	<u>\$ 156,952</u>	<u>\$ 143,000</u>
<u>Charter Schools</u>									
Transfers to Charter Schools	10-000-100-56X	\$ -	\$ -	55,086	\$ -	55,086	\$ 55,086	\$ -	\$ -

LYNDHURST SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2012

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	Encumbered (Memo Only)
Total Expenditures		\$ 33,718,561	\$ 2,723	\$ 207,605	\$ 662	\$ 33,929,551	\$ 36,410,165	\$ (2,480,614)	\$ 143,000
Excess (Deficiency) of Revenues Over (Under) Expenditures		\$ 199,629	\$ -	\$ (207,605)	\$ (662)	\$ (8,638)	\$ 417,110	\$ 425,748	\$ 143,000
Other Financing Sources (Uses):									
Operating Transfers:									
Food Service Enterprise Fund	11-000-310-930	\$ (235,000)	\$ -	\$ (40,000)	\$ -	\$ (275,000)	\$ (275,000)	\$ -	\$ -
		\$ (235,000)	\$ -	\$ (40,000)	\$ -	\$ (275,000)	\$ (275,000)	\$ -	\$ -
Excess (Deficiency) of Revenues Over (Under) Expenditures and Expenditures and Other Financing Uses		\$ (35,371)	\$ -	\$ (247,605)	\$ (662)	\$ (283,638)	\$ 142,110	\$ 425,748	\$ 143,000
Fund Balances, July 1		828,694	-	-	-	828,694	828,694	-	-
Fund Balances, June 30		\$ 793,323	\$ -	\$ (247,605)	\$ (662)	\$ 545,056	\$ 970,804	\$ 425,748	
<i>Recapitulation of Excess (Deficiency) of Revenues Under Expenditures:</i>									
Adjustment for Prior Year Encumbrances		\$ -	\$ -	\$ -	\$ (662)	\$ (662)	\$ (662)	\$ -	
Budgeted Fund Balance - Original		(35,371)	-	-	-	(35,371)	(35,371)	-	
Budgeted Fund Balance - Additional		-	-	(247,605)	-	(247,605)	178,143	425,748	
		\$ (35,371)	\$ -	\$ (247,605)	\$ (662)	\$ (283,638)	\$ 142,110	\$ 425,748	

Recapitulation of Fund Balance:

Reserve for Encumbrances	\$ 143,000
Excess Surplus from FY2011	-
Designated for Subsequent Year's Expenditures	71,212
Unreserved - Undesignated	756,592
	<u>970,804</u>
	-

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payment(s) not recognized on GAAP basis	(115,881)
Fund Balance per Governmental Funds (GAAP) (Exhibit B-1)	<u>\$ 854,923</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, 2012

**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:	\$ 36,754,023	\$ 1,147,943
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	42,629	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	(115,881)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<u>\$ 36,680,771</u>	<u>\$ 1,147,943</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 36,410,165	\$ 1,147,943
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>\$ 36,410,165</u>	<u>\$ 1,147,943</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 EXPENDITARY BASIS
Fiscal Year Ended June 30, 2012

E-1

	<u>231</u>	<u>270</u> N.C.L.B.	<u>241</u>	<u>250</u> I.D.E.A. Part B (Handicapped)	<u>251</u>
	<u>Title I</u>	<u>Title II - Part A</u>	<u>Title III</u>	<u>Basic</u>	<u>Preschool</u>
REVENUES					
State Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	273,324	63,180	7,050	612,166	24,993
Total Revenues	<u>\$ 273,324</u>	<u>\$ 63,180</u>	<u>\$ 7,050</u>	<u>\$ 612,166</u>	<u>\$ 24,993</u>
EXPENDITURES					
Instruction:					
Salaries of Teachers	\$ 223,900	\$ -	\$ -	\$ -	\$ -
Other Purchased Services	-	2,500	-	-	-
Other Purchased Services	-	-	-	567,504	21,615
General Supplies	4,740	11,930	7,050	15,153	3,378
Textbooks	-	-	-	-	-
Total Instruction	<u>\$ 228,640</u>	<u>\$ 14,430</u>	<u>\$ 7,050</u>	<u>\$ 582,657</u>	<u>\$ 24,993</u>
Support Services:					
Personal Services - Employee Benefits	44,684	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-
Purchased Technical Services	-	3,050	-	29,509	-
Other Purchased Services	-	3,700	-	-	-
Travel	-	-	-	-	-
Total Support Services	<u>\$ 44,684</u>	<u>\$ 6,750</u>	<u>\$ -</u>	<u>\$ 29,509</u>	<u>\$ -</u>
Facilities Acquisition and Construction Services:					
Buildings	\$ -	\$ -	\$ -	\$ -	\$ -
Instructional Equipment	-	42,000	-	-	-
Non-Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>\$ -</u>	<u>\$ 42,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 273,324</u>	<u>\$ 63,180</u>	<u>\$ 7,050</u>	<u>\$ 612,166</u>	<u>\$ 24,993</u>

LYNDHURST SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENC
Fiscal Year Ended June 30, 2012

E-1

	<u>501</u>	<u>507</u>	<u>508</u>	<u>506</u>	<u>502</u>	<u>503</u>	<u>509</u>	
	N.J. Non-Public Handicapped Services			N.J. Non-Public Auxiliary Services			N.J. Non-Public	
	N.J. Non-Public Textbook Aid	Examination & Classification	Corrective Speech	Supplementary Instruction	Compensatory Education	E.S.L.	Nursing Aid	Total
REVENUES								
State Sources	\$ 13,686	\$ 15,617	\$ 28,277	\$ 7,787	\$ 79,123	\$ 3,190	\$ 19,550	\$ 167,230
Federal Sources	-	-	-	-	-	-	-	980,713
Total Revenues	<u>\$ 13,686</u>	<u>\$ 15,617</u>	<u>\$ 28,277</u>	<u>\$ 7,787</u>	<u>\$ 79,123</u>	<u>\$ 3,190</u>	<u>\$ 19,550</u>	<u>\$ 1,147,943</u>
EXPENDITURES								
Instruction:								
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	223,900
Other Purchased Services	-	-	-	-	-	-	-	2,500
Other Purchased Services	-	-	-	-	-	-	-	589,119
General Supplies	-	-	-	-	-	-	-	42,251
Textbooks	13,686	-	-	-	-	-	-	13,686
Total Instruction	<u>\$ 13,686</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 871,456</u>
Support Services:								
Personal Services - Employee Benefits	-	-	-	-	-	-	-	44,684
Purchased Professional - Educational Services	-	15,617	28,277	7,787	79,123	3,190	19,550	153,544
Purchased Technical Services	-	-	-	-	-	-	-	32,559
Other Purchased Services	-	-	-	-	-	-	-	3,700
Travel	-	-	-	-	-	-	-	-
Total Support Services	<u>\$ -</u>	<u>\$ 15,617</u>	<u>\$ 28,277</u>	<u>\$ 7,787</u>	<u>\$ 79,123</u>	<u>\$ 3,190</u>	<u>\$ 19,550</u>	<u>\$ 234,487</u>
Facilities Acquisition and Construction Services:								
Buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instructional Equipment	-	-	-	-	-	-	-	42,000
Non-Instructional Equipment	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,000</u>
Total Expenditures	<u>\$ 13,686</u>	<u>\$ 15,617</u>	<u>\$ 28,277</u>	<u>\$ 7,787</u>	<u>\$ 79,123</u>	<u>\$ 3,190</u>	<u>\$ 19,550</u>	<u>\$ 1,147,943</u>

**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	-
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>\$ -</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		\$ -
<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)		\$ -
Fund Balances, July 1		-
Fund Balances, June 30		<u>\$ -</u>

