

LYNDHURST BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Lyndhurst, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
Lyndhurst Board of Education
Lyndhurst, New Jersey
For The Fiscal Year Ended June 30, 2022**

**Prepared by
Business Office**

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INTRODUCTORY SECTION



Lyndhurst Public Schools

BOARD OF EDUCATION

420 Fern Avenue ♦ Lyndhurst, NJ 07071

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

JOSEPH A. DECORSO
Superintendent of Schools

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

JAMES HYMAN
School Business Administrator

GEORGE DERBALY
Asst. School Business Administrator

January 25, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Lyndhurst School District (District) for the fiscal year ending June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner design to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2022, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

The District completed the 2021-2022 fiscal year with an average daily enrollment 2,596 students.

Average Daily Enrollment
(ADE)

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2021-2022	2,596
2020-2021	2,567
2019-2020	2,642
2018-2019	2,615
2017-2018	2,507
2016-2017	2,468
2015-2016	2,385
2014-2015	2,390
2013-2014	2,312
2012-2013	2,240

2) **ECONOMIC CONDITIONS AND OUTLOOK:** The Lyndhurst area is substantially developed with both residential and industrial taxpayers. The situation is expected to continue, which suggests that its tax base will remain stable moving forward. However, the Lyndhurst Public School has a State Fiscal Monitor appointed by the State Department of Education because of the fiscal situation which created a cumulative two-year budgetary fund deficit for school years 16-17 & 17-18 in the amount of \$4,470,851. The current fiscal year (SY 2021-2022) ended with an unassigned budgetary fund balance of \$1,118,065.

3) **MAJOR INITIATIVES UNDERTAKING DURING 2021-2022:** The Lyndhurst Public School District is proud of all that it accomplished during the 2020-2021 school year. The following is a sampling of the District's achievements:

Facilities

- Referendum Completion (On budget with additional upgrades....Franklin Wall, Paving, Landscape etc.)
- Boilers (Columbus, Roosevelt, and Franklin)
- 2nd Floor AC at the High School
- New HS Roof on the Band Wing and Locker Rooms
- Rental of Memorial to SBJC
- New Pick-Up truck with a plow
- Scissor Lift for the MS
- New ride-on lawn mower

Instruction and Program

- Equity and Inclusion initiative and workshops
- New Website and Logo (almost ready to go live)
- Opening of Memorial School to reduce class size numbers
- LinkIT Benchmark Pilot
- Sensory Room built at Washington School
- SAT tutoring implemented at the high school

iXL intervention program implemented at the middle school
Grant written and approved to become Title I School Wide at the middle school
“Calm Corners” constructed in the elementary buildings
Grant Received – Mental Health First for Teens

Staffing

Addition of a Reading Specialist for the first time in the District
Additional sections of K,1, and 2 added for the opening of Memorial School
Part-Time School Psychologist
High School Guidance Counselor

Contracts

Supervisor/Director Contract Settled
Principal Contract Settled
LEA Contract Settled
District switched to the State Health Care Plan

Safety and Security

Class III Officer’s (1 at the MS / 1 for Elementary Buildings)
2 security at the Middle School
New Swipe Panels (District Wide)

4) INTERNAL ACCOUNTING GOALS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As recipient of federal and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to the federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by voters of the Municipality. Annual appropriated budgets are adopted for the general fund, special revenue fund

and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2022.

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

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

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

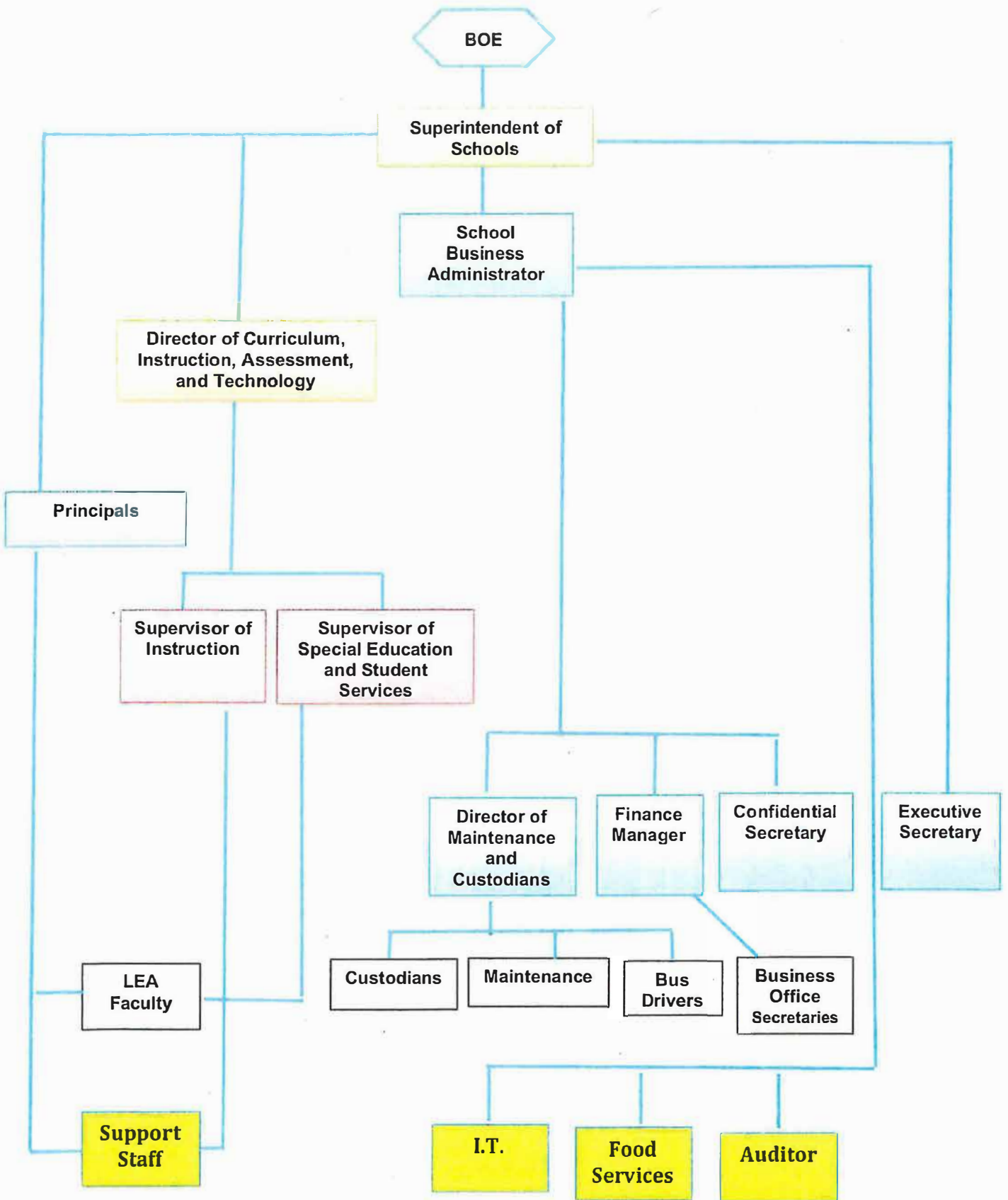
9) **INDEPENDENT AUDIT:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Bliss, LLP was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes,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

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

Respectfully submitted,



James Hyman
School Business Administrator



LYNDHURST BOARD OF EDUCATION
BERGEN COUNTY, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2022

Board of Education President	<u>Term Expires</u>
Christopher Andrinopolous	2022
Board of Education Vice President	<u>Term Expires</u>
Erin Keefe	2023
<u>Members of Board of Education</u>	<u>Term Expires</u>
Domenick Abbate, Jr.	2023
Michael Carrino	2023
James Donovan	2022
Paul Passamano Jr.	2024
Daniel Perrotta	2024
Anthony Scardino	2024
Elaine Stella	2022
<u>Other Officials</u>	
Superintendent	Joseph A. DeCorso
Interim School Business Administrator	Dr. Mark Hayes
Finance Manager	Valerie Tronccone

LYNDHURST BOARD OF EDUCATION
CONSULTANTS & ADVISORS

State Monitor

Thomas Egan

N.J. Department of Education

District Treasurer of Monies

Angelo Desimone

1 Amy Way

Wayne, N.J. 07470

Audit Firm

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

17-17 Route 208

Fair Lawn, N.J. 07410

Attorney

Sciarrillo, Cornell, Merlino, McKeever & Osbourne, LLC.

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

Office Depository

Spencer Savings Bank
230 Ridge Road
Lyndhurst, NJ 07071

Blue Foundry Bank
735 Ridge Road
Lyndhurst, NJ 07071

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst Board of Education, as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst Board of Education as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lyndhurst Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Lyndhurst Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

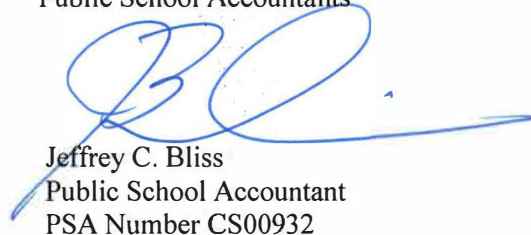
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If,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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 25, 2023 on our consideration of the Lyndhurst Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lyndhurst Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Lyndhurst Board of Education's internal control over financial reporting and compliance.

LERCH, VINCI & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 25, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-2022 fiscal year include the following:

- The assets and deferred outflows of resources of the Lyndhurst Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$40,153,863.
- The District's overall net position decreased \$526,250 or 1%.
- Overall District revenues were \$60,083,280. General revenues accounted for \$42,907,680 or 71% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$17,175,600 or 29% of total revenues.
- The School District had \$59,007,537 in expenses for governmental activities; \$15,934,687 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$42,898,673 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund of \$3,128,917. A decrease of \$5,313,571 from the prior year.
- The General Fund unassigned fund balance at June 30, 2022 was \$150,641 an increase of \$6,331 when compared to the previous year's unassigned fund balance of \$144,310.
- The General Fund unassigned budgetary fund balance at June 30, 2022 was \$1,118,065 which represents an increase of \$102,585 when compared to the ending unassigned budgetary fund balance at June 30, 2021 of \$1,015,480.
- The District's total outstanding long-term liabilities decreased \$2,425,197 during the current fiscal year.

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

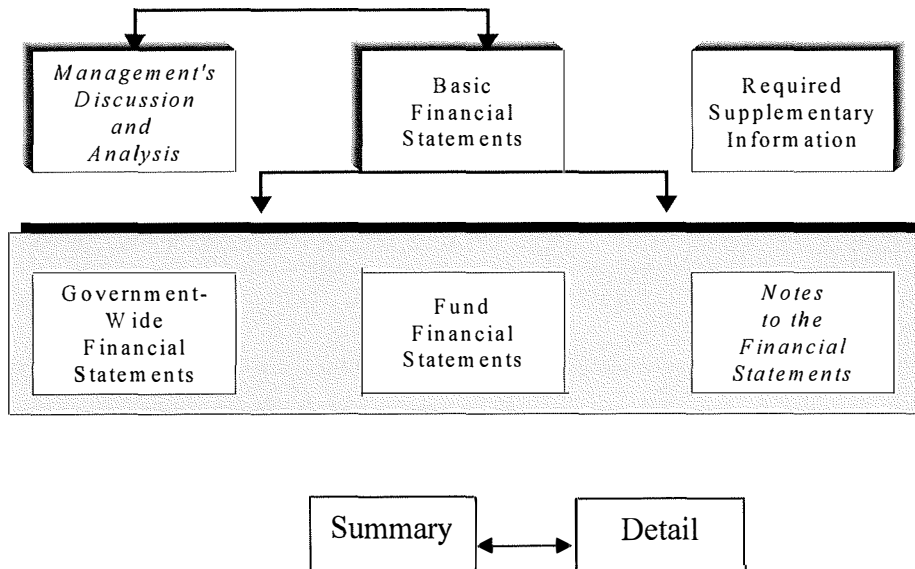
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *district wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual* parts of the District, reporting the District's operations in *more detail* than the district-wide statements.
 - The *governmental funds statements* tell how basic services were financed in the *short term* as well as what remains for future spending.
 - *Proprietary funds* statements offer *short-term* and *long-term* financial information about the activities the district operated like *businesses*.

The basic financial statements also include *notes* that explain the information in the statements and provide more detailed data. The illustration below shows how the various parts of this annual report are arranged and related to one another.



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

**Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

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

Major Features of the District-Wide and Fund Financial Statements

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

District-Wide Financial Statements

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

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

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

**Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

District-Wide Financial Statements (continued)

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

- Food Service (Cafeteria)
- Preschool Program

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Notes to the Financial Statements

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

Other Information

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

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

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$40,153,863 as of June 30, 2022 a decrease of \$526,250 in comparison to the net position of \$40,680,113 as of June 30, 2021.

