

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

**Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2016
(With Independent Auditors' Reports Thereon)**

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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

September 30, 2016

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, 2016, 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. 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 Management's Discussion and Analysis, basic financial statements, combining and individual fund 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 requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (U.S. Uniform Guidance), and the state OMB Circular 15-08, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*". 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 as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. 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 students.

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 the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal awards 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, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2016.

LYNDHURST BOARD OF EDUCATION

420 Fern Avenue

LYNDHURST, NEW JERSEY 07071

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. These funds 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 U.S. Uniform Guidance and State OMB Circular 15-08. The auditor's report on the 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

420 Fern Avenue

LYNDHURST, NEW JERSEY 07071

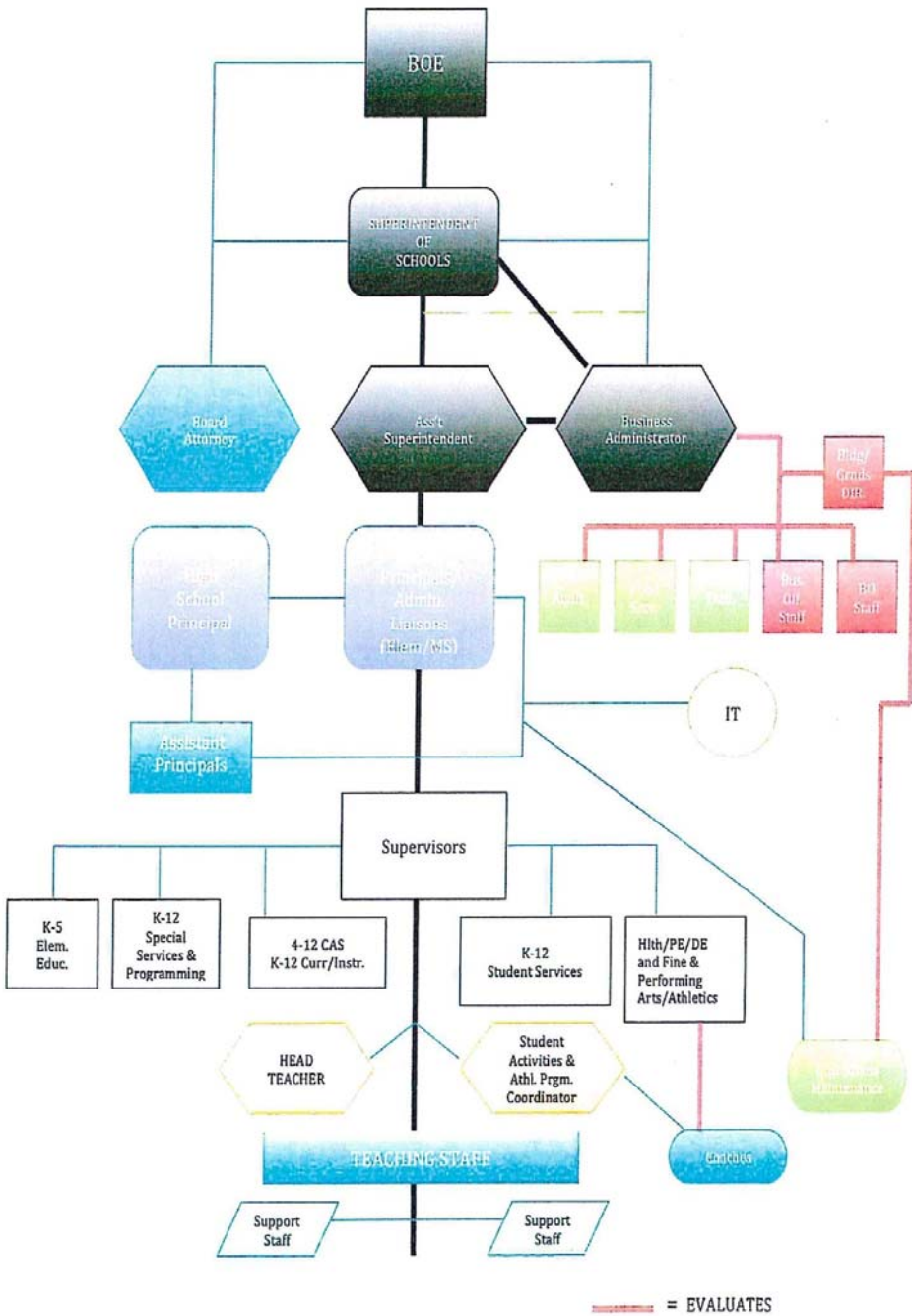
9. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial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



**LYNDHURST SCHOOL DISTRICT
ROSTER OF OFFICIALS**

<u>Board of Education</u>	<u>Term Expires</u>
James Vuono - President	2017
Joseph Abruscato - Vice President	2016
Ronald Szwec	2016
Susan Alcuri	2016
Ronald Grillo	2018
Sheri Jarvis	2018
Christopher Musto	2017
Josephine Malaniak	2018
Beverly Alberti	2017

Other Officials

Dr. James A. Corino, Interim Superintendent

David DiPisa, Business Administrator/Board Secretary

Valerie Troncone, Finance Manager

**LYNDHURST SCHOOL DISTRICT
CONSULTANTS, INDEPENDENT AUDITOR AND ADVISORS**

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

Attorney
Richard J. DiLascio, Esq.
Township of Lyndhurst Shared Service Agreement

Official Depository
Investor's Bank

LYNDHURST SCHOOL DISTRICT
Comprehensive Annual Financial Report
Financial Section

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Di Maria & Di Maria LLP

Accountants & Consultants

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

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst School District, Lyndhurst, New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Report (Continued)

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst School District, Lyndhurst, New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditors' Report (Continued)

Other Matters

Required Supplementary Information

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

Other Information

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

Independent Auditors' Report (Continued)
Other Matters (Continued)
Other Information (Continued)

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

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

Independent Auditors' Report (Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2016 on our consideration of the Lyndhurst School District'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lyndhurst School District's internal control over financial reporting and compliance.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank DiMaria

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

September 30, 2016

**LYNDHURST BOARD OF EDUCATION
LYNDHURST, NEW JERSEY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

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, 2016. 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.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2015-2016 fiscal year include the following:

The position of the Lyndhurst Board of Education exceeded its liabilities at the close of the fiscal year by \$7,006,267 (net position).

The District's total net position decreased \$13,246,449 primarily due to the implementation of GASB 68.

Overall district revenues were \$43,929,087. General revenues accounted for \$35,674,418 or 81% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8,254,669 or 19% of total revenues.

Overall district expenses were \$43,495,863. Governmental activities accounted for \$42,712,900 or 98% of all expenses. Business-type activities accounted for \$782,963 or 2% of all expenses. Governmental activities includes a \$316,533 charge to operations relating to the implementation of GASB 68.

The school district had \$42,712,900 in expenses for governmental activities; only \$7,816,268 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes, unrestricted State aid and capital asset adjustments) of \$35,674,418 were adequate to provide for these programs excluding the effect of GASB 68.

As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of (\$8,777) a decrease of \$298,345 when compared to the previous year ending fund balance at June 30, 2015 of \$289,568.

The General Fund unassigned fund balance at June 30, 2016 was (\$8,777) a decrease of \$298,345 when compared with the ending unassigned fund balance at June 30, 2015 of \$289,568.

The General Fund unassigned budgetary fund balance at June 30, 2016 was \$97,745 which represents a decrease of \$318,792 when compared to the ending fund balance at June 30, 2015 of \$416,537.

LYNDHURST BOARD OF EDUCATION
LYNDHURST, NEW JERSEY

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District:

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

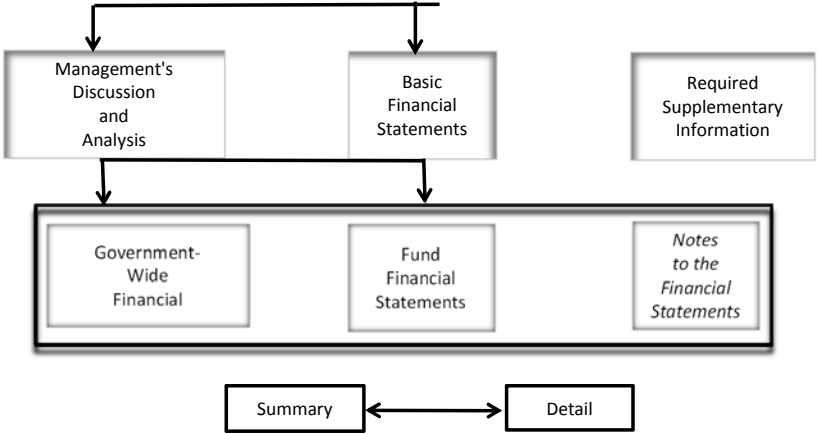
The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting the District's operations in *more detail* than the government-wide statements.

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

Proprietary fund statements offer *short-term and long-term* financial information about the activities the district operated like businesses, such as the food service program.

Fiduciary fund 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 some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. 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, 2016**

The following table summarizes the major features of the District's financial statements, including the portion of the District's government 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 food service and student activities.	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 position, Statement of activities	Balance Sheet Statement of Revenues, Expenditures and changes in fund balances	Statement of Net Position Statement of revenue, expenses, and changes in fund net position Statement of cash flows	Statement of Fiduciary net position Statement of changes in fiduciary net position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources 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
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 revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government'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 government-wide statements report the District's *net position* and how they have changed. Net position - the difference between the District's assets and liabilities - is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position 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 government-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 instruction, 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 where the District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund is included under this category.

**LYNDHURST BOARD OF EDUCATION
LYNDHURST, NEW JERSEY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

Fund financial statements

The fund financial statements provide more detailed information about the District's most significant *funds* - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending for particular purposes:

Some funds are required by State law and bond covenants.

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

The District has three kinds of funds:

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 government-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

2. *Proprietary funds* - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information such as cash flows. 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)

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

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$7,006,267 as of June 30, 2016 and \$6,573,043 as of June 30, 2015. Primarily accounting for this difference is a \$316,533 charge to operations related to the implementation of GASB 68.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Net Position
As of June 30, 2016 and 2015**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current Assets	\$ 846,563	\$ 800,072	\$ 129,935	\$ 32,762	\$ 976,498	\$ 832,834
Capital Assets	20,252,716	19,306,775	-	-	20,252,716	19,306,775
Deferred Pension Outflows	1,732,246	618,598	-	-	1,732,246	-
Total Assets	\$ 22,831,525	\$ 20,725,445	\$ 129,935	\$ 32,762	\$ 22,961,460	\$ 20,139,609
Long-Term Liabilities	\$ 4,164,409	\$ 4,669,117	\$ -	\$ -	\$ 4,164,409	\$ 4,669,117
Other Liabilities	1,375,340	1,020,504	129,116	32,464	1,504,456	1,052,968
Net Pension Liability	10,020,439	7,865,935	-	-	10,020,439	7,865,935
Deferred Pension Inflows	265,889	597,144	-	-	265,889	597,144
Total Liabilities	\$ 15,826,077	\$ 14,152,700	\$ 129,116	\$ 32,464	\$ 15,955,193	\$ 14,185,164
Net Position						
Invested in capital assets, net of related debt	\$ 20,252,716	\$ 16,616,775	\$ -	\$ -	\$ 20,252,716	\$ 16,616,775
Restricted	-	-	-	-	-	-
Unrestricted (Deficit)	(13,247,268)	(10,044,030)	819	298	(13,246,449)	(10,043,732)
Total Net Position	\$ 7,005,448	\$ 6,572,745	\$ 819	\$ 298	\$ 7,006,267	\$ 6,573,043

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 expenses its long-term liabilities for governmental activities such as compensated absences and claims and judgments on the government-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.

The recording of assets and liabilities pertaining to pension liabilities, inflows and outflows are now required by GASB 68 which dictates that Districts recognize their proportionate share of the collective net pension liability, collective deferred inflows and outflows of resources and collective pension expense.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

**Change in Net Position
For The Years Ended June 30, 2015 and 2014**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues						
Program Revenues						
Charges for Services	\$ 27,834	\$ -	\$ 191,362	\$ 203,661	\$ 219,196	\$ 203,661
Operating Grants and Contributions	7,788,434	6,398,209	247,039	259,238	8,035,473	6,657,447
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues						
Property Taxes	35,462,096	34,389,489	-	-	35,462,096	34,389,489
State and Federal Aid	28,749	603,510	-	-	28,749	603,510
Other	183,490	97,601	83	107	183,573	97,708
Capital Asset Adjustments	-	-	-	-	-	-
Transfers	(345,000)	(312,500)	345,000	312,500	-	-
Total Revenues	43,145,603	41,176,309	783,484	775,506	43,929,087	41,951,815
Expenses						
Instruction						
Regular	12,561,431	12,085,449	-	-	12,561,431	12,085,449
Special Education	3,416,548	3,523,300	-	-	3,416,548	3,523,300
Basic Skills/Remedial	648,491	419,368	-	-	648,491	419,368
Bilingual	134,667	102,753	-	-	134,667	102,753
School Sponsored Activities & Athletics	743,964	738,452	-	-	743,964	738,452
Alternative Education Program	-	500	-	-	-	500
Undistributed Expenditures						
Instruction	2,254,384	2,904,552	-	-	2,254,384	2,904,552
Attendance and Social Work	-	27,557	-	-	-	27,557
Health Services	778,285	740,997	-	-	778,285	740,997
Speech, OT, PT, Related Services	601,852	696,669	-	-	601,852	696,669
Other Support Services - Students	100,004	70,306	-	-	100,004	70,306
Guidance	825,481	788,407	-	-	825,481	788,407
Child Study Team	675,876	627,010	-	-	675,876	627,010
Improvement of Instructional Services	883,592	800,966	-	-	883,592	800,966
Educational Media						
Services/School Library	33,519	2,180	-	-	33,519	2,180
Instructional Staff Training						
Services	20,506	19,169	-	-	20,506	19,169
General Administration	1,067,944	970,151	-	-	1,067,944	970,151
School Administration	1,832,175	2,082,171	-	-	1,832,175	2,082,171
Central Services	654,175	637,103	-	-	654,175	637,103
Required Maintenance for School Facilities	1,215,379	1,142,865	-	-	1,215,379	1,142,865
Custodial Services	2,549,900	1,946,883	-	-	2,549,900	1,946,883
Care & Upkeep of Grounds	78,830	55,498	-	-	78,830	55,498
Security	35,077	36,193	-	-	35,077	36,193
Student Transportation	849,073	795,344	-	-	849,073	795,344
Unallocated Employee Benefits	7,060,335	12,966,315	-	-	7,060,335	12,966,315
TPAF Pension	2,911,271	2,173,184	-	-	2,911,271	2,173,184
TPAF Social Security	1,267,617	1,264,227	-	-	1,267,617	1,264,227
Capital Outlay						
Interest Deposit to Capital Reserve	-	-	-	-	-	-
Equipment	(856,013)	154,675	-	-	(856,013)	154,675
Facilities Acquisition and Construction Services	46,397	3,800,334	-	-	46,397	3,800,334
Charter Schools	174,487	170,963	-	-	174,487	170,963
Debt Service						
Interest on Early Retirement Bonds	29,563	37,468	-	-	29,563	37,468
Interest on Bonds	118,090	134,190	-	-	118,090	134,190
Food Services	-	-	782,963	777,138	782,963	777,138
Before/After Child Care	-	-	-	-	-	-
Total Expenses	42,712,900	51,915,199	782,963	777,138	43,495,863	52,692,337

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

Change in Net Position	432,703	(10,738,890)	521	(1,632)	433,224	(10,740,522)
Net Position, Beginning of Year	6,572,745	17,311,635	298	1,930	6,573,043	17,313,565
Net Position, End of Year	<u>\$ 7,005,448</u>	<u>\$ 6,572,745</u>	<u>\$ 819</u>	<u>\$ 298</u>	<u>\$ 7,006,267</u>	<u>\$ 6,573,043</u>

Governmental Activities - The District's total governmental activities' revenues, which includes State and Federal grants, were \$43,490,603 and \$41,488,809 for the years ended June 30, 2016 and June 30, 2015, respectively. Property taxes of \$35,462,096 and \$34,389,489 represented 82% and 83% of the revenues for the fiscal years ended June 30, 2016 and 2015, respectively. Another significant portion of revenues came from state aid; total state, federal and local aid and grants was \$7,810,383 and \$7,001,719 which represented 18% and 17% of the revenues for the fiscal years ended June 30, 2016 and 2015, 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 \$43,788,948 and \$41,527,043 for the years ended June 30, 2016 and 2015. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$17,505,101 and \$16,869,822 (40% and 41%) of total expenditures for the fiscal years ended June 30, 2016 and 2015, respectively. Support services, totaled \$26,283,847 and \$24,657,221 (60% and 59%) of total expenditures.

Business-Type-Activities - The District's total business-type activities revenues were \$438,484 and \$463,006 for the years ended June 30, 2016 and June 30, 2015. Charges for services accounted for 44% and 44% of total revenues and operating grants and contributions accounted for 56% and 56% of total revenue for the years ended June 30, 2016 and 2015. There were no capital grants received for years ended June 30, 2016 or 2015.

The total cost of all business-type activities programs and services were \$782,963 and \$777,138 for the years ended June 30, 2016 and 2015. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District.

The business-type activities revenues (including transfers) for the year ended June 30, 2016 surpassed expenses, increasing net position by \$521 above the previous year from \$298 at June 30, 2015 to \$819 at June 30, 2016. The cost of business-type activities this year was \$782,963, an increase of \$5,825 (1%) from the previous year mainly due to increases in salaries and maintenance costs on food service equipment.

Some of the cost was paid by users of the District's food service program for a total of \$191,362, a decrease of \$12,299 (6%) from the previous year.

The Federal and State government subsidized the food service program with grants and contributions of \$247,039, a decrease of \$12,199 (5%).

The overall net increase in net position reflects the increased cost of sales (i.e., food and supply costs), associated with higher food prices, and increases in revenues from Board subsidy.

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 financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of (\$8,777) for the year ended June 30, 2016 compared to a fund balance of \$289,568 for the year ended June 30, 2015, a decrease in the balance of \$298,345 for the year.

Revenues for the District's governmental funds were \$43,490,603 and \$41,488,809, while total expenses were \$43,788,948 and \$41,527,043 for the fiscal years ended June 30, 2016 and 2015, respectively.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

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, 2016 and 2015:

	June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2016</u>	<u>2015</u>		
Local Sources				
Property Tax Levy	\$ 34,804,443	\$ 33,712,831	\$ 1,091,612	3%
Miscellaneous	211,324	97,601	113,723	117%
State Sources	6,509,983	5,706,162	803,821	14%
Federal Sources	8,302	98,071	(89,769)	-92%
Total General Fund Revenues	<u>\$ 41,534,052</u>	<u>\$ 39,614,665</u>	<u>\$ 1,919,387</u>	5%

Local property taxes increased by \$1,091,612 or 3% over the previous year. State aid revenues increased \$803,821, or 14%, predominantly attributable to a change in the State funding formula and adjustments made to aid during the year. Federal aid revenues decreased \$89,769, or 92% due to decreases in Special Education Medicaid Initiative funding.