SECTION "G" - ENTERPRISE FUNDS

**LYNDHURST SCHOOL DISTRICT
 COMBINING SCHEDULE OF NET ASSETS
 ENTERPRISE FUNDS
 AS OF JUNE 30, 2012**

	Food Service	Before/After School Child Care	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 22,285	\$ -	\$ 22,285
Intergovernmental Receivable:			
State	366	-	366
Federal	14,528	-	14,528
Accounts Receivable	995	-	995
Total Assets	<u>\$ 38,174</u>	<u>\$ -</u>	<u>\$ 38,174</u>
<u>LIABILITIES</u>			
Accounts Payable	<u>\$ 30,288</u>	<u>\$ -</u>	<u>\$ 30,288</u>
<u>NET ASSETS</u>			
Unrestricted	<u>\$ 7,886</u>	<u>\$ -</u>	<u>\$ 7,886</u>

**LYNDHURST SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSE
 ENTERPRISE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Food Service	Before/After School Child Care	Total
<u>OPERATING REVENUES</u>			
Charges for Services:			
Sales	\$ 210,014	\$ -	\$ 210,014
<u>OPERATING EXPENSES</u>			
Salaries	\$ 274,475	\$ -	\$ 274,475
Support Services - Employee Benefits	22,995	-	22,995
Purchased Property Services	-	-	-
Other Purchased Services	391,659	34,954	426,613
Supplies & Materials	-	-	-
Miscellaneous	-	-	-
	<u>\$ 689,129</u>	<u>\$ 34,954</u>	<u>\$ 724,083</u>
Operating Income (Loss)	<u>\$ (479,115)</u>	<u>\$ (34,954)</u>	<u>\$ (514,069)</u>
Non-Operating Revenues:			
Local Sources:			
Interest on Investments	\$ 205	\$ -	\$ 205
State Sources:			
State School Lunch Program	5,399	-	5,399
Federal Sources:			
School Breakfast Program	2,148	-	2,148
National School Lunch Program	204,087	-	204,087
	<u>\$ 211,839</u>	<u>\$ -</u>	<u>\$ 211,839</u>
Income (Loss) Before Other Financing Sources (Uses)	\$ (267,276)	\$ (34,954)	\$ (302,230)
Other Financing Sources (Uses):			
Operating Transfers:			
General Fund	\$ 275,000	\$ -	\$ 275,000
Change in Net Assets	\$ 7,724	\$ (34,954)	\$ (27,230)
Total Net Assets - Beginning	162	34,954	35,116
Total Net Assets - Ending	<u>\$ 7,886</u>	<u>\$ -</u>	<u>\$ 7,886</u>

**LYNDHURST SCHOOL DISTRICT
 COMBINING SCHEDULE OF CASH FLOWS
 ENTERPRISE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Food Service	Before/After School Child Care	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from Sales	\$ 210,121	\$ 531	\$ 210,652
Payments for Operating Expenses	(722,818)	(34,954)	(757,772)
	<u>\$ (512,697)</u>	<u>\$ (34,423)</u>	<u>\$ (547,120)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Local Sources	\$ 275,205	\$ -	\$ 275,205
State Sources	5,971	-	5,971
Federal Sources	226,450	-	226,450
	<u>\$ 507,626</u>	<u>\$ -</u>	<u>\$ 507,626</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Purchase of Capital Assets	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Increase (Decrease) in Cash	<u>\$ (5,071)</u>	<u>\$ (34,423)</u>	<u>\$ (39,494)</u>
Balances - Beginning of Year	27,356	34,423	61,779
Balances - End of Year	<u>\$ 22,285</u>	<u>\$ -</u>	<u>\$ 22,285</u>
	-	-	-
Reconciliation of Operating Income (Loss) to Net Cash Provided			
(Used) by Operating Activities:			
Operating Income (Loss)	\$ (479,115)	\$ (34,954)	\$ (514,069)
Adjustments to Reconcile Operating			
(Used for) Operating Activities:			
(Increase) Decrease in Accounts Receivable	107	531	638
Increase (Decrease) in Accounts Payable	(33,689)	-	(33,689)
Net Cash Provided by (used for)			
Operating Activities	<u>\$ (512,697)</u>	<u>\$ (34,423)</u>	<u>\$ (547,120)</u>

SECTION "H" - FIDUCIARY FUNDS

LYNDHURST SCHOOL DISTRICT
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF NET ASSETS
 AS OF JUNE 30, 2012

	Agency Funds			Scholarship Trust	Total
	Student Activity	Payroll	Total		
<u>ASSETS</u>					
Cash	\$ 229,989	\$ 1,058,818	\$ 1,288,807	\$ 73,301	\$ 1,362,108
<u>LIABILITIES</u>					
Due to Student Groups	\$ 229,989	\$ -	\$ 229,989	\$ -	\$ 229,989
Payroll, Deductions and Withholdings Payable	-	1,058,818	1,058,818	-	1,058,818
Total Liabilities	\$ 229,989	\$ 1,058,818	\$ 1,288,807	\$ -	\$ 1,288,807
<u>NET ASSETS</u>					
Unrestricted	\$ -	\$ -	\$ -	\$ 73,301	\$ 73,301

**LYNDHURST SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

REVENUES

Earnings on Investments	<u>\$ 308</u>
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EXPENDITURES

Scholarships	<u>-</u>
	<u>\$ 308</u>

Fund Balance, July 1	<u>72,993</u>
Fund Balance, June 30	<u><u>\$ 73,301</u></u>

LYNDHURST SCHOOL DISTRICT
 STUDENT ACTIVITY AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Cash Receipts	Cash Disbursements	Balance June 30, 2012
Elementary Student Activities	\$ 23,475	\$ 73,520	\$ 70,802	\$ 26,193
High School Student Activities	108,094	434,694	354,221	188,567
Student Athletics	6,449	95,377	86,597	15,229
	<u>\$ 138,018</u>	<u>\$ 603,591</u>	<u>\$ 511,620</u>	<u>\$ 229,989</u>

LYNDHURST SCHOOL DISTRICT
 PAYROLL AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<u>ASSETS</u>				
Cash:				
Net Payroll Account	\$ -	\$ 12,046,689	\$ 12,046,689	\$ -
Payroll Agency Account	144,371	22,799,490	22,742,585	201,276
Summer Payment Plan Account	795,879	1,457,542	1,395,879	857,542
	<u>\$ 940,250</u>	<u>\$ 36,303,721</u>	<u>\$ 36,185,153</u>	<u>\$ 1,058,818</u>
<u>LIABILITIES</u>				
Payroll, Deductions and Withholdings Payable	<u>\$ 940,250</u>	<u>\$ 36,303,721</u>	<u>\$ 36,185,153</u>	<u>\$ 1,058,818</u>

SECTION "I" - LONG-TERM DEBT

**LYNDHURST SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
FISCAL YEAR ENDED JUNE 30, 2012**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Amount Outstanding June 30, 2011</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2012</u>
School Bonds	07/01/01	\$ 6,190,000	\$ 3,990,000	\$ -	\$ 300,000	\$ 3,690,000
Pension Refunding Bonds	03/15/03	\$ 2,030,000	1,120,000	-	135,000	985,000
			<u>\$ 5,110,000</u>	<u>\$ -</u>	<u>\$ 435,000</u>	<u>\$ 4,675,000</u>

**LYNDHURST SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FISCAL YEAR ENDED JUNE 30, 2012**

Not Applicable

LYNDHURST SCHOOL DISTRICT
DEBT SERVICE FUND BUDGET COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012

	Account Number	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable / (Unfavorable)
REVENUES						
Local Sources:						
Local Tax Levy	40-1210	\$ 672,098	\$ -	\$ 672,098	\$ 672,098	\$ -
EXPENDITURES						
Regular Debt Service						
Interest on Early Retirement Bonds	40-701-510-835	\$ 58,058	\$ -	\$ 58,058	\$ 58,058	\$ -
Redemption of Principal - Early Retirement Bonds	40-701-510-910	135,000	-	135,000	135,000	-
Interest on Bonds	40-701-510-834	179,040	-	179,040	179,040	-
Redemption of Principal	40-701-510-910	300,000	-	300,000	300,000	-
Total Expenditures		\$ 672,098	\$ -	\$ 672,098	\$ 672,098	\$ -
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)