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

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

**Net Position
As of June 30, 2022 and 2021**

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets						
Current Assets	\$ 7,596,080	\$ 11,555,259	\$ 225,992	\$ 583,235	\$ 7,822,072	\$ 12,138,494
Capital Assets	<u>72,032,396</u>	<u>68,957,953</u>	<u>4,457</u>	<u>5,583</u>	<u>72,036,853</u>	<u>68,963,536</u>
Total Assets	<u>79,628,476</u>	<u>80,513,212</u>	<u>230,449</u>	<u>588,818</u>	<u>79,858,925</u>	<u>81,102,030</u>
Deferred Outflows of Resources	<u>192,154</u>	<u>678,646</u>	<u>-</u>	<u>-</u>	<u>192,154</u>	<u>678,646</u>
Liabilities						
Long-Term Liabilities	32,162,693	34,587,890			32,162,693	34,587,890
Other Liabilities	<u>4,628,980</u>	<u>3,437,635</u>	<u>28,188</u>	<u>30,069</u>	<u>4,657,168</u>	<u>3,467,704</u>
Total Liabilities	<u>36,791,673</u>	<u>38,025,525</u>	<u>28,188</u>	<u>30,069</u>	<u>36,819,861</u>	<u>38,055,594</u>
Deferred Inflows of Resources	<u>3,074,406</u>	<u>3,037,605</u>	<u>2,949</u>	<u>7,364</u>	<u>3,077,355</u>	<u>3,044,969</u>
Net Position:						
Net Investment in Capital Assets	51,624,397	52,128,884	4,457	5,583	51,628,854	52,134,467
Restricted	2,292,318	2,415,800			2,292,318	2,415,800
Unrestricted	<u>(13,962,164)</u>	<u>(14,415,956)</u>	<u>194,855</u>	<u>545,802</u>	<u>(13,767,309)</u>	<u>(13,870,154)</u>
Total Net Position	<u>\$ 39,954,551</u>	<u>\$ 40,128,728</u>	<u>\$ 199,312</u>	<u>\$ 551,385</u>	<u>\$ 40,153,863</u>	<u>\$ 40,680,113</u>

The District's total net position of \$40,153,863 at June 30, 2022 represents a \$526,250 decrease from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2022 and 2021, respectively.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

**Changes in Net Position
For the Fiscal Years Ended June 30, 2022 and 2021**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	\$ 761,717	\$ 484,674	\$ 65,273	\$ 4,030	\$ 826,990	\$ 488,704
Operating Grants and Contributions	14,878,949	18,432,348	1,175,640	1,092,317	16,054,589	19,524,665
Capital Grants and Contributions	294,021	80,784			294,021	80,784
General Revenues						
Property Taxes	41,577,245	40,622,200			41,577,245	40,622,200
State Aid - Unrestricted	1,064,624	584,297			1,064,624	584,297
Other	256,804	548,456	9,007	3,086	265,811	551,542
Special Items						
Donated Capital Assets	-	51,852,237	-	-	-	51,852,237
Total Revenues	58,833,360	112,604,996	1,249,920	1,099,433	60,083,280	113,704,429
Expenses						
Instruction						
Regular	25,557,702	26,341,161			25,557,702	26,341,161
Special Education	9,520,103	9,652,001			9,520,103	9,652,001
Other Instruction	1,022,319	1,184,008			1,022,319	1,184,008
School Sponsored Activities and Ath.	1,560,933	1,325,123			1,560,933	1,325,123
Support Services						
Student and Instruction Related Serv.	7,826,643	7,107,562			7,826,643	7,107,562
General Administrative Services	1,735,073	1,715,696			1,735,073	1,715,696
School Administrative Services	3,637,828	3,845,668			3,637,828	3,845,668
Central and Other Support Services	1,241,363	1,216,291			1,241,363	1,216,291
Plant Operations and Maintenance	4,978,907	4,883,204			4,978,907	4,883,204
Pupil Transportation	1,495,494	1,164,872			1,495,494	1,164,872
Interest on Long Term Debt	431,172	387,796			431,172	387,796
Food Services			1,601,993	586,267	1,601,993	586,267
Preschool Program	-	-	-	-	-	-
Total Expenses	59,007,537	58,823,382	1,601,993	586,267	60,609,530	59,409,649
Increase (Decrease) in Net Position						
Before Transfers	(174,177)	53,781,614	(352,073)	513,166	(526,250)	54,294,780
Transfers	-	(9,500)	-	9,500	-	-
Increase (Decrease) in Net Position	(174,177)	53,772,114	(352,073)	522,666	(526,250)	54,294,780
Net Position, Beginning of Year	40,128,728	(13,579,312)	551,385	28,719	40,680,113	(13,550,593)
Prior Period Adjustment	-	(64,074)	-	-	-	(64,074)
Net Position, End of Year	\$ 39,954,551	\$ 40,128,728	\$ 199,312	\$ 551,385	\$ 40,153,863	\$ 40,680,113

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

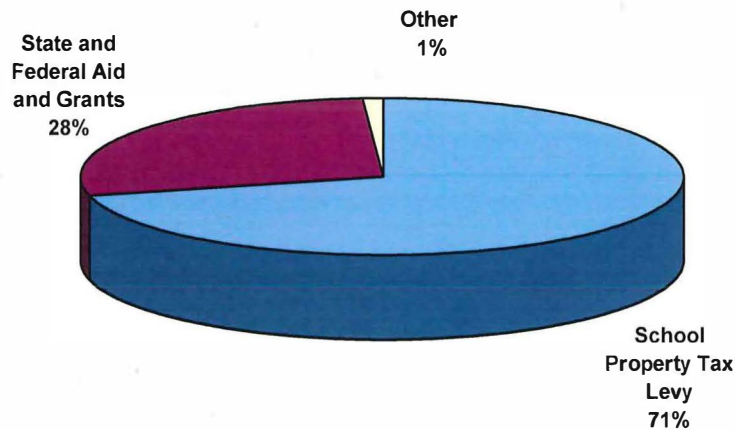
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$58,833,360 for the fiscal year ended June 30, 2022, property taxes of \$41,577,245 represented 71% of revenues. A portion of revenues came from grants and aid; total State, Federal and local grants and aid was \$16,237,594 represented 28% of revenues. In addition other revenues from charges for services for tuition, facility rental fees and student activities and other miscellaneous income from items which include interest, prior year refunds and other miscellaneous items was earned during the year.

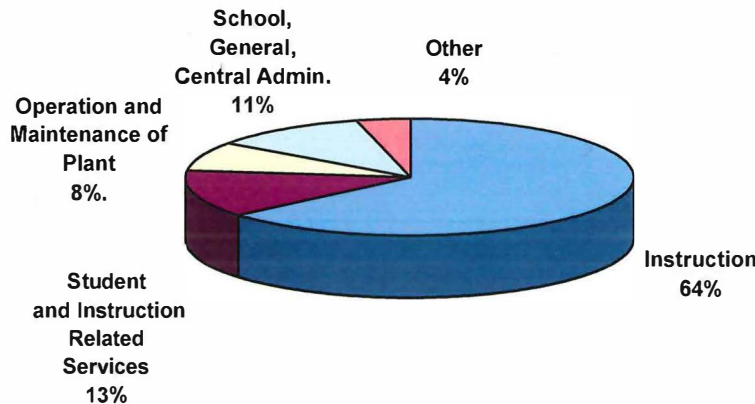
The total cost of all governmental activities programs and services was \$59,007,537 for the fiscal year ended June 30, 2022. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$37,661,057 (64%) of total expenses. Support services totaled \$20,915,308 (35%) of total expenses. Interest charges for long-term debt represents 1% of governmental expenses.

Total governmental activities revenues were less than expenses decreasing net position \$174,177 from the previous year.

**Revenues by Source- Governmental Activities
For Fiscal Year 2022**



**Expenses by Type- Governmental Activities
For Fiscal Year 2022**



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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Total and Net Cost of Governmental Activities. The District's total cost of services was \$59,007,537 for the fiscal year ended June 30, 2022. After applying program revenues, derived from charges for services of \$761,717, operating grants and contributions of \$15,172,970 the net cost of services of the District is \$43,072,850.

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

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Instruction				
Regular	\$ 25,557,702	\$ 26,341,161	\$ 18,946,669	\$ 17,510,303
Special Education	9,520,103	9,652,001	5,013,169	4,997,293
Other Instruction	1,022,319	1,184,008	794,583	775,397
School Sponsored Activities and Athletics	1,560,933	1,325,123	1,068,533	1,067,529
Support Services				
Student and Instruction Related Svcs.	7,826,643	7,107,562	5,682,084	4,868,686
General Administrative Services	1,735,073	1,715,696	1,577,994	1,462,175
School Administrative Services	3,637,828	3,845,668	3,011,732	2,822,053
Central and Other Support Services	1,241,363	1,216,291	1,132,427	1,088,021
Plant Operations and Maintenance	4,978,907	4,883,204	4,245,931	4,270,084
Pupil Transportation	1,495,494	1,164,872	1,230,309	594,077
Interest on Long Term Debt	431,172	387,796	369,419	369,958
Total	<u>\$ 59,007,537</u>	<u>\$ 58,823,382</u>	<u>\$ 43,072,850</u>	<u>\$ 39,825,576</u>

Business-Type Activities – The District's total business-type activities revenues were \$1,249,920 for the fiscal year ended June 30, 2022. Charges for services accounted for 5% or \$65,273 of total revenues for the year. Operating grants and contributions accounted for 94% or \$1,175,640 of total revenues for the year. In addition, miscellaneous revenue was earned from interest income which represented one percent of revenues for the year.

The total cost of all business-type activities programs and services was \$1,601,993. All of the District's expenses are related to Food Service programs provided to students, teachers and administrators within the District.

Total business-type activities expenses surpassed revenues decreasing net position by \$352,073 from the previous year.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$3,128,917. The prior year fund balance at June 30, 2021 was \$8,442,488. The net decrease for the year ended June 30, 2022 was \$5,313,571, the majority of which were costs related to the 2016 referendum projects for various improvements to District schools which was completed during the current year.

Revenues for the District's governmental funds were \$60,988,732 while total expenses were \$66,519,080 for the year ended June 30, 2022. The governmental funds also had other financing sources of \$434,573 and other financing uses of \$217,796.

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

The following schedule presents a summary of General Fund Revenues.

	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Local Sources:				
Property Tax Levy	\$ 40,793,061	\$ 39,993,197	\$ 799,864	2%
Other	596,717	813,049	(216,332)	-27%
State Sources	14,451,859	10,988,583	3,463,276	32%
Federal Sources	<u>43,607</u>	<u>140,164</u>	<u>(96,557)</u>	-69%
 Total General Fund Revenues	 <u>\$ 55,885,244</u>	 <u>\$ 51,934,993</u>	 <u>\$ 3,950,251</u>	 8%

Total General Fund Revenues increased by \$3,950,251 or 8% over the previous year. Local property taxes increased by \$799,864 or 2% over the previous year primarily to offset increases in budgeted operating costs. Miscellaneous revenues decreased \$216,332 from the previous year mainly due to a decrease in ERATE reimbursements earned in the current year. In addition, State aid revenues increased \$3,463,276 or 32% largely due to an increase in on-behalf State aid for teachers' pension contributions paid by the State on behalf of the District's teaching professionals. Federal aid revenues decreased by 69% due to a one time FEMA reimbursement for COVID related expenses in the prior year.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>	Amount of Increase (Decrease)	Percent Change
Instruction	\$ 34,603,069	\$ 31,456,141	\$ 3,146,928	10%
Support Services	19,894,690	17,237,211	2,657,479	15%
Debt Services	866,635	841,414	25,221	3%
Capital Outlay	<u>1,719,980</u>	<u>741,228</u>	<u>978,752</u>	132%
Total Expenditures	<u>\$ 57,084,374</u>	<u>\$ 50,275,994</u>	<u>\$ 6,808,380</u>	14%

Total General Fund expenditures increased \$6,808,300 or approximately 14% from the previous year. The increase was mainly due to increases in regular education instruction costs, student and instruction related support service costs and plant operations and maintenance support services costs. In addition, there was a significant increase in capital outlay expenditures due to numerous school facility improvement projects which were undertaken and completed during the current year.

During the current fiscal year the District received other financing sources of \$218,585 which represented the transfer of interest earnings from the capital projects fund of \$1,808 and capital financing proceeds of \$216,777. In addition other financing uses totaled \$215,988 which represented transfers to the capital projects fund to fund the excess costs of the referendum projects in the amount of \$155,988 as well as the transfer of \$60,000 to the special revenue fund for student athletic activities in the current year.

For the fiscal year ended June 30, 2022 General Fund expenditures and other financing uses exceeded revenues and other financing sources by \$1,196,533. As a result, the total fund balance decreased to \$2,595,701 at June 30, 2022. After deducting restricted, committed and assigned fund balances, the unassigned fund balance increased by \$6,331 to \$150,641 at June 30, 2022 from a fund balance of \$144,310 at June 30, 2021. Restricted fund balances decreased \$102,413, committed fund balance decreased \$339,100 and assigned fund balances decreased by \$761,351.

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

Revenues of the Special Revenue Fund were \$4,214,857 for the year ended June 30, 2022. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 79% or \$3,333,736 of the total revenue for the year. State sources accounted for 8% or \$346,843, while local revenues represented 13% or \$534,278 for the current year.

Expenditures of the Special Revenue Fund were \$4,241,349. Instructional expenditures were \$3,091,817 or 73% and expenditures for support services were \$993,874 or 23% of the total amount expended for the year ended June 30, 2022. The remaining expenses were for capital outlay expenditures.

Capital Projects Fund - The capital project expenditures and other financing uses exceeded revenues and other financing sources by \$4,095,969 resulting in no fund balance at June 30, 2022. A transfer of \$155,988 was made from the General Fund to fund the excess costs related to the 2016 voter approved referendum projects for improvements to various schools which was completed by June 30, 2022.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Proprietary Funds

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Withdrawal from the capital and maintenance reserves to fund various projects.
- Reinstating prior year purchase orders being carried over from the previous year's budget.

Revisions in the budget were also made through budget transfer.