The following schedule presents a comparison of General Fund expenditures for the fiscal years ended June 30, 2016 and 2015:

	June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2016</u>	<u>2015</u>		
Instruction	\$ 16,234,643	\$ 15,835,542	\$ 399,101	3%
Support Services	24,941,942	22,930,835	2,011,107	9%
Debt Services	-	-	-	0%
Charter Schools	174,487	170,963	3,524	2%
Capital Outlay	136,325	403,059	(266,734)	-66%
Total Expenditures	<u>\$ 41,487,397</u>	<u>\$ 39,340,399</u>	<u>\$ 2,146,998</u>	5%

Total General Fund expenditures increased \$2,146,998 or 5% from the previous year. The increase can be attribute to contractual increases in salaries and wages, health benefits and special education tuition as well as increases in support services, charter school funding and capital outlay expenditures .

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 \$1,298,898 and \$1,197,486 for the years ended June 30, 2016 and 2015. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 84% and 83% of the total revenues for the years ended June 30, 2016 and 2015.

Total Special Revenue Fund revenues increased \$101,412 or 8% from the previous year. State sources increased \$4,796 or 2% and Federal sources increased \$89,816 or 9%. Local sources increased \$6,800 or 100%

Expenditures of the Special Revenue Fund were \$1,298,898 and \$1,197,486 for the fiscal years ended June 30, 2016 and 2015. Instructional expenditures were \$1,270,458 and \$1,034,280 or 98% and 86% and expenditures for support services were \$28,440 and \$163,206 or 2% and 14% of the total amounts expended for the years ended June 30, 2016 and 2015, respectively.

**LYNDHURST BOARD OF EDUCATION
LYNDHURST, NEW JERSEY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

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.

General Fund budgetary revenues did not exceed General Fund budgetary and other financing uses decreasing budgetary fund balance \$318,792 from the previous year. After deducting statutory reserves and designations, the unreserved/unassigned budgetary fund balance decreased \$318,792 from a \$416,537 balance at June 30, 2015 to a \$97,745 fund balance at June 30, 2016.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2016 and 2015 amounted to \$20,252,716 and \$19,306,775 (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 2015-2016 and 2014-2015 amounted to \$220,954 and \$125,947 for governmental activities and \$0 and \$0 for business-type activities.

Capital Assets at June 30, 2016 and 2015
(Net of Accumulated Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land and Land Improvements	\$ 18,803,100	\$ 18,803,100	\$ -	\$ -	\$ 18,803,100	\$ 18,803,100
Building and Building Improvements	-	-	-	-	-	-
Machinery and Equipment	1,449,616	503,675	-	-	1,449,616	503,675
Construction in Progress	-	-	-	-	-	-
Total Net Assets	\$ 20,252,716	\$ 19,306,775	\$ -	\$ -	\$ 20,252,716	\$ 19,306,775

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

LONG TERM LIABILITIES

At June 30, 2016 and 2015, the District's long-term liabilities consisted of bonds payable of \$2,725,000 and \$3,235,000, and compensated absences payable of \$1,959,409 and \$1,944,117, 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, 2016**

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 2016 - 2017 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, and increased special education tuition costs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, 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 POSITION
JUNE 30, 2016**

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash	\$ 512,014	\$ 81,708	\$ 593,722
Receivables, (Net)	334,549	48,227	382,776
Capital Assets, (Net)	20,252,716	-	20,252,716
Deferred Pension Outflows	1,732,246	-	1,732,246
Total Assets	\$ 22,831,525	\$ 129,935	\$ 22,961,460
<u>LIABILITIES</u>			
Accounts Payable	\$ 855,340	\$ 129,116	\$ 984,456
Deferred Pension Inflows	265,889	-	265,889
Net Pension Liability	10,020,439	-	10,020,439
Non-Current Liabilities:			
Due Within One Year	520,000	-	520,000
Due Beyond One Year	4,164,409	-	4,164,409
Total liabilities	\$ 15,826,077	\$ 129,116	\$ 15,955,193
<u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	\$ 20,252,716	\$ -	\$ 20,252,716
Unrestricted	(13,247,268)	819	(13,246,449)
Total Net Position	\$ 7,005,448	\$ 819	\$ 7,006,267

LYNDHURST SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2016

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
Governmental Activities:											
Current Expense:											
Instruction:											
Regular Programs - Instruction	\$ 12,561,431	\$ -	\$ -	\$ 12,561,431	\$ 27,834	\$ 1,124,259	\$ -	\$ 1,152,093	\$ (11,409,338)	\$ -	\$ (11,409,338)
Special Education - Instruction	3,416,548	-	-	3,416,548	-	2,337,327	-	2,337,327	(1,079,221)	-	(1,079,221)
Basic Skills - Remedial Instruction	648,491	-	-	648,491	-	-	-	-	(648,491)	-	(648,491)
Bilingual Education - Instruction	134,667	-	-	134,667	-	-	-	-	(134,667)	-	(134,667)
School Sponsored Cocurricular Activities - Instruction	178,829	-	-	178,829	-	-	-	-	(178,829)	-	(178,829)
School Sponsored Athletics - Instruction	565,135	-	-	565,135	-	-	-	-	(565,135)	-	(565,135)
Alternative Education Program	-	-	-	-	-	-	-	-	-	-	-
Undistributed Expenditures:											
Instruction	2,254,384	-	-	2,254,384	-	-	-	-	(2,254,384)	-	(2,254,384)
Attendance and Social Work Services	-	-	-	-	-	-	-	-	-	-	-
Health Services	778,285	-	-	778,285	-	28,440	-	28,440	(749,845)	-	(749,845)
Speech, OT, PT, Related Services	601,852	-	-	601,852	-	-	-	-	(601,852)	-	(601,852)
Other Support Services - Students Extraordinary Services	100,004	-	-	100,004	-	-	-	-	(100,004)	-	(100,004)
Guidance	825,481	-	-	825,481	-	-	-	-	(825,481)	-	(825,481)
Child Study Team	675,876	-	-	675,876	-	-	-	-	(675,876)	-	(675,876)
Improvement of Instructional Services	896,581	(12,989)	-	883,592	-	-	-	-	(883,592)	-	(883,592)
Educational Media Services/School Library	33,519	-	-	33,519	-	-	-	-	(33,519)	-	(33,519)
Instructional Staff Training Services	20,506	-	-	20,506	-	-	-	-	(20,506)	-	(20,506)
Support Services - General Administration	1,088,102	(20,158)	-	1,067,944	-	-	-	-	(1,067,944)	-	(1,067,944)
Support Services - School Administration	1,876,788	(44,613)	-	1,832,175	-	-	-	-	(1,832,175)	-	(1,832,175)
Central Services	654,175	-	-	654,175	-	-	-	-	(654,175)	-	(654,175)
Required Maintenance for School Facilities	1,215,379	-	-	1,215,379	-	65,826	-	65,826	(1,149,553)	-	(1,149,553)
Custodial Services	2,560,220	(10,320)	-	2,549,900	-	-	-	-	(2,549,900)	-	(2,549,900)
Care & Upkeep of Grounds	78,830	-	-	78,830	-	-	-	-	(78,830)	-	(78,830)
Security	35,077	-	-	35,077	-	-	-	-	(35,077)	-	(35,077)
Student Transportation Services	849,073	-	-	849,073	-	53,694	-	53,694	(795,379)	-	(795,379)
Allocated and Unallocated Employee Benefits	6,247,362	812,973	-	7,060,335	-	-	-	-	(7,060,335)	-	(7,060,335)
TPAF Pension	2,911,271	-	-	2,911,271	-	2,911,271	-	2,911,271	-	-	-
TPAF Social Security	1,267,617	-	-	1,267,617	-	1,267,617	-	1,267,617	-	-	-
Capital Outlay											
Equipment	89,928	(1,166,895)	220,954	(856,013)	-	-	-	-	856,013	-	856,013
Facilities Acquisition and Construction Services	46,397	-	-	46,397	-	-	-	-	(46,397)	-	(46,397)
Charter Schools	174,487	-	-	174,487	-	-	-	-	(174,487)	-	(174,487)
Debt Service:											
Interest on Early Retirement Bonds	29,563	-	-	29,563	-	-	-	-	(29,563)	-	(29,563)
Redemption of Principal - Early Retirement Bonds	160,000	(160,000)	-	-	-	-	-	-	-	-	-
Interest on Bonds	118,090	-	-	118,090	-	-	-	-	(118,090)	-	(118,090)
Redemption of Principal	350,000	(350,000)	-	-	-	-	-	-	-	-	-
Total Governmental Activities	\$ 43,443,948	\$ (952,002)	\$ 220,954	\$ 42,712,900	\$ 27,834	\$ 7,788,434	\$ -	\$ 7,816,268	\$ (34,896,632)	\$ -	\$ (34,896,632)
Business-Type Activities:											
Food Service	\$ 782,963	\$ -	\$ -	\$ 782,963	\$ 191,362	\$ 247,039	\$ -	\$ 438,401	\$ -	\$ (344,562)	\$ (344,562)
Total Primary Government	\$ 44,226,911	\$ (952,002)	\$ 220,954	\$ 43,495,863	\$ 219,196	\$ 8,035,473	\$ -	\$ 8,254,669	\$ (34,896,632)	\$ (344,562)	\$ (35,241,194)
General Revenues:											
Local Tax Levy									35,462,096	-	35,462,096
Unrestricted Miscellaneous Revenues									183,490	83	183,573
Federal & State Aid									28,749	-	28,749
Transfers									(345,000)	345,000	-
Change in Net Assets									\$ 432,703	\$ 521	\$ 433,224
Net Assets—Beginning									6,572,745	298	6,573,043
Net Assets—Ending									\$ 7,005,448	\$ 819	\$ 7,006,267

SECTION "B" - FUND FINANCIAL STATEMENTS

LYNDHURST SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
<u>ASSETS</u>					
Cash	\$ 270,959	\$ 241,055	\$ -	\$ -	\$ 512,014
Intergovernmental Receivable:					
Federal	8,302	28,819	-	-	37,121
State	297,428	-	-	-	297,428
Other	-	-	-	-	-
Total Assets	<u>\$ 576,689</u>	<u>\$ 269,874</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 846,563</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$ 585,466	\$ 253,423	\$ -	\$ -	\$ 838,889
Intergovernmental Payable - State	-	16,451	-	-	16,451
Total Liabilities	<u>585,466</u>	<u>269,874</u>	<u>-</u>	<u>-</u>	<u>855,340</u>
Fund Balances:					
Unassigned	(8,777)	-	-	-	(8,777)
Total Liabilities and Fund Balances	<u>\$ 576,689</u>	<u>\$ 269,874</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 846,563</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.	\$ 20,252,716
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements.	1,732,246
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements.	(265,889)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(10,020,439)
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.	(4,684,409)
Net assets of governmental activities	<u>\$ 7,005,448</u>

**LYNDHURST SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
REVENUES					
Local Sources:					
Local Tax Levy	\$ 34,804,443	\$ -	\$ -	\$ 657,653	\$ 35,462,096
Unrestricted Miscellaneous Revenues	211,324	6,800	-	-	218,124
Total Local Sources	\$ 35,015,767	\$ 6,800	\$ -	\$ 657,653	\$ 35,680,220
State Sources	6,509,983	202,397	-	-	6,712,380
Federal Sources	8,302	1,089,701	-	-	1,098,003
Total Revenues	\$ 41,534,052	\$ 1,298,898	\$ -	\$ 657,653	\$ 43,490,603
EXPENDITURES					
Current Expense:					
Instruction:					
Regular Programs	\$ 11,904,809	\$ 656,622	\$ -	\$ -	\$ 12,561,431
Regular Programs - Special Education	2,802,712	613,836	-	-	3,416,548
Basic Skills - Remedial	648,491	-	-	-	648,491
Bilingual Education	134,667	-	-	-	134,667
School Sponsored Cocurricular Activities	178,829	-	-	-	178,829
School Sponsored Athletics	565,135	-	-	-	565,135
Alternative Education Program	-	-	-	-	-
Undistributed Expenditures:					
Instruction	2,254,384	-	-	-	2,254,384
Attendance and Social Work Services	-	-	-	-	-
Health Services	749,845	28,440	-	-	778,285
Speech, OT, PT, Related Services	601,852	-	-	-	601,852
Other Support Services Students - Extraordinary Services	100,004	-	-	-	100,004
Guidance	825,481	-	-	-	825,481
Child Study Team	675,876	-	-	-	675,876
Improvement of Instructional Services	896,581	-	-	-	896,581
Educational Media Services/School Library	33,519	-	-	-	33,519
Instructional Staff Training Services	20,506	-	-	-	20,506
Support Services - General Administration	1,088,102	-	-	-	1,088,102
Support Services - School Administration	1,876,788	-	-	-	1,876,788
Central Services	654,175	-	-	-	654,175
Required Maintenance for School Facilities	1,215,379	-	-	-	1,215,379
Custodial Services	2,560,220	-	-	-	2,560,220
Care & Upkeep of Grounds	78,830	-	-	-	78,830
Security	35,077	-	-	-	35,077
Student Transportation Services	849,073	-	-	-	849,073
Allocated and Unallocated Employee Benefits	6,247,362	-	-	-	6,247,362
TPAF Pension	2,911,271	-	-	-	2,911,271
TPAF Social Security	1,267,617	-	-	-	1,267,617
Capital Outlay:					
Equipment	89,928	-	-	-	89,928
Facilities Acquisition and Construction Services	46,397	-	-	-	46,397
Charter Schools	174,487	-	-	-	174,487
Debt Service:					
Interest on Early Retirement Bonds	-	-	-	29,563	29,563
Redemption of Principal - Early Retirement Bonds	-	-	-	160,000	160,000
Interest on Bonds	-	-	-	118,090	118,090
Redemption of Principal	-	-	-	350,000	350,000
Total Expenditures	\$ 41,487,397	\$ 1,298,898	\$ -	\$ 657,653	\$ 43,443,948
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 46,655	\$ -	\$ -	\$ -	\$ 46,655
OTHER FINANCING SOURCES (USES)					
Operating Transfers	(345,000)	-	-	-	(345,000)
Net Change In Fund Balances	\$ (298,345)	\$ -	\$ -	\$ -	\$ (298,345)
Fund Balances - July 1	289,568	-	-	-	289,568
Fund Balances - June 30	\$ (8,777)	\$ -	\$ -	\$ -	\$ (8,777)

**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, 2016**

Total Net Change in Fund Balances - Governmental Funds (B-2) \$ (298,345)

Amounts reported for governmental activities in the statement
Investment Earnings

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

Depreciation Expense	(220,954)
Capital Outlays	1,166,895

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.

(316,533)

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

510,000

Employee Benefits

(408,360)

Change in net position of governmental activities

\$ 432,703

**LYNDHURST SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016**

	<u>Business-Type Activities Enterprise Funds</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 81,708
Intergovernmental Receivable:	
State	942
Federal	47,285
Total Assets	<u>\$ 129,935</u>
<u>LIABILITIES</u>	
Accounts Payable	<u>\$ 129,116</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 819</u>

**LYNDHURST SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Business-Type Activities</u>
	<u>Enterprise Funds</u>
<u>OPERATING REVENUES</u>	
Charges for Services:	
Sales	\$ 191,362
<u>OPERATING EXPENSES</u>	
Salaries	\$ 292,410
Support Services - Employee Benefits	22,332
Cost of Goods Sold	43,913
Other Purchased Services	424,270
Supplies & Materials	38
	<u>\$ 782,963</u>
Operating Income (Loss)	<u>\$ (591,601)</u>
<u>NON-OPERATING REVENUES</u>	
Local Sources:	
Interest on Investments	\$ 83
State Sources:	
School Lunch Program	5,096
Federal Sources:	
School Breakfast Program	19,896
School Lunch Program	222,047
	<u>\$ 247,122</u>
Income (Loss) Before Other Financing Sources (Uses)	\$ (344,479)
Other Financing Sources (Uses):	
Operating Transfers	<u>\$ 345,000</u>
Change in Net Position	\$ 521
Total Net Position - Beginning	298
Total Net Position - Ending	<u><u>\$ 819</u></u>

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

**LYNDHURST SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Business-Type Activities</u>
	<u>Enterprise Funds</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from Sales	\$ 191,362
Payments for Operating Expenses	(686,311)
	<u>\$ (494,949)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Local Sources	\$ 345,083
State Sources	4,635
Federal Sources	218,187
	<u>\$ 567,905</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Purchase of Capital Assets	<u>\$ -</u>
Net Increase (Decrease) in Cash	<u>\$ 72,956</u>
Balances - Beginning of Year	<u>8,752</u>
Balances - End of Year	<u>\$ 81,708</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided	
(Used) by Operating Activities:	
Operating Income (Loss)	\$ (591,601)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided	
(Used for) Operating Activities:	
(Increase) Decrease in Accounts Receivable	-
Increase (Decrease) in Accounts Payable	96,652
Net Cash Provided by (used for)	
Operating Activities	<u>\$ (494,949)</u>

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

**LYNDHURST SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016**

ASSETS

Cash	\$ 1,399,434
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LIABILITIES

Due to Student Groups	\$ 215,524
Payroll, Deductions and Withholdings Payable	1,117,166

Total Liabilities	<u>\$ 1,332,690</u>
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NET POSITION

Held in Trust for Scholarships	<u><u>\$ 66,744</u></u>
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**LYNDHURST SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

ADDITIONS

Earnings on Investments	\$	170
		<u>170</u>

DEDUCTIONS

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

Change in Net Position	\$	170
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Net Position - Beginning		<u>66,574</u>
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Net Position - Ending	\$	<u>66,744</u>
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**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). 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 Township of Lyndhurst which support the following programs:

Regular Programs:

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

Special Education Programs:

- 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 whether (1) the organization is legally separate (can sue or be sued in their own name), (2) the District holds the corporate powers of the organization, (3) the District appoints a voting majority of the organization's board, (4) the District is able to impose its will on the organization, (5) the organization has the potential to impose a financial benefit/burden on the District and (6) there is a fiscal dependency by the organization on the District.

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 FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.

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 FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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 within 60 days after year end. 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.

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 1 - Summary of Significant Accounting Policies (Continued)

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 for approval and as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund. 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. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. All budget amendments must be approved by School Board resolution.

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 legally mandated revenue recognition of the last state aid payments for budgetary purposes only and 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.

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

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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. Capital Assets

Capital 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.

Capital 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 FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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, 2016, the amount earned by these employees but not disbursed was \$1,074,348.

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.

LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

O. Accounting Changes

As a result of recently effective pronouncements by the Governmental Accounting Standards Board (GASB) the terminology for Net Assets has been revised to *Net Position*. This change was only a terminology change and did not have an impact on either *Fund Balance or Net Position* (formerly identified as Net Assets). In addition, GASB has also introduced the concept of *Deferred Inflows and Outflows* to identify categories that were previously identified as *Liabilities or Assets*, respectively.

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 1 - Summary of Significant Accounting Policies (Continued)

P. Deferred Outflows/Inflows of Resources

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

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

The other item that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The Board does not have any of these types of items to report.

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 1 - Summary of Significant Accounting Policies (Continued)

Q. New Accounting Standards

During fiscal year 2016, the District adopted the following GASB statements:

GASB No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify- in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 1 - Summary of Significant Accounting Policies (Continued)

Q. New Accounting Standards (Continued)

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

GASB No. 73, Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.

GASB No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

GASB No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 1 - Summary of Significant Accounting Policies (Continued)

Q. New Accounting Standards (Continued)

GASB No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.