	2012	2011	2010	2009	2008
Governmental activities					
Invested in capital assets, net of related debt	\$ 19,077,883	\$ 18,952,883	\$ 17,577,883	\$ 17,145,263	\$ 23,274,783
Restricted	214,212	107,245	-	-	2
Unrestricted	(2,694,321)	(2,833,186)	(1,966,931)	(1,825,315)	(8,118,628)
Total governmental activities	<u>\$ 16,597,774</u>	<u>\$ 16,226,942</u>	<u>\$ 15,610,952</u>	<u>\$ 15,319,948</u>	<u>\$ 15,156,157</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Unrestricted	7,886	35,116	16,934	17,199	18,350
Total business-type activities	<u>\$ 7,886</u>	<u>\$ 35,116</u>	<u>\$ 16,934</u>	<u>\$ 17,199</u>	<u>\$ 18,350</u>
District-wide					
Invested in capital assets, net of related debt	\$ 19,077,883	\$ 18,952,883	\$ 17,577,883	\$ 17,145,263	\$ 23,274,783
Restricted	214,212	107,245	-	-	2
Unrestricted	(2,686,435)	(2,798,070)	(1,949,997)	(1,808,116)	(8,100,278)
Total district-wide	<u>\$ 16,605,660</u>	<u>\$ 16,262,058</u>	<u>\$ 15,627,886</u>	<u>\$ 15,337,147</u>	<u>\$ 15,174,507</u>

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

	2012	2011	2010	2009	2008
Expenses					
Governmental Activities:					
Instruction					
Regular Programs	\$ 10,850,650	\$ 10,258,383	\$ 10,396,628	\$ 10,271,102	\$ 9,843,904
Special Education	3,041,577	2,883,630	2,885,367	2,089,010	2,031,642
Basic Skills - Remedial Instruction	526,616	497,055	516,898	542,798	519,204
Bilingual Education	114,718	116,590	111,418	104,344	106,068
School Sponsored Cocurricular Activities	158,099	151,767	167,481	161,805	153,243
School Sponsored Athletics	533,944	449,594	439,849	433,813	389,549
Alternative Education Program	-	500	500	-	-
Undistributed Expenditures:					
Instruction	3,072,615	3,330,268	4,286,863	3,905,443	3,723,516
Attendance and Social Work	86,298	32,735	44,922	83,380	73,782
Health Services	553,887	540,898	585,717	602,789	556,444
Other Support Services - Students Related Svc	588,084	700,532	516,266	529,504	515,673
Other Support Services - Students Ext Svcs	15,756	15,176	13,804	24,552	9,402
Other Support Services - Students Regular	716,975	750,127	718,033	635,967	652,995
Other Support Services - Students Special	649,348	638,771	662,917	687,152	658,789
Improvement of Instructional Services	838,522	817,590	688,241	535,941	521,591
Educational Media Services/School Library	118,927	110,475	111,429	119,383	107,954
Instructional Staff Training Services	44,530	68,401	66,265	64,855	60,671
Support Services - General Administration	1,014,482	993,483	992,475	927,451	914,452
Support Services - School Administration	1,611,203	1,500,106	1,498,398	1,432,945	1,461,553
Central Services	628,389	484,777	389,200	398,387	373,665
Required Maintenance for School Facilities	737,504	552,976	406,610	483,078	434,097
Custodial Services	1,826,736	1,785,479	1,408,168	1,294,668	1,342,662
Care & Upkeep of Grounds	54,083	13,715	4,026	-	-
Security	34,934	36,705	29,335	-	-
Student Transportation Services	663,149	839,842	903,699	792,493	912,586
Allocated and Unallocated Employee Benefits	6,107,637	5,718,235	5,600,379	4,892,766	4,453,197
TPAF Pension	1,473,058	1,051,954	1,000,167	969,669	2,106,442
TPAF Social Security	1,211,608	1,171,264	1,153,079	1,119,367	1,074,768
Capital Outlay	362,719	383,000	273,554	364,647	(266,362)
Charter Schools	55,086	1,157	-	-	-
Special Schools	-	-	-	-	-
Debt Service:					
Principal on Commissioner Approved LP Agreemer	-	-	-	-	-
Interest on Commissioner Approved LP Agreement	-	-	-	-	3,306
Interest on Early Retirement Bonds	58,058	63,973	69,348	74,208	78,405
Redemption of Principal - Early Retirement Bonds	-	-	-	-	-
Interest on Bonds	179,040	192,840	206,640	219,290	230,790
Redemption of Principal	-	-	-	-	-
Total Governmental Activities Expenses	\$ 37,928,232	\$ 36,151,998	\$ 36,147,676	\$ 33,760,807	\$ 33,043,988
Business-Type Activities:					
Food Service	\$ 689,129	\$ 668,626	\$ 602,406	\$ 576,973	\$ 579,984
Before/After School Child Care	34,954	218,796	124,682	233,639	240,517
Saturday Enrichment	-	-	-	-	-
Total Business-Type Activities Expenses	\$ 724,083	\$ 887,422	\$ 727,088	\$ 810,612	\$ 820,501
Total District Expenses	\$ 38,652,315	\$ 37,039,420	\$ 36,874,764	\$ 34,571,419	\$ 33,864,489

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

	2012	2011	2010	2009	2008
Program Revenues					
Governmental Activities:					
Charges for Services	\$ -	\$ -	\$ -	\$ 7,715	\$ 4,060
Operating Grants and Contributions	5,456,695	4,845,962	5,665,397	4,303,864	4,912,222
Capital Grants and Contributions	-	-	49,099	-	-
Total Governmental Activities Program Revenues	\$ 5,456,695	\$ 4,845,962	\$ 5,714,496	\$ 4,311,579	\$ 4,916,282
Business-Type Activities:					
Charges for Services	\$ 211,839	\$ 441,513	\$ 353,245	\$ 463,609	\$ 482,703
Operating Grants and Contributions	210,014	188,091	154,761	140,676	113,531
Capital Grants and Contributions	-	-	-	-	-
Total Business-Type Activities Program Revenues	421,853	629,604	508,006	604,285	596,234
Total District Program Revenues	\$ 5,878,548	\$ 5,475,566	\$ 6,222,502	\$ 4,915,864	\$ 5,512,516
Net (Expense)/Revenue					
Governmental Activities	\$ (32,471,537)	\$ (31,306,036)	\$ (30,433,180)	\$ (29,449,228)	\$ (28,127,706)
Business-Type Activities	(302,230)	(257,818)	(219,082)	(206,327)	(224,267)
Total District-Wide	\$ (32,773,767)	\$ (31,563,854)	\$ (30,652,262)	\$ (29,655,555)	\$ (28,351,973)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Local Tax Levy	32,684,721	31,807,753	29,711,738	28,477,291	27,502,953
Unrestricted Miscellaneous Revenues	172,353	451,073	262,376	139,738	136,975
State Sources	260,295	-	1,004,607	326,318	652,395
Federal Sources	-	-	28,957	828,219	811,405
Other Financing Sources	-	-	-	-	-
Interest Earned on Capital Reserve Funds	-	-	-	-	-
Fixed Asset Adjustments	-	-	-	-	-
Other Adjustments	-	-	-	-	-
Transfers	(275,000)	(336,800)	(283,494)	(281,496)	(245,856)
Total Governmental Activities	\$ 32,842,369	\$ 31,922,026	\$ 30,724,184	\$ 29,490,070	\$ 28,857,872
Business-Type Activities:					
Unrestricted Miscellaneous Revenues	\$ -	\$ -	\$ 817	\$ 1,176	\$ 1,362
Transfers	275,000	276,000	218,000	204,000	197,000
Total business-type activities	\$ 275,000	\$ 276,000	\$ 218,817	\$ 205,176	\$ 198,362
Total district-wide	\$ 33,117,369	\$ 32,198,026	\$ 30,943,001	\$ 29,695,246	\$ 29,056,234
Change in Net Assets					
Governmental Activities	\$ 370,832	\$ 615,990	\$ 291,004	\$ 40,842	\$ 730,166
Business-Type Activities	(27,230)	18,182	(265)	(1,151)	(25,905)
Total District	\$ 343,602	\$ 634,172	\$ 290,739	\$ 39,691	\$ 704,261
Net Assets - Beginning	16,262,058	15,627,886	15,337,147	15,297,456	14,593,195
Net Assets - Ending	\$ 16,605,660	\$ 16,262,058	\$ 15,627,886	\$ 15,337,147	\$ 15,297,456