General Fund budgetary expenditures and other financing uses exceeded budgetary revenues and other financing sources decreasing the budgetary fund balance by \$1,100,279 from the previous year to \$3,563,125 at June 30, 2022. After deducting restricted, committed and assigned fund balances, the unassigned budgetary fund balance increased \$102,585 from a fund balance of \$1,015,480 at June 30, 2021 to a fund balance of \$1,118,065 at June 30, 2022. In addition, the District decreased the capital reserve by \$54,732 to a balance of \$1,136,783 at June 30, 2022. The District also decreased its maintenance reserve by \$47,681 to a balance of \$622,319 at June 30, 2022. The District also assigned \$384,734 of its year end fund balance for year end encumbrances and restricted \$301,224 for disallowed grant costs.

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities as of June 30, 2022 amounts to \$72,032,396 (net of accumulated depreciation). The capital assets consist of land, construction in progress, buildings, building improvements, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2021-2022 amounted to \$3,053,152 for governmental activities.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

**Capital Assets at June 30, 2022 and 2021
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2020</u>
Land	\$ 171,125	\$ 171,125			\$ 171,125	\$ 171,125
Construction in Progress	342,970	15,905,104			342,970	15,905,104
Building and Building Improvements	70,341,332	51,850,259			70,341,332	51,850,259
Machinery and Equipment	1,086,900	867,050	\$ 4,457	\$ 5,583	1,091,357	872,633
Right to Use Equipment	90,069	164,415	-	-	90,069	164,415
Total Capital Assets, Net	<u>\$ 72,032,396</u>	<u>\$ 68,957,953</u>	<u>\$ 4,457</u>	<u>\$ 5,583</u>	<u>\$ 72,036,853</u>	<u>\$ 68,963,536</u>

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

LONG TERM LIABILITIES

At June 30, 2022 the District had \$32,162,693 of long term liabilities. Of this amount \$19,845,000 is for serial bonds; \$469,290 is for capital financing agreements, \$93,709 of leases payable, \$3,642,391 is for compensated absences; \$20,708 is for deferred pension obligation; \$3,360,000 is for state aid advance loan payable; and \$4,731,395 is for the District's net pension liability. For fiscal year 2022 total outstanding long-term liabilities decreased by \$2,425,197. The following is a comparison of the June 30, 2022 and 2021 balances.

**Long-Term Liabilities Outstanding
as of June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Bond Payable	\$ 19,845,000	\$ 20,220,000
Capital Financing Agreements	469,290	536,019
Leases Payable	93,709	169,019
Compensated Absences Payable	3,642,391	3,265,941
Deferred Pension Obligation	20,708	32,613
State Aid Advance Loan Payable	3,360,000	3,840,000
Net Pension Liability	<u>4,731,595</u>	<u>6,524,298</u>
Total	<u>\$ 32,162,693</u>	<u>\$ 34,587,890</u>

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

While many factors influence the district's future, the availability of funding for special education needs, student enrollment, condition of school facilities, 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 2022-2023 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2022-2023. Budgeted expenditures in the General Fund increased approximately 5% to \$47,166,011 in fiscal year 2022-2023. Additional State Aid funded the major of this increase in the fiscal year 2022-2023 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

DISTRICT-WIDE FINANCIAL STATEMENTS

LYNDHURST BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 5,262,107	\$ 192,570	\$ 5,454,677
Receivables, Net	2,191,009	120,814	2,311,823
Internal Balances	142,964	(142,964)	-
Inventory		55,572	55,572
Capital Assets, Not Being Depreciated	514,095		514,095
Capital Assets, Being Depreciated, Net	<u>71,518,301</u>	<u>4,457</u>	<u>71,522,758</u>
Total Assets	<u>79,628,476</u>	<u>230,449</u>	<u>79,858,925</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>192,154</u>	<u>-</u>	<u>192,154</u>
Total Deferred Outflows of Resources	<u>192,154</u>	<u>-</u>	<u>192,154</u>
Total Assets and Deferred Outflows of Resources	<u>79,820,630</u>	<u>230,449</u>	<u>80,051,079</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	4,215,508		4,215,508
Payable to Other Governments	61,808		61,808
Accrued Interest Payable	161,817		161,817
Unearned Revenue	189,847	28,188	218,035
Noncurrent Liabilities			
Due within one year	1,772,940		1,772,940
Due beyond one year	<u>30,389,753</u>	<u>-</u>	<u>30,389,753</u>
Total Liabilities	<u>36,791,673</u>	<u>28,188</u>	<u>36,819,861</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	3,074,406		3,074,406
Deferred Commodities Revenue	<u>-</u>	<u>2,949</u>	<u>2,949</u>
Total Deferred Inflows of Resources	<u>3,074,406</u>	<u>2,949</u>	<u>3,077,355</u>
Total Liabilities and Deferred Inflows of Resources	<u>39,866,079</u>	<u>31,137</u>	<u>39,897,216</u>
NET POSITION			
Net Investment in Capital Assets	51,624,397	4,457	51,628,854
Restricted for			
Capital Projects	1,136,783		1,136,783
Plant Maintenance	622,319		622,319
Student Activities	259,056		259,056
Scholarships	139,830		139,830
Debt Service	134,330		134,330
Unrestricted	<u>(13,962,164)</u>	<u>194,855</u>	<u>(13,767,309)</u>
Total Net Position	<u>\$ 39,954,551</u>	<u>\$ 199,312</u>	<u>\$ 40,153,863</u>

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

LYNDHURST BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 25,557,702	\$ 86,981	\$ 6,371,082	\$ 152,970	\$ (18,946,669)		\$ (18,946,669)
Special Education	9,520,103		4,506,934		(5,013,169)		(5,013,169)
Other Instruction	1,022,319		225,048	\$ 2,688	(794,583)		(794,583)
School Sponsored Activities and Athletics	1,560,933	419,996	72,404		(1,068,533)		(1,068,533)
Support Services							
Student and Instruction Related Services	7,826,643		2,144,559		(5,682,084)		(5,682,084)
General Administrative Services	1,735,073		157,079		(1,577,994)		(1,577,994)
School Administrative Services	3,637,828		626,096		(3,011,732)		(3,011,732)
Central and Other Support Services	1,241,363		108,936		(1,132,427)		(1,132,427)
Plant Operations and Maintenance	4,978,907	254,740	339,873	138,363	(4,245,931)		(4,245,931)
Pupil Transportation	1,495,494		265,185		(1,230,309)		(1,230,309)
Interest on Long-Term Debt	431,172	-	61,753	-	(369,419)		(369,419)
Total Governmental Activities	59,007,537	761,717	14,878,949	294,021	(43,072,850)	-	(43,072,850)
Business-Type Activities							
Food Service	1,601,993	65,273	1,175,640	-	-	\$ (361,080)	(361,080)
Preschool Program	-	-	-	-	-	-	-
Total Business-Type Activities	1,601,993	65,273	1,175,640	-	-	(361,080)	(361,080)
Total Primary Government	\$ 60,609,530	\$ 826,990	\$ 16,054,589	\$ 294,021	(43,072,850)	(361,080)	(43,433,930)

**LYNDHURST BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues			
Taxes			
Property Taxes Levied for General Purposes	\$ 40,793,061		\$ 40,793,061
Property Taxes Levied for Debt Service	784,184		784,184
State Aid -Unrestricted	1,023,738		1,023,738
State Aid for Debt Service Principal	40,886		40,886
Investment Earnings	150,446	\$ 9,007	159,453
Miscellaneous Income	106,358	-	106,358
Total General Revenues, Special Items and Transfers	42,898,673	9,007	42,907,680
Change in Net Position	(174,177)	(352,073)	(526,250)
Net Position, Beginning of Year (Restated)	40,128,728	551,385	40,680,113
Net Position, End of Year	\$ 39,954,551	\$ 199,312	\$ 40,153,863

FUND FINANCIAL STATEMENTS

**LYNDHURST BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 4,485,232	\$ 398,886	\$ 297,589	\$ 80,400	\$ 5,262,107
Intergovernmental Receivables	102,367	2,084,942			2,187,309
Other Accounts Receivables	3,300	400			3,700
Due from Other Funds	<u>1,645,270</u>	<u>-</u>	<u>-</u>	<u>53,930</u>	<u>1,699,200</u>
Total Assets	<u>\$ 6,236,169</u>	<u>\$ 2,484,228</u>	<u>\$ 297,589</u>	<u>\$ 134,330</u>	<u>\$ 9,152,316</u>
LIABILITIES					
Liabilities					
Accounts Payable	\$ 989,720	\$ 577,948			\$ 1,567,668
Accrued Salaries and Wages	111,335				111,335
Compensated Absences Payable	81,092				81,092
Accrued Liability for Insurance Claims	613,000				613,000
Payroll Deductions and Withholdings Payable	526,797				526,797
Employee Deposits Payable	1,315,616				1,315,616
Payable to State Government		51,120			51,120
Payable to Federal Government		10,688			10,688
Due to Other Funds	2,908	1,255,739	\$ 297,589		1,556,236
Unearned Revenue	<u>-</u>	<u>189,847</u>	<u>-</u>	<u>-</u>	<u>189,847</u>
Total Liabilities	<u>3,640,468</u>	<u>2,085,342</u>	<u>297,589</u>	<u>-</u>	<u>6,023,399</u>
FUND BALANCES					
Fund Balances					
Restricted					
Legally Restricted - Disallowed Grant Costs	301,224				301,224
Capital Reserve	1,136,783				1,136,783
Maintenance Reserve	622,319				622,319
Student Activities		259,056			259,056
Scholarships		139,830			139,830
Debt Service				\$ 134,330	134,330
Assigned					
Year End Encumbrances	384,734				384,734
Unassigned	<u>150,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,641</u>
Total Fund Balances	<u>2,595,701</u>	<u>398,886</u>	<u>-</u>	<u>134,330</u>	<u>3,128,917</u>
Total Liabilities and Fund Balances	<u>\$ 6,236,169</u>	<u>\$ 2,484,228</u>	<u>\$ 297,589</u>	<u>\$ 134,330</u>	<u>\$ 9,152,316</u>

**LYNDHURST BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2022**

Total Fund Balances (Exhibit B-1) **\$ 3,128,917**

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$85,675,260 and the accumulated depreciation is \$13,642,864. 72,032,396

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred outflows of resources or deferred inflows of resources on the statement of net position and amortized over future years.

	\$ 192,154	
Deferred Outflows of Resources	(3,074,406)	
Deferred Inflows of Resources		(2,882,252)

The District has financed capital assets through the issuance of long-term bonds and short-term notes. The interest accrual at year end is: (161,817)

Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

	(19,845,000)	
Bonds Payable	(469,290)	
Capital Financing Agreements	(93,709)	
Leases Payable	(3,642,391)	
Compensated Absences	(20,708)	
Deferred Pension Obligation	(3,360,000)	
State Aid Advance Loan Payable	(4,731,595)	
Net Pension Liability		(32,162,693)

Net Position of Governmental Activities (Exhibit A-1) **\$ 39,954,551**

LYNDHURST BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 40,793,061			\$ 784,184	\$ 41,577,245
Tuition	86,981				86,981
Interest	148,638		\$ 1,808		150,446
Miscellaneous - Unrestricted	<u>361,098</u>	<u>\$ 534,278</u>	<u>-</u>	<u>-</u>	<u>895,376</u>
Total - Local Sources	41,389,778	534,278	1,808	784,184	42,710,048
State Sources	14,451,859	346,843		102,639	14,901,341
Federal Sources	<u>43,607</u>	<u>3,333,736</u>	<u>-</u>	<u>-</u>	<u>3,377,343</u>
Total Revenues	<u>55,885,244</u>	<u>4,214,857</u>	<u>1,808</u>	<u>886,823</u>	<u>60,988,732</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	23,902,745	1,775,189			25,677,934
Special Education Instruction	8,641,112	822,127			9,463,239
Other Instruction	967,877	28,175			996,052
School-Sponsored Activities and Athletics	1,091,335	466,326			1,557,661
Support Services					
Student and Instruction Related Services	6,880,851	964,674			7,845,525
General Administrative Services	1,743,819				1,743,819
School Administrative Services	3,631,135				3,631,135
Central and Other Support Services	1,218,886				1,218,886
Plant Operations and Maintenance	4,955,037	29,200			4,984,237
Student Transportation	1,464,962				1,464,962
Debt Service					
Principal	838,816			375,000	1,213,816
Interest and Other Charges	27,819			566,400	594,219
Capital Outlay	<u>1,719,980</u>	<u>155,658</u>	<u>4,251,957</u>	<u>-</u>	<u>6,127,595</u>
Total Expenditures	<u>57,084,374</u>	<u>4,241,349</u>	<u>4,251,957</u>	<u>941,400</u>	<u>66,519,080</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,199,130)</u>	<u>(26,492)</u>	<u>(4,250,149)</u>	<u>(54,577)</u>	<u>(5,530,348)</u>
OTHER FINANCING SOURCES (USES)					
Capital Financing Agreement Proceeds	216,777				216,777
Transfers In	1,808	60,000	155,988		217,796
Transfers Out	<u>(215,988)</u>	<u>-</u>	<u>(1,808)</u>	<u>-</u>	<u>(217,796)</u>
Total Other Financing Sources and Uses	<u>2,597</u>	<u>60,000</u>	<u>154,180</u>	<u>-</u>	<u>216,777</u>
Net Change in Fund Balances	(1,196,533)	33,508	(4,095,969)	(54,577)	(5,313,571)
Fund Balance, Beginning of Year	<u>3,792,234</u>	<u>365,378</u>	<u>4,095,969</u>	<u>188,907</u>	<u>8,442,488</u>
Fund Balance, End of Year	<u>\$ 2,595,701</u>	<u>\$ 398,886</u>	<u>-</u>	<u>\$ 134,330</u>	<u>\$ 3,128,917</u>