GASB No. 82, *Pension Issues- An Amendment of GASB Statements No. 67, No. 68, and No.73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 2 - Cash, 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, 2016, 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	\$ 512,014	\$ -
Checking/Money Market Accounts - Proprietary Funds	81,708	-
Checking/Money Market Accounts - Fiduciary Funds	1,399,434	-
	<u>\$ 1,993,156</u>	<u>\$ -</u>

LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Note 3 - Capital Assets

The following schedule is a summarization of the changes in general fixed assets for the fiscal year ended June 30, 2016:

	Beginning Balance	Additions	Disposals	Adjustments	Ending Balance
<i>Governmental Activities --</i>					
Capital Assets not being Depreciated:					
Land	\$ 18,803,100	\$ -	\$ -	\$ -	\$ 18,803,100
Capital Assets being Depreciated:					
Building Improvements	13,456,100	-	-	-	13,456,100
Machinery and Equipment	2,361,055	89,928	-	4,933,352	7,384,335
	15,817,155	89,928	-	4,933,352	20,840,435
	34,620,255	89,928	-	4,933,352	39,643,535
Less Accumulated Depreciation:					
Building Improvements	(13,456,100)	-	-	-	(13,456,100)
Machinery and Equipment	(1,857,380)	(220,954)	-	(3,856,385)	(5,934,719)
	(15,313,480)	(220,954)	-	(3,856,385)	(19,390,819)
Net Assets for Governmental Activities	\$ 19,306,775	\$ (131,026)	\$ -	\$ 1,076,967	\$ 20,252,716

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 4 - Operating Leases and Other Commitments

The District has commitments to lease copying equipment, fax machines, postage meters, GPS software and AED units under operating leases which expire on various dates thru FY2019. Lease terms are either 36, 48 or 60 months with monthly payments as low as \$93 and high as \$2,890. The District also has commitments to lease Apple computers and iPads under operating leases which expire on various dates thru FY2016. Lease terms are between 2 and 5 years with annual payments as low as \$22,230 and high as \$236,786. Additionally, the District has commitments to lease a passenger bus, trucks, modular classrooms, copiers and card readers under operating leases that expire on various dates thru FY2019. Lease terms are between 2 and 5 years with annual payments as low as \$7,329 and high as \$410,301. Total operating lease payments made during the year ended June 30, 2016 were \$1,054,354. Future minimum lease payments are as follows:

	Fiscal Year Ended	Amount
	2017	733,655
	2018	637,429
	2019	619,965
Total future minimum lease payments		<u>\$ 1,991,049</u>

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 5 - Long-Term Debt

During the fiscal year ended June 30, 2016, the following changes occurred in liabilities reported as general long-term debt:

	Beginning Balance	Issued	Retired	Adjustments	Ending Balance
Bonds Payable	\$ 3,235,000	\$ -	\$ (510,000)	\$ -	\$ 2,725,000
Compensated Absences Payable	1,944,117	316,533	(301,241)	-	1,959,409
	<u>\$ 5,179,117</u>	<u>\$ 316,533</u>	<u>\$ (811,241)</u>	<u>\$ -</u>	<u>\$ 4,684,409</u>

	Amounts Due within One Year	Long-Term Portion	Ending Balance
Bonds Payable	\$ 520,000	\$ 2,205,000	\$ 2,725,000
Compensated Absences Payable	-	1,959,409	1,959,409
	<u>\$ 520,000</u>	<u>\$ 4,164,409</u>	<u>\$ 4,684,409</u>

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, 2016, the Board had \$2,725,000 of bonds payable. As of June 30, 2016, 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.

C. Long-Term Debt Service to Maturity

Year Ended June 30,	08/15/01 School Bonds		2003 Pension Refunding Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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>\$ 2,340,000</u>	<u>\$ 338,960</u>	<u>\$ 385,000</u>	<u>\$ 35,369</u>	<u>\$ 2,725,000</u>	<u>\$ 374,329</u>

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

Note 6 - Retirement Plans

Description of the Plans

All required employees of the District are covered by either the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS) which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (the "Division"). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Note 6 - Retirement Plans (Continued)

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the District. However, the notes to the financial statements of the District must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the District. Membership 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.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

Note 6 - Retirement Plans (Continued)

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$51,515,241 as measured on June 30, 2015 and \$43,943,129 as measured on June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$5,995,244 and revenue of \$5,995,244 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2016 is based upon changes in the collective net pension liability with a measurement period of June 30, 2014 through June 30, 2015. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2014 and June 30, 2015.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>06/30/15</u>	<u>06/30/14</u>	<u>06/30/13</u>
Collective deferred outflows of resources	\$ 7,521,378,257	\$ 2,306,623,861	\$ -
Collective deferred inflows of resources	\$ 554,399,005	\$ 1,763,205,593	\$ -
Collective net pension liability (Nonemployer - State of NJ)	\$ 63,204,270,305	\$ 53,446,745,367	\$ 50,539,213,484
State's portion of the net pension liability that was associated with the district	\$ 98,187,722	\$ 88,688,359	\$ 80,612,933
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.1553498229%	0.1659378104%	0.1595057134%

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

Note 6 - Retirement Plans (Continued)

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

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.50%
Salary Increases	Varies based on experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

Note 6 - Retirement Plans (Continued)

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

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	Long-Term Expected Real Rate of <u>Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - Multi Strategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the State's total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate - Since the District's has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/pdf/financial/gasb68-tpaf15.pdf>.

Note 6 - Retirement Plans (Continued)

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

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

Note 6 - Retirement Plans (Continued)

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership 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 or local jurisdiction.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

Note 6 - Retirement Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

At June 30, 2016, the District reported a liability of \$10,020,439 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2015 and 2014. At June 30, 2015, the District's proportion was 0.04464%, which was a decrease of 0.0026% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$727,574. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 239,052	\$ -
Changes of assumptions	1,076,115	-
Net difference between projected and actual earnings on pension plan investments	-	161,109
Changes in proportion and differences between District contributions and proportionate share of contributions	417,079	104,780
Total	<u>\$ 1,732,246</u>	<u>\$ 265,889</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended 6/30:</u>
2016	\$ (474,953)
2017	(474,953)
2018	(474,953)
2019	(474,953)
2020	301,043
Thereafter	132,412
	<u>\$ (1,466,357)</u>

Collective balances are as follows:

	<u>06/30/15</u>	<u>06/30/14</u>	<u>06/30/13</u>
Collective deferred outflows of resources	\$ 3,578,755,666	\$ 952,194,675	\$ -
Collective deferred inflows of resources	\$ 993,410,455	\$ 1,479,224,662	\$ -
Collective net pension liability (Non State - Local Group)	\$ 22,447,996,119	\$ 18,722,735,003	\$ 19,111,986,911
District's Portion of net pension liability	\$ 10,020,439	\$ 7,865,935	8,181,446
District's Proportion	0.0446384566%	0.0420127455%	0.0428079301%

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

Note 6 - Retirement Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.04%
Salary Increases:	
2012-2021	2.15% - 4.40% based on age
Thereafter	3.15% - 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

**LYNDHURST SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2015**

Note 6 - Retirement Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount rate - The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate - The following presents the District's proportionate share of the net pension liability measured as of June 30, 2015, calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	1% Decrease <u>(3.90%)</u>	Current Discount Rate <u>(4.90%)</u>	1% Increase <u>(5.90%)</u>
District's proportionate share of the \$ net pension liability	\$ 12,454,203	\$ 10,020,439	\$ 7,980,278

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

Note 6 - Retirement Plans (Continued)

Defined Contribution Retirement Plan (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Member contributions are matched by a 3% employer contribution. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Note 6 - Retirement Plans (Continued)

PERS and TPAF Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the 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 of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

Note 6 - Retirement Plans (Continued)

PERS and TPAF Vesting and Benefit Provisions (Continued)

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems. Chapter 78's provisions impacting employee pension and health benefits include:

1. New members of the 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 $\frac{1}{4}$ of 1% for each month that the member is under age 65.
2. The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
3. The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
4. Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011.
5. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
6. The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
7. New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
8. In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.06% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

Note 6 - Retirement Plans (Continued)

During the fiscal year ended June 30, 2016, the State of New Jersey did contribute \$2,911,271 to the TPAF for postretirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,267,617 during the year ended June 30, 2016, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

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
2016	\$ 364,268	\$ -	\$ 13,916	\$ 19,503	\$ 397,687
2015	324,377	-	13,830	21,970	360,177
2014	317,155	-	13,519	5,394	336,068
2013	320,212	-	13,127	19,058	352,397
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

Teachers' Pension and Annuity Fund:

Year	Annual Pension Cost	Percentage Contributed	Total Obligation
2016	\$ 2,911,271	100%	- (On-Behalf)
2015	2,173,184	100%	- (On-Behalf)
2014	1,852,978	100%	- (On-Behalf)
2013	2,196,063	100%	- (On-Behalf)
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)

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

Note 7 - Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 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, c.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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. 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 benefits 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 employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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.

In the district wide *Statement of Net Position*, 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, 2016, no liability existed for compensated absences in the Food Service Fund.

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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 FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 10 - 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.

The District does not maintain a separate expendable Unemployment trust fund.

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 11 - Fund Balance Appropriated

General Fund -- The following is an analysis of the General Fund balance at June 30, 2016:

Reserve for Encumbrances	\$	-
Designated for Subsequent Years' Expenditures		-
Unassigned		(8,777)
	<u>\$</u>	<u>(8,777)</u>

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 12 - 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, 2016 was \$0.

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 13 - Economic Dependency

The District is heavily reliant on federal and state sources to fund the District operations and debt service. Federal and state sources funded approximately 18% of the District's 2015-2016 governmental operations.

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 14 - Contingent Liabilities

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgement of the District's management, the outcome of any legal proceedings will not have any adverse effect on the accompanying financial statements.

**LYNDHURST SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

Note 15 - Subsequent Events

We have evaluated subsequent events through September 30, 2016, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

SECTION "C" - GENERAL FUND

LYNDHURST SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2016

	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	\$ 34,804,443	\$ -	\$ -	\$ -	\$ 34,804,443	\$ 34,804,443	\$ -	
Tuition From Individuals	10-1310	8,956	-	-	-	8,956	10,836	1,880	
Tuition From Leas Within State	10-1320	-	-	-	-	-	16,998	16,998	
Rents and Royalties	10-1910	-	-	-	-	-	-	-	
Unrestricted Miscellaneous Revenues	10-1xxx	60,000	-	-	-	60,000	183,490	123,490	
Total Local Sources		34,873,399	-	-	-	34,873,399	35,015,767	142,368	
State Sources:									
Categorical Transportation Aid	10-3121	53,694	-	-	-	53,694	53,694	-	
Extraordinary Aid	10-3131	210,000	-	-	-	210,000	297,428	87,428	
Categorical Special Education Aid	10-3132	1,426,063	-	-	-	1,426,063	1,426,063	-	
Equalization Aid	10-3176	419,196	-	-	-	419,196	419,196	-	
Categorical Security Aid	10-3177	65,826	-	-	-	65,826	65,826	-	
PARCC Readiness Aid	10-3190	24,220	-	-	-	24,220	24,220	-	
Per Pupil Growth Aid	10-3190	24,220	-	-	-	24,220	24,220	-	
Adjustment Aid	10-3178	1	-	-	-	1	1	-	
TPAF Pension (On-Behalf - Non-Budgeted)	Non-Budgeted	-	-	-	-	-	2,911,271	2,911,271	
TPAF Social Security (Reimbursed - Non-Budgeted)	Non-Budgeted	-	-	-	-	-	1,267,617	1,267,617	
Total State Sources		2,223,220	-	-	-	2,223,220	6,489,536	4,266,316	
Federal Sources:									
Medicaid Reimbursement	10-4200	38,794	-	-	-	38,794	8,302	(30,492)	
ARRA/SEMI Revenue	10-4210	-	-	-	-	-	-	-	
		38,794	-	-	-	38,794	8,302	(30,492)	
Total Revenues		37,135,413	-	-	-	37,135,413	41,513,605	4,378,192	

LYNDHURST SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2016

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	Encumbered (Memo Only)	
EXPENDITURES										
General Current Expense										
Regular Programs - Instruction:										
	Preschool - Salaries of Teachers	11-105-100-101	53,326	-	(326)	-	53,000	53,000	-	-
	Kindergarten - Salaries of Teachers	11-110-100-101	835,366	-	(18,383)	-	816,983	816,983	-	-
	Grades 1-5 - Salaries of Teachers	11-120-100-101	3,496,672	-	(71,760)	-	3,424,912	3,424,912	-	-
	Grades 6-8 - Salaries of Teachers	11-130-100-101	2,394,988	-	(82,204)	-	2,312,784	2,312,783	1	-
	Grades 9-12 - Salaries of Teachers	11-140-100-101	4,087,503	-	38,010	-	4,125,513	4,125,513	-	-
Regular Programs - Home Instruction:										
	Salaries of Teachers	11-150-100-101	30,000	-	(4,990)	-	25,010	25,010	-	-
Regular Programs - Undistributed Instruction:										
	Other Salaries for Instruction	11-190-100-106	209,640	-	16,495	-	226,135	226,135	-	-
	Purchased Professional - Educational Services	11-190-100-320	20,000	-	117	-	20,117	20,117	-	-
	Other Purchased Services	11-190-100-500	393,886	-	65,803	-	459,689	459,689	-	-
	General Supplies	11-190-100-610	215,000	-	28,076	-	243,076	243,075	1	-
	Textbooks	11-190-100-640	170,000	-	27,592	-	197,592	197,592	-	-
Total Regular Programs - Instruction			11,906,381	-	(1,570)	-	11,904,811	11,904,809	2	-

LYNDHURST SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2016

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	Encumbered (Memo Only)
<u>EXPENDITURES (Continued)</u>									
<u>General Current Expense (Continued)</u>									
Special Education - Instruction - Learning and/or Language Disabilities:									
Salaries of Teachers	11-204-100-101	684,131	-	11,699	-	695,830	695,829	1	-
Other Salaries for Instruction	11-204-100-106	274,216	-	(59,970)	-	214,246	214,245	1	-
General Supplies	11-204-100-610	3,000	-	2,470	-	5,470	5,470	-	-
Textbooks	11-204-100-610	5,000	-	(74)	-	4,926	4,926	-	-
Other Objects - ESY Program	11-204-100-800	-	-	1,339	-	1,339	1,339	-	-
		966,347	-	(44,536)	-	921,811	921,809	2	-
Special Education - Instruction - Resource Room/Resource Center:									
Salaries of Teachers	11-213-100-101	1,442,242	-	(68,899)	-	1,373,343	1,373,342	1	-
Other Salaries for Instruction	11-213-100-106	119,120	-	14,054	-	133,174	133,173	1	-
Purchased Professional-Educational Services	11-213-100-320	-	-	2,520	-	2,520	2,520	-	-
General Supplies	11-213-100-610	1,000	-	7,841	-	8,841	8,840	1	-
Textbooks	11-213-100-640	1,000	-	2,900	-	3,900	3,900	-	-
		1,563,362	-	(41,584)	-	1,521,778	1,521,775	3	-
Special Education - Instruction - Preschool Disabilities - Part-Time:									
Salaries of Teachers	11-215-100-101	101,122	-	(2,029)	-	99,093	99,092	1	-
Other Salaries for Instruction	11-215-100-106	17,112	-	47	-	17,159	17,158	1	-
General Supplies	11-215-100-600	325	-	4,340	-	4,665	4,665	-	-
		118,559	-	2,358	-	120,917	120,915	2	-
Special Education - Instruction - Preschool Disabilities - Full-Time:									
Salaries of Teachers	11-216-100-101	132,266	-	(2,013)	-	130,253	130,253	-	-
Other Salaries for Instruction	11-216-100-106	55,604	-	14,655	-	70,259	70,258	1	-
General Supplies	11-216-100-600	650	-	19,647	-	20,297	20,297	-	-
		188,520	-	32,289	-	220,809	220,808	1	-
Special Education - Instruction - Home Instruction:									
Purchased Professional-Educational Services	11-219-100-320	22,000	-	(3,791)	-	18,209	17,405	804	804
Total Special Education - Instruction		2,858,788	-	(55,264)	-	2,803,524	2,802,712	812	804

LYNDHURST SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2016

	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	480,943	-	160,393	-	641,336	641,336	-	-
General Supplies	11-230-100-610	1,000	-	6,155	-	7,155	7,155	-	-
		<u>481,943</u>	<u>-</u>	<u>166,548</u>	<u>-</u>	<u>648,491</u>	<u>648,491</u>	<u>-</u>	<u>-</u>
Bilingual Education - Instruction:									
Salaries of Teachers	11-240-100-101	122,136	-	12,336	-	134,472	134,472	-	-
General Supplies	11-240-100-610	500	-	(305)	-	195	195	-	-
		<u>122,636</u>	<u>-</u>	<u>12,031</u>	<u>-</u>	<u>134,667</u>	<u>134,667</u>	<u>-</u>	<u>-</u>
School Sponsored Co-Curricular Activities - Instruction:									
Salaries	11-401-100-100	151,488	-	(7,279)	-	144,209	144,208	1	-
Purchased Services	11-401-100-390	-	-	-	-	-	-	-	-
Purchased Services	11-401-100-500	2,500	-	(2,500)	-	-	-	-	-
Supplies and Materials	11-401-100-600	28,600	-	6,022	-	34,622	34,621	1	-
		<u>182,588</u>	<u>-</u>	<u>(3,757)</u>	<u>-</u>	<u>178,831</u>	<u>178,829</u>	<u>2</u>	<u>-</u>
School Sponsored Athletics - Instruction:									
Salaries	11-402-100-100	437,302	-	(21,784)	-	415,518	415,517	1	-
Purchased Services	11-402-100-500	27,000	-	(3,059)	-	23,941	23,940	1	-
Supplies and Materials	11-402-100-600	61,000	-	14,878	-	75,878	75,878	-	-
Other Objects	11-402-100-800	500	-	(500)	-	-	-	-	-
Transfer to Cover Deficit	11-402-100-930	48,000	-	1,800	-	49,800	49,800	-	-
		<u>573,802</u>	<u>-</u>	<u>(8,665)</u>	<u>-</u>	<u>565,137</u>	<u>565,135</u>	<u>2</u>	<u>-</u>
Alternative Education Program - Instruction:									
Other Objects	11-423-100-800	500	-	(500)	-	-	-	-	-
Total - Instruction		<u>16,126,638</u>	<u>-</u>	<u>108,823</u>	<u>-</u>	<u>16,235,461</u>	<u>16,234,643</u>	<u>818</u>	<u>804</u>