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

	2012	2011	2010	2009	2008
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	854,923	786,065	602,031	557,524	463,301
Total General Fund	<u>\$ 854,923</u>	<u>\$ 786,065</u>	<u>\$ 602,031</u>	<u>\$ 557,524</u>	<u>\$ 463,301</u>
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special Revenue Fund	-	-	-	-	-
Capital Projects Fund	-	-	49,105	-	-
Debt Service Fund	-	-	-	1	3
Total all Other Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,105</u>	<u>\$ 1</u>	<u>\$ 3</u>
Total Governmental Funds	<u>\$ 854,923</u>	<u>\$ 786,065</u>	<u>\$ 651,136</u>	<u>\$ 557,525</u>	<u>\$ 463,304</u>

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

	2012	2011	2010	2009	2008
Revenues:					
Local Tax Levy	\$ 32,684,721	\$ 31,807,753	\$ 29,711,738	\$ 28,477,291	\$ 27,502,953
Tuition	-	-	-	7,715	4,060
Unrestricted Miscellaneous Revenues	172,353	451,073	262,376	139,738	136,975
State Sources	4,698,506	3,809,562	5,013,681	4,753,131	5,564,617
Federal Sources	1,018,484	1,036,400	1,734,379	828,219	811,405
Total Revenue	\$ 38,574,064	\$ 37,104,788	\$ 36,722,174	\$ 34,206,094	\$ 34,020,010
Expenditures:					
Instruction					
Regular Programs	\$ 10,850,650	\$ 10,258,383	\$ 10,396,628	\$ 10,271,102	\$ 9,843,904
Special Education	3,041,577	2,883,630	2,885,367	2,089,010	2,031,642
Basic Skills - Remedial Instruction	526,616	497,055	516,898	542,798	519,204
Bilingual Education	114,718	116,590	111,418	104,344	106,068
School Sponsored Cocurricular Activities	158,099	151,767	167,481	161,805	153,243
School Sponsored Athletics	533,944	449,594	439,849	433,813	389,549
Alternative Education Program	-	500	500	-	-
Support Services:					
Instruction	3,072,615	3,330,268	4,286,863	3,905,443	3,723,516
Attendance and Social Work	86,298	32,735	44,922	83,380	73,782
Health Services	553,887	540,898	585,717	602,789	556,444
Other Support Services - Students Related Servi	588,084	700,532	516,266	529,504	515,673
Other Support Services - Students Extraordinary	15,756	15,176	13,804	24,552	9,402
Other Support Services - Students Regular	716,975	750,127	718,033	635,967	652,995
Other Support Services - Students Special	649,348	638,771	662,917	687,152	658,789
Improvement of Instructional Services	838,522	817,590	688,241	535,941	521,591
Educational Media Services/School Library	118,927	110,475	111,429	119,383	107,954
Instructional Staff Training Services	44,530	68,401	66,265	64,855	60,671
Support Services - General Administration	1,014,482	993,483	992,475	927,451	914,452
Support Services - School Administration	1,611,203	1,500,106	1,498,398	1,432,945	1,461,553
Central Services	628,389	484,777	389,200	398,387	373,665
Required Maintenance for School Facilities	737,504	552,976	406,610	483,078	434,097
Custodial Services	1,826,736	1,785,479	1,408,168	1,294,668	1,342,662
Care and Upkeep of Grounds	54,083	13,715	4,026	-	-
Security	34,934	36,705	29,335	-	-
Student Transportation Services	663,149	839,842	903,699	792,493	912,586
Allocated and Unallocated Employee Benefits	6,149,611	5,944,296	5,365,152	4,756,856	4,563,937
TPAF Pension	1,473,058	1,051,954	1,000,167	969,669	2,106,442
TPAF Social Security	1,211,608	1,171,264	1,153,079	1,119,367	1,074,768
Sub-Total	\$ 37,315,303	\$ 35,737,089	\$ 35,362,907	\$ 32,966,752	\$ 33,108,589
Capital Outlay	\$ 187,719	\$ 209,157	\$ 281,174	\$ 200,127	\$ 85,647
Charter School	55,086	-	-	-	-
Debt Service:					
Principal on Commissioner Approved LP Agreeer	-	-	-	-	81,589
Interest on Commissioner Approved LP Agreeer	-	-	-	-	3,306
Interest on Early Retirement Bonds	58,058	63,973	69,348	74,208	78,405
Redemption of Principal - Early Retirement Bond	135,000	130,000	125,000	120,000	115,000
Interest on Bonds	179,040	192,840	206,640	219,290	230,790
Redemption of Principal	300,000	300,000	300,000	250,000	250,000
Total Expenditures	\$ 38,230,206	\$ 36,633,059	\$ 36,345,069	\$ 33,830,377	\$ 33,953,326
Excess (Deficiency) of revenues over (under) expenditures	\$ 343,858	\$ 471,729	\$ 377,105	\$ 375,717	\$ 66,684
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	(275,000)	(336,800)	(283,494)	(281,496)	(245,856)
Private Donation	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	\$ (275,000)	\$ (336,800)	\$ (283,494)	\$ (281,496)	\$ (245,856)
Net change in fund balances	\$ 68,858	\$ 134,929	\$ 93,611	\$ 94,221	\$ (179,172)
Debt service as a percentage of noncapital expenditures	1.26%	1.35%	1.40%	1.40%	1.42%

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
2012	-	-	64,300	-	104,340	-	-	3,713	172,353
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)

Description	2011		2010		2009		2008		2007	
	# of Parcels	Value								
Net Valuations Taxable:										
Vacant Land	112	\$ 161,491,700	116	\$ 155,689,200	140	\$ 157,651,000	132	\$ 171,367,000	134	\$ 171,122,400
Residential	5117	2,119,432,600	5113	2,114,056,800	5092	2,108,894,900	5084	2,100,885,000	5080	2,093,002,000
Farm (Regular)	0	-	0	-	0	-	0	-	0	-
Farm (Qualified)	0	-	0	-	0	-	0	-	0	-
Commercial	327	467,476,050	327	469,021,100	321	450,421,800	323	460,341,500	328	469,160,100
Industrial	96	655,880,200	103	696,219,400	103	718,638,000	102	729,566,800	101	673,322,100
Apartments	53	62,855,700	52	61,743,700	53	89,243,700	51	62,057,300	51	62,057,300
Sub-Total	5705	3,467,136,250	5711	3,496,730,200	5709	3,524,849,400	5692	3,524,217,600	5694	3,468,663,900
Personal Property		6,647,733		6,577,516		6,512,570		3,946,801		3,395,221
Net Valuations Taxable		3,473,783,983		3,503,307,716		3,531,361,970		3,528,164,401		3,472,059,121
County Equalization Adjustment		(97,858,625)		(218,482)		(82,452,935)		(78,772,637)		(354,239,177)
County Equalized Valuations		<u>\$ 3,375,925,358</u>		<u>\$ 3,503,089,234</u>		<u>\$ 3,448,909,035</u>		<u>\$ 3,449,391,764</u>		<u>\$ 3,117,819,944</u>
County Equalization Ratio		<u>103.73%</u>		<u>100.82%</u>		<u>103.27%</u>		<u>103.11%</u>		<u>112.30%</u>
Average Residential Assessment		<u>\$ 414,194</u>		<u>\$ 413,467</u>		<u>\$ 414,158</u>		<u>\$ 413,235</u>		<u>\$ 412,008</u>
Total County Equalized Valuations		<u>\$ 173,258,537,441</u>		<u>\$ 183,412,099,706</u>		<u>\$ 187,580,071,463</u>		<u>\$ 182,767,512,263</u>		<u>\$ 172,863,500,734</u>
Municipal Percentage										
County Equalized Valuations		<u>1.95%</u>		<u>1.91%</u>		<u>1.84%</u>		<u>1.89%</u>		<u>1.80%</u>