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

**LYNDHURST BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (5,313,571)

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

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

Capital Outlays	\$ 6,127,595	
Depreciation Expense	<u>(3,053,152)</u>	
		3,074,443

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

Capital Financing Agreement Proceeds		(216,777)
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Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities

Bond Principal	375,000	
Capital Financing Agreement Principal	283,506	
Leases Payable Principal	75,310	
State Aid Advance Loan Payable	<u>480,000</u>	
		1,213,816

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

Increase in Compensated Absences	(376,450)	
Decrease in Deferred Pension Obligations	11,905	
Decrease in Pension Expense	<u>1,269,410</u>	
		904,865

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

Decrease in Accrued Interest		<u>163,047</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ (174,177)**

**LYNDHURST BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2022**

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>Non-Major Preschool Program</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 189,129	\$ 3,441	\$ 192,570
Intergovernmental Receivable, Net:	101,892		101,892
Accounts Receivable, Net	18,922		18,922
Due from Other Funds		2,908	2,908
Inventory	<u>55,572</u>	<u>-</u>	<u>55,572</u>
Total Current Assets	<u>365,515</u>	<u>6,349</u>	<u>371,864</u>
Capital Assets			
Equipment	100,028		100,028
Accumulated Depreciation	<u>(95,571)</u>	<u>-</u>	<u>(95,571)</u>
Total Capital Assets, Net	<u>4,457</u>	<u>-</u>	<u>4,457</u>
Total Assets	<u>369,972</u>	<u>6,349</u>	<u>376,321</u>
LIABILITIES			
Current Liabilities			
Due to Other Funds	145,872		145,872
Unearned Revenue	<u>28,188</u>	<u>-</u>	<u>28,188</u>
Total Current Liabilities	<u>174,060</u>	<u>-</u>	<u>174,060</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Commodities Revenue	<u>2,949</u>	<u>-</u>	<u>2,949</u>
Total Liabilities and Deferred Inflow of Resources	<u>177,009</u>	<u>-</u>	<u>177,009</u>
NET POSITION			
Investment in Capital Assets	4,457	-	4,457
Unrestricted	<u>188,506</u>	<u>6,349</u>	<u>194,855</u>
Total Net Position	<u>\$ 192,963</u>	<u>\$ 6,349</u>	<u>\$ 199,312</u>

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

**LYNDHURST BOARD OF EDUCATION
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>Non-Major Preschool Program</u>	<u>Total</u>
OPERATING REVENUES			
Local Sources			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 9,384		\$ 9,384
Daily Sales - Non-Reimbursable Programs	55,889		55,889
Program Fees	-	-	-
Total Operating Revenues	<u>65,273</u>	<u>-</u>	<u>65,273</u>
OPERATING EXPENSES			
Cost of Sales - Reimbursable Programs			-
Cost of Sales - Non-Reimbursable Programs	575,783		575,783
Salaries	790,971		790,971
Employee Benefits	91,721		91,721
Purchased Management Services	22,760		22,760
Insurance	46,997		46,997
Other Purchased Services	26,227		26,227
Repair and Maintenance	10,478		10,478
General Supplies	27,667		27,667
Miscellaneous	8,263		8,263
Depreciation	1,126	-	1,126
Total Operating Expenses	<u>1,601,993</u>	<u>-</u>	<u>1,601,993</u>
Operating Loss	<u>(1,536,720)</u>	<u>-</u>	<u>(1,536,720)</u>
NONOPERATING REVENUES			
State Sources			
State School Lunch Program	27,250		27,250
Federal Sources			
National School Breakfast Program	79,096		79,096
National School Lunch Program	1,017,660		1,017,660
Administrative Cost Program for Pandemic EBT	628		628
Food Distribution Program	51,006		51,006
Interest Income	9,007	-	9,007
Total Nonoperating Revenues	<u>1,184,647</u>	<u>-</u>	<u>1,184,647</u>
Changes in Net Position Before Transfers	(352,073)	-	(352,073)
Transfers In	-	-	-
Net Change in Net Position	(352,073)	-	(352,073)
Total Net Position, Beginning of Year	<u>545,036</u>	<u>6,349</u>	<u>551,385</u>
Total Net Position, End of Year	<u>\$ 192,963</u>	<u>\$ 6,349</u>	<u>\$ 199,312</u>

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

**LYNDHURST BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities Enterprise Funds		
	Food Service	Non-Major Preschool Program	Total
Cash Flows from Operating Activities			
Cash Received from Customers less refunds paid	\$ 47,930	\$ -	\$ 47,930
Cash Payments for Employees			
Salaries and Benefits	(882,692)	-	(882,692)
Cash Payments to Suppliers for Goods and Services	(701,250)	-	(701,250)
Net Cash Provided by (Used for) Operating Activities	(1,536,012)	-	(1,536,012)
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements and Grants	1,209,347	-	1,209,347
Cash Received from Other Funds		836	836
Cash Paid to Other Funds	(628)	-	(628)
Net Cash Provided by Noncapital Financing Activities	1,208,719	836	1,209,555
Cash Flows from Investing Activities			
Interest Received	9,007	-	9,007
Net Cash Provided by Investing Activities	9,007	-	9,007
Net Increase (Decrease) in Cash	(318,286)	836	(317,450)
Cash, Beginning of Year	507,415	2,605	510,020
Cash, End of Year	\$ 189,129	\$ 3,441	\$ 192,570
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities			
Operating Loss	\$ (1,536,720)	\$ -	\$ (1,536,720)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities			
Depreciation	1,126	-	1,126
Non-Cash Federal Assistance-Food Distribution Program	51,006		51,006
Change in Assets, Liabilities and Deferred Inflows of Resources			
(Increase)/Decrease in Accounts Receivable	(15,462)		(15,462)
(Increase)/Decrease in Inventory	(29,666)		(29,666)
Increase/(Decrease) in Unearned Revenue	(1,881)		(1,881)
Increase/(Decrease) in Deferred Commodities Revenue	(4,415)	-	(4,415)
Total Adjustments	708	-	708
Net Cash Provided by (Used for) Operating Activities	\$ (1,536,012)	\$ -	\$ (1,536,012)
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 46,591		\$ 46,591

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

NOTES TO THE FINANCIAL STATEMENTS

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Lyndhurst Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade twelve (12) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Lyndhurst Board of Education this includes general operations, food service, preschool program and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2022, the District adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB Statement No. 92, *Omnibus 2020*. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

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

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and food service enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

The *capital projects fund* accounts for the proceeds from the sale of bonds, financing agreements and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

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

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for administrators, teachers and special events.

The District reports the following non-major proprietary fund which is organized to be self-supporting through user charges.

The *preschool fund* accounts for the activities of the District's preschool program which provides a learning environment and educational programs to resident children between the ages of 3 and 4 years old.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost except for intangible right-to-use leased assets the measurement of which is discussed in Note 1. E.8. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Building Improvements	20-50
Heavy Equipment	7-10
Office Equipment and Furniture	5-10
Computer Equipment	5
Right-to-use Leased Equipment	3-5

5. *Deferred Outflows/Inflows of Resources*

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items which arise only under the accrual basis of accounting that qualify for reporting in this category. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item which qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end, This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick and vacation leave benefits. A long-term liability of accumulated sick and vacation leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated sick and vacation leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. *Pensions*

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

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

8. *Leases*

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

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

9. *Financing Agreements*

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

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

10. *Long-Term Obligations*

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

LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Long-Term Obligations (Continued)*

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

11. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Legally Restricted – Disallowed Grant Costs – This restriction was created to represent the amount of prior years' expenditures paid from federal grant programs that were determined to be unallowable as a result of an audit performed by the grantor agencies. These disallowed grant costs are currently under appeal by the District.

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

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

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

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

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

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (special revenue, capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

12. *Fund Balance Policies*

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balance at year end.

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

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual “in rem” tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. Tuition Revenues and Expenditures

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2020-2021 and 2021-2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the food service and the preschool program enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2021/2022. Also, during 2021/2022 the Board increased the original budget by \$6,554,894. The increase was funded by the additional appropriation of capital reserve and maintenance reserve fund balance, state aid, student activity revenues, scholarship donations, grant awards and the reappropriation of prior year general fund encumbrances.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

<u>General Fund</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Regular Programs - Undistributed Instruction			
General Supplies	\$ 499,411	\$ 501,770	\$ (2,359)
Undistributed Expenditures			
Unallocated Employee Benefits			
Health Benefits	5,166,423	5,262,375	(95,952)

The above variances were offset with other available resources.

C. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	\$ 1,191,515
Increased by	
Deposits Approved by Board Resolution	\$ 590,000
Deposits Approved by State Monitor	58,156
Transfer of Unexpended Budget Balances	
Funded by Reserve	<u>5,824</u>
	<u>653,980</u>
	1,845,495
Decreased by	
Withdrawals Approved by Board Resolution	<u>708,712</u>
Balance, June 30, 2022	<u>\$ 1,136,783</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	\$ 670,000
Increased by	
Transfer of Unexpended Budget Balances	
Funded From Reserve	<u>17,650</u>
	687,650
Decreased by	
Withdrawals Approved by Board Resolution	<u>65,331</u>
Balance, June 30, 2022	<u>\$ 622,319</u>

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,168,795. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2021, the book value of the Board's deposits were \$5,454,677 and bank and brokerage firm balances of the Board's deposits amounted to \$7,030,608. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 4,894,534
Uninsured and Collateralized	<u>2,136,074</u>
	<u>\$ 7,030,608</u>

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2022 none of the Board’s bank balances were exposed to custodial credit risk.

<u>Depository Account</u>	<u>Fair Value</u>
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department not in the Board's name	\$ <u>2,136,046</u>

Investments

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

As of June 30, 2022, the Board had no outstanding investments.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

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

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2022 for the district's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Local				
State	\$ 102,367		\$ 2,100	\$ 104,467
Federal		\$ 2,084,942	99,792	2,184,734
Accounts	<u>3,300</u>	<u>400</u>	<u>18,922</u>	<u>22,622</u>
Gross Receivables	105,667	2,085,342	120,814	2,311,823
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 105,667</u>	<u>\$ 2,085,342</u>	<u>\$ 120,814</u>	<u>\$ 2,311,823</u>

C. Unearned Revenue

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

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 36,636
Grant Draw Downs Reserved for Encumbrances	<u>153,211</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 189,847</u>

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	<u>Balance, July 1, 2021 (Restated)</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2022</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 171,125			\$ 171,125
Construction in Progress	<u>15,905,104</u>	<u>\$ 342,970</u>	<u>\$ (15,905,104)</u>	<u>342,970</u>
Total Capital Assets, Not Being Depreciated	<u>16,076,229</u>	<u>342,970</u>	<u>(15,905,104)</u>	<u>514,095</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	60,617,399	21,262,128	-	81,879,527
Machinery and Equipment	2,537,341	427,601	-	2,964,942
Right-to-Use Equipment	<u>316,696</u>	<u>-</u>	<u>-</u>	<u>316,696</u>
Total Capital Assets Being Depreciated	<u>63,471,436</u>	<u>21,689,729</u>	<u>-</u>	<u>85,161,165</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(8,767,140)	(2,771,055)	-	(11,538,195)
Machinery and Equipment	(1,670,291)	(207,751)	-	(1,878,042)
Right-to-Use Equipment	<u>(152,281)</u>	<u>(74,346)</u>	<u>-</u>	<u>(226,627)</u>
Total Accumulated Depreciation	<u>(10,589,712)</u>	<u>(3,053,152)</u>	<u>-</u>	<u>(13,642,864)</u>
Total Capital Assets, Being Depreciated, Net	<u>52,881,724</u>	<u>18,636,577</u>	<u>-</u>	<u>71,518,301</u>
Governmental Activities Capital Assets, Net	<u>\$ 68,957,953</u>	<u>\$ 18,979,547</u>	<u>\$ (15,905,104)</u>	<u>\$ 72,032,396</u>

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	<u>Balance</u> <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance,</u> <u>June 30, 2022</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 100,028	-	-	\$ 100,028
Total Capital Assets Being Depreciated	<u>100,028</u>	-	-	<u>100,028</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(94,445)</u>	\$ (1,126)	-	<u>(95,571)</u>
Total Accumulated Depreciation	<u>(94,445)</u>	<u>(1,126)</u>	-	<u>(95,571)</u>
Total Capital Assets, Being Depreciated, Net	<u>5,583</u>	<u>(1,126)</u>	-	<u>4,457</u>
Business-Type Activities Capital Assets, Net	<u>\$ 5,583</u>	<u>\$ (1,126)</u>	<u>\$ -</u>	<u>\$ 4,457</u>

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

Governmental Activities:

Instruction	
Regular	\$ 1,434,981
Special Education	457,973
Other Instruction	91,595
School Sponsored Activities and Athletics	<u>61,063</u>
Total Instruction	<u>2,045,612</u>
Support Services	
Students and Instruction Related Services	396,910
General Administrative Services	61,063
School Administrative Services	244,252
Central and Other Support Services	91,595
Plant Operations and Maintenance	183,189
Pupil Transportation	<u>30,533</u>
Total Support Services	<u>1,007,542</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,053,154</u>
Business-Type Activities:	
Food Service	<u>\$ 1,126</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 1,126</u>

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2022:

<u>Project</u>	<u>Remaining Commitment</u>
Boiler Replaements at Roosevelt, Franklin and Columbus Schools	\$ 265,550
	<u>\$ 265,550</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 1,255,739
General Fund	Capital Projects Fund	243,659
General Fund	Food Service Fund	145,872
Debt Service Fund	Capital Projects Fund	53,930
Preschool Program Fund	General Fund	<u>2,908</u>
		<u>\$ 1,702,108</u>

The above balances are the result of revenues earned or receipts deposited in one fund which are due to another fund or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund Transfers

	<u>Transfer In:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	
Transfer Out:				
General Fund		\$ 60,000	\$ 155,988	\$ 215,988
Capital Projects Fund	\$ 1,808	-	-	1,808
Total	<u>\$ 1,808</u>	<u>\$ 60,000</u>	<u>\$ 155,988</u>	<u>\$ 217,796</u>

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

F. Leases Payable

On April 13, 2018, the District entered into a five year lease agreement as lessee for the use of photocopiers. An initial lease liability was recorded in the amount of \$214,494. The lease has an interest rate of 3.00%. The District is required to make monthly payments of \$3,854. In addition, the District has the option to purchase the equipment for fair market value at the end of the lease term. As of June 30, 2022 the value of the lease liability was \$45,507. The equipment has a five year estimated useful life. The value of the right-to-use asset as of June 30, 2022 is \$214,494 and had accumulated depreciation of \$171,595.