LYNDHURST SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2016

	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 - Special	11-000-100-562	353,194	-	(241,574)	-	111,620	111,620	-	-
	Tuition to County Vocational School District - Regular	11-000-100-563	371,868	-	(199,988)	-	171,880	171,880	-	-
	Tuition to County Vocational School District - Special	11-000-100-564	110,250	-	76,209	-	186,459	186,459	-	-
	Tuition to CSSD & Regional Day Schools	11-000-100-565	891,820	-	4,542	-	896,362	896,362	-	-
	Tuition to Private Schools for the Disabled - W/I State	11-000-100-566	1,008,151	-	(120,087)	-	888,064	888,063	1	-
	Tuition - State Facilities	11-000-100-568	-	-	-	-	-	-	-	-
			2,735,283	-	(480,898)	-	2,254,385	2,254,384	1	-
Undistributed Expenditures - Attendance and Social Work:										
	Salaries	11-000-211-100	28,246	-	(28,246)	-	-	-	-	-
	Supplies and Materials	11-000-211-600	500	-	(500)	-	-	-	-	-
			28,746	-	(28,746)	-	-	-	-	-
Undistributed Expenditures - Health Services:										
	Salaries	11-000-213-100	710,028	-	(3,096)	-	706,932	706,932	-	-
	Purchased Professional and Technical Services	11-000-213-300	10,500	-	4,388	-	14,888	14,888	-	-
	Other Purchased Services	11-000-213-500	14,040	-	-	-	14,040	14,040	-	-
	Supplies and Materials	11-000-213-600	10,000	-	2,881	-	12,881	12,880	1	-
	Other Objects	11-000-213-800	3,000	-	(1,894)	-	1,106	1,105	1	-
			747,568	-	2,279	-	749,847	749,845	2	-
Undistributed Expenditures - Speech, OT, PT, Related Services:										
	Salaries	11-000-216-100	403,015	-	(75,663)	-	327,352	327,351	1	-
	Purchased Professional - Educational Services	11-000-216-320	345,400	-	(71,462)	-	273,938	273,523	415	414
	Supplies and Materials	11-000-216-600	2,200	-	(1,221)	-	979	978	1	-
			750,615	-	(148,346)	-	602,269	601,852	417	414
Undistributed Expenditures - Other Support Services Students - Extraordinary Services:										
	Salaries	11-000-217-100	72,648	-	(3,793)	-	68,855	68,855	-	-
	Purchased Professional - Educational Services	11-000-217-320	-	-	28,667	-	28,667	28,666	1	-
	Supplies and Materials	11-000-217-600	3,000	-	(517)	-	2,483	2,483	-	-
			75,648	-	24,357	-	100,005	100,004	1	-

LYNDHURST SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2016

	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	662,936	-	10,908	-	673,844	673,844	-	-
Salaries of Secretarial and Clerical Assistants	11-000-218-105	78,503	-	4,407	-	82,910	82,910	-	-
Purchased Professional - Educational Services	11-000-218-320	73,000	-	(12,574)	-	60,426	60,425	1	-
Other Purchased Professional and Technical Services	11-000-218-390	1,000	-	(1,000)	-	-	-	-	-
Other Purchased Services	11-000-218-500	-	-	1,150	-	1,150	1,150	-	-
Supplies and Materials	11-000-218-600	6,550	-	605	-	7,155	7,152	3	-
		821,989	-	3,496	-	825,485	825,481	4	-
Undistributed Expenditures - Child Study Team:									
Salaries of Other Professional Staff	11-000-219-104	584,395	-	(18,635)	-	565,760	565,760	-	-
Salaries of Secretarial and Clerical Assistants	11-000-219-105	50,256	-	22,924	-	73,180	73,180	-	-
Purchased Professional - Educational Services	11-000-219-320	-	-	29,188	-	29,188	29,188	-	-
Other Purchased Services	11-000-219-500	3,000	-	(1,256)	-	1,744	1,744	-	-
Supplies and Materials	11-000-219-600	5,000	-	1,005	-	6,005	6,004	1	-
		642,651	-	33,226	-	675,877	675,876	1	-
Undistributed Expenditures - Improvement of Instructional Services:									
Salaries of Supervisors of Instruction	11-000-221-102	757,419	-	58,140	-	815,559	815,559	-	-
Salaries of Secretarial and Clerical Assistants	11-000-221-105	55,980	-	(355)	-	55,625	55,625	-	-
Unused Vacation to Terminated/Retired Staff	11-000-221-199	-	-	12,990	-	12,990	12,989	1	-
Other Purchases Services	11-000-221-500	4,500	-	101	-	4,601	4,601	-	-
Supplies and Materials	11-000-221-600	1,000	-	1,114	-	2,114	2,113	1	-
Other Objects	11-000-221-800	6,000	-	(305)	-	5,695	5,694	1	-
		824,899	-	71,685	-	896,584	896,581	3	-
Undistributed Expenditures - Educational Media Services/School Library:									
Salaries	11-000-222-100	22,000	-	9,141	-	31,141	31,140	1	-
Supplies and Materials	11-000-222-600	1,000	-	1,379	-	2,379	2,379	-	-
		23,000	-	10,520	-	33,520	33,519	1	-
Undistributed Expenditures - Instructional Staff Training Services:									
Purchased Professional Educational	11-000-223-320	-	-	8,800	-	8,800	8,800	-	-
Other Purchased Services	11-000-223-500	18,000	-	(6,294)	-	11,706	11,706	-	-
Supplies-Teacher	11-000-223-600	-	-	1	-	1	-	1	-
		18,000	-	2,507	-	20,507	20,506	1	-

LYNDHURST SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2016

	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	502,942	-	17,644	-	520,586	520,585	1	-
Unused Vacation to Terminated/Retired Staff	11-000-230-199	-	-	20,158	-	20,158	20,158	-	-
Legal Services	11-000-230-331	92,000	-	(14,575)	-	77,425	77,425	-	-
Audit Fees	11-000-230-332	32,000	-	650	-	32,650	32,650	-	-
Architectural/Engineering Services	11-000-230-334	150,000	-	-	-	150,000	150,000	-	-
Other Purchased Professional Services	11-000-230-339	4,500	-	35	-	4,535	4,535	-	-
Communications/Telephone	11-000-230-530	125,000	-	9,643	-	134,643	134,642	1	-
BOE Other Purchased Services	11-000-230-585	4,000	-	(3,189)	-	811	810	1	-
Misc. Purchased Services	11-000-230-590	98,100	-	18,725	-	116,825	116,823	2	-
General Supplies	11-000-230-610	10,500	-	(625)	-	9,875	9,872	3	-
BOE In-House Training/Meeting Supplies	11-000-230-630	2,000	-	1,096	-	3,096	3,095	1	-
Miscellaneous Expenditures	11-000-230-890	2,500	-	(311)	-	2,189	2,189	-	-
BOE Membership Dues and Fees	11-000-230-895	15,500	-	(182)	-	15,318	15,318	-	-
		1,039,042	-	49,069	-	1,088,111	1,088,102	9	-
Undistributed Expenditures - Support Services - School Administration:									
Salaries of Principals/Assistance Principals	11-000-240-103	1,327,603	-	(86,860)	-	1,240,743	1,240,743	-	-
Salaries of Secretarial and Clerical Assistants	11-000-240-105	584,393	-	(68,585)	-	515,808	515,807	1	-
Unused Vacation to Terminated/Retired Staff	11-000-240-199	-	-	44,613	-	44,613	44,613	-	-
Purchased Professional & Technical Services	11-000-240-300	75,000	-	(44,299)	-	30,701	30,700	1	-
Other Purchased Services	11-000-240-500	11,700	-	(3,380)	-	8,320	8,319	1	-
Supplies and Materials	11-000-240-600	24,000	-	3,480	-	27,480	27,479	1	-
Other Objects	11-000-240-800	9,500	-	(373)	-	9,127	9,127	-	-
		2,032,196	-	(155,404)	-	1,876,792	1,876,788	4	-
Undistributed Expenditures - Central Services:									
Salaries	11-000-251-100	431,557	-	(426)	-	431,131	431,130	1	-
Purchased Professional Services	11-000-251-330	2,500	-	88	-	2,588	2,588	-	-
Purchased Technical Services	11-000-251-340	144,295	-	59,998	-	204,293	204,293	-	-
Misc. Purchased Services	11-000-251-592	4,000	-	(763)	-	3,237	3,236	1	-
Supplies and Materials	11-000-251-600	22,440	-	(11,393)	-	11,047	11,044	3	-
Miscellaneous Expenditures	11-000-251-890	1,850	-	34	-	1,884	1,884	-	-
		606,642	-	47,538	-	654,180	654,175	5	-

LYNDHURST SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2016

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	Encumbered (Memo Only)
<u>EXPENDITURES (Continued)</u>									
<u>General Current Expense (Continued)</u>									
Undistributed Expenditures - Required Maintenance for School Facilities:									
Salaries	11-000-261-100	328,925	-	(14,447)	-	314,478	314,478	-	-
Cleaning, Repair and Maintenance Services	11-000-261-420	631,000	-	207,464	-	838,464	838,464	-	-
General Supplies	11-000-261-610	35,000	-	27,437	-	62,437	62,437	-	-
		<u>994,925</u>	<u>-</u>	<u>220,454</u>	<u>-</u>	<u>1,215,379</u>	<u>1,215,379</u>	<u>-</u>	<u>-</u>
Undistributed Expenditures - Custodial Services:									
Salaries	11-000-262-100	955,185	-	56,669	-	1,011,854	1,011,854	-	-
Unused Vacation to Terminated/Retired Staff	11-000-262-199	-	-	10,321	-	10,321	10,320	1	-
Purchased Professional and Technical Services	11-000-262-300	-	-	-	-	-	-	-	-
Cleaning, Repair and Maintenance Services	11-000-262-420	136,021	-	(2,600)	-	133,421	133,421	-	-
Rental of Land & Bldg. Other Than Lease Purch Agrmt.	11-000-262-441	350,000	-	-	-	350,000	350,000	-	-
Other Purchased Property Services	11-000-262-490	410,302	-	23,167	-	433,469	433,469	-	-
Insurance	11-000-262-520	198,000	-	(24,060)	-	173,940	173,940	-	-
General Supplies	11-000-262-610	38,000	-	54,053	-	92,053	92,052	1	-
Energy (Natural Gas)	11-000-262-621	160,000	-	(61,482)	-	98,518	98,518	-	-
Energy (Electricity)	11-000-262-622	253,000	-	(8,612)	-	244,388	244,388	-	-
Energy (Gasoline)	11-000-262-626	15,000	-	(11,000)	-	4,000	4,000	-	-
Other Objects	11-000-262-800	2,500	-	5,758	-	8,258	8,258	-	-
		<u>2,518,008</u>	<u>-</u>	<u>42,214</u>	<u>-</u>	<u>2,560,222</u>	<u>2,560,220</u>	<u>2</u>	<u>-</u>
Undistributed Expenditures - Care & Upkeep of Grounds:									
Cleaning, Repair, and Maintenance Services	11-000-263-420	25,000	-	44,312	-	69,312	69,311	1	-
General Supplies	11-000-263-610	10,000	-	(481)	-	9,519	9,519	-	-
		<u>35,000</u>	<u>-</u>	<u>43,831</u>	<u>-</u>	<u>78,831</u>	<u>78,830</u>	<u>1</u>	<u>-</u>
Undistributed Expenditures - Security:									
Salaries	11-000-266-100	38,774	-	(3,696)	-	35,078	35,077	1	-

LYNDHURST SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2016

	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	73,480	-	(23,065)	-	50,415	50,415	-	-
Salaries for Pupil Trans. (Between Home and School)	11-000-270-160	29,028	-	3,380	-	32,408	32,408	-	-
Salaries for Pupil Trans. (Between Home and School)	11-000-270-161	29,027	-	3,241	-	32,268	32,268	-	-
Sal. for Pupil Trans. (Other Than Bet. Home and Sch)	11-000-270-162	75,000	-	(10,942)	-	64,058	64,058	-	-
Cleaning, Repair and Maintenance Services	11-000-270-420	40,000	-	13,331	-	53,331	53,330	1	-
Lease Purchase Payments - School Buses	11-000-270-443	40,000	-	(12,371)	-	27,629	27,629	-	-
Aid in Lieu - Non Public	11-000-270-503	118,508	-	(80,496)	-	38,012	38,012	-	-
Contract Serv. - Aid in Lieu - Charter Schools	11-000-270-504	11,492	-	(176)	-	11,316	11,315	1	-
Contr Serv (Other Than Bet Home and Sch) - Vendors	11-000-270-512	42,000	-	6,384	-	48,384	48,384	-	-
Contr Serv (Bet Home and Sch) - Joint Agreements	11-000-270-513	100,000	-	(15,313)	-	84,687	84,686	1	-
Contr Serv (Special Ed Students) - Joint Agreements	11-000-270-515	315,000	-	77,209	-	392,209	392,208	1	-
Transportation Supplies	11-000-270-615	25,000	-	(12,369)	-	12,631	12,630	1	-
Other Objects	11-000-270-800	2,000	-	(270)	-	1,730	1,730	-	-
		900,535	-	(51,457)	-	849,078	849,073	5	-
Unallocated Benefits - Employee Benefits:									
Social Security Contributions	11-000-291-220	370,000	-	83,231	-	453,231	453,230	1	-
Other Retirement Contributions - PERS	11-000-291-241	367,000	-	45,530	-	412,530	412,529	1	-
Other Retirement Contributions - Deferred PERS	11-000-291-248	13,789	-	127	-	13,916	13,916	-	-
Unemployment Compensation	11-000-291-250	85,000	-	(11,318)	-	73,682	73,681	1	-
Workmen's Compensation	11-000-291-260	235,335	-	(39,606)	-	195,729	195,729	-	-
Health Benefits	11-000-291-270	3,963,731	-	388,112	-	4,351,843	4,351,842	1	-
Other Employee Benefits	11-000-291-290	682,450	-	63,986	-	746,436	746,435	1	-
		5,717,305	-	530,062	-	6,247,367	6,247,362	5	-
TPAF Pension (On-Behalf - Non-Budgeted)		-	-	-	-	-	2,911,271	(2,911,271)	-
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	-	-	1,267,617	(1,267,617)	-
Total Undistributed Expenditures		20,550,826	-	212,691	-	20,763,517	24,941,942	(4,178,425)	414
Total Expenditures - Current Expense		36,677,464	-	321,514	-	36,998,978	41,176,585	(4,177,607)	1,218

LYNDHURST SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2016

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	Encumbered (Memo Only)
<u>Capital Outlay</u>									
Equipment:									
Undistributed Expenditures - Custodial Services	12-000-262-730	-	-	61,808	-	61,808	61,807	1	-
Undistributed Expenditures - Care & Upkeep of Grounds	12-000-263-730	-	-	28,123	-	28,123	28,121	2	-
		-	-	89,931	-	89,931	89,928	3	-
Facilities Acquisition and Construction Services:									
Construction Services	12-000-400-450	-	-	22,066	-	22,066	22,066	-	-
Assessment for Debt Service on SDA Funding	12-000-400-896	24,331	-	-	-	24,331	24,331	-	-
		24,331	-	22,066	-	46,397	46,397	-	-
Total Capital Outlay		24,331	-	111,997	-	136,328	136,325	3	-
<u>Charter Schools</u>									
Transfers to Charter Schools	10-000-100-56X	153,618	-	20,869	-	174,487	174,487	-	-
Total Expenditures		36,855,413	-	454,380	-	37,309,793	41,487,397	(4,177,604)	1,218
Excess (Deficiency) of Revenues Over (Under) Expenditures		280,000	-	(454,380)	-	(174,380)	26,208	200,588	1,218

LYNDHURST SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2016

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	Encumbered (Memo Only)
Other Financing Sources (Uses):									
Operating Transfers:									
Food Service Enterprise Fund	11-000-310-930	(280,000)	-	(65,000)	-	(345,000)	(345,000)	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Expenditures and Other Financing Uses		-	-	(519,380)	-	(519,380)	(318,792)	200,588	
Fund Balances, July 1		416,537	-	-	-	416,537	416,537	-	
Fund Balances, June 30		<u>\$ 416,537</u>	<u>\$ -</u>	<u>\$ (519,380)</u>	<u>\$ -</u>	<u>\$ (102,843)</u>	<u>\$ 97,745</u>	<u>\$ 200,588</u>	

Recapitulation of Fund Balance:

Unreserved - Unassigned	<u>97,745</u>
	97,745

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payment(s) not recognized on GAAP basis	<u>(106,522)</u>
Fund Balance per Governmental Funds (GAAP) (Exhibit B-1)	<u>(8,777)</u>
	-

**LYNDHURST SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2016**

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:	\$ 41,513,605	\$ 1,298,898
State aid payment recognized for GAAP purposes, not recognized for budgetary statements	126,969	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	(106,522)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<u>\$ 41,534,052</u>	<u>\$ 1,298,898</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 41,487,397	\$ 1,298,898
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>\$ 41,487,397</u>	<u>\$ 1,298,898</u>

REQUIRED SUPPLEMENTAL INFORMATION - PART III

SECTION "L" - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
PENSIONS (GASB 68)

LYNDHURST SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - PERS
 LAST 10 FISCAL YEARS*

	June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.0446384556%	0.0420127438%	0.0428079288%							
District's proportionate share of the net pension liability (asset)	\$ 10,020,439	\$ 7,865,935	\$ 8,181,446							
District 's covered employee payroll	\$ 2,970,168	\$ 2,945,693	\$ 2,736,261							
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	337.37%	267.03%	299.00%							
Plan fiduciary net position as a percentage of the total pension liability (Local)	47.93%	52.08%	48.72%							

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, Districts should present information for those years for which information is available.

LYNDHURST SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS
 LAST 10 FISCAL YEARS*

	June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 360,177	\$ 336,068	\$ 352,397							
Contributions in relation to the contractually required contribution	(360,177)	(336,068)	(352,397)							
Contribution deficiency (excess)	\$ -	\$ -	\$ -							
District 's covered employee payroll	\$ 2,970,168	\$ 2,945,693	\$ 2,736,261							
Contributions as a percentage of covered employee payroll	12.13%	11.41%	12.88%							

*Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, Districts should present information for those years for which information is available.

LYNDHURST SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - TPAF
 LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)*	N/A	N/A	N/A							
District's proportionate share of the net pension liability (asset)*	N/A	N/A	N/A							
State's proportionate share of the net pension liability (asset) associated with the District	\$ 98,187,722	\$ 88,688,359	\$ 80,612,933							
Total	\$ 98,187,722	\$ 88,688,359	\$ 80,612,933							
District 's covered employee payroll	\$ 17,618,977	\$ 16,345,640	\$ 15,177,018							
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	N/A	N/A							
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%							

* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

LYNDHURST SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 1. **Teachers ' Pension and Annuity Fund (TPAF)**

Changes of benefit terms The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Changes of assumptions Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

Changes of benefit terms The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and 1 year for females) are used to value disabled retirees.