**Revaluation Year

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

	2011	2010	2009	2008	2007
NET VALUATIONS TAXABLE	\$ 3,473,783,983	\$ 3,503,307,716	\$ 3,531,361,970	\$ 3,528,164,401	\$ 3,472,059,121
<u>TAX REQUIREMENTS</u>					
County	\$ 6,886,226	\$ 6,663,683	\$ 6,212,674	\$ 5,967,116	\$ 5,256,991
County Open Space	84,398	87,577	344,891	344,939	311,782
Local School	32,246,237	30,759,746	29,094,514	27,990,122	27,014,424
Municipal - Local	25,836,662	25,997,381	24,031,493	23,491,674	22,655,215
Municipal - Minimum Library Tax	1,125,855	-	-	-	-
Total	<u>\$ 66,179,378</u>	<u>\$ 63,508,387</u>	<u>\$ 59,683,572</u>	<u>\$ 57,793,851</u>	<u>\$ 55,238,412</u>
<u>TAX RATES</u>					
County	0.199	0.191	0.176	0.170	0.151
County Open Space	0.003	0.002	0.010	0.010	0.010
Local School	0.928	0.878	0.824	0.793	0.778
Library	0.032	-	-	-	-
Municipal	0.744	0.742	0.681	0.666	0.661
Total	<u>1.906</u>	<u>1.813</u>	<u>1.691</u>	<u>1.639</u>	<u>1.600</u>

**Revaluation Year

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

Taxpayer	2011 Assessed Valuation	As a Percent of Total 2011 Net Valuations \$ 3,473,783,983
Hackensack Meadowlands Dev. Comm. (13 Properties)	\$ 131,016,700	3.77%
Avalon Bay Communities, Inc.	68,064,100	1.96%
Chubb Funding, LLC	59,941,300	1.73%
Wells Operating Partnership (2 Properties)	57,700,000	1.66%
DGDJ 1-1200 WSW 337771, LLC (ETALS)	35,633,600	1.03%
Veterans Square Towne Center, LLC	34,254,400	0.99%
Sika Chemical Corp. (2 Properties)	32,396,800	0.93%
City of Jersey City, Division of Water (17 Properties)	25,053,500	0.72%
Denholtz 1099 Wall Street, LLC (2 Properties)	24,860,200	0.72%
DDR-SAU Lew Andowski LLC (2 Properties)	24,326,900	0.70%
	<u>\$ 493,247,500</u>	

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

	<u>CY2011</u>	<u>CY2010</u>	<u>TY2009</u>	<u>SFY2009</u>	<u>SFY2008</u>
Total Tax Levy	\$ 66,179,378	\$ 63,393,449	\$ 30,904,791	\$ 58,847,938	\$ 57,492,435
Total Credits	\$ 59,988,671	\$ 58,425,753	\$ 27,416,737	\$ 56,344,944	\$ 55,791,491
% of Tax Levy Collected	<u>90.65%</u>	<u>92.16%</u>	<u>88.71%</u>	<u>95.75%</u>	<u>97.04%</u>
Tax Title Liens	\$ 1,602,460	\$ 5,634,175	\$ 2,895,284	\$ 2,323,315	\$ 2,326,553
Delinquent Taxes	5,092,612	7,098,769	6,412,223	4,158,299	2,177,262
Total Delinquent	\$ 6,695,072	\$ 12,732,944	\$ 9,307,507	\$ 6,481,614	\$ 4,503,815
Total Tax Levy	\$ 66,179,378	\$ 63,393,449	\$ 30,904,791	\$ 58,847,938	\$ 57,492,435
% of Delinquencies to Tax Levy	<u>10.12%</u>	<u>20.09%</u>	<u>30.12%</u>	<u>11.01%</u>	<u>7.83%</u>
Foreclosed Property: Assessed Valuation	\$ 7,542,000	\$ 7,542,000	\$ 7,542,000	\$ 7,542,000	\$ 7,542,000

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	
2012	\$ 4,675,000	\$ -	\$ 4,675,000	20,689	\$ 226	\$ 65,486	0.35%
2011	\$ 5,110,000	\$ -	\$ 5,110,000	20,689	\$ 247	\$ 65,486	0.38%
2010	\$ 5,540,000	\$ -	\$ 5,540,000	20,580	\$ 269	\$ 65,486	0.41%
2009	\$ 5,965,000	\$ -	\$ 5,965,000	19,290	\$ 309	\$ 63,198	0.49%
2008	\$ 6,335,000	\$ -	\$ 6,335,000	19,234	\$ 329	\$ 68,227	0.48%
2007	\$ 6,700,000	\$ -	\$ 6,700,000	19,279	\$ 348	\$ 67,394	0.52%
2006	\$ 7,165,000	\$ -	\$ 7,165,000	19,330	\$ 371	\$ 62,714	0.59%
2005	\$ 7,415,000	\$ -	\$ 7,415,000	19,134	\$ 388	\$ 56,706	0.68%
2004	\$ 7,720,000	\$ -	\$ 7,720,000	19,282	\$ 400	\$ 54,462	0.73%
2003	\$ 8,020,000	\$ -	\$ 8,020,000	19,287	\$ 416	\$ 51,132	0.81%
2002	\$ 6,190,000	\$ -	\$ 6,190,000	19,302	\$ 321	\$ 51,913	0.62%

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

	2011	2010	2009	2008	2007
Population (Exhibit J-14)	20,689	20,580	19,290	19,234	19,279
County Equalized Valuations Valuations (Exhibit J-6)	\$ 3,375,925,358	\$ 3,503,089,234	\$ 3,448,909,035	\$ 3,449,391,764	\$ 3,117,819,944
Gross Debt (Exhibit J-10)	\$ 5,110,000	\$ 5,540,000	\$ 5,965,000	\$ 6,335,000	\$ 6,700,000
Gross Debt Per Capita	\$ 247	\$ 269	\$ 309	\$ 329	\$ 348
Ratio of Gross Debt to County Equalized Valuations	0.15%	0.16%	0.17%	0.18%	0.21%

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

DIRECT DEBT

	December 31, 2011	December 31, 2010	December 31, 2009	June 30, 2009	June 30, 2008
Municipal:					
General Purposes:					
B&N Issued and Outstanding:					
Serial Bonds	\$ 10,923,000	\$ 12,563,000	\$ 14,263,000	\$ 15,298,000	\$ 16,913,000
Bond Anticipation Notes	36,900,000	37,250,008	26,169,238	26,169,238	17,503,453
Loans	3,130,000	-	-	-	-
B&N Authorized But Not Issued	14,195,750	5,962,500	2,525,000	-	8,665,785
Credits	-	-	-	-	-
	<u>\$ 65,148,750</u>	<u>\$ 55,775,508</u>	<u>\$ 42,957,238</u>	<u>\$ 41,467,238</u>	<u>\$ 43,082,238</u>
Water Utility:					
B&N Issued and Outstanding:					
Serial Bonds	\$ 2,235,000	\$ 2,400,000	\$ 2,565,000	\$ 2,615,000	\$ 2,780,000
Bond Anticipation Notes	1,290,000	1,313,670	635,000	635,000	635,000
Other Notes	10,137,776	-	-	-	-
B&N Authorized But Not Issued	2,262,224	15,000,000	-	-	-
	<u>\$ 15,925,000</u>	<u>\$ 18,713,670</u>	<u>\$ 3,200,000</u>	<u>\$ 3,250,000</u>	<u>\$ 3,415,000</u>
Local School:					
Serial Bonds Issued	\$ 5,110,000	\$ 5,540,000	\$ 5,965,000	\$ 5,965,000	\$ 6,335,000
	<u>\$ 86,183,750</u>	<u>\$ 80,029,178</u>	<u>\$ 52,122,238</u>	<u>\$ 50,682,238</u>	<u>\$ 52,832,238</u>