On October 20, 2020, the District entered into a 39 month lease agreement as lessee for the use of photocopiers. An initial lease liability was recorded in the amount of \$102,202. The lease has an interest rate of 2.50%. The District is required to make quarterly payments of \$8,194. In addition, the District has the option to purchase the equipment for fair market value at the end of the lease term. As of June 30, 2022 the value of the lease liability was \$48,202. The equipment has a 3.25 year estimated useful life. The value of the right-to-use asset as of June 30, 2022 is \$102,202 and had accumulated depreciation of \$55,032.

The future principal and interest lease payments as of June 30, 2022 were as follows:

Governmental Activities:

Fiscal Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 77,441	\$ 1,584	\$ 75,857
2024	<u>16,268</u>	<u>119</u>	<u>16,149</u>
Total	<u>\$ 93,709</u>	<u>\$ 1,703</u>	<u>\$ 92,006</u>

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements

Capital Financing Agreements

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

Capital financing agreements at June 30, 2022 are comprised of the following:

<p>\$199,805, fiscal year 2018 Agreement for the acquisition of photocopiers for a term of 5 years due in a final annual principal installment of \$43,583 on July 15, 2022 interest at 4.72%</p>	<p>\$ 43,583</p>
<p>\$145,706, fiscal year 2018 Agreement for the acquisition of photocopiers for a term of 5 years due in quarterly principal installments of \$7,854 to \$8,140 through April 20, 2023 interest at 4.80%</p>	<p>31,986</p>
<p>\$145,706, fiscal year 2018 Agreement for the acquisitions of photocopiers for a term of 5 years due in quarterly principal installments of \$7,854 to \$8,140 through April 15, 2023 interest at 4.80%</p>	<p>31,984</p>
<p>\$298,055, fiscal year 2020 Agreement for the acquisition of school buses for a term of 5 years due in quarterly principal installments of \$15,326 to \$16,689 through April 15, 2024 interest at 4.90%</p>	<p>127,991</p>
<p>\$139,473, fiscal year 2020 Agreement for the acquisition of photocopiers for a term of 3 years due in monthly principal installments of \$3,965 to \$4,127 through June 15, 2023 interest at 4.40%</p>	<p>48,547</p>
<p>\$97,849, fiscal year 2020 Agreement for the acquisition of plant operations equipment for a term of 3 years due in quarterly principal installments of \$4,820 through September 15, 2023 interest at 3.97%</p>	<p>24,104</p>
<p>\$216,777, fiscal year 2022 Agreement for the acquisitions of photocopiers for a term of 4 years due in annual principal installments of \$51,734 to \$55,687 through January 20, 2025 interest at 3.75%</p>	<p><u>161,095</u></p>
<p>Total</p>	<p><u>\$ 469,290</u></p>

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements (Continued)

Capital Financing Agreements (Continued)

The maturity schedule of the remaining capital financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending <u>June 30</u>	<u>Capital Agreements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 289,555	\$ 26,744	\$ 316,299
2024	124,048	6,552	130,600
2025	<u>55,687</u>	<u>2,088</u>	<u>57,775</u>
	<u>\$ 469,290</u>	<u>\$ 35,384</u>	<u>\$ 504,674</u>

H. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2022 are comprised of the following issues:

\$19,845,000, 2020 Bonds, due in annual installments of \$785,000 to \$1,345,000 through September 1, 2040, interest at 1.00% to 2.00%	<u>\$19,845,000</u>
Total	<u>\$19,845,000</u>

The Board's schedule of principal and interest for general obligation bonds issued and outstanding is as follow:

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 785,000	\$ 368,675	\$ 1,153,675
2024	810,000	360,700	1,170,700
2025	835,000	352,475	1,187,475
2026	850,000	339,800	1,189,800
2027	890,000	322,400	1,212,400
2028-2032	4,875,000	1,329,350	6,204,350
2033-2034	5,655,000	803,850	6,458,850
2038-2042	<u>5,145,000</u>	<u>209,550</u>	<u>5,354,550</u>
	<u>\$ 19,845,000</u>	<u>\$ 4,086,800</u>	<u>\$ 23,931,800</u>

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

State Aid Advance Loan Payable

In the 2018/2019 school year the Board entered into a loan agreement with the State of New Jersey in the amount of \$4,800,000 pursuant to N.J.S.A. 18A:7A-56 in the form of an advancement of state aid to provide funds to eliminate the unassigned budgetary fund deficit in the General Fund. The State aid advance loan is being repaid by the school district through automatic reductions in the State aid provided to the school district in each year. The term of the loan repayment is ten (10) years which began in the 2019/2020 school year at a minimum amount of \$480,000 per year, but may be for a shorter term as determined by the State Treasurer. At any time during the term of the repayment the State Treasurer, in consultation with the Commissioner of Education, may determine to impose interest on the unpaid balance. The State Treasurer has not imposed interest during the 2020/2021 school year.

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

Governmental activities:

Fiscal Year Ending <u>June 30,</u>	<u>State Aid Advance Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 480,000		\$ 480,000
2024	480,000		480,000
2025	480,000		480,000
2026	480,000		480,000
2027	480,000		480,000
2028-2029	<u>960,000</u>	<u>-</u>	<u>960,000</u>
Total	<u>\$ 3,360,000</u>	<u>\$ -</u>	<u>\$ 3,360,000</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2022 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 130,036,526
Less: Net Debt Issued And Debt Authorized But Not Issued	<u>19,845,000</u>
Remaining Borrowing Power	<u>\$ 110,191,526</u>

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Long-Term Liabilities

Deferred Pension Obligation

During the 2008/2009 school year the Board elected to contribute only 50% of its normal and accrued liability components of the Public Employee Retirement System (PERS) obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$90,663 and is being paid back with interest over 15 years beginning in the 2011/2012 fiscal year. The District is permitted to payoff the deferred PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest at June 30, 2022 is \$20,708.

During the fiscal years ended June 30, 2022, 2021 and 2020 the Board was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

Fiscal Year Ending <u>June 30,</u>	<u>PERS</u>
2022	\$ 14,770
2021	14,482
2020	14,444

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

	<u>Balance,</u> <u>July 1, 2021</u> (Restated)	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2022</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Governmental activities:					
Bonds Payable	\$ 20,220,000	\$ -	\$ 375,000	\$ 19,845,000	\$ 785,000
Capital Financing Agreements	536,019	216,777	283,506	469,290	341,289
Compensated Absences	3,265,941	553,862	177,412	3,642,391	75,000
Leases Payable	169,019		75,310	93,709	77,441
Deferred Pension Obligation	32,613	2,865	14,770	20,708	14,210
State Aid Advance Loan Payable	3,840,000		480,000	3,360,000	480,000
Net Pension Liability	<u>6,524,298</u>	<u>-</u>	<u>1,792,703</u>	<u>4,731,595</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 34,587,890</u>	<u>\$ 773,504</u>	<u>\$ 3,198,701</u>	<u>\$ 32,162,693</u>	<u>\$ 1,772,940</u>

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

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

Estimates of claims payable and of claims incurred, but not reported (IBNR) at June 30, 2022, are reported as claims and judgments payable and accrued liability for insurance claims, respectively. These estimates were determined based on claim information supplied by the claims administrator and actuary. The unpaid claims liability of \$613,000 reported at June 30, 2022 is based on the requirements of the Governmental Accounting Standards Board which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities for the group medical and prescription drug benefits plan for the fiscal years ended June 30, 2022 and 2021 are as follows:

	<u>Fiscal Year Ended</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Unpaid Claims, beginning of fiscal year	\$ 665,000	\$ 720,000
Incurred claims (including IBNR's)	4,858,000	4,551,377
Claim payments	<u>(4,910,000)</u>	<u>(4,606,377)</u>
Unpaid claims, end of fiscal year	<u>\$ 613,000</u>	<u>\$ 665,000</u>

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

The relationship between the Board and the insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

SAIF provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2022, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. The District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represent the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

Plan Amendments

The authority to amend the provisions of the above plans rests with legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

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

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

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2021 is \$12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is \$48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2022.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2022 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2022, 2021 and 2020 were equal to the required contributions.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

During the fiscal years ended June 30, 2022, 2021 and 2020 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2022	\$ 467,754	\$ 7,198,491	\$ 34,332
2021	437,671	5,043,524	35,910
2020	384,116	4,013,218	38,318

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$2,058, respectively for PERS and the State contributed \$2,912, \$3,282 and \$4,160, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,556,156 during the fiscal year ended June 30, 2022 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2021 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$4,731,595 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2021. At June 30, 2021, the District's proportionate share was .03994 percent, which was a decrease of .00007 percent from its proportionate share measured as of June 30, 2020 of .04001 percent.

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$801,656 for PERS. The pension contribution made by the District during the current 2021/2022 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 74,623	\$ 33,873
Changes of Assumptions	24,642	1,684,478
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		1,246,426
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>92,889</u>	<u>109,629</u>
Total	<u>\$ 192,154</u>	<u>\$ 3,074,406</u>

At June 30, 2022, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2023	\$ (917,197)
2024	(834,029)
2025	(759,210)
2026	(379,844)
2027	8,028
Thereafter	<u>-</u>
	<u>\$ (2,882,252)</u>

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Mortality Rates

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>6,443,473</u>	\$ <u>4,731,595</u>	\$ <u>3,278,824</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2021. A sensitivity analysis specific to the District’s net pension liability at June 30, 2021 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2020 through June 30, 2021. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2021, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,926,073 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State's proportionate share of the net pension liability attributable to the District is \$81,854,529. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the District was .17026 percent, which was a decrease of .00949 percent from its proportionate share measured as of June 30, 2020 of .17975 percent.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Mortality Rates

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 96,847,580</u>	<u>\$ 81,854,529</u>	<u>\$ 69,261,308</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2021. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2021 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

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

Measurement Focus and Basis of Accounting

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

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

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Investment Valuation

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2021 is \$60.0 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the June 30, 2020 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2021.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2022, 2021 and 2020 were \$1,681,858, \$1,580,562 and \$1,488,830, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2020 through June 30, 2021. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District’s proportionate share percentage determined under Statement No. 75 is zero percent and the State’s proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$4,798,904. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State’s proportionate share of the OPEB liability attributable to the District is \$85,507,435. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state’s share of the OPEB liability attributable to the District was .14249 percent, which was a decrease of .00150 percent from its proportionate share measured as of June 30, 2020 of .14399 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
Salary Increases*	<u>PERS</u>	<u>TPAF</u>
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.55% to 4.45%
Rate Thereafter	3.00% to 7.00%	2.75% to 5.65%

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

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

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

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2020 Measurement Date	\$ <u>97,637,382</u>
Changes Recognized for the Fiscal Year:	
Service Cost	4,632,914
Interest on the Total OPEB Liability	2,218,153
Changes in Benefit Terms	(91,012)
Differences Between Expected and Actual Experience	(17,283,786)
Changes of Assumptions	84,360
Gross Benefit Payments	(1,747,283)
Contributions from the Member	56,707
Net Changes	<u>\$ (12,129,947)</u>
Balance, June 30, 2021 Measurement Date	<u>\$ 85,507,435</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021.

**LYNDHURST BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.16%; as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 102,424,484</u>	<u>\$ 85,507,435</u>	<u>\$ 72,186,275</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 69,218,546</u>	<u>\$ 85,507,435</u>	<u>\$ 107,382,209</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

F. Subsequent Events

Appropriation of Fund Balance

Subsequent to June 30, 2022 the Board approved the appropriation of \$425,142 of capital reserve, \$209,667 of maintenance reserve and \$198,000 of General Fund unassigned fund balance to the 2022/2023 budget.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 RESTATEMENT

On July 1, 2021, the Lyndhurst Board of Education implemented GASB Statement No. 87 “Leases”. The Lyndhurst Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2021 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2021 have been restated to reflect certain activities related to leases payable for the intangible right-to-use capital assets. The effect of this restatement is to decrease net position of governmental activities by \$64,074 from \$40,192,802 as previously reported to \$40,128,728 as of June 30, 2021.

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPEMENTS

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Board expects ongoing actions be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values within the School District.