SECTION "E" - SPECIAL REVENUE FUND

LYNDHURST SCHOOL DISTRICT
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
 FISCAL YEAR ENDED JUNE 30, 2016

	FY2016	FY2015	FY2016	FY2015	FY2016	FY2016	FY2016	FY2015	FY2016	FY2015
	N.C.L.B.					I.D.E.A. Part B (Handicapped)				
	Title I - Part A	Title I - Part A	Title II - Part A	Title II - Part A	Title III	Title III Immigrant	Basic	Basic	Preschool	Preschool
REVENUES										
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-	-	-	-	-
Federal Sources	328,481	8,472	55,477	-	7,742	-	647,120	17,911	24,498	-
Total Revenues	\$ 328,481	\$ 8,472	\$ 55,477	\$ -	\$ 7,742	\$ -	\$ 647,120	\$ 17,911	\$ 24,498	\$ -
EXPENDITURES										
Instruction:										
Salaries of Teachers	100-101	\$ 212,165	\$ -	\$ -	\$ -	\$ 5,563	\$ -	\$ -	\$ -	\$ -
Purchased Professional and Technical Services	100-300	40,505	8,472	-	-	-	-	-	-	-
Other Purchased Services	100-500	-	-	-	-	-	593,851	-	19,985	-
General Supplies	100-600	12,000	-	-	-	733	-	28,573	-	2,513
Textbooks	100-640	-	-	-	-	-	-	-	-	-
Total Instruction		\$ 264,670	\$ 8,472	\$ -	\$ -	\$ 6,296	\$ -	\$ 622,424	\$ -	\$ 22,498
Support Services:										
Non Instruction - Salaries	200-100	\$ -	\$ -	\$ 2,591	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services - Employee Benefits	200-200	61,260	-	-	-	1,446	-	-	-	-
Purchased Technical Services	200-300	2,551	-	28,304	-	-	-	-	-	-
Purchased Professional - Educational Services	200-320	-	-	-	-	-	24,696	17,911	-	-
Other Purchased Services	200-500	-	-	14,841	-	-	-	-	-	-
Supplies	200-600	-	-	9,741	-	-	-	-	2,000	-
Total Support Services		\$ 63,811	\$ -	\$ 55,477	\$ -	\$ 1,446	\$ -	\$ 24,696	\$ 17,911	\$ 2,000
Facilities Acquisition and Construction Services:										
Buildings		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instructional Equipment	400-731	-	-	-	-	-	-	-	-	-
Non-Instructional Equipment	400-732	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 328,481	\$ 8,472	\$ 55,477	\$ -	\$ 7,742	\$ -	\$ 647,120	\$ 17,911	\$ 24,498

LYNDHURST SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPEN
FISCAL YEAR ENDED JUNE 30, 2016

	FY2016	FY2016	FY2016	FY2016	FY2016	FY2016	FY2016	FY2016	FY2016	FY2016	FY2016	FY2016
	N.J. Non-Public				Ch. 193 N.J. Non-Public Handicapped Services			Ch. 192 N.J. Non-Public Auxiliary Services				
	Textbook Aid	Nursing Aid	Technology Aid	Security Aid	Examination & Classification	Corrective Speech	Supplementary Instruction	Compensatory Education	E.S.L.	Home Instruction	HS Auditorium Renovations	
REVENUES												
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,800
State Sources	18,044	28,440	8,216	7,900	22,840	22,072	17,896	76,989	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 18,044	\$ 28,440	\$ 8,216	\$ 7,900	\$ 22,840	\$ 22,072	\$ 17,896	\$ 76,989	\$ -	\$ -	\$ -	\$ 6,800
EXPENDITURES												
Instruction:												
Salaries of Teachers	100-101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Professional and Technical Services	100-300	-	-	-	-	-	-	-	-	-	-	-
Other Purchased Services	100-500	-	-	-	-	-	-	-	-	-	-	-
General Supplies	100-600	-	-	8,216	-	-	-	-	-	-	-	-
Textbooks	100-640	18,044	-	-	-	-	-	-	-	-	-	-
Total Instruction	\$ 18,044	\$ -	\$ 8,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services:												
Non Instruction - Salaries	200-100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services - Employee Benefits	200-200	-	-	-	-	-	-	-	-	-	-	-
Purchased Technical Services	200-300	-	-	-	7,900	-	-	-	-	-	-	-
Purchased Professional - Educational Services	200-320	-	28,440	-	-	22,840	22,072	17,896	76,989	-	-	-
Other Purchased Services	200-500	-	-	-	-	-	-	-	-	-	-	-
Supplies	200-600	-	-	-	-	-	-	-	-	-	-	6,800
Total Support Services	\$ -	\$ 28,440	\$ -	\$ 7,900	\$ 22,840	\$ 22,072	\$ 17,896	\$ 76,989	\$ -	\$ -	\$ -	\$ 6,800
Facilities Acquisition and Construction Services:												
Buildings		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instructional Equipment	400-731	-	-	-	-	-	-	-	-	-	-	-
Non-Instructional Equipment	400-732	-	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 18,044	\$ 28,440	\$ 8,216	\$ 7,900	\$ 22,840	\$ 22,072	\$ 17,896	\$ 76,989	\$ -	\$ -	\$ -	\$ 6,800

LYNDHURST SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPEN
FISCAL YEAR ENDED JUNE 30, 2016

		Reconciliation to GAAP Basis			
		Total	plus 6/30/15 encumbrances	(less) 6/30/16 encumbrances	GAAP Basis
REVENUES					
Local Sources		\$ 6,800	\$ -	\$ -	\$ 6,800
State Sources		202,397	-	-	202,397
Federal Sources		1,089,701	-	-	1,089,701
Total Revenues		\$ 1,298,898	\$ -	\$ -	\$ 1,298,898
EXPENDITURES					
Instruction:					
Salaries of Teachers	100-101	\$ 217,728	\$ -	\$ -	\$ 217,728
Purchased Professional and Technical Services	100-300	48,977	-	-	48,977
Other Purchased Services	100-500	613,836	-	-	613,836
General Supplies	100-600	52,035	-	-	52,035
Textbooks	100-640	18,044	-	-	18,044
Total Instruction		\$ 950,620	\$ -	\$ -	\$ 950,620
Support Services:					
Non Instruction - Salaries	200-100	\$ 2,591	\$ -	\$ -	\$ 2,591
Personal Services - Employee Benefits	200-200	62,706	-	-	62,706
Purchased Technical Services	200-300	38,755	-	-	38,755
Purchased Professional - Educational Services	200-320	210,844	-	-	210,844
Other Purchased Services	200-500	14,841	-	-	14,841
Supplies	200-600	18,541	-	-	18,541
Total Support Services		\$ 348,278	\$ -	\$ -	\$ 348,278
Facilities Acquisition and Construction Services:					
Buildings		\$ -	\$ -	\$ -	-
Instructional Equipment	400-731	-	-	-	-
Non-Instructional Equipment	400-732	-	-	-	-
Total Facilities Acquisition and Construction Services		\$ -	\$ -	\$ -	-
Total Expenditures		\$ 1,298,898	\$ -	\$ -	\$ 1,298,898

SECTION "G" - ENTERPRISE FUNDS

**LYNDHURST SCHOOL DISTRICT
STATEMENT OF NET POSITION
ENTERPRISE FUND
JUNE 30, 2016**

	<u>Food Service</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 81,708
Intergovernmental Receivable:	
State	942
Federal	47,285
Total Assets	<u>\$ 129,935</u>
<u>LIABILITIES</u>	
Accounts Payable	<u>\$ 129,116</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 819</u>

**LYNDHURST SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Food Service</u>
<u>OPERATING REVENUES</u>	
Charges for Services:	
Sales	\$ 191,362
<u>OPERATING EXPENSES</u>	
Salaries	\$ 292,410
Support Services - Employee Benefits	22,332
Cost of Goods Sold	43,913
Other Purchased Services	424,270
Supplies & Materials	38
	<u>\$ 782,963</u>
Operating Income (Loss)	<u>\$ (591,601)</u>
<u>NON-OPERATING REVENUES</u>	
Local Sources:	
Interest on Investments	\$ 83
State Sources:	
State School Lunch Program	5,096
Federal Sources:	
School Breakfast Program	19,896
National School Lunch Program	222,047
	<u>\$ 247,122</u>
Income (Loss) Before	
Other Financing Sources (Uses)	\$ (344,479)
Other Financing Sources (Uses):	
Operating Transfers:	
General Fund	<u>\$ 345,000</u>
Change in Net Position	\$ 521
Total Net Position - Beginning	298
Total Net Position - Ending	<u><u>\$ 819</u></u>

**LYNDHURST SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Food Service</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from Sales	\$ 191,362
Payments for Operating Expenses	(686,311)
	<u>\$ (494,949)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Local Sources	\$ 345,083
State Sources	4,635
Federal Sources	218,187
	<u>\$ 567,905</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Purchase of Capital Assets	<u>\$ -</u>
Net Increase (Decrease) in Cash	<u>\$ 72,956</u>
Balance - Beginning of Year	8,752
Balance - End of Year	<u><u>\$ 81,708</u></u>
	-
Reconciliation of Operating Income (Loss) to Net Cash Provided	
(Used) by Operating Activities:	
Operating Income (Loss)	\$ (591,601)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided	
(Used for) Operating Activities:	
(Increase) Decrease in Accounts Receivable	-
Increase (Decrease) in Accounts Payable	96,652
Net Cash Provided by (used for)	
Operating Activities	<u><u>\$ (494,949)</u></u>

SECTION "H" - FIDUCIARY FUNDS

LYNDHURST SCHOOL DISTRICT
 FIDUCIARY FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AS OF JUNE 30, 2016

	Agency Funds			Scholarship Trust	Total
	Student Activity	Payroll	Total		
<u>ASSETS</u>					
Cash	\$ 215,524	\$ 1,117,166	\$ 1,332,690	\$ 66,744	\$ 1,399,434
<u>LIABILITIES</u>					
Due to Student Groups Payroll, Deductions and Withholdings Payable	\$ 215,524	\$ -	\$ 215,524	\$ -	\$ 215,524
	-	1,117,166	1,117,166	-	1,117,166
Total Liabilities	\$ 215,524	\$ 1,117,166	\$ 1,332,690	\$ -	\$ 1,332,690
<u>NET POSITION</u>					
Unrestricted	\$ -	\$ -	\$ -	\$ 66,744	\$ 66,744

**LYNDHURST SCHOOL DISTRICT
 FIDUCIARY FUNDS
 SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Scholarship Trust</u>
<u>REVENUES</u>	
Earnings on Investments	<u>\$ 170</u>
<u>EXPENDITURES</u>	
Scholarships	<u>-</u>
Net Position, July 1	<u>66,574</u>
Net Position, June 30	<u><u>\$ 66,744</u></u>

**LYNDHURST SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Balance July 1, 2015	Cash Receipts	Cash Disbursements	Balance June 30, 2016
Elementary Student Activities	\$ 28,360	\$ 114,283	\$ 110,751	\$ 31,892
High School Student Activities	259,953	402,750	481,010	181,693
GoFundMe Student Activities	-	1,724	-	1,724
Student Athletics	448	74,951	75,184	215
	<u>\$ 288,761</u>	<u>\$ 593,708</u>	<u>\$ 666,945</u>	<u>\$ 215,524</u>

**LYNDHURST SCHOOL DISTRICT
 PAYROLL AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
<u>ASSETS</u>				
Cash:				
Net Payroll Account	\$ 234	\$ 13,911,928	\$ 13,912,162	\$ -
Payroll Agency Account	29,394	27,509,049	27,495,625	42,818
Summer Payment Plan Account	901,192	1,075,346	902,190	1,074,348
	<u>\$ 930,820</u>	<u>\$ 42,496,323</u>	<u>\$ 42,309,977</u>	<u>\$ 1,117,166</u>
<u>LIABILITIES</u>				
Payroll, Deductions and Withholdings Payable	<u>\$ 930,820</u>	<u>\$ 42,496,323</u>	<u>\$ 42,309,977</u>	<u>\$ 1,117,166</u>

SECTION "I" - LONG-TERM DEBT

**LYNDHURST SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
FISCAL YEAR ENDED JUNE 30, 2016**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Amount Outstanding June 30, 2015</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2016</u>
School Bonds	07/01/01	\$ 6,190,000	\$ 2,690,000	\$ -	\$ 350,000	\$ 2,340,000
Pension Refunding Bonds	03/15/03	\$ 2,030,000	545,000	-	160,000	385,000
			<u>\$ 3,235,000</u>	<u>\$ -</u>	<u>\$ 510,000</u>	<u>\$ 2,725,000</u>

**LYNDHURST SCHOOL DISTRICT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Account Number</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable / (Unfavorable)</u>
<u>REVENUES</u>						
Local Sources:						
Local Tax Levy	40-1210	\$ 657,653	\$ -	\$ 657,653	\$ 657,653	\$ -
<u>EXPENDITURES</u>						
Regular Debt Service						
Interest on Early Retirement Bonds	40-701-510-835	29,563	-	29,563	29,563	-
Redemption of Principal - ERI Bonds	40-701-510-910	160,000	-	160,000	160,000	-
Interest on Bonds	40-701-510-834	118,090	-	118,090	118,090	-
Redemption of Principal	40-701-510-910	350,000	-	350,000	350,000	-
Total Expenditures		<u>657,653</u>	<u>-</u>	<u>657,653</u>	<u>657,653</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		-	-	-	-	-
Fund Balances, July 1		-	-	-	-	-
Fund Balances, June 30		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LYNDHURST SCHOOL DISTRICT
Comprehensive Annual Financial Report
Statistical Section

LYNDHURST SCHOOL DISTRICT
NET POSITION BY COMPONENT (DISTRICT)
UNAUDITED

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Invested in capital assets, net of related debt	\$ 20,252,716	\$ 16,616,775	\$ 19,818,725	\$ 19,822,284	\$ 19,077,883	\$ 18,952,883	\$ 17,577,883	\$ 17,145,263	\$ 23,274,783	\$ 17,751,185
Restricted	-	-	-	65,218	214,212	107,245	-	-	2	393,956
Unrestricted	(13,247,268)	(10,044,030)	(2,507,090)	(2,603,084)	(2,694,321)	(2,833,186)	(1,966,931)	(1,825,315)	(8,118,628)	(3,596,201)
Total governmental activities	\$ 7,005,448	\$ 6,572,745	\$ 17,311,635	\$ 17,284,418	\$ 16,597,774	\$ 16,226,942	\$ 15,610,952	\$ 15,319,948	\$ 15,156,157	\$ 14,548,940
Business-type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	819	298	1,930	15,332	7,886	35,116	16,934	17,199	18,350	44,255
Total business-type activities	\$ 819	\$ 298	\$ 1,930	\$ 15,332	\$ 7,886	\$ 35,116	\$ 16,934	\$ 17,199	\$ 18,350	\$ 44,255
District-wide										
Invested in capital assets, net of related debt	\$ 20,252,716	\$ 16,616,775	\$ 19,818,725	\$ 19,822,284	\$ 19,077,883	\$ 18,952,883	\$ 17,577,883	\$ 17,145,263	\$ 23,274,783	\$ 17,751,185
Restricted	-	-	-	65,218	214,212	107,245	-	-	2	393,956
Unrestricted	(13,246,449)	(10,043,732)	(2,505,160)	(2,587,752)	(2,686,435)	(2,798,070)	(1,949,997)	(1,808,116)	(8,100,278)	(3,551,946)
Total district-wide net position	\$ 7,006,267	\$ 6,573,043	\$ 17,313,565	\$ 17,299,750	\$ 16,605,660	\$ 16,262,058	\$ 15,627,886	\$ 15,337,147	\$ 15,174,507	\$ 14,593,195

**LYNDHURST SCHOOL DISTRICT
CHANGES IN NET POSITION (DISTRICT)
UNAUDITED**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental Activities:										
Instruction										
Regular Programs	\$ 12,561,431	\$ 12,085,449	\$ 11,860,247	\$ 11,251,065	\$ 10,850,650	\$ 10,258,383	\$ 10,396,628	\$ 10,271,102	\$ 9,843,904	\$ 9,712,168
Special Education	3,416,548	3,523,300	2,630,426	3,068,156	3,041,577	2,883,630	2,885,367	2,089,010	2,031,642	1,968,877
Basic Skills - Remedial Instruction	648,491	419,368	387,347	411,454	526,616	497,055	516,898	542,798	519,204	457,076
Bilingual Education	134,667	102,753	104,805	137,768	114,718	116,590	111,418	104,344	106,068	100,527
School Sponsored Cocurricular Activities	178,829	186,125	188,199	180,297	158,099	151,767	167,481	161,805	153,243	165,780
School Sponsored Athletics	565,135	552,327	535,918	534,520	533,944	449,594	439,849	433,813	389,549	377,962
Alternative Education Program	-	500	500	500	-	500	500	-	-	-
Undistributed Expenditures:										
Instruction	2,254,384	2,904,552	3,223,918	3,084,816	3,072,615	3,330,268	4,286,863	3,905,443	3,723,516	3,343,210
Attendance and Social Work	-	27,557	80,946	63,316	86,298	32,735	44,922	83,380	73,782	67,966
Health Services	778,285	740,997	512,055	474,743	553,887	540,898	585,717	602,789	556,444	474,108
Speech, OT, PT, Related Services	601,852	696,669	594,631	580,463	588,084	700,532	516,266	529,504	515,673	453,466
Other Support Services - Students Ext Svcs	100,004	70,306	37,735	3,707	15,756	15,176	13,804	24,552	9,402	-
Guidance	825,481	788,407	599,227	613,607	716,975	750,127	718,033	635,967	652,995	634,412
Child Study Team	675,876	627,010	690,574	638,418	649,348	638,771	662,917	687,152	658,789	619,833
Improvement of Instructional Services	883,592	800,966	1,101,551	923,249	838,522	817,590	688,241	535,941	521,591	506,312
Educational Media Services/School Library	33,519	2,180	1,900	2,516	118,927	110,475	119,429	119,383	107,954	116,463
Instructional Staff Training Services	20,506	19,169	4,626	3,347	44,530	68,401	66,265	64,855	60,671	110,167
Support Services - General Administration	1,067,944	970,151	907,836	977,981	1,014,482	993,483	992,475	927,451	914,452	916,307
Support Services - School Administration	1,832,175	2,082,171	1,902,760	1,811,058	1,611,203	1,500,106	1,498,398	1,432,945	1,461,553	1,481,003
Central Services	654,175	637,103	571,373	579,310	628,389	484,777	389,200	398,387	373,665	315,991
Required Maintenance for School Facilities	1,215,379	1,142,865	1,374,730	1,186,371	737,504	552,976	406,610	483,078	434,097	394,734
Custodial Services	2,549,900	1,946,883	1,744,716	1,600,385	1,826,736	1,785,479	1,408,168	1,294,668	1,342,662	1,291,249
Care & Upkeep of Grounds	78,830	55,498	48,910	77,987	54,083	13,715	4,026	-	-	-
Security	35,077	36,193	34,699	35,850	34,934	36,705	29,335	-	-	-
Student Transportation Services	849,073	795,344	733,370	776,810	663,149	839,842	903,699	792,493	912,586	994,260
Allocated and Unallocated Employee Benefits	7,060,335	12,966,315	5,877,714	6,107,106	6,107,637	5,718,235	5,600,379	4,892,766	4,453,197	4,829,653
TPAF Pension	2,911,271	2,173,184	1,852,978	2,196,063	1,473,058	1,051,954	1,000,167	969,669	2,106,442	2,052,735
TPAF Social Security	1,267,617	1,264,227	1,188,687	1,141,939	1,211,608	1,171,264	1,153,079	1,119,367	1,074,768	1,029,913
Capital Outlay	(809,616)	3,955,009	733,389	727,982	362,719	383,000	273,554	364,647	(266,362)	532,558
Charter Schools	174,487	170,963	126,447	111,805	55,086	1,157	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal on Commissioner Approved LP Agreements	-	-	-	-	-	-	-	-	-	-
Interest on Commissioner Approved LP Agreements	-	-	-	-	-	-	-	-	3,306	7,525
Interest on Early Retirement Bonds	29,563	37,468	44,718	51,578	58,058	63,973	69,348	74,208	78,405	81,925
Redemption of Principal - Early Retirement Bonds	-	-	-	-	-	-	-	-	-	-
Interest on Bonds	118,090	134,190	150,290	165,240	179,040	192,840	206,640	219,290	230,790	242,290
Redemption of Principal	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	\$ 42,712,900	\$ 51,915,199	\$ 39,847,222	\$ 39,519,407	\$ 37,928,232	\$ 36,151,998	\$ 36,147,676	\$ 33,760,807	\$ 33,043,988	\$ 33,278,470
Business-Type Activities:										
Food Service	\$ 782,963	\$ 777,138	\$ 791,151	\$ 702,878	\$ 689,129	\$ 668,626	\$ 602,406	\$ 576,973	\$ 579,984	\$ 520,515
Before/After School Child Care	-	-	-	-	34,954	218,796	124,682	233,639	240,517	225,336
Saturday Enrichment	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expenses	\$ 782,963	\$ 777,138	\$ 791,151	\$ 702,878	\$ 724,083	\$ 887,422	\$ 727,088	\$ 810,612	\$ 820,501	\$ 745,851
Total District Expenses	\$ 43,495,863	\$ 52,692,337	\$ 40,638,373	\$ 40,222,285	\$ 38,652,315	\$ 37,039,420	\$ 36,874,764	\$ 34,571,419	\$ 33,864,489	\$ 34,024,321