OVERLAPPING DEBT

	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007
(1) County Debt:					
Municipal Equalized Valuations	\$ 3,375,925,358	\$ 3,503,089,234	\$ 3,448,909,035	\$ 3,449,391,764	\$ 3,117,819,944
Total County Equalized Valuations	\$ 173,258,537,441	\$ 183,412,099,706	\$ 187,580,071,463	\$ 182,767,512,263	\$ 172,863,500,734
	1.95%	1.91%	1.84%	1.89%	1.80%
X's Outstanding County Debt	1,209,730,830	1,248,273,490	1,138,505,430	1,102,573,565	1,087,757,268
	<u>\$ 23,589,751</u>	<u>\$ 23,842,024</u>	<u>\$ 20,948,500</u>	<u>\$ 20,838,640</u>	<u>\$ 19,579,631</u>
(2) Passaic Valley Sewerage Commission:					
Municipal Sewer Flow Charges	\$ 1,572,807	\$ 1,596,174	\$ 1,569,661	\$ 1,532,212	\$ 1,440,543
Total Flow Charges	\$ 129,883,667	\$ 129,963,014	\$ 127,525,062	\$ 125,403,855	\$ 121,388,216
	1.21%	1.23%	1.23%	1.22%	1.19%
X's Outstanding Debt	339,880,368	355,234,494	305,533,465	293,135,787	305,405,498
	<u>\$ 4,112,552</u>	<u>\$ 4,369,384</u>	<u>\$ 3,758,062</u>	<u>\$ 3,576,257</u>	<u>\$ 3,634,325</u>
Total Overlapping Debt	\$ 27,702,303	\$ 28,211,408	\$ 24,706,562	\$ 24,414,897	\$ 23,213,956
Total Direct and Overlapping Debt - Gross	<u>\$ 113,886,053</u>	<u>\$ 108,240,586</u>	<u>\$ 76,828,800</u>	<u>\$ 75,097,135</u>	<u>\$ 76,046,194</u>

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

	December 31,			June 30,	
	2011	2010	2009	2009	2008
State Equalized Valuation Basis	\$ 3,351,293,007	\$ 3,426,599,226	\$ 3,287,313,029	\$ 3,287,313,029	\$ 3,012,126,129
Municipal Borrowing Power:					
3 1/2% of Equalized Valuation Basis	\$ 117,295,255	\$ 119,930,973	\$ 115,055,956	\$ 115,055,956	\$ 105,424,415
Net Debt	48,237,663	53,004,421	39,536,151	37,517,238	41,892,238
Remaining Borrowing Power	\$ 69,057,592	\$ 66,926,552	\$ 75,519,805	\$ 77,538,718	\$ 63,532,177
School Borrowing Power:					
4% of Equalized Valuation Basis	\$ 134,051,720	\$ 137,063,969	\$ 131,492,521	\$ 131,492,521	\$ 120,485,045
Net School Debt	5,110,000	5,540,000	5,965,000	5,965,000	6,335,000
School Borrowing Margin Available	\$ 128,941,720	\$ 131,523,969	\$ 125,527,521	\$ 125,527,521	\$ 114,150,045

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

J-14

	2011	2010	2009	2008	2007	2006	2005	2004
Average Labor Force Estimates by Municipality:								
Labor Force	11,179	11,193	11,262	11,048	10,886	10,893	10,751	10,707
Employment	9,974	9,967	10,057	10,376	10,375	10,327	10,210	10,105
Unemployment	1,205	1,226	1,205	673	511	566	540	601
Unemployment Rate	10.8%	11.0%	10.7%	6.1%	4.7%	5.2%	5.0%	5.6%
Per Capital Personal Income by County								
	65,486	65,486	63,198	68,227	\$ 67,394	\$ 62,714	\$ 56,706	\$ 54,462
Subcounty Population Estimates:								
	Estimates as of July 1,							Corrected Census 2010 Count
Lyndhurst TWP	20,689	20,580	19,290	19,234	19,279	19,330	19,134	20,554
County of Bergen	911,004	906,184	895,250	889,915	885,664	884,581	887,322	905,116

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

Not Available

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

		<u>2012</u>
<u>Function/Program</u>		
Instruction:		
Regular Programs (Including Aides)	1XX	156
Special Education (Including Aides)	2XX	51
Basic Skills/Remedial	230	8
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	2
Health Services	213	6
Students - Related and Extraordinary	216,217	4
Guidance	218	9
Child Study Teams	219	10
Improvement of Instructional Services	221	6
Educational Media Services/School Library	222	1
Instructional Staff Training Services	223	-
General Administration	230	7
School Administration	240	18
Central Svcs. & Admin. Info. Technology	25X	7
Operation and Maintenance of Plant Services	26X	23
Student Transportation Services	270	3
Personal Services - Employee Benefits	XXX	-
Special Schools		-
Food Service	310	-
Child Care	000	-
		<u>314</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
2012	2336.0	1.0%	\$ 35,820,540	15,334	2.0%	155	15.1	2222.5	95.1%
2011	2312.0	0.2%	\$ 34,746,641	15,029	4.4%	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)**

2012

Elementary

Columbus:	
Square Feet	10,500
Capacity (students)	126.90
Enrollment	151.00
Franklin:	
Square Feet	18,400
Capacity (students)	205.20
Enrollment	249.00
Jefferson:	
Square Feet	32,060
Capacity (students)	260.10
Enrollment	276.00
Lincoln:	
Square Feet	24,300
Capacity (students)	283.50
Enrollment	263.00
Roosevelt:	
Square Feet	21,600
Capacity (students)	431.10
Enrollment	475.00
Washington:	
Square Feet	19,500
Capacity (students)	273.70
Enrollment	255.00

High School

Lyndhurst High School:	
Square Feet	112,300
Capacity (students)	906.95
Enrollment	683.00
District Totals:	
Square Feet	238,660
Capacity (students)	2,487.45
Enrollment	2,352.00

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

<u>School Facilities</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Lyndhurst Senior High School	\$ 387,873	\$ 257,611	\$ 220,136	\$ 238,214	\$ 195,507
Columbus Elementary School	19,436	19,049	8,376	13,483	31,880
Franklin Elementary School	47,705	32,025	22,947	51,019	33,253
Jefferson Elementary School	110,215	84,430	60,240	78,532	61,590
Lincoln Elementary School	51,667	68,282	37,552	32,773	42,880
Roosevelt Elementary School	52,779	41,985	19,068	14,683	18,673
Washington Elementary School	67,829	49,594	38,291	54,374	50,314
	<u>\$ 737,504</u>	<u>\$ 552,976</u>	<u>\$ 406,610</u>	<u>\$ 483,078</u>	<u>\$ 434,097</u>

LYNDHURST SCHOOL DISTRICT
Insurance Schedule (District)
(Unaudited)

LYNDHURST BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2012
(Unaudited)

School Alliance Insurance Fund	Coverage	Deductible
School Package Policy		
Blanket Building & Contents	\$104,155,622	\$1,000
Blanket Valuable Papers		
Flood	\$10,000,000	*\$1,000 or \$500,000
Earthquake	\$25,000,000	**
Comprehensive General Liability	\$5,000,000	
Comprehensive Auto Liability	\$5,000,000	
Employee Benefit	\$5,000,000	\$1,000
Comprehensive Crime Coverage		
Money and Securities (inside/outside)	\$50,000 ea. loss	
Blanket Dishonesty Bond		
Including Faithful Performance*	\$100,000 ea. person/\$500,000 per loss	\$1,000
Computer Fraud	\$50,000	
Forgery and Alteration	\$50,000	
School Board Legal Liability	\$5,000,000/\$5,000,000	\$10,000
Directors & Officers – School Leaders	\$5,000,000	\$5,000
Boiler & Machinery	\$100,000,000	\$1,000

*Flood coverages for locations within Federal Flood Zone "A" and "V" shall apply excess of limits available by the National Flood Insurance Association, or the equivalent of said limits.