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPEMENTS (Continued)

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded up to \$4,168,140 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The School District cannot predict costs associated with this or any other potential infectious disease outbreak including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 40,793,061		\$ 40,793,061	\$ 40,793,061	
Tuition from Individuals	50,000		50,000	86,981	\$ 36,981
Tuition from Other LEAs within the State					-
Transportation from Individuals	150,000		150,000		(150,000)
Rents and Royalties	25,000		25,000	254,740	229,740
Interest				148,638	148,638
Miscellaneous	165,000	-	165,000	106,358	(58,642)
Total Local	<u>41,183,061</u>	<u>-</u>	<u>41,183,061</u>	<u>41,389,778</u>	<u>206,717</u>
State Sources					
Special Education Aid	1,781,596		1,781,596	1,781,596	-
Equalization Aid	1,055,599		1,055,599	1,055,599	-
Security Aid	75,106		75,106	75,106	-
Transportation Aid	239,630		239,630	239,630	-
Extraordinary Aid	400,000		400,000	790,852	390,852
Non-Public Transportation Aid				27,550	27,550
School Security Grant		\$ 138,363	138,363	138,363	-
On-behalf TPAF Contributions (Nonbudgeted)					
Pension Benefit Contribution				7,098,343	7,098,343
Pension - NCGI Premium				100,148	100,148
Post Retirement Medical Benefit Contribution				1,681,858	1,681,858
Long-Term Disability Insurance Premium				2,912	2,912
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,556,156	1,556,156
Total State	<u>3,551,931</u>	<u>138,363</u>	<u>3,690,294</u>	<u>14,548,113</u>	<u>10,857,819</u>
Federal Sources					
Medicaid Reimbursement	40,292	-	40,292	43,607	3,315
Total Federal Sources	<u>40,292</u>	<u>-</u>	<u>40,292</u>	<u>43,607</u>	<u>3,315</u>
Total Revenues	<u>44,775,284</u>	<u>138,363</u>	<u>44,913,647</u>	<u>55,981,498</u>	<u>11,067,851</u>
CURRENT EXPENDITURES					
Regular Programs-Instruction					
Salaries of Teachers:					
Preschool	190,510	770	191,280	191,280	-
Kindergarten	816,186	(1,867)	814,319	814,319	-
Grades 1-5	4,079,496	(100,659)	3,978,837	3,978,835	2
Grades 6-8	2,837,148	(79,698)	2,757,450	2,757,449	1
Grades 9-12	4,663,379	(15,471)	4,647,908	4,647,907	1
Regular Programs-Home Instruction					
Salaries of Teachers	50,000	54,558	104,558	104,558	-
Regular Programs-Undistributed Instruction					
Other Salaries for Instruction	482,845	(49,668)	433,177	433,176	1
Purchased Professional Educational Services	25,000	(3,950)	21,050	21,050	-
Other Purchased Services	164,661	93,325	257,986	257,982	4
General Supplies	432,750	66,661	499,411	501,770	(2,359)
Textbooks	182,500	278,679	461,179	431,392	29,787
Total Regular Programs	<u>13,924,475</u>	<u>242,680</u>	<u>14,167,155</u>	<u>14,139,718</u>	<u>27,437</u>

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 847,365	\$ (92,796)	\$ 754,569	\$ 754,568	\$ 1
Other Salaries for Instruction	235,377	(5,583)	229,794	229,793	1
General Supplies	5,849	(442)	5,407	4,555	852
Other Objects	-	765	765	765	-
Total Language and/or Language Disabilities	<u>1,088,591</u>	<u>(98,056)</u>	<u>990,535</u>	<u>989,681</u>	<u>854</u>
Multiple Disabilities					
Salaries of Teachers	161,870	106,646	268,516	268,516	-
Other Salaries for Instruction	112,121	(37,485)	74,636	74,636	-
General Supplies	500	(220)	280	133	147
Total Multiple Disabilities	<u>274,491</u>	<u>68,941</u>	<u>343,432</u>	<u>343,285</u>	<u>147</u>
Resource Room/Resource Center					
Salaries of Teachers	2,030,975	(116,077)	1,914,898	1,914,895	3
Other Salaries for Instruction	94,641	15,454	110,095	110,095	-
General Supplies	5,520	(2,026)	3,494	3,424	70
Total Resource Room/Resource Center	<u>2,131,136</u>	<u>(102,649)</u>	<u>2,028,487</u>	<u>2,028,414</u>	<u>73</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	181,120	29,121	210,241	210,241	-
Other Salaries for Instruction	80,483	12,254	92,737	92,737	-
General Supplies	750	347	1,097	537	560
Total Preschool Disabilities - Part-Time	<u>262,353</u>	<u>41,722</u>	<u>304,075</u>	<u>303,515</u>	<u>560</u>
Home Instruction					
Purchased Professional Educational Service	26,600	(11,395)	15,205	15,150	55
Total Home Instruction	<u>26,600</u>	<u>(11,395)</u>	<u>15,205</u>	<u>15,150</u>	<u>55</u>
Total Special Education	<u>3,783,171</u>	<u>(101,437)</u>	<u>3,681,734</u>	<u>3,680,045</u>	<u>1,689</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	290,260	(55,069)	235,191	235,190	1
General Supplies	-	851	851	-	851
Total Basic Skills/Remedial - Instruction	<u>290,260</u>	<u>(54,218)</u>	<u>236,042</u>	<u>235,190</u>	<u>852</u>
Bilingual Education - Instruction					
Salaries of Teachers	339,045	-	339,045	337,958	1,087
Total Bilingual Education - Instruction	<u>339,045</u>	<u>-</u>	<u>339,045</u>	<u>337,958</u>	<u>1,087</u>

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
School Sponsored Co/Extra Curricular Activities					
Salaries	\$ 180,680	\$ 1,717	\$ 182,397	\$ 174,619	\$ 7,778
Purchased Services	1,500	5,792	7,292	7,292	-
Supplies and Materials	33,400	7,958	41,358	27,134	14,224
Other Objects	1,500	(500)	1,000	-	1,000
Total School Sponsored Co/Extra Curricular Activities	<u>217,080</u>	<u>14,967</u>	<u>232,047</u>	<u>209,045</u>	<u>23,002</u>
School Sponsored Athletics					
Salaries	486,805	-	486,805	484,841	1,964
Purchased Services	77,500	(15,762)	61,738	57,574	4,164
Supplies and Materials	75,000	17,532	92,532	78,664	13,868
Other Objects	500	-	500	67	433
Total School Sponsored Athletics	<u>639,805</u>	<u>1,770</u>	<u>641,575</u>	<u>621,146</u>	<u>20,429</u>
Instructional Alt Ed Program - Instruction					
Other Objects	800	-	800	750	50
Total Instructional Alt Ed Program - Instruction	<u>800</u>	<u>-</u>	<u>800</u>	<u>750</u>	<u>50</u>
Total Instruction	<u>19,194,636</u>	<u>103,762</u>	<u>19,298,398</u>	<u>19,223,852</u>	<u>74,546</u>
Undistributed Expenditures					
Instruction:					
Tuition to Other LEAs Within State - Special	301,580	(221,960)	79,620	79,620	-
Tuition to County Voc. School District-Regular	343,368	23,535	366,903	366,903	-
Tuition to County Voc. School District-Special	227,988	(98,603)	129,385	129,385	-
Tuition to CSSD and Regional Day Schools	1,446,130	(184,015)	1,262,115	1,258,815	3,300
Tuition to Priv. School for the Disabled - Within State	1,430,332	(292,989)	1,137,343	1,137,342	1
Total Undistributed Expenditures- Instruction	<u>3,749,398</u>	<u>(774,032)</u>	<u>2,975,366</u>	<u>2,972,065</u>	<u>3,301</u>
Attendance and Social Work					
Salaries	77,186	(2,999)	74,187	74,186	1
Supplies and Materials	2,200	(589)	1,611	415	1,196
Total Attendance and Social Work	<u>79,386</u>	<u>(3,588)</u>	<u>75,798</u>	<u>74,601</u>	<u>1,197</u>
Health Services					
Salaries	706,380	33,896	740,276	740,276	-
Purchased Professional/Technical Services	2,000	8,265	10,265	10,265	-
Other Purchased Services	14,040	4,568	18,608	18,608	-
Supplies and Materials	10,900	3,832	14,732	14,729	3
Total Health Services	<u>733,320</u>	<u>50,561</u>	<u>783,881</u>	<u>783,878</u>	<u>3</u>
Speech, OT, PT, & Related Services					
Salaries	414,140	(46,249)	367,891	367,890	1
Purchased Professional/Educational Services	512,700	56,417	569,117	566,304	2,813
Supplies and Materials	6,300	(2,956)	3,344	1,934	1,410
Total Speech, OT, PT & Related Services	<u>933,140</u>	<u>7,212</u>	<u>940,352</u>	<u>936,128</u>	<u>4,224</u>
Other Support Services -Students- Extra Services					
Salaries	42,232	893	43,125	43,125	-
Purchased Professional/Educational Services	30,000	(5,175)	24,825	23,315	1,510
Supplies and Materials	10,000	(4,389)	5,611	5,610	1
Total Other Support Services - Students - Extra Services	<u>82,232</u>	<u>(8,671)</u>	<u>73,561</u>	<u>72,050</u>	<u>1,511</u>

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Guidance					
Salaries of Other Professional Staff	\$ 698,500	\$ (17,482)	\$ 681,018	\$ 681,018	\$ -
Salaries of Secretarial and Clerical Assistants	69,656	(18,788)	50,868	50,841	27
Purchased Professional/Educational Services	82,535	70,754	153,289	152,788	501
Other Purchased Professional & Technical Services	2,400	-	2,400	2,100	300
Supplies and Materials	5,725	814	6,539	2,489	4,050
Total Guidance	<u>858,816</u>	<u>35,298</u>	<u>894,114</u>	<u>889,236</u>	<u>4,878</u>
Child Study Team					
Salaries of Other Professional Staff	799,230	(7,316)	791,914	791,914	-
Salaries of Secretarial and Clerical Assistants	83,811	(21,364)	62,447	62,446	1
Purchased Professional-Educational Services	173,728	7,309	181,037	178,125	2,912
Other Purchased Services	3,000	(2,900)	100	100	-
Supplies and Materials	8,500	1,200	9,700	9,446	254
Total Child Study Team	<u>1,068,269</u>	<u>(23,071)</u>	<u>1,045,198</u>	<u>1,042,031</u>	<u>3,167</u>
Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	455,939	112,758	568,697	568,697	-
Other Purchased Services	-	4,158	4,158	4,094	64
Supplies and Materials	500	(316)	184	-	184
Other Objects	1,800	2,981	4,781	4,781	-
Total Improvement of Inst. Serv.	<u>458,239</u>	<u>119,581</u>	<u>577,820</u>	<u>577,572</u>	<u>248</u>
Educational Media/School Library					
Salaries	54,200	-	54,200	54,200	-
Supplies and Materials	7,000	1,363	8,363	7,452	911
Total Educational Media/School Library	<u>61,200</u>	<u>1,363</u>	<u>62,563</u>	<u>61,652</u>	<u>911</u>
Instructional Staff Training					
Purchased Professional-Educational Services	6,960	(5,760)	1,200	1,200	-
Other Purchased Services	45,000	(36,420)	8,580	8,580	-
Supplies and Materials	-	2,670	2,670	2,040	630
Total Instructional Staff Training	<u>51,960</u>	<u>(39,510)</u>	<u>12,450</u>	<u>11,820</u>	<u>630</u>
General Administration					
Salaries	596,604	(16,056)	580,548	580,547	1
Salaries of State Monitors	96,000	17,890	113,890	113,890	-
Repayment of Principal - NJDOE Loan	480,000	-	480,000	480,000	-
Unused Vacation Payment to Terminated/Retired Staff	-	8,655	8,655	8,654	1
Legal Services	105,000	49,033	154,033	144,623	9,410
Audit Fees	65,000	61,115	126,115	70,649	55,466
Architectural/Engineering Services	25,000	1,100	26,100	12,020	14,080
Other Purchased Professional Services	30,000	13,023	43,023	42,133	890
Communications/Telephone	130,964	31,680	162,644	155,650	6,994
BOE Other Purchased Services	4,000	(1,682)	2,318	2,317	1
Miscellaneous Purchased Services	141,700	44,924	186,624	185,808	816
General Supplies	5,000	1,388	6,388	6,215	173
BOE In-House Training / Meeting Supplies	3,000	(2,633)	367	366	1
Miscellaneous Expenditures	5,000	607	5,607	5,607	-
BOE Membership Dues and Fees	16,000	(682)	15,318	15,318	-
Total General Administration	<u>1,703,268</u>	<u>208,362</u>	<u>1,911,630</u>	<u>1,823,797</u>	<u>87,833</u>