**LYNDHURST SCHOOL DISTRICT
CHANGES IN NET POSITION (DISTRICT)
UNAUDITED**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 27,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,715	\$ 4,060	\$ 12,006
Operating Grants and Contributions	7,788,434	6,398,209	5,897,464	6,334,844	5,456,695	4,845,962	5,665,397	4,303,864	4,912,222	5,824,749
Capital Grants and Contributions	-	-	-	-	-	-	49,099	-	-	-
Total Governmental Activities Program Revenues	\$ 7,816,268	\$ 6,398,209	\$ 5,897,464	\$ 6,334,844	\$ 5,456,695	\$ 4,845,962	\$ 5,714,496	\$ 4,311,579	\$ 4,916,282	\$ 5,836,755
Business-Type Activities:										
Charges for Services	\$ 191,362	\$ 203,661	\$ 240,472	\$ 197,948	\$ 211,839	\$ 441,513	\$ 353,245	\$ 463,609	\$ 482,703	\$ 466,853
Operating Grants and Contributions	247,039	259,238	264,989	227,376	210,014	188,091	154,761	140,676	113,531	112,138
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	438,401	462,899	505,461	425,324	421,853	629,604	508,006	604,285	596,234	578,991
Total District Program Revenues	\$ 8,254,669	\$ 6,861,108	\$ 6,402,925	\$ 6,760,168	\$ 5,878,548	\$ 5,475,566	\$ 6,222,502	\$ 4,915,864	\$ 5,512,516	\$ 6,415,746
Net (Expense)/Revenue										
Governmental Activities	\$ (34,896,632)	\$ (45,516,990)	\$ (33,949,758)	\$ (33,184,563)	\$ (32,471,537)	\$ (31,306,036)	\$ (30,433,180)	\$ (29,449,228)	\$ (28,127,706)	\$ (27,441,715)
Business-Type Activities	(344,562)	(314,239)	(285,690)	(277,554)	(302,230)	(257,818)	(219,082)	(206,327)	(224,267)	(166,860)
Total District-Wide	\$ (35,241,194)	\$ (45,831,229)	\$ (34,235,448)	\$ (33,462,117)	\$ (32,773,767)	\$ (31,563,854)	\$ (30,652,262)	\$ (29,655,555)	\$ (28,351,973)	\$ (27,608,575)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Local Tax Levy	35,462,096	34,389,489	33,655,609	32,976,035	32,684,721	31,807,753	29,711,738	28,477,291	27,502,953	26,525,895
Unrestricted Miscellaneous Revenues	183,490	97,601	204,074	147,309	172,353	-	262,376	139,738	136,975	218,770
State Sources	20,447	505,439	348,100	316,410	222,524	318,506	1,004,607	326,318	652,395	355,435
Federal Sources	8,302	98,071	41,192	64,751	37,771	132,567	28,957	828,219	811,405	2,933
Other Financing Sources	-	-	-	-	-	-	-	-	-	-
Interest Earned on Capital Reserve Funds	-	-	-	-	-	-	-	-	-	-
Capital Asset Adjustments	-	-	-	651,702	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-	(809,498)
Transfers	(345,000)	(312,500)	(272,000)	(285,000)	(275,000)	(336,800)	(283,494)	(281,496)	(245,856)	(192,000)
Total Governmental Activities	\$ 35,329,335	\$ 34,778,100	\$ 33,976,975	\$ 33,871,207	\$ 32,842,369	\$ 31,922,026	\$ 30,724,184	\$ 29,490,070	\$ 28,857,872	\$ 26,101,535
Business-Type Activities:										
Unrestricted Miscellaneous Revenues	\$ 83	\$ 107	\$ 288	\$ -	\$ -	\$ -	\$ 817	\$ 1,176	\$ 1,362	\$ -
Transfers	345,000	312,500	272,000	285,000	275,000	276,000	218,000	204,000	197,000	152,000
Total business-type activities	\$ 345,083	\$ 312,607	\$ 272,288	\$ 285,000	\$ 275,000	\$ 276,000	\$ 218,817	\$ 205,176	\$ 198,362	\$ 152,000
Total district-wide	\$ 35,674,418	\$ 35,090,707	\$ 34,249,263	\$ 34,156,207	\$ 33,117,369	\$ 32,198,026	\$ 30,943,001	\$ 29,695,246	\$ 29,056,234	\$ 26,253,535
Change in Net Position										
Governmental Activities	\$ 432,703	\$ (10,738,890)	\$ 27,217	\$ 686,644	\$ 370,832	\$ 615,990	\$ 291,004	\$ 40,842	\$ 730,166	\$ (1,340,180)
Business-Type Activities	521	(1,632)	(13,402)	7,446	(27,230)	18,182	(265)	(1,151)	(25,905)	(14,860)
Total District	\$ 433,224	\$ (10,740,522)	\$ 13,815	\$ 694,090	\$ 343,602	\$ 634,172	\$ 290,739	\$ 39,691	\$ 704,261	\$ (1,355,040)
Net Position - Beginning	6,573,043	17,313,565	17,299,750	16,605,660	16,262,058	15,627,886	15,337,147	15,297,456	14,593,195	15,948,235
Net Position - Ending	\$ 7,006,267	\$ 6,573,043	\$ 17,313,565	\$ 17,299,750	\$ 16,605,660	\$ 16,262,058	\$ 15,627,886	\$ 15,337,147	\$ 15,297,456	\$ 14,593,195

LYNDHURST SCHOOL DISTRICT
 FUND BALANCES - GOVERNMENTAL FUNDS (DISTRICT)
 UNAUDITED

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	(8,777)	289,568	327,802	498,743	854,923	786,065	602,031	557,524	463,301	642,302
Total General Fund	\$ (8,777)	\$ 289,568	\$ 327,802	\$ 498,743	\$ 854,923	\$ 786,065	\$ 602,031	\$ 557,524	\$ 463,301	\$ 642,302
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned, reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	49,105	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	1	3	174
Total all Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,105	\$ 1	\$ 3	\$ 174
Total Governmental Funds	\$ (8,777)	\$ 289,568	\$ 327,802	\$ 498,743	\$ 854,923	\$ 786,065	\$ 651,136	\$ 557,525	\$ 463,304	\$ 642,476

**LYNDHURST SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (DISTRICT)
UNAUDITED**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Local Tax Levy	\$ 35,462,096	\$ 34,389,489	\$ 33,655,609	\$ 32,976,035	\$ 32,684,721	\$ 31,807,753	\$ 29,711,738	\$ 28,477,291	\$ 27,502,953	\$ 26,525,895
Tuition	-	-	-	-	-	-	-	7,715	4,060	12,006
Unrestricted Miscellaneous Revenues	218,124	97,601	204,074	147,309	172,353	451,073	262,376	139,738	136,975	218,770
State Sources	6,712,380	5,903,763	5,330,796	5,686,705	4,698,506	3,809,562	5,013,681	4,753,131	5,564,617	5,337,436
Federal Sources	1,098,003	1,097,956	955,960	1,029,300	1,018,484	1,036,400	1,734,379	828,219	811,405	845,681
Total Revenue	\$ 43,490,603	\$ 41,488,809	\$ 40,146,439	\$ 39,839,349	\$ 38,574,064	\$ 37,104,788	\$ 36,722,174	\$ 34,206,094	\$ 34,020,010	\$ 32,939,788
Expenditures:										
Instruction:										
Regular Programs	\$ 12,561,431	\$ 12,085,449	\$ 11,860,247	\$ 11,251,065	\$ 10,850,650	\$ 10,258,383	\$ 10,396,628	\$ 10,271,102	\$ 9,843,904	\$ 9,712,168
Special Education	3,416,548	3,523,300	2,630,426	3,068,156	3,041,577	2,883,630	2,885,367	2,089,010	2,031,642	1,968,877
Basic Skills - Remedial Instruction	648,491	419,368	387,347	411,454	526,616	497,055	516,898	542,798	519,204	457,076
Bilingual Education	134,667	102,753	104,805	137,768	114,718	116,590	111,418	104,344	106,068	100,527
School Sponsored Cocurricular Activities	178,829	186,125	188,199	180,297	158,099	151,767	167,481	161,805	153,243	165,780
School Sponsored Athletics	565,135	552,327	535,918	534,520	533,944	449,594	439,849	433,813	389,549	377,962
Alternative Education Program	-	500	500	500	-	500	500	-	-	-
Undistributed Expenditures:										
Instruction	2,254,384	2,904,552	3,223,918	3,084,816	3,072,615	3,330,268	4,286,863	3,905,443	3,723,516	3,343,210
Attendance and Social Work Services	-	27,557	80,946	63,316	86,298	32,735	44,922	83,380	73,782	67,966
Health Services	778,285	740,997	512,055	474,743	553,887	540,898	585,717	602,789	556,444	474,108
Speech, OT, PT, Related Services	601,852	696,669	594,631	580,463	588,084	700,532	516,266	529,504	515,673	453,466
Other Support Services - Students Ext Svcs	100,004	70,306	37,735	3,707	15,756	15,176	13,804	24,552	9,402	-
Guidance	825,481	788,407	599,227	613,607	716,975	750,127	718,033	635,967	652,995	634,412
Child Study Team	675,876	627,010	690,574	638,418	649,348	638,771	662,917	687,152	658,789	619,833
Improvement of Instructional Services	896,581	800,966	1,101,551	923,249	838,522	817,590	688,241	535,941	521,591	506,312
Educational Media Services/School Library	33,519	2,180	1,900	2,516	118,927	110,475	111,429	119,383	107,954	116,463
Instructional Staff Training Services	20,506	19,169	4,626	3,347	44,530	68,401	66,265	64,855	60,671	110,167
Support Services - General Administration	1,088,102	970,151	907,836	977,981	1,014,482	993,483	992,475	927,451	914,452	916,307
Support Services - School Administration	1,876,788	2,082,171	1,902,760	1,811,058	1,611,203	1,500,106	1,498,398	1,432,945	1,461,553	1,481,003
Central Services	654,175	637,103	571,373	579,310	628,389	484,777	389,200	398,387	373,665	315,991
Required Maintenance for School Facilities	1,215,379	1,142,865	1,374,730	1,186,371	737,504	552,976	406,610	483,078	434,097	394,734
Custodial Services	2,560,220	1,946,883	1,744,716	1,600,385	1,826,736	1,785,479	1,408,168	1,294,668	1,342,662	1,291,249
Care and Upkeep of Grounds	78,830	55,498	48,910	77,987	54,083	13,715	4,026	-	-	-
Security	35,077	36,193	34,699	35,850	34,934	36,705	29,335	-	-	-
Student Transportation Services	849,073	795,344	733,370	776,810	663,149	839,842	903,699	792,493	912,586	994,260
Allocated and Unallocated Employee Benefits	6,247,362	5,312,609	5,934,431	6,265,529	6,149,611	5,944,296	5,365,152	4,756,856	4,563,937	4,339,717
TPAF Pension	2,911,271	2,173,184	1,852,978	2,196,063	1,473,058	1,051,954	1,000,167	969,669	2,106,442	2,052,735
TPAF Social Security	1,267,617	1,264,227	1,188,687	1,141,939	1,211,608	1,171,264	1,153,079	1,119,367	1,074,768	1,029,913
Sub-Total	\$ 42,475,483	\$ 39,963,863	\$ 38,849,095	\$ 38,621,225	\$ 37,315,303	\$ 35,737,089	\$ 35,362,907	\$ 32,966,752	\$ 33,108,589	\$ 31,924,236

**LYNDHURST SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (DISTRICT)
UNAUDITED**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Capital Outlay	\$ 136,325	\$ 403,059	\$ 379,830	\$ 520,681	\$ 187,719	\$ 209,157	\$ 281,174	\$ 200,127	\$ 85,647	\$ 684,744
Charter School	174,487	170,963	126,447	111,805	55,086	-	-	-	-	-
Debt Service:										
Principal on Commissioner Approved LP Agreem	-	-	-	-	-	-	-	-	81,589	77,370
Interest on Commissioner Approved LP Agreem	-	-	-	-	-	-	-	-	3,306	7,525
Interest on Early Retirement Bonds	29,563	37,468	44,718	51,578	58,058	63,973	69,348	74,208	78,405	81,925
Redemption of Principal - Early Retirement Bond	160,000	155,000	145,000	140,000	135,000	130,000	125,000	120,000	115,000	110,000
Interest on Bonds	118,090	134,190	150,290	165,240	179,040	192,840	206,640	219,290	230,790	242,290
Redemption of Principal	350,000	350,000	350,000	300,000	300,000	300,000	300,000	250,000	250,000	250,000
Total Expenditures	\$ 43,443,948	\$ 41,214,543	\$ 40,045,380	\$ 39,910,529	\$ 38,230,206	\$ 36,633,059	\$ 36,345,069	\$ 33,830,377	\$ 33,953,326	\$ 33,378,090
Excess (Deficiency) of revenues over (under) expenditures	\$ 46,655	\$ 274,266	\$ 101,059	\$ (71,180)	\$ 343,858	\$ 471,729	\$ 377,105	\$ 375,717	\$ 66,684	\$ (438,302)
Other Financing Sources (Uses)										
Serial Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of New Jersey - N.J.S.A. 18:7Q-15	-	-	-	-	-	-	-	-	-	-
Port Authority of NY & NJ Grant	-	-	-	-	-	-	-	-	-	-
Operating Transfers	(345,000)	(312,500)	(272,000)	(285,000)	(275,000)	(336,800)	(283,494)	(281,496)	(245,856)	(192,000)
Private Donation	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ (345,000)	\$ (312,500)	\$ (272,000)	\$ (285,000)	\$ (275,000)	\$ (336,800)	\$ (283,494)	\$ (281,496)	\$ (245,856)	\$ (192,000)
Net change in fund balances	\$ (298,345)	\$ (38,234)	\$ (170,941)	\$ (356,180)	\$ 68,858	\$ 134,929	\$ 93,611	\$ 94,221	\$ (179,172)	\$ (630,302)
Debt service as a percentage of noncapital expenditures	1.08%	1.19%	1.26%	1.18%	1.26%	1.35%	1.40%	1.40%	1.42%	1.51%

**LYNDHURST SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE (DISTRICT)
UNAUDITED**

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Rent</u>	<u>State Health Benefits Rebate</u>	<u>Prior Year Refunds/ Credits</u>	<u>Adult Education Fees</u>	<u>Credits & Adjustments</u>	<u>Miscellaneous</u>	<u>Total</u>
2016	27,554	6,526	-	-	85,948	-	61,887	1,575	183,490
2015	-	10,547	-	-	47,516	-	-	26,675	84,738
2014	28,534	5,520	-	-	65,667	-	3,205	308	103,234
2013	-	6,572	98,380	-	38,928	-	-	3,429	147,309
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

LYNDHURST SCHOOL DISTRICT
 ASSESSED VALUE and ESTIMATED ACTUAL VALUE
 OF TAXABLE PROPERTY (MUNICIPALITY)
 UNAUDITED

Description	2015		2014		2013		2012**		2011	
	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value
Net Valuations Taxable:										
Vacant Land	107	\$ 44,625,700	105	\$ 44,980,600	106	\$ 51,265,900	106	\$ 51,468,800	112	\$ 161,491,700
Residential	5113	1,569,316,100	5111	1,564,703,800	5112	1,564,237,000	5112	1,562,667,400	5117	2,119,432,600
Farm (Regular)	0	-	0	-	0	-	0	-	0	-
Farm (Qualified)	0	-	0	-	0	-	0	-	0	-
Commercial	325	391,876,900	326	402,979,800	325	403,364,900	325	404,209,800	327	467,476,050
Industrial	92	536,260,800	92	548,475,500	92	575,442,300	92	575,492,500	96	655,880,200
Apartments	54	121,818,000	55	98,707,100	54	56,709,600	54	56,843,600	53	62,855,700
Sub-Total	5691	2,663,897,500	5689	2,659,846,800	5689	2,651,019,700	5689	2,650,682,100	5705	3,467,136,250
Personal Property		3,964,445		3,793,814		4,355,209		4,652,311		6,647,733
Net Valuations Taxable		2,667,861,945		2,663,640,614		2,655,374,909		2,655,334,411		3,473,783,983
County Equalization Adjustment		(21,201,848)		104,728,707		178,479,994		282,231,509		(97,858,625)
County Equalized Valuations		<u>\$ 2,646,660,097</u>		<u>\$ 2,768,369,321</u>		<u>\$ 2,833,854,903</u>		<u>\$ 2,937,565,920</u>		<u>\$ 3,375,925,358</u>
County Equalization Ratio		101.55%		97.14%		94.59%		91.27%		103.73%
Average Residential Assessment		<u>\$ 306.927</u>		<u>\$ 306.144</u>		<u>\$ 305.993</u>		<u>\$ 305.686</u>		<u>\$ 414.194</u>
Total County Equalized Valuations		<u>\$164,459,857,393</u>		<u>\$ 162,301,130,131</u>		<u>\$ 165,008,934,260</u>		<u>\$ 173,258,537,441</u>		<u>\$ 173,258,537,441</u>
Municipal Percentage										
County Equalized Valuations		<u>1.61%</u>		<u>1.71%</u>		<u>1.72%</u>		<u>1.70%</u>		<u>1.95%</u>

**Revaluation Year

**LYNDHURST SCHOOL DISTRICT
 ASSESSED VALUE and ESTIMATED ACTUAL VALUE
 OF TAXABLE PROPERTY (MUNICIPALITY)
 UNAUDITED**

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

**Revaluation Year

LYNDHURST SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES (MUNICIPALITY)
 UNAUDITED