** Earthquake coverages apply excess of 5% of the values at each location shown on each Members Statement of Values.

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**Public Entity Property Insurance Program (PEPIP)
 CYBER EVIDENCE OF COVERAGE**

DATE: August 2, 2011

TYPE OF INSURANCE: Insurance Reinsurance

TYPE OF COVERAGE: Information Security & Privacy Insurance with Electronic Media Liability Coverage

FIRST NAMED INSURED: Public Entity Property Insurance Program (PEPIP)

ADDITIONAL NAMED INSURED: Any member(s), entity (ies), agency(ies), organisations(s), enterprise(s) and/or individuals(s) attached to each Declaration insured as per schedule on file with Insurer.

MEMBER NAME, ADDRESS & TIV: School Excess Liability Joint Insurance Fund
 51 Everest Drive, Suite B-40, West Windsor, NJ 08550-5374
 TIV - \$8,450,324,391

DECLARATION: 21-Schools 3

POLICY NUMBER: C111280

POLICY PERIOD: July 1, 2011 to July 1, 2012

MEMBER RETROACTIVE DATE: July 1, 2010

COMPANIES: Lloyd's of London - Beazley Syndicate: Syndicates 2623 - 623 - 100%

COVERAGES & LIMITS:

THIRD PARTY LIABILITY	Ai. \$ 20,000,000	Policy and Program Aggregate Limit of Liability (subject to policy exclusions) for all Insureds/Members combined (Aggregate for all coverages combined, including Claims Expenses), subject to the following sub-limits as noted.
	Aii. \$ 2,000,000	Annual Aggregate Limit of Liability for each Insured/Member for Information Security & Privacy Liability (Aggregate for all coverages combined, including Claim Expenses) but sublimited to:
	B. \$ 500,000	Annual Policy Aggregate Limit of Liability for each Insured/Member Privacy Notification Costs coverage. Limit is \$1,000,000 if Beazley vendor services are used.

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

2011-2012 Public Entity Property Insurance Program (PEPIP) Evidence of Coverage

COVERAGES & LIMITS (Continued)			
THIRD PARTY LIABILITY (Continued)	C.	\$	2,000,000
	Annual Policy Aggregate Limit of Liability for each Insured/Member for all Claims Expenses and Penalties for Regulatory Defense and Penalties		
	D.	\$	2,000,000
	Annual Policy Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses for Website Media Content Liability (Occurrence Based)		

The sub-limits of liability displayed above in Items B, C and D are part of, and not in addition to, the overall Annual Aggregate Limit of Liability for each Insured/Member (Item Aii)

FIRST PARTY COMPUTER SECURITY	E.	\$	2,000,000	Policy Aggregate Sublimit of Liability for each Insured/Member for Cyber Extortion Loss
	F.	\$	2,000,000	Policy Aggregate Sublimit of Liability for each Insured/Member for Data Protection Loss and Business Interruption Loss
	G.			First Party Business Interruption Sub-Limits of Liability for each Insured/Member
		\$	25,000	1) Hourly Sublimit
		\$	25,000	2) Forensic Expense Sublimit
		\$	100,000	3) Dependent Business Interruption Sublimit.

NOTICE:

Policy coverage sections I.A - Information Security & Privacy Liability, I.B.- Privacy Notification Costs and I.C.-Regulatory Defense & Penalties of this policy provide coverage on a claims made and reported basis; except as otherwise provided, coverage under these insuring agreements applies only to claims first made against the insured and reported to underwriters during the policy period. Claims expenses shall reduce the applicable limit of liability and are subject to the applicable retention.

EXTENDED

REPORTING PERIOD:

To be determined at the time of election for First Named Insured - PEPIP

LYNDHURST SCHOOL DISTRICT
Insurance Schedule (District)
(Unaudited)

2012-Aug-29 03:01 PM Bogle Agency Insurance 2015075394

1/1

Save Expense



SELECTIVE

Selective Insurance Company of America
 Branchville, NJ 07890

NO: B 116808

SURETY BOND TRANSACTION REPORT

PRINCIPAL			
DEBORAH FERRATO			
250 Grant Avenue, 1050 WALL ST. A. SUITE#645 Lyndhurst, NJ 07071			
OBLIGEE			
Township of Lyndhurst Board of Education			
BOND			
EFF DATE: 7/1/2011	BILLED EFF DATE:	STATE: NJ	
EXP DATE: 7/1/2012 11:59:59 PM	TYPE: Treasurer of School Monies		
RENEWAL METHOD: AC			
RATING SUMMARY			
	KIND OF BOND	CLASS	BOND AMT
	Treasurer of School Monies	108	140000
			PREMIUM
			336
TOTAL PREM: 336		TOTAL COMM:	
REMARKS			
AGENT NAME	THE BOGLE AGENCY INC		NUMBER: 000145000000
AND ADDRESS	PO BOX 236 LYNDHURST, NJ 07071-0236		
RENEWAL COMMENTS			
B-369 (4/92)			

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, 2012, and have issued our report thereon dated December 5, 2012. 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 Office of School Finance, 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 Office of School Finance, 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, 2012.

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

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

December 5, 2012

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 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, 2012. 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 Office of School Finance, 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, 2012.

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 responses 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

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

December 5, 2012

LYNDHURST SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Fiscal Year Ended June 30, 2012

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, 2011	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2012	Deferred Revenue June 30, 2012	Due to Grantor at June 30, 2012
						From	To									
General Fund																
Medical Assistance Program	93.778		Special Education Medicaid Initiative	N/A	\$ 35,048	09/01/11	06/30/12	\$ -	\$ -	\$ 35,048	\$ (35,048)	\$ -	\$ -	\$ -	\$ -	\$ -
Education Jobs Fund	84.410		Education Jobs Fund	N/A	2,723	09/01/11	06/30/12	-	-	2,723	(2,723)	-	-	-	-	-
								Total General Fund		\$ 37,771	\$ (37,771)	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund																
Title I Grants to Local Educational Agencies	84.010	231	Title I, Part A	NCLB 286012	\$ 273,324	09/01/11	08/31/12	\$ -	\$ -	\$ 272,240	\$ (273,324)	\$ -	\$ -	\$ (1,084)	\$ -	\$ -
Title I Grants to Local Educational Agencies	84.010	231	Title I, Part A	NCLB 286011	206,992	09/01/10	08/31/11	(57,486)	-	57,486	-	-	-	-	-	-
Improving Teacher Quality State Grants	84.367	270	Title II, Part A	NCLB 286012	63,232	09/01/11	08/31/12	-	-	61,636	(63,180)	-	-	(1,596)	52	-
Improving Teacher Quality State Grants	84.367	270	Title II, Part A	NCLB 286011	67,287	09/01/10	08/31/11	(17,565)	-	17,565	-	-	-	-	-	-
Improving Teacher Quality State Grants	84.367	271	Title II, Part D	NCLB 286011	399	09/01/10	08/31/11	(100)	-	100	-	-	-	-	-	-
English Language Acquisition Grants	84.365	241	Title III	Consortium	7,575	09/01/11	08/31/12	-	-	5,838	(7,050)	-	-	(1,737)	525	-
English Language Acquisition Grants	84.365	241	Title III	Consortium	13,469	09/01/10	08/31/11	(6,578)	-	6,578	-	-	-	-	-	-
Special Education - Grants to States	84.027	250	I.D.E.A. Part B - Basic	IDEA 286012	617,758	09/01/11	08/31/12	-	-	607,670	(612,166)	*	-	(10,088)	5,592	-
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	(10,467)	-	10,467	-	-	-	-	-	-
Special Education - Grants to States	84.027	251	I.D.E.A. Part B - Preschool	IDEA 286012	25,101	09/01/11	08/31/12	-	-	23,034	(24,993)	-	-	(2,067)	108	-
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	(555)	-	555	-	-	-	-	-	-
								Total Special Revenue Fund		\$ 1,063,169	\$ (980,713)	\$ -	\$ -	\$ (16,572)	\$ 6,277	\$ -
Enterprise Fund																
School Breakfast Program	10.553		School Breakfast Program	N/A	\$ 2,148	09/01/11	06/30/12	\$ -	\$ -	\$ 2,011	\$ (2,148)	\$ -	\$ -	\$ (137)	\$ -	\$ -
School Breakfast Program	10.553		School Breakfast Program	N/A	2,367	09/01/10	06/30/11	(489)	-	489	-	-	-	-	-	-
National School Lunch Program	10.555		National School Lunch Program	N/A	204,087	09/01/11	06/30/12	-	-	189,696	(204,087)	-	-	(14,391)	-	-
National School Lunch Program	10.555		National School Lunch Program	N/A	180,116	09/01/10	06/30/11	(34,254)	-	34,254	-	-	-	-	-	-
								Total Enterprise Fund		\$ 226,450	\$ (206,235)	\$ -	\$ -	\$ (14,528)	\$ -	\$ -
								Total Federal Financial Awards		\$ 1,327,390	\$ (1,224,719)	\$ -	\$ -	\$ (31,100)	\$ 6,277	\$ -