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
School Administration					
Salaries of Principals/Assistant Principals	\$ 1,706,166	\$ (59,500)	\$ 1,646,666	\$ 1,646,663	\$ 3
Salaries of Secretarial and Clerical Assistants	593,555	(10,601)	582,954	582,100	854
Unused Vacation Payment to Terminated/Retired Staff		-			-
Other Purchased Services	15,000	(3,420)	11,580	11,579	1
Supplies and Materials	19,350	5,943	25,293	22,196	3,097
Other Objects	17,400	(6,493)	10,907	10,907	-
Total School Administration	<u>2,351,471</u>	<u>(74,071)</u>	<u>2,277,400</u>	<u>2,273,445</u>	<u>3,955</u>
Central Services					
Salaries	577,699	49,609	627,308	624,711	2,597
Unused Vac. Payment to Terminated/Retired Staff		7,852	7,852	7,852	-
Purchased Professional Services	15,500	2,000	17,500	17,242	258
Purchased Technical Services	45,230	-	45,230	44,649	581
Miscellaneous Purchased Services	-	3,600	3,600	3,541	59
Supplies and Materials	16,000	(10,519)	5,481	5,263	218
Miscellaneous Expenditures	2,200	(1,450)	750	750	-
Total Central Services	<u>656,629</u>	<u>51,092</u>	<u>707,721</u>	<u>704,008</u>	<u>3,713</u>
Admin. Info Technology					
Salaries	203,847	(72,628)	131,219	131,218	1
Purchased Professional Services	82,400	(30,400)	52,000	52,000	-
Total Admin Info Technology	<u>286,247</u>	<u>(103,028)</u>	<u>183,219</u>	<u>183,218</u>	<u>1</u>
Required Maintenance for School Facilities					
Salaries	474,823	101,765	576,588	576,586	2
Cleaning, Repair and Maintenance Services	208,800	59,672	268,472	258,733	9,739
General Supplies	67,800	3,209	71,009	69,560	1,449
Total Required Maintenance for School Facilities	<u>751,423</u>	<u>164,646</u>	<u>916,069</u>	<u>904,879</u>	<u>11,190</u>
Custodial Services					
Salaries	1,177,608	252,966	1,430,574	1,421,663	8,911
Unused Vac. Payment to Terminated/Retired Staff		-			-
Cleaning, Repair and Maintenance Services	156,942	36,859	193,801	188,196	5,605
Rental of Land and Building Other Than Lease Purchase Agreement	350,000	-	350,000	350,000	-
Other Purchased Property Services	21,008	-	21,008	21,007	1
Insurance	290,000	20,830	310,830	310,830	-
General Supplies	52,356	7,137	59,493	48,069	11,424
Energy (Natural Gas)	218,900	102,633	321,533	290,870	30,663
Energy (Electricity)	393,200	79,071	472,271	461,710	10,561
Energy (Gasoline)	15,000	5,000	20,000	20,000	-
Other Objects	6,000	-	6,000	1,928	4,072
Total Custodial Services	<u>2,681,014</u>	<u>504,496</u>	<u>3,185,510</u>	<u>3,114,273</u>	<u>71,237</u>
Care and Upkeep of Grounds					
Salaries	69,750	-	69,750	69,750	-
Cleaning, Repair, and Maintenance Svc.	26,000	59,897	85,897	85,716	181
General Supplies	15,000	-	15,000	6,874	8,126
Total Care and Upkeep of Grounds	<u>110,750</u>	<u>59,897</u>	<u>170,647</u>	<u>162,340</u>	<u>8,307</u>
Security					
Salaries	100,000	(30,620)	69,380	67,823	1,557
Purchased Professional/Technical Services	-	28,173	28,173	28,173	-
General Supplies	-	2,180	2,180	2,180	-
Total Security	<u>100,000</u>	<u>(267)</u>	<u>99,733</u>	<u>98,176</u>	<u>1,557</u>

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Student Transportation Services					
Salaries of Non-Instructional Aides	\$ 49,170	\$ 637	\$ 49,807	\$ 49,308	\$ 499
Sal. For Pupil Transportation (Bet. Home & Sch)-Reg.	82,257	58,363	140,620	139,358	1,262
Sal. For Pupil Transportation (Bet. Home & Sch)-Spec.	52,257	17	52,274	52,274	-
Sal. For Pupil Transportation (Other Than Bet. Home & Sch)	20,000	53,043	73,043	71,245	1,798
Cleaning, Repair & Maint. Services	30,000	19,000	49,000	48,246	754
		6,750	6,750	6,750	-
Lease Purchase Payments - School Buses	67,573	-	67,573	67,573	-
Contr. Serv. Aid in Lieu Payments-Non Public	103,000	(2,444)	100,556	96,400	4,156
Contr. Serv. Aid in Lieu Payments-Charter Sch.	10,000	-	10,000	9,500	500
Contr. Serv. (Bet Home & Sch)-Vendor	1,000	419	1,419	1,419	-
Contr. Serv. (Other Than Bet Home & Sch)-Vendor	65,350	(29,447)	35,903	32,008	3,895
Contr. Serv. (Bet. Home & Sch)-Joint Agreements	85,000	100,781	185,781	185,781	-
Contr. Serv. (Spec. Ed. Students)-Joint Agreements	765,000	4,204	769,204	760,251	8,953
Transportation Supplies	17,000	(5,150)	11,850	11,330	520
Other Objects	1,000	150	1,150	1,092	58
Total Student Transportation Services	<u>1,348,607</u>	<u>206,323</u>	<u>1,554,930</u>	<u>1,532,535</u>	<u>22,395</u>
Unallocated Employee Benefits					
Social Security Contributions	489,000	88,031	577,031	577,030	1
TPAF/PERS - Special Assessments		9,741	9,741	9,740	1
Other Retirement Contributions - PERS	400,000	67,754	467,754	467,754	-
Other Retirement Contributions - Deferred PERS Pymt	15,000	(230)	14,770	14,770	-
Other Retirement Contributions - DCRP	35,000	-	35,000	34,332	668
Unemployment Compensation	90,000	(1,504)	88,496	87,022	1,474
Workermen's Compensation	196,000	(45,087)	150,913	150,913	-
Health Benefits	5,047,527	118,896	5,166,423	5,262,375	(95,952)
Other Employee Benefits	510,700	(51,171)	459,529	458,232	1,297
Unused Sick Payments to Terminated/Retired Staff	85,000	98,924	183,924	177,412	6,512
Total Unallocated Employee Benefits	<u>6,868,227</u>	<u>285,354</u>	<u>7,153,581</u>	<u>7,239,580</u>	<u>(85,999)</u>
On-behalf TPAF Contributions (Nonbudgeted)					
Pension Benefit Contribution				7,098,343	(7,098,343)
Pension - NCGI Premium				100,148	(100,148)
Post Retirement Medical Benefit Contribution				1,681,858	(1,681,858)
Long-Term Disability Insurance Premium				2,912	(2,912)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	-	-	-	1,556,156	(1,556,156)
Total TPAF On-Behalf	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,439,417</u>	<u>(10,439,417)</u>
Total Undistributed Expenditures	<u>24,933,596</u>	<u>667,947</u>	<u>25,601,543</u>	<u>35,896,701</u>	<u>(10,295,158)</u>
Total Current Expenditures	<u>44,128,232</u>	<u>771,709</u>	<u>44,899,941</u>	<u>55,120,553</u>	<u>(10,220,612)</u>
Equipment					
Grades 1-5		23,872	23,872	23,872	-
Grades 9-12		29,208	29,208	29,208	-
School Sponsored and Other Instructional Program		37,764	37,764	32,314	5,450
Undistrib. Expend. - Support Services - Health Services		3,950	3,950	3,949	1
Undistrib. Expend. - General Administration		3,995	3,995	3,995	-
Undistributed Expenditures					
Undistrib. Expend. - Custodial Services	-	114,798	114,798	114,798	-
Total Equipment	<u>-</u>	<u>213,587</u>	<u>213,587</u>	<u>208,136</u>	<u>5,451</u>

**LYNDHURST BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Architectural / Engineering Services		\$ 50,926	\$ 50,926	\$ 45,102	\$ 5,824
Other Purchased Prof. and Tech. Services		356,983	356,983	237,323	119,660
Construction Services		1,158,532	1,158,532	1,012,642	145,890
Assessment for Debt Service on SDA Funding	\$ 24,331	-	24,331	24,331	-
Total Facilities Acquisition and Construction Services	<u>24,331</u>	<u>1,566,441</u>	<u>1,590,772</u>	<u>1,319,398</u>	<u>271,374</u>
Assets Acquired under Capital Financing Agreements (Non Budget)					
Equipment - School Administration	-	-	-	216,777	(216,777)
Total Assets Acquired under Capital Leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>216,777</u>	<u>(216,777)</u>
Total Capital Outlay	<u>24,331</u>	<u>1,780,028</u>	<u>1,804,359</u>	<u>1,744,311</u>	<u>60,048</u>
Transfer Funds to Charter Schools	<u>147,684</u>	<u>71,826</u>	<u>219,510</u>	<u>219,510</u>	<u>-</u>
Total Expenditures	<u>44,300,247</u>	<u>2,623,563</u>	<u>46,923,810</u>	<u>57,084,374</u>	<u>(10,160,564)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>475,037</u>	<u>(2,485,200)</u>	<u>(2,010,163)</u>	<u>(1,102,876)</u>	<u>907,287</u>
Other Financing Sources/(Uses)					
Capital Financing Agreement Proceeds (Non Budget)				216,777	216,777
Transfer In - Capital Projects Fund				1,808	1,808
Transfer Out - Special Revenue Fund	(80,000)	20,000	(60,000)	(60,000)	-
Transfer Out - Food Service Fund	(400,000)	400,000	-	-	-
Transfer Out - Capital Reserve - Transfer to Capital Projects	-	(155,988)	(155,988)	(155,988)	-
Total Other Financing Sources/(Uses)	<u>(480,000)</u>	<u>264,012</u>	<u>(215,988)</u>	<u>2,597</u>	<u>218,585</u>
Net Change in Fund Balances	(4,963)	(2,221,188)	(2,226,151)	(1,100,279)	1,125,872
Fund Balances, Beginning of Year	<u>4,663,404</u>	<u>-</u>	<u>4,663,404</u>	<u>4,663,404</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 4,658,441</u>	<u>\$ (2,221,188)</u>	<u>\$ 2,437,253</u>	<u>\$ 3,563,125</u>	<u>\$ 1,125,872</u>
Recapitulation of Fund Balances					
Restricted Fund Balance					
Legally Restricted - Disallowed Grant Costs				301,224	
Capital Reserve				1,136,783	
Maintenance Reserve				622,319	
Assigned Fund Balance					
Year End Encumbrances				384,734	
Unassigned Fund Balance					
				<u>1,118,065</u>	
Fund Balance - Budgetary Basis				3,563,125	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Revenue Not Recognized on GAAP Basis				<u>(967,424)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>2,595,701</u>	

**LYNDHURST BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local		\$ 510,714	\$ 510,714	\$ 538,407	\$ 27,693
State	\$ 214,350	264,547	478,897	352,737	(126,160)
Federal	1,713,791	3,360,082	5,073,873	3,438,780	(1,635,093)
Total Revenues	<u>1,928,141</u>	<u>4,135,343</u>	<u>6,063,484</u>	<u>4,329,924</u>	<u>(1,733,560)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	312,587	995,832	1,308,419	952,844	355,575
Purchased Professional and Technical Services	-	81,830	81,830	47,085	34,745
Other Purchased Services	603,377	210,228	813,605	797,525	16,080
General Supplies	72,877	573,983	646,860	283,979	362,881
Textbooks	13,440	4,626	18,066	18,062	4
Co-Curricular / Extracurricular Activities		380,125	380,125	380,125	-
Athletic Activities	-	86,201	86,201	86,201	-
Total Instruction	<u>1,002,281</u>	<u>2,332,825</u>	<u>3,335,106</u>	<u>2,565,821</u>	<u>769,285</u>
Support Services					
Salaries	183,600	477,892	661,492	372,863	288,629
Purchased Professional and Technical Services	100,904	269,495	370,399	162,470	207,929
Purchased Professional - Educational Services	191,410	141,864	333,274	274,928	58,346
Cleaning, Repair and Maintenance Services		59,240	59,240	29,200	30,040
Other Purchased Services	170,083	(149,988)	20,095	12,586	7,509
Supplies and Materials	42,175	120,484	162,659	95,148	67,511
Scholarship Awards	-	58,143	58,143	58,143	-
Total Support Services	<u>688,172</u>	<u>977,130</u>	<u>1,665,302</u>	<u>1,005,338</u>	<u>659,964</u>
Unallocated Benefits					
Personal Services - Employee Benefits	108,019	542,727	650,746	522,654	128,092
Total Unallocated Benefits	<u>108,019</u>	<u>542,727</u>	<u>650,746</u>	<u>522,654</u>	<u>128,092</u>
Capital Outlay					
Construction Services	129,669	339,961	469,630	259,915	209,715
Instructional Equipment	-	2,700	2,700	2,688	12
Total Capital Outlay	<u>129,669</u>	<u>342,661</u>	<u>472,330</u>	<u>262,603</u>	<u>209,727</u>
Total Expenditures	<u>1,928,141</u>	<u>4,195,343</u>	<u>6,123,484</u>	<u>4,356,416</u>	<u>1,767,068</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	-	(60,000)	(60,000)	(26,492)	33,508
OTHER FINANCING SOURCES (USES)					
Transfers In	-	60,000	60,000	60,000	-
Net Change in Fund Balances	-	-	-	33,508	33,508
Fund Balance, Beginning of Year,	365,378	-	365,378	365,378	-
Fund Balance, End of Year	<u>\$ 365,378</u>	<u>\$ -</u>	<u>\$ 365,378</u>	<u>\$ 398,886</u>	<u>\$ 33,508</u>
Recapitulation of Fund Balance					
Restricted					
Student Activities				\$ 259,056	
Scholarships				139,830	
				<u>\$ 398,886</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**LYNDHURST BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments and state aid advance loan payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1, C-2)	\$ 55,981,498	\$ 4,329,924
Difference - Budget to GAAP:		
State Aid payments recognized for GAAP purposes not recognized for budgetary statements (2020/2021 State Aid)	871,170	
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2021/2022 State Aid)	(967,424)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances - June 30, 2022		(153,211)
Encumbrances - June 30, 2021, net of cancellations	-	38,144
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)	<u>\$ 55,885,244</u>	<u>\$ 4,214,857</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 57,084,374	\$ 4,356,416
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances - June 30, 2022		(153,211)
Encumbrances - June 30, 2021, net of cancellations	-	38,144
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 57,084,374</u>	<u>\$ 4,241,349</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**PENSION INFORMATION
AND
POST-EMPLOYMENT BENEFITS INFORMATION**