J-7

	2015	2014	2013	2012**	2011	2010	2009	2008	2007	2006**
NET VALUATIONS TAXABLE	\$ 2,667,861,945	\$ 2,663,640,614	\$ 2,655,374,909	\$ 2,655,334,411	\$ 3,473,783,983	\$ 3,503,307,716	\$ 3,531,361,970	\$ 3,528,164,401	\$ 3,472,059,121	\$ 3,468,155,821
TAX REQUIREMENTS										
County	\$ 5,673,214	\$ 6,302,320	\$ 6,264,119	\$ 6,301,846	\$ 6,886,226	\$ 6,663,683	\$ 6,212,674	\$ 5,967,116	\$ 5,256,991	\$ 4,668,674
County Open Space	66,166	69,209	70,846	73,439	84,398	87,577	344,891	344,939	311,782	264,497
Local School	34,925,793	34,022,549	33,315,823	32,830,378	32,246,237	30,759,746	29,094,514	27,990,122	27,014,424	25,769,847
Municipal - Local	31,720,723	30,900,710	29,254,885	27,421,715	25,836,662	25,997,381	24,031,493	23,491,674	22,655,215	19,501,068
Municipal - Minimum Library Tax	874,347	911,141	935,645	1,064,450	1,125,855	-	-	-	-	-
Total	\$ 73,260,243	\$ 72,205,929	\$ 69,841,318	\$ 67,691,828	\$ 66,179,378	\$ 63,508,387	\$ 59,683,572	\$ 57,793,851	\$ 55,238,412	\$ 50,204,086
TAX RATES										
County	0.213	0.237	0.236	0.238	0.199	0.191	0.176	0.170	0.151	0.135
County Open Space	0.003	0.003	0.003	0.003	0.003	0.002	0.010	0.010	0.010	0.010
Local School	1.309	1.277	1.255	1.237	0.928	0.878	0.824	0.793	0.778	0.743
Library	0.033	0.034	0.035	0.040	0.032	-	-	-	-	-
Municipal	1.189	1.160	1.102	1.032	0.744	0.742	0.681	0.666	0.661	0.562
Total	2.747	2.711	2.631	2.550	1.906	1.813	1.691	1.639	1.600	1.450

**Revaluation Year

**LYNDHURST SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS (MUNICIPALITY)
UNAUDITED**

Taxpayer	Assessed Valuation	As a Percent of Total 2015 Net Valuations \$ 2,667,861,945
340 Orient Way, LLC	\$ 66,600,000	2.50%
Avalon Lyndhurst, LLC	65,600,000	2.46%
Wells Operating Partnership (2 Properties)	47,700,000	1.79%
Veterans Square Towne Center, LLC	32,875,000	1.23%
Chubb Funding, LLC	31,607,000	1.18%
Sika Chemical Corp./ANJ Corp.	30,311,700	1.14%
1200 Wall Street West Holdings	22,554,100	0.85%
Lyndhurst Residential Comm 2, LLC	21,731,000	0.81%
DDR-SAU Lew Andowski LLC (2 Properties)	21,000,000	0.79%
Moody Nat CY Lyndhurst H, LLC	20,213,600	0.76%
	<u>\$ 360,192,400</u>	

**LYNDHURST SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS (MUNICIPALITY)
UNAUDITED**

	CY2015	CY2014	CY2013	CY2012	CY2011	CY2010	TY2009	SFY2009	SFY2008	SFY2007
Total Tax Levy	\$ 72,387,868	\$ 71,843,371	\$ 70,634,586	\$ 67,857,360	\$ 66,179,378	\$ 63,393,449	\$ 30,904,791	\$ 58,847,938	\$ 57,492,435	\$ 52,934,078
Total Credits	\$ 69,056,373	\$ 69,889,210	\$ 68,854,668	\$ 65,612,799	\$ 59,988,671	\$ 58,425,753	\$ 27,416,737	\$ 56,344,944	\$ 55,791,491	\$ 51,687,766
% of Tax Levy Collected	<u>95.40%</u>	<u>97.28%</u>	<u>97.48%</u>	<u>96.69%</u>	<u>90.65%</u>	<u>92.16%</u>	<u>88.71%</u>	<u>95.75%</u>	<u>97.04%</u>	<u>97.65%</u>
Tax Title Liens	\$ 582,682	\$ 572,220	\$ 562,168	\$ 1,627,174	\$ 1,602,460	\$ 5,634,175	\$ 2,895,284	\$ 2,323,315	\$ 2,326,553	\$ 2,244,178
Delinquent Taxes	7,295,233	5,494,531	4,824,248	5,127,240	5,092,612	7,098,769	6,412,223	4,158,299	2,177,262	1,596,468
Total Delinquent	\$ 7,877,915	\$ 6,066,751	\$ 5,386,416	\$ 6,754,414	\$ 6,695,072	\$ 12,732,944	\$ 9,307,507	\$ 6,481,614	\$ 4,503,815	\$ 3,840,646
Total Tax Levy	\$ 72,387,868	\$ 71,843,371	\$ 70,634,586	\$ 67,857,360	\$ 66,179,378	\$ 63,393,449	\$ 30,904,791	\$ 58,847,938	\$ 57,492,435	\$ 52,934,078
% of Delinquencies to Tax Levy	<u>10.88%</u>	<u>8.44%</u>	<u>7.63%</u>	<u>9.95%</u>	<u>10.12%</u>	<u>20.09%</u>	<u>30.12%</u>	<u>11.01%</u>	<u>7.83%</u>	<u>7.26%</u>
Foreclosed Property: Assessed Valuation	\$ 7,542,000	\$ 7,542,000	\$ 7,542,000	\$ 7,542,000	\$ 7,542,000	\$ 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)		(Exhibit J-14)	
	General Obligation Bonds	Certificates of Participation		District Population	Outstanding Debt Per Capita	(County) Per Capita Income	Percentage of Personal Income
2016	\$ 2,725,000	\$ -	\$ 2,725,000	22,286	\$ 122	\$ 73,536	0.17%
2015	\$ 3,235,000	\$ -	\$ 3,235,000	22,286	\$ 145	\$ 73,536	0.20%
2014	\$ 3,740,000	\$ -	\$ 3,740,000	21,707	\$ 172	\$ 73,536	0.23%
2013	\$ 4,235,000	\$ -	\$ 4,235,000	20,954	\$ 202	\$ 70,498	0.29%
2012	\$ 4,675,000	\$ -	\$ 4,675,000	20,855	\$ 224	\$ 71,380	0.31%
2011	\$ 5,110,000	\$ -	\$ 5,110,000	20,755	\$ 246	\$ 68,244	0.36%
2010	\$ 5,540,000	\$ -	\$ 5,540,000	20,587	\$ 269	\$ 65,275	0.41%
2009	\$ 5,965,000	\$ -	\$ 5,965,000	19,290	\$ 309	\$ 64,571	0.48%
2008	\$ 6,335,000	\$ -	\$ 6,335,000	19,234	\$ 329	\$ 68,548	0.48%
2007	\$ 6,700,000	\$ -	\$ 6,700,000	19,279	\$ 348	\$ 68,147	0.51%
2006	\$ 7,165,000	\$ -	\$ 7,165,000	19,330	\$ 371	\$ 63,814	0.58%
2005	\$ 7,415,000	\$ -	\$ 7,415,000	19,134	\$ 388	\$ 57,674	0.67%
2004	\$ 7,720,000	\$ -	\$ 7,720,000	19,282	\$ 400	\$ 55,322	0.72%
2003	\$ 8,020,000	\$ -	\$ 8,020,000	19,287	\$ 416	\$ 51,995	0.80%
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**

J-11

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Population (Exhibit J-14)	22,286	21,707	20,954	20,855	20,755	20,587	19,290	19,234	19,279	19,330
County Equalized Valuations Valuations (Exhibit J-6)	\$ 2,646,660,097	\$ 2,768,369,321	\$ 2,833,854,903	\$ 2,937,565,920	\$ 3,375,925,358	\$ 3,503,089,234	\$ 3,448,909,035	\$ 3,449,391,764	\$ 3,117,819,944	\$ 2,644,975,126
Gross Debt (Exhibit J-10)	\$ 3,235,000	\$ 3,740,000	\$ 4,235,000	\$ 4,675,000	\$ 5,110,000	\$ 5,540,000	\$ 5,965,000	\$ 6,335,000	\$ 6,700,000	\$ 7,165,000
Gross Debt Per Capita	\$ 145	\$ 172	\$ 202	\$ 224	\$ 246	\$ 269	\$ 309	\$ 329	\$ 348	\$ 371
Ratio of Gross Debt to County Equalized Valuations	0.12%	0.14%	0.15%	0.16%	0.15%	0.16%	0.17%	0.18%	0.21%	0.27%

LYNDHURST SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (MUNICIPALITY)
 UNAUDITED

DIRECT DEBT

	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009	June 30, 2009	June 30, 2008	June 30, 2007
Municipal:										
General Purposes:										
B&N Issued and Outstanding:										
Serial Bonds	\$ 32,568,000	\$ 35,543,000	\$ 38,463,000	\$ 9,473,000	\$ 10,923,000	\$ 12,563,000	\$ 14,263,000	\$ 15,298,000	\$ 16,913,000	\$ 18,503,000
Bond Anticipation Notes	14,392,000	16,068,500	17,660,500	50,803,000	36,900,000	37,250,008	26,169,238	26,169,238	17,503,453	4,288,300
Loans	2,574,211	2,718,158	2,857,106	2,996,053	3,130,000	-	-	-	-	-
B&N Authorized But Not Issued	1,459,250	14,250	14,250	14,250	14,195,750	5,962,500	2,525,000	-	8,665,785	2,007,000
Credits	-	-	-	-	-	-	-	-	-	-
	\$ 50,993,461	\$ 54,343,908	\$ 58,994,856	\$ 63,286,303	\$ 65,148,750	\$ 55,775,508	\$ 42,957,238	\$ 41,467,238	\$ 43,082,238	\$ 24,798,300
Water Utility:										
B&N Issued and Outstanding:										
Serial Bonds	\$ 4,645,000	\$ 5,005,000	\$ 5,345,000	\$ 2,070,000	\$ 2,235,000	\$ 2,400,000	\$ 2,565,000	\$ 2,615,000	\$ 2,780,000	\$ 3,580,000
Bond Anticipation Notes	-	-	-	3,530,000	1,290,000	1,313,670	635,000	635,000	635,000	-
Other Notes	8,726,480	9,206,912	9,677,344	10,137,000	10,137,776	-	-	-	-	-
B&N Authorized But Not Issued	-	-	-	-	2,262,224	15,000,000	-	-	-	-
	\$ 13,371,480	\$ 14,211,912	\$ 15,022,344	\$ 15,737,000	\$ 15,925,000	\$ 18,713,670	\$ 3,200,000	\$ 3,250,000	\$ 3,415,000	\$ 3,580,000
Local School:										
Serial Bonds Issued	\$ 3,235,000	\$ 3,740,000	\$ 4,235,000	\$ 4,675,000	\$ 5,110,000	\$ 5,540,000	\$ 5,965,000	\$ 5,965,000	\$ 6,335,000	\$ 6,700,000
Total Direct Debt - Gross	\$ 67,599,941	\$ 72,295,820	\$ 78,252,200	\$ 83,698,303	\$ 86,183,750	\$ 80,029,178	\$ 52,122,238	\$ 50,682,238	\$ 52,832,238	\$ 35,078,300

OVERLAPPING DEBT

	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006
(1) County Debt:										
Municipal Equalized Valuations										
Municipal Equalized Valuations	\$ 2,646,660,097	\$ 2,768,369,321	\$ 2,833,854,903	\$ 2,937,565,920	\$ 3,375,925,358	\$ 3,503,089,234	\$ 3,448,909,035	\$ 3,449,391,764	\$ 3,117,819,944	\$ 2,644,975,126
Total County Equalized Valuations	\$ 164,459,857,393	\$ 162,301,130,131	\$ 165,008,934,260	\$ 173,258,537,441	\$ 173,258,537,441	\$ 183,412,099,706	\$ 187,580,071,463	\$ 182,767,512,263	\$ 172,863,500,734	\$ 153,984,695,626
	1.61%	1.71%	1.72%	1.70%	1.95%	1.91%	1.84%	1.89%	1.80%	1.72%
X's Outstanding County Debt	1,578,532,537	1,471,796,641	1,343,787,738	1,276,830,919	1,209,730,830	1,248,273,490	1,138,505,430	1,102,573,565	1,087,757,268	825,597,736
	\$ 25,414,374	\$ 25,167,723	\$ 23,113,149	\$ 21,706,126	\$ 23,589,751	\$ 23,842,024	\$ 20,948,500	\$ 20,838,640	\$ 19,579,631	\$ 14,200,281
(2) Passaic Valley Sewerage Commission:										
Municipal Sewer Flow Charges										
Municipal Sewer Flow Charges	\$ 1,718,644	\$ 1,648,444	\$ 1,576,860	\$ 1,574,479	\$ 1,572,807	\$ 1,596,174	\$ 1,569,661	\$ 1,532,212	\$ 1,440,543	\$ 1,320,352
Total Flow Charges	\$ 127,571,358	\$ 127,571,359	\$ 127,569,056	\$ 123,957,348	\$ 129,883,667	\$ 129,963,014	\$ 127,525,062	\$ 125,403,855	\$ 121,388,216	\$ 118,930,095
	1.35%	1.29%	1.24%	1.27%	1.21%	1.23%	1.23%	1.22%	1.19%	1.11%
X's Outstanding Debt	266,194,637	289,855,869	296,652,116	316,515,886	339,880,368	355,234,494	305,533,465	293,135,787	305,405,498	316,172,356
	\$ 3,593,628	\$ 3,739,141	\$ 3,678,486	\$ 4,019,752	\$ 4,112,552	\$ 4,369,384	\$ 3,758,062	\$ 3,576,257	\$ 3,634,325	\$ 3,509,513
Total Overlapping Debt	\$ 29,008,002	\$ 28,906,864	\$ 26,791,635	\$ 25,725,878	\$ 27,702,303	\$ 28,211,408	\$ 24,706,562	\$ 24,414,897	\$ 23,213,956	\$ 17,709,794
Total Direct and Overlapping Debt - Gross	\$ 96,607,943	\$ 101,202,684	\$ 105,043,835	\$ 109,424,181	\$ 113,886,053	\$ 108,240,586	\$ 76,828,800	\$ 75,097,135	\$ 76,046,194	\$ 52,788,094

LYNDHURST SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION (MUNICIPALITY AND DISTRICT)
 UNAUDITED

J-13

	December 31,									
	2015	2014	2013	2012	2011	2010	2009	2009	June 30, 2008	2007
State Equalized Valuation Basis	\$ 2,703,231,195	\$ 2,716,868,448	\$ 2,906,021,002	\$ 3,119,994,688	\$ 3,351,293,007	\$ 3,426,599,226	\$ 3,287,313,029	\$ 3,287,313,029	\$ 3,012,126,129	\$ 2,640,169,226
Municipal Borrowing Power:										
3 1/2% of Equalized Valuation Basis	\$ 94,613,092	\$ 95,090,396	\$ 101,710,735	\$ 109,199,814	\$ 117,295,255	\$ 119,930,973	\$ 115,055,956	\$ 115,055,956	\$ 105,424,415	\$ 92,405,923
Net Debt	37,781,961	39,641,908	42,852,356	47,533,303	48,237,663	53,004,421	39,536,151	37,517,238	41,892,238	19,480,663
Remaining Borrowing Power	\$ 56,831,131	\$ 55,448,488	\$ 58,858,379	\$ 61,666,511	\$ 69,057,592	\$ 66,926,552	\$ 75,519,805	\$ 77,538,718	\$ 63,532,177	\$ 72,925,260
School Borrowing Power:										
4% of Equalized Valuation Basis	\$ 108,129,248	\$ 108,674,738	\$ 116,240,840	\$ 124,799,788	\$ 134,051,720	\$ 137,063,969	\$ 131,492,521	\$ 131,492,521	\$ 120,485,045	\$ 105,606,769
Net School Debt	3,235,000	3,740,000	4,235,000	4,675,000	5,110,000	5,540,000	5,965,000	5,965,000	6,335,000	6,700,000
School Borrowing Margin Available	\$ 104,894,248	\$ 104,934,738	\$ 112,005,840	\$ 120,124,788	\$ 128,941,720	\$ 131,523,969	\$ 125,527,521	\$ 125,527,521	\$ 114,150,045	\$ 98,906,769

**LYNDHURST SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS (MUNICIPALITY)
 UNAUDITED**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Average Labor Force Estimates by Municipality:										
Labor Force	11,268	10,892	10,441	11,270	11,179	11,193	11,262	11,048	10,886	10,893
Employment	10,615	10,130	9,605	10,035	9,974	9,967	10,057	10,376	10,375	10,327
Unemployment	653	762	836	1,235	1,205	1,226	1,205	673	511	566
Unemployment Rate	5.8%	7.0%	8.0%	11.0%	10.8%	11.0%	10.7%	6.1%	4.7%	5.2%

Per Capital Personal Income by County	73,536	73,536	70,498	71,380	68,244	65,275	64,571	68,548 \$	68,147 \$	63,814
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	Estimates as of July 1,									
Subcounty Population Estimates:										
Lyndhurst TWP	22,286	21,707	20,954	20,855	20,755	20,587	19,290	19,234	19,279	19,330
County of Bergen	938,506	932,836	926,284	920,006	914,018	906,895	895,250	889,915	885,664	884,581

**LYNDHURST SCHOOL DISTRICT
PRINCIPAL EMPLOYERS (MUNICIPALITY)
UNAUDITED**

Not Available

**LYNDHURST SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM (DISTRICT)
 UNAUDITED**

		<u>2015</u>
<u>Function/Program</u>		
Instruction:		
Regular Programs (Including Aides)	1XX	163
Special Education (Including Aides)	2XX	64
Basic Skills/Remedial	230	11
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	-
Health Services	213	10
Students - Related and Extraordinary	216,217	9
Guidance	218	10
Child Study Teams	219	8
Improvement of Instructional Services	221	8
Educational Media Services/School Library	222	1
Instructional Staff Training Services	223	-
General Administration	230	6
School Administration	240	20
Central Svcs. & Admin. Info. Technology	25X	6
Operation and Maintenance of Plant Services	26X	27
Student Transportation Services	270	5
Personal Services - Employee Benefits	XXX	-
Special Schools		-
Food Service	310	-
Child Care	000	-
		<u>351</u>

**LYNDHURST SCHOOL DISTRICT
OPERATING STATISTICS (DISTRICT)
UNAUDITED**

J-17

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>% Change</u>	<u>(Exhibit J-4)</u>		<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/ Teacher Ratio</u>	<u>Average Daily Attendance</u>	<u>Student Attendance Percentage</u>
			<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>					
2016	2385.0	-0.2%	\$ 39,610,060	16,608	4.2%	167	14.6	2269.8	95.2%
2015	2390.2	3.4%	\$ 38,089,632	15,936	-1.2%	170	14.1	2273.7	95.1%
2014	2311.7	3.2%	\$ 37,275,715	16,125	-2.0%	149	15.5	2200.9	95.2%
2013	2240.3	-4.1%	\$ 36,857,527	16,452	7.3%	159	14.1	2132.4	95.2%
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**

2016

Elementary

Columbus:	
Square Feet	10,500
Capacity (students)	126.90
Enrollment	164.00
Franklin:	
Square Feet	18,400
Capacity (students)	205.20
Enrollment	217.00
Jefferson:	
Square Feet	32,060
Capacity (students)	260.10
Enrollment	276.00
Lincoln:	
Square Feet	24,300
Capacity (students)	283.50
Enrollment	278.00
Roosevelt:	
Square Feet	21,600
Capacity (students)	431.10
Enrollment	408.00
Washington:	
Square Feet	19,500
Capacity (students)	273.70
Enrollment	195.00
Memorial Campus:	
Square Feet	17,800
Capacity (students)	150.00
Enrollment	163.00

High School

Lyndhurst High School:	
Square Feet	112,300
Capacity (students)	906.95
Enrollment	735.00
District Totals:	
Square Feet	256,460
Capacity (students)	2,637.45
Enrollment	2,436.00