* Indicates Major Program

LYNDHURST SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 For the Fiscal Year Ended June 30, 2012

K-4
 Schedule B

State Grantor / Program Title	Grant or State Project Number	Local Function Number	Award Amount	Grant Period		Balance June 30, 2011	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2012	Deferred Revenue June 30, 2012	Due to Grantor at June 30, 2012
				From	To									
General Fund														
Special Education Categorical Aid	12-495-034-5120-089		\$ 1,335,538	09/01/11	06/30/12	\$ -	\$ -	\$ 1,335,538	\$ (1,335,538) *	\$ -	\$ -	\$ -	\$ -	\$ -
Equalization Aid	12-495-034-5120-078		333,547	09/01/11	06/30/12	-	-	333,547	(333,547) *	-	-	-	-	-
Extraordinary Special Education Costs Aid	12-100-034-5120-473		250,777	09/01/11	06/30/12	-	-	-	(250,777)	-	-	(250,777)	-	-
Extraordinary Special Education Costs Aid	11-100-034-5120-473		248,503	09/01/10	06/30/11	(248,503)	-	248,503	-	-	-	-	-	-
TPAF (Post Retirement Medical)	12-495-034-5095-001		983,712	09/01/11	06/30/12	-	-	983,712	(983,712) *	-	-	-	-	-
TPAF (NCGI Premiums)	12-495-034-5095-007		489,346	09/01/11	06/30/12	-	-	489,346	(489,346) *	-	-	-	-	-
Social Security Tax	12-495-034-5095-002		1,211,608	09/01/11	06/30/12	-	-	1,150,697	(1,211,608) *	-	-	(60,911)	-	-
Social Security Tax	11-495-034-5095-002		1,171,264	09/01/10	06/30/11	(58,439)	-	58,439	-	-	-	-	-	-
Total General Fund						\$ (306,942)	\$ -	\$ 4,599,782	\$ (4,604,528)	\$ -	\$ -	\$ (311,688)	\$ -	\$ -
Special Revenue Fund														
N.J. Non-Public Textbook Aid	12-100-034-5120 -064	501	\$ 13,686	09/01/11	06/30/12	\$ -	\$ -	\$ 13,686	\$ (13,686)	\$ -	\$ -	\$ -	\$ -	\$ -
N.J. Non-Public Handicapped Services Aid:														
Examination & Classification	12-100-034-5120 -066	507	22,058	09/01/11	06/30/12	-	-	22,058	(15,617)	-	-	-	-	6,441
Examination & Classification	11-100-034-5120 -066	507	3,516	09/01/10	06/30/11	959	-	-	-	-	(959)	-	-	-
Corrective Speech	12-100-034-5120 -066	508	32,622	09/01/11	06/30/12	-	-	32,622	(28,277)	-	-	-	-	4,345
Corrective Speech	11-100-034-5120 -066	508	31,997	09/01/10	06/30/11	4,146	-	-	-	-	(4,146)	-	-	-
Supplementary Instruction	12-100-034-5120 -066	506	11,434	09/01/11	06/30/12	-	-	11,434	(7,787)	-	-	-	-	3,647
Supplementary Instruction	11-100-034-5120 -066	506	8,824	09/01/10	06/30/11	2,501	-	-	-	-	(2,501)	-	-	-
N.J. Non-Public Auxiliary Services Aid:														
Compensatory Education	12-100-034-5120 -067	502	80,052	09/01/11	06/30/12	-	-	80,052	(79,123)	-	-	-	-	929
Compensatory Education	11-100-034-5120 -067	502	61,707	09/01/10	06/30/11	1,089	-	-	-	-	(1,089)	-	-	-
ESL	12-100-034-5120 -067	503	5,862	09/01/11	06/30/12	-	-	5,862	(3,190)	-	-	-	-	2,672
ESL	11-100-034-5120 -067	503	5,977	09/01/10	06/30/11	4,269	-	-	-	-	(4,269)	-	-	-
N.J. Non-Public Nursing Aid	12-100-034-5120 -070	509	19,550	09/01/11	06/30/12	-	-	19,550	(19,550)	-	-	-	-	-
Total Special Revenue Fund						\$ 12,964	\$ -	\$ 185,264	\$ (167,230)	\$ -	\$ (12,964)	\$ -	\$ -	\$ 18,034
Enterprise Fund														
State School Lunch Program	12-100-010-3350 -023		\$ 5,399	09/01/11	06/30/12	\$ -	\$ -	\$ 5,033	\$ (5,399)	\$ -	\$ -	\$ (366)	\$ -	\$ -
State School Lunch Program	11-100-010-3350 -023		4,682	09/01/10	06/30/11	(938)	-	938	-	-	-	-	-	-
Total Enterprise Fund						\$ (938)	\$ -	\$ 5,971	\$ (5,399)	\$ -	\$ -	\$ (366)	\$ -	\$ -
Total State Financial Assistance						\$ (294,916)	\$ -	\$ 4,791,017	\$ (4,777,157)	\$ -	\$ (12,964)	\$ (312,054)	\$ -	\$ 18,034

* Indicates Major Program

**LYNDHURST SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
Fiscal Year Ended June 30, 2012**

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 \$(73,252) for the general fund and \$0 for the special revenue fund. See Note 1 (C-3) [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, 2012**

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

	Federal	State	Total
General Fund	\$ (37,771)	\$ (4,604,528)	\$ (4,642,299)
Special Revenue Fund	(980,713)	(167,230)	(1,147,943)
Debt Service Fund	-	-	-
Enterprise Fund	(206,235)	(5,399)	(211,634)
Total Awards and Financial Assistance	<u>\$ (1,224,719)</u>	<u>\$ (4,777,157)</u>	<u>\$ (6,001,876)</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, 2012.

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, 2012. 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, 2012.

LYNDHURST SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Fiscal Year Ended June 30, 2012

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	<u> X </u> no	
2. Reportable condition(s) identified that are not considered to be material weakness(es)?	_____ yes	<u> X </u> none reported	
C) Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no	

**LYNDHURST SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2012**

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, 2012**

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

State 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 NJ OMB Circular Letter 04-04? _____ yes X no

D) Identification of major programs:

<u>Name of State Program</u>	<u>GMIS Number</u>
Special Education Categorical Aid	12-495-034-5120-089
Equalization Aid	12-495-034-5120-078
TPAF (Post Retirement Medical)	12-495-034-5095-001
TPAF (NCGI Premiums)	12-495-034-5095-007
Social Security Tax	12-495-034-5095-002

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, 2012**

Section II -- Financial Statement Findings

There were no matters identified.

LYNDHURST SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2012

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, 2012**

Not Applicable - No Prior Audit Findings