**LYNDHURST SCHOOL DISTRICT
SCHEDULE OF ALLOWABLE MAINTENANCE EXPENDITURES BY SCHOOL FACILITY (DISTRICT)
UNAUDITED**

School Facilities	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Lyndhurst Senior High School	\$ 512,059	\$ 514,288	\$ 618,629	\$ 329,062	\$ 387,873	\$ 257,611	\$ 220,136	\$ 238,214	\$ 195,507	\$ 212,164
Columbus Elementary School	101,332	45,715	54,989	60,522	19,436	19,049	8,376	13,483	31,880	10,817
Franklin Elementary School	83,979	80,001	96,231	288,847	47,705	32,025	22,947	51,019	33,253	24,389
Jefferson Elementary School	164,834	148,572	178,715	262,287	110,215	84,430	60,240	78,532	61,590	57,534
Lincoln Elementary School	60,881	114,287	137,473	47,289	51,667	68,282	37,552	32,773	42,880	27,863
Roosevelt Elementary School	114,043	102,858	123,726	55,563	52,779	41,985	19,068	14,683	18,673	22,326
Washington Elementary School	103,397	91,429	109,978	142,801	67,829	49,594	38,291	54,374	50,314	39,641
Memorial Campus	74,854	45,715	54,989	-	-	-	-	-	-	-
	<u>\$ 1,215,379</u>	<u>\$ 1,142,865</u>	<u>\$ 1,374,730</u>	<u>\$ 1,186,371</u>	<u>\$ 737,504</u>	<u>\$ 552,976</u>	<u>\$ 406,610</u>	<u>\$ 483,078</u>	<u>\$ 434,097</u>	<u>\$ 394,734</u>

LYNDHURST SCHOOL DISTRICT
INSURANCE SCHEDULE (DISTRICT)
UNAUDITED

Coverage Type	Coverage Amount	Carrier	Policy Number	Effective Dates
Property				
Blanket Building Coverage	\$ 93,098,040	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Business Income/Extra Expense	\$ 250,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Flood & Earthquake	\$ 10,000,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Blanket Contents Coverage	\$ 12,682,582	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
General Liability				
General Aggregate	\$ 50,000,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Products/Completed Operations	\$ 50,000,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Personal & Advertising Injury	\$ 5,000,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Each Occurrence	\$ 5,000,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Damage to Rented Premises	\$ 2,500,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Medical Expense (Per Person)	\$ 5,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Employee Benefits	\$ 5,000,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
School Leaders Professional Liability				
General Aggregate	\$ 5,000,000	Ace Group	EON G21650377 006	7/1/2015-7/1/2016
Each Occurrence	\$ 5,000,000	Ace Group	EON G21650377 006	7/1/2015-7/1/2016
Deductible	\$ 25,000	Ace Group	EON G21650377 006	7/1/2015-7/1/2016
Environmental Liability				
Each Occurrence	\$ 1,000,000	Ace Group	PPL G23566527 004	7/1/2015-7/1/2016
Aggregate Limit	\$ 3,000,000	Ace Group	PPL G23566527 004	7/1/2015-7/1/2016
Student Accident				
Maximum Benefit	\$ 5,000,000	Zurich Insurance Company	MCB5465777	7/1/2015-7/1/2016
Benefit Period	10 Years	Zurich Insurance Company	MCB5465777	7/1/2015-7/1/2016
Business Auto				
Liability - Combined Single Limit	\$ 5,000,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Medical Payments (Each Person)	\$ 5,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Uninsured Motorists - Combined Single Limit	\$ 15,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Underinsured Motorists - Combined Single Limit	\$ 15,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Comprehensive Deductible	\$ 500	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Collision Deductible	\$ 500	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Crime				
Employee Dishonesty	\$ 500,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Forgery or Alteration	\$ 50,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Inside Premises	\$ 50,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Outside Premises	\$ 50,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Robbery of Custodians	\$ 25,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Safe Burglary	\$ 25,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Outside Premises	\$ 25,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Computer Fraud	\$ 50,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Deductible for All Above	\$ 1,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Equipment Floater				
Deductible	\$ 1,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Umbrella				
Liability - Each Occurrence	\$ 5,000,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016
Aggregate Limit	\$ 5,000,000	School Alliance Insurance Fund	PR-08-01-183	7/1/2015-7/1/2016

LYNDHURST SCHOOL DISTRICT
 INSURANCE SCHEDULE (DISTRICT)
 UNAUDITED

Coverage Type	Coverage Amount	Carrier	Policy Number	Effective Dates
Excess Umbrella				
Liability - Each Occurrence	\$ 5,000,000	Fireman's Fund	SHX-000-9045-5668	7/1/2015-7/1/2016
Aggregate Limit	\$ 5,000,000	Fireman's Fund	SHX-000-9045-5668	7/1/2015-7/1/2016
Accidental Death & Dismemberment				
Coverage Limit Per Person	\$ 100,000	Gerber Life Insurance Company	BTA37350	7/1/2015-7/1/2016
Aggregate Limit	\$ 500,000	Gerber Life Insurance Company	BTA37350	7/1/2015-7/1/2016
Finance Department Surety Bond				
Bond Amount	\$ 50,000	Selective Insurance Company	B1023611	7/1/2015-7/1/2016
Employee Blanket Bond				
Bond Amount	\$ 100,000	Selective Insurance Company	B6017696	7/1/2015-7/1/2016
Deductible	\$ 1,000	Selective Insurance Company	B6017696	7/1/2015-7/1/2016
Business Administrator Surety Bond				
Bond Amount	\$ 250,000	First Indemnity of America	FP0021178	7/1/2015-7/1/2016
High School Treasurer Surety Bond				
Bond Amount	\$ 10,000	Selective Insurance Company	B1110606	7/1/2015-7/1/2016
Treasurer of School Monies Surety Bond				
Bond Amount	\$ 140,000	Selective Insurance Company	B116808	7/1/2015-7/1/2016

LYNDHURST SCHOOL DISTRICT
Comprehensive Annual Financial Report
Single Audit Section

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Accountants and Consultants

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Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst School District, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Lyndhurst School District's basic financial statements, and have issued our report thereon dated September 30, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lyndhurst School District's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Lyndhurst School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Di Maria & Di Maria LLP

Independent Auditor's Report (Continued)
Internal Control Over Financial Reporting (Continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lyndhurst School District'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.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lyndhurst School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lyndhurst School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank DiMaria

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

September 30, 2016

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Accountants and Consultants

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Independent Auditor's Report

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

Report on Compliance for Each Major Federal and State Program

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) Compliance Supplement* and the *New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Lyndhurst School District's major federal and state programs for the fiscal year ended June 30, 2016. The Lyndhurst School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

Di Maria & Di Maria LLP

Independent Auditor's Report (Continued)
Auditor's Responsibility (Continued)

An audit includes examining, on a test basis, evidence about the Lyndhurst School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Lyndhurst School District, in the County of Bergen, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

Di Maria & Di Maria LLP

Independent Auditor's Report (Continued)
Report on Internal Control Over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst School District as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 30, 2016 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank DiMaria

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

September 30, 2016

LYNDHURST SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

K-3
 Schedule A

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	FAIN Number	State Aid/Grant Program Titles	Award Amount	Grant Period		(Accounts Receivable) June 30, 2015	Deferred Revenue June 30, 2015	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2016	Deferred Revenue June 30, 2016	Due to Grantor at June 30, 2016
					From	To										
General Fund																
Medical Assistance Program	93.778	1605NJ5MAP	Special Education Medicaid Initiative	8,302	09/01/15	06/30/16	\$ -	\$ -	\$ -	\$ -	(8,302)	\$ -	\$ -	(8,302)	\$ -	-
Special Revenue Fund																
Grants to Local Educational Agencies	84.010A	S010A150030	Title I, Part A	328,481	09/01/15	08/31/16	-	-	-	328,183	(328,481)	-	-	(298)	-	-
Grants to Local Educational Agencies	84.010A	S010A150030	Title I, Part A	295,445	09/01/14	08/31/15	(8,303)	-	8,472	8,303	(8,472)	-	-	-	-	-
Improving Teacher Quality State Grants	84.367A	S367A150029	Title II, Part A	56,004	09/01/15	08/31/16	-	-	-	46,856	(55,477)	-	-	(8,621)	-	-
Improving Teacher Quality State Grants	84.367A	S367A150029	Title II, Part A	57,065	09/01/14	08/31/15	(4,984)	-	-	4,984	-	-	-	-	-	-
English Language Acquisition Grants	84.365A	S365A150030	Title III	7,742	09/01/15	08/31/16	-	-	-	-	(7,742)	-	-	(7,742)	-	-
English Language Acquisition Grants	84.365A	S365A150030	Title III	14,071	09/01/14	08/31/15	(354)	-	-	354	-	-	-	-	-	-
Special Education - Grants to States	84.027	H027A150100	I.D.E.A. Part B - Basic	647,339	09/01/15	08/31/16	-	-	-	634,962	(647,120)	-	-	(12,158)	-	-
Special Education - Grants to States	84.027	H027A150100	I.D.E.A. Part B - Basic	628,440	09/01/14	08/31/15	(7,956)	-	17,911	7,956	(17,911)	-	-	-	-	-
Special Education - Grants to States	84.173	H173A150114	I.D.E.A. Part B - Preschool	24,498	09/01/15	08/31/16	-	-	-	24,498	(24,498)	-	-	-	-	-
			Total Special Revenue Fund				(21,597)	-	26,383	1,056,096	(1,089,701)	-	-	(28,819)	-	-
Enterprise Fund																
School Breakfast Program	10.553	16161NJ304N1099	School Breakfast Program	19,896	09/01/15	06/30/16	-	-	-	15,586	(19,896)	-	-	(4,310)	-	-
School Breakfast Program	10.553	16161NJ304N1099	School Breakfast Program	20,588	09/01/14	06/30/15	(2,241)	-	-	2,241	-	-	-	-	-	-
National School Lunch Program	10.555	16161NJ304N1099	National School Lunch Program	222,047	09/01/15	06/30/16	-	-	-	179,072	(222,047)	-	-	(42,975)	-	-
National School Lunch Program	10.555	16161NJ304N1099	National School Lunch Program	233,434	09/01/14	06/30/15	(21,288)	-	-	21,288	-	-	-	-	-	-
			Total Enterprise Fund				(23,529)	-	-	218,187	(241,943)	-	-	(47,285)	-	-
Total Federal Financial Awards							\$ (45,126)	\$ -	\$ 26,383	\$ 1,274,283	\$ (1,339,946)	\$ -	\$ -	\$ (84,406)	\$ -	\$ -

LYNDHURST SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

K-4
 Schedule B

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period		(Accounts	Due to	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts	Deferred	Due to
			From	To	Receivable) June 30, 2015	Grantor at June 30, 2015						Receivable) June 30, 2016	Revenue June 30, 2016	Grantor at June 30, 2016
General Fund														
Equalization Aid	16-495-034-5120-078	419,196	09/01/15	06/30/16	\$ -	\$ -	\$ -	\$ 419,196	\$ (419,196)	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation Aid	16-495-034-5120-014	53,694	09/01/15	06/30/16	-	-	-	53,694	(53,694)	-	-	-	-	-
Special Education Categorical Aid	16-495-034-5120-089	1,426,063	09/01/15	06/30/16	-	-	-	1,426,063	(1,426,063)	-	-	-	-	-
Security Aid	16-495-034-5120-084	65,826	09/01/15	06/30/16	-	-	-	65,826	(65,826)	-	-	-	-	-
PARCC Readiness Aid	16-495-034-5120-098	24,220	09/01/15	06/30/16	-	-	-	24,220	(24,220)	-	-	-	-	-
Per Pupil Growth Aid	16-495-034-5120-097	24,220	09/01/15	06/30/16	-	-	-	24,220	(24,220)	-	-	-	-	-
Adjustment Aid	16-495-034-5120-085	1	09/01/15	06/30/16	-	-	-	1	(1)	-	-	-	-	-
Extraordinary Special Education Costs Aid	16-100-034-5120-473	297,428	09/01/15	06/30/16	-	-	-	-	(297,428)	-	-	(297,428)	-	-
Extraordinary Special Education Costs Aid	15-100-034-5120-473	217,729	09/01/14	06/30/15	(217,729)	-	-	217,729	-	-	-	-	-	-
TPAF (Post Retirement Medical)	16-495-034-5094-001	1,582,363	09/01/15	06/30/16	-	-	-	1,582,363	(1,582,363)	-	-	-	-	-
TPAF	16-495-034-5094-002	1,265,851	09/01/15	06/30/16	-	-	-	1,265,851	(1,265,851)	-	-	-	-	-
TPAF (NCGI Premiums)	16-495-034-5094-004	63,057	09/01/15	06/30/16	-	-	-	63,057	(63,057)	-	-	-	-	-
Social Security Tax	16-495-034-5094-003	1,267,617	09/01/15	06/30/16	-	-	-	1,267,617	(1,267,617)	-	-	-	-	-
Social Security Tax	15-495-034-5094-003	1,264,227	09/01/14	06/30/15	(63,225)	-	-	63,225	-	-	-	-	-	-
Total General Fund					(280,954)	-	-	6,473,062	(6,489,536)	-	-	(297,428)	-	-
Special Revenue Fund														
N.J. Non-Public Textbook Aid	16-100-034-5120-064	18,044	09/01/15	06/30/16	-	-	-	18,044	(18,044)	-	-	-	-	-
N.J. Non-Public Nursing Services	16-100-034-5120-070	28,440	09/01/15	06/30/16	-	-	-	28,440	(28,440)	-	-	-	-	-
N.J. Non-Public Technology Initiative	16-100-034-5120-373	8,216	09/01/15	06/30/16	-	-	-	8,216	(8,216)	-	-	-	-	-
N.J. Non-Public Security Aid	16-100-034-5120-509	7,900	09/01/15	06/30/16	-	-	-	7,900	(7,900)	-	-	-	-	-
N.J. Non-Public Handicapped Aid:														
Examination & Classification	16-100-034-5120-066	27,442	09/01/15	06/30/16	-	-	-	27,442	(22,840)	-	-	-	-	4,602
Corrective Speech	16-100-034-5120-066	24,162	09/01/15	06/30/16	-	-	-	24,162	(22,072)	-	-	-	-	2,090
Supplementary Instruction	16-100-034-5120-066	19,975	09/01/15	06/30/16	-	-	-	19,975	(17,896)	-	-	-	-	2,079
N.J. Non-Public Auxiliary Services Aid:														
Compensatory Education	16-100-034-5120-067	81,218	09/01/15	06/30/16	-	-	-	81,218	(76,989)	-	-	-	-	4,229
ESL	16-100-034-5120-067	3,451	09/01/15	06/30/16	-	-	-	3,451	-	-	-	-	-	3,451
Home Instruction	16-100-034-5120-067	-	09/01/15	06/30/16	-	-	-	-	-	-	-	-	-	-
N.J. Non-Public Textbook Aid	15-100-034-5120-064	19,185	09/01/14	06/30/15	-	3	-	-	-	-	(3)	-	-	-
N.J. Non-Public Nursing Services	15-100-034-5120-070	30,542	09/01/14	06/30/15	-	-	-	-	-	-	-	-	-	-
N.J. Non-Public Technology Initiative	15-100-034-5120-373	10,304	09/01/14	06/30/15	-	-	-	-	-	-	-	-	-	-
N.J. Non-Public Handicapped Aid:														
Examination & Classification	15-100-034-5120-066	23,775	09/01/15	06/30/15	-	361	-	-	-	-	(361)	-	-	-
Corrective Speech	15-100-034-5120-066	27,389	09/01/15	06/30/15	-	3,623	-	-	-	-	(3,623)	-	-	-
Supplementary Instruction	15-100-034-5120-066	17,970	09/01/15	06/30/15	-	2,825	-	-	-	-	(2,825)	-	-	-
N.J. Non-Public Auxiliary Services Aid:														
Compensatory Education	15-100-034-5120-067	77,935	09/01/14	06/30/15	-	8,331	-	-	-	-	(8,331)	-	-	-
ESL	15-100-034-5120-067	4,568	09/01/14	06/30/15	-	4,203	-	-	-	-	(4,203)	-	-	-
Home Instruction	15-100-034-5120-067	5,279	09/01/14	06/30/15	(5,279)	-	-	5,279	-	-	-	-	-	-
Total Special Revenue Fund					(5,279)	19,346	-	224,127	(202,397)	-	(19,346)	-	-	16,451
Enterprise Fund														
State School Lunch Program	16-100-010-3350-023	5,096	09/01/15	06/30/16	-	-	-	4,154	(5,096)	-	-	(942)	-	-
State School Lunch Program	15-100-010-3350-023	5,216	09/01/14	06/30/15	(481)	-	-	481	-	-	-	-	-	-
Total Enterprise Fund					(481)	-	-	4,635	(5,096)	-	-	(942)	-	-
Total State Financial Assistance					\$ (286,714)	\$ 19,346	\$ -	\$ 6,701,824	\$ (6,697,029)	\$ -	\$ (19,346)	\$ (298,370)	\$ -	\$ 16,451

**LYNDHURST SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 and NJ Treasury Circular 15-08. 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 \$20,447 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 SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

	Federal	State	Total
General Fund	\$ 8,302	\$ 6,489,536	\$ 6,497,838
Special Revenue Fund	1,089,701	202,397	1,292,098
Debt Service Fund	-	-	-
Enterprise Fund	241,943	5,096	247,039
Total Awards and Financial Assistance	<u>\$ 1,339,946</u>	<u>\$ 6,697,029</u>	<u>\$ 8,036,975</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, 2016.

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, 2016. 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, 2016.

**LYNDHURST SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section I -- Summary of Auditors' Results

Financial Statements

A) Type of auditors' report issued:	Unmodified	
B) Internal control over financial reporting:		
1. Material weakness(es) identified?	_____ yes	___X___ no
2. Significant deficiencies identified?	_____ yes	___X___ none reported
C) Noncompliance material to general-purpose financial statements noted?	_____ yes	___X___ no

LYNDHURST SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Federal Awards

****Not Applicable** Less Than \$750,000**

A) Internal control over compliance:

- 1. Material weakness(es) identified? _____ yes _____ no
- 2. Significant deficiencies identified? _____ yes _____ none reported

B) Type of auditors' report on compliance for major programs:

C) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section 516(a) of U.S. Uniform Guidance? _____ yes _____ no

D) Identification of major programs:

<u>Name of Program</u>	<u>CFDA</u> <u>Number</u>	<u>FAIN</u> <u>Number</u>	<u>Program</u> <u>Name</u>
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E) Dollar threshold used to distinguish between type A and type B programs:

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

**LYNDHURST SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

State Awards

A) Internal control over compliance:

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

2. Significant deficiencies identified that were
not considered to be material weakness(es)? _____ yes X no

B) Type of auditors' report on compliance for major programs: Unmodified

C) Any audit findings disclosed that are required to be reported
in accordance with NJ OMB Circular Letter 15-08? _____ yes X no

D) Identification of major programs:

Name of State Program

Special Education Categorical Aid

GMIS Number

16-495-034-5120-089

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

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

**LYNDHURST SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section II -- Financial Statement Findings

There were no matters identified.

**LYNDHURST SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Not Applicable - No Prior Audit Findings