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

Public Employees Retirement System

Last Nine Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	.03994%	.04001%	.03949%	0.03927%	0.03978%	0.04315%	0.04463%	0.04201%	0.04281%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,731,595	\$ 6,524,298	\$ 7,115,362	\$ 7,731,520	\$ 9,259,540	\$ 12,781,011	\$ 10,020,439	\$ 7,865,935	\$ 8,181,446
District's Covered-Employee Payroll	\$ 3,001,620	\$ 2,931,262	\$ 2,962,592	\$ 2,838,200	\$ 2,752,274	\$ 2,770,142	\$ 2,970,168	\$ 2,945,693	\$ 2,736,261
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	157.63%	222.58%	240.17%	272.41%	336.43%	461.38%	337.37%	267.03%	299.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

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

LYNDHURST BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Nine Fiscal Years

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

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

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

Teachers Pension and Annuity Fund

Last Nine Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>81,854,529</u>	<u>118,361,592</u>	<u>107,527,548</u>	<u>110,414,592</u>	<u>117,743,077</u>	<u>130,571,153</u>	<u>98,187,722</u>	<u>88,688,359</u>	<u>80,612,933</u>
Total	<u>\$ 81,854,529</u>	<u>\$ 118,361,592</u>	<u>\$ 107,527,548</u>	<u>\$ 110,414,592</u>	<u>\$ 117,743,077</u>	<u>\$ 130,571,153</u>	<u>\$ 98,187,722</u>	<u>\$ 88,688,359</u>	<u>\$ 80,612,933</u>
District's Covered Payroll	\$ 19,616,743	\$ 18,897,150	\$ 18,556,187	\$ 19,086,107	\$ 18,271,889	\$ 17,772,618	\$ 17,618,977	\$ 16,345,640	\$ 15,177,018
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

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

**LYNDHURST BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

REQUIRED SUPPLEMENTARY INFORMATION - PART IV

POSTEMPLOYMENT BENEFITS INFORMATION

**LYNDHURST BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Five Fiscal Years*

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

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**LYNDHURST BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

LYNDHURST BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

REVENUES	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>ARP IDEA Basic</u>	<u>APR IDEA Preschool</u>	<u>Title I</u>	<u>Title II A</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>To Exhibit E-1D</u>
Local									
State									
Federal	\$ 686,805	\$ 30,736	\$ 129,181	\$ 11,017	\$ 313,209	\$ 50,128	\$ 22,855	\$ 12,219	\$ 1,256,150
Total Revenues	<u>\$ 686,805</u>	<u>\$ 30,736</u>	<u>\$ 129,181</u>	<u>\$ 11,017</u>	<u>\$ 313,209</u>	<u>\$ 50,128</u>	<u>\$ 22,855</u>	<u>\$ 12,219</u>	<u>\$ 1,256,150</u>
EXPENDITURES									
Instruction									
Salaries of Teachers					\$ 201,000		\$ 3,500	\$ 2,300	\$ 206,800
Purchased Professional and Technical Services					3,240		3,665		6,905
Other Purchased Services	\$ 623,730	\$ 26,367	\$ 118,874						768,971
General Supplies	28,430	4,369	10,307		826		7,199	8,951	60,082
Textbooks									-
Co-Curricular / Extracurricular Activities									-
Athletic Activities	-	-	-	-	-	-	-	-	-
Total Instruction	<u>652,160</u>	<u>30,736</u>	<u>129,181</u>	<u>-</u>	<u>205,066</u>	<u>-</u>	<u>14,364</u>	<u>11,251</u>	<u>1,042,758</u>
Support Services									
Salaries	-								-
Personal Services - Employee Benefits					107,247		1,859		109,106
Purchased Professional and Technical Services				\$ 11,017		\$ 39,512			50,529
Purchased Professional - Educational Services	34,645								34,645
Cleaning, Repair and Maintenance Services									
Other Purchased Services	-					10,616	1,196		11,812
Supplies and Materials					896		2,748	968	4,612
Scholarship Awards	-	-	-	-	-	-	-	-	-
Total Support Services	<u>34,645</u>	<u>-</u>	<u>-</u>	<u>11,017</u>	<u>108,143</u>	<u>50,128</u>	<u>5,803</u>	<u>968</u>	<u>210,704</u>
Capital Outlay									
Instructional Equipment							2,688		2,688
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,688</u>	<u>-</u>	<u>2,688</u>
Total Expenditures	<u>\$ 686,805</u>	<u>\$ 30,736</u>	<u>\$ 129,181</u>	<u>\$ 11,017</u>	<u>\$ 313,209</u>	<u>\$ 50,128</u>	<u>\$ 22,855</u>	<u>\$ 12,219</u>	<u>\$ 1,256,150</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LYNDHURST BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

REVENUES	<u>Title IV</u>	<u>CARES</u>	<u>ARP ESSER III</u>	<u>Accelerated Learning Coaching & Educator Support</u>	<u>Evidence Based Comp. Beyond the School Day</u>	<u>ESSER II</u>	<u>Learning Acceleration</u>	<u>Mental Health</u>	<u>To Exhibit E-1D</u>
Local									
State									\$ -
Federal	\$ 10,595	\$ 20,606	\$ 1,368,681	\$ 44,300	17,760	624,725	42,364	25,045	2,154,076
Total Revenues	\$ 10,595	\$ 20,606	\$ 1,368,681	\$ 44,300	\$ 17,760	\$ 624,725	\$ 42,364	\$ 25,045	\$ 2,154,076
EXPENDITURES									
Instruction									
Salaries of Teachers		\$ 15,415	\$ 579,834		\$ 17,760	\$ 77,385	\$ 27,000		\$ 717,394
Purchased Professional and Technical Services			35,190				3,600		38,790
Other Purchased Services									-
General Supplies	\$ 6,000	5,191				190,295	1,864		203,350
Textbooks									-
Co-Curricular / Extracurricular Activities									-
Athletic Activities	-	-	-	-	-	-	-	-	-
Total Instruction	6,000	20,606	615,024	-	17,760	267,680	32,464	-	959,534
Support Services									
Salaries	1,365		186,532			180,716	3,500		372,113
Personnel Services - Employee Benefits			307,210			106,338			413,548
Purchased Professional and Technical Services	2,456			\$ 44,300			6,400	\$ 4,500	57,656
Purchased Professional - Educational Services									-
Cleaning, Repair and Maintenance Services									-
Other Purchased Services	774								774
Supplies and Materials						69,991		20,545	90,536
Scholarship Awards	-	-	-	-	-	-	-	-	-
Total Support Services	4,595	-	493,742	44,300	-	357,045	9,900	25,045	934,627
Capital Outlay									
Construction Services			\$ 259,915						\$ 259,915
Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Capital Outlay	-	-	259,915	-	-	-	-	-	259,915
Total Expenditures	\$ 10,595	\$ 20,606	\$ 1,368,681	\$ 44,300	\$ 17,760	\$ 624,725	\$ 42,364	\$ 25,045	\$ 2,154,076
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Net Changes in Fund Balances	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LYNDHURST BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Nonpublic Chapter 192</u>		<u>Nonpublic Chapter 193</u>		<u>Supplemental Instruction</u>	<u>Nonpublic Textbook</u>	<u>Nonpublic Technology</u>	<u>Nonpublic Nursing</u>	<u>To Exhibit E-1D</u>
	<u>Compensatory Education</u>	<u>ESL</u>	<u>Examination & Classification</u>	<u>Corrective Speech</u>					
REVENUES									
Local									\$ -
State	\$ 118,694	\$ 7,308	\$ 27,493	\$ 32,922	\$ 20,154	\$ 18,062	\$ 12,517	\$ 33,712	270,862
Federal	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 118,694	\$ 7,308	\$ 27,493	\$ 32,922	\$ 20,154	\$ 18,062	\$ 12,517	\$ 33,712	\$ 270,862
EXPENDITURES									
Instruction									
Salaries of Teachers									\$ -
Purchased Professional and Technical Services									-
Other Purchased Services									-
General Supplies							12,517		12,517
Textbooks						18,062			18,062
Co-Curricular / Extracurricular Activities									-
Athletic Activities	-	-	-	-	-	-	-	-	-
Total Instruction	-	-	-	-	-	18,062	12,517	-	30,579
Support Services									
Salaries									-
Personnel Services - Employee Benefits									-
Purchased Professional and Technical Services									-
Purchased Professional - Educational Services	\$ 118,694	\$ 7,308	\$ 27,493	\$ 32,922	\$ 20,154			\$ 33,712	240,283
Clearing, Repair and Maintenance Services									-
Other Purchased Services									-
Supplies and Materials									-
Scholarship Awards	-	-	-	-	-	-	-	-	-
Total Support Services	118,694	7,308	27,493	32,922	20,154	-	-	33,712	240,283
Capital Outlay									
Construction Services									-
Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 118,694	\$ 7,308	\$ 27,493	\$ 32,922	\$ 20,154	\$ 18,062	\$ 12,517	\$ 33,712	\$ 270,862
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Net Changes in Fund Balances	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**LYNDHURST BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Nonpublic Security</u>	<u>ACSERS</u>	<u>SDA Emer Need/CAP</u>	<u>Local Grant Programs</u>	<u>Student Activities</u>	<u>Scholarships</u>	<u>Exhibit E-1A Subtotal</u>	<u>Exhibit E-1B Subtotal</u>	<u>Exhibit E-1C Subtotal</u>	<u>Total</u>
REVENUES										
Intergovernmental										
Local				\$ 40,430	\$ 419,996	\$ 77,981	-	\$ -	\$ -	\$ 538,407
State	\$ 52,675		\$ 29,200				-	-	270,862	352,737
Federal	-	28,554	-	-	-	-	1,256,150	2,154,076	-	3,438,780
Total Revenues	\$ 52,675	\$ 28,554	\$ 29,200	\$ 40,430	\$ 419,996	\$ 77,981	\$ 1,256,150	\$ 2,154,076	\$ 270,862	\$ 4,329,924
EXPENDITURES										
Instruction										
Salaries of Teachers				\$ 28,650			\$ 206,800	\$ 717,394	\$ -	\$ 952,844
Purchased Professional and Technical Services				1,390			6,905	38,790	-	47,085
Other Purchased Services		28,554					768,971	-	-	797,525
General Supplies				8,030			60,082	203,350	12,517	283,979
Textbooks							-	-	18,062	18,062
Co-Curricular / Extracurricular Activities					380,125		-	-	-	380,125
Athletic Activities	-	-	-	-	86,201	-	-	-	-	86,201
Total Instruction	-	28,554	-	38,070	466,326	-	1,042,758	959,534	30,579	2,565,821
Support Services										
Salaries				750			-	372,113	-	372,863
Personnel Services - Employee Benefits							109,106	413,548	-	522,654
Purchased Professional and Technical Services	52,675			1,610			50,529	57,656	-	162,470
Purchased Professional - Educational Services		\$ -					34,645	-	240,283	274,928
Cleaning, Repair and Maintenance Services			\$ 29,200				-	-	-	29,200
Other Purchased Services							11,812	774	-	12,586
Supplies and Materials							4,612	90,536	-	95,148
Scholarship Awards	-	-	-	-	-	58,143	-	-	-	58,143
Total Support Services	52,675	-	29,200	2,360	-	58,143	210,704	934,627	240,283	1,527,992
Capital Outlay										
Construction Services								\$ 259,915		\$ 259,915
Instructional Equipment	\$ -	\$ -	\$ -	-	-	-	\$ 2,688	-	-	2,688
Total Capital Outlay	-	-	-	-	-	-	2,688	259,915	-	262,603
Total Expenditures	\$ 52,675	\$ 28,554	\$ 29,200	\$ 40,430	\$ 466,326	\$ 58,143	\$ 1,256,150	\$ 2,154,076	\$ 270,862	\$ 4,356,416
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	(46,330)	19,838	-	-	-	(26,492)
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	60,000	-	-	-	-	60,000
Total Other Financing Sources (Uses)	-	-	-	-	60,000	-	-	-	-	60,000
Net Changes in Fund Balances	-	-	-	-	13,670	19,838	-	-	-	33,508
Fund Balance, Beginning of Year	-	-	-	-	245,386	119,992	-	-	-	365,378
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ 259,056	\$ 139,830	\$ -	\$ -	\$ -	\$ 398,886

**LYNDHURST BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**LYNDHURST BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Prior Years Expenditures</u>	<u>Current Year Expenditures</u>	<u>Unexpended Balance</u>
2016 Referendum - Improvements to Various Schools	\$ 20,026,988	\$ 15,775,031	\$ 4,251,957	\$ -
	<u>\$ 20,026,988</u>	<u>\$ 15,775,031</u>	<u>\$ 4,251,957</u>	<u>\$ -</u>
<u>Reconciliation to GAAP Basis</u>				
Project Balance, June 30, 2022				\$ -
Less: Bonds Authorized But Not Issued				<u>-</u>
Fund Balance, June 30, 2022 (GAAP Basis)				<u>\$ -</u>

**LYNDHURST BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Revenues and Other Financing Sources

Revenues:

Local Sources - Interest	\$ 1,808
Other Financing Sources	
Transfer from Capital Reserve	<u>155,988</u>

Total Revenues and Other Financing sources	<u>157,796</u>
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Expenditures and Other Financing Uses

Expenditures:

Salaries	4,000
Purchased Professional and Technical Services	219,886
Construction Services	3,778,731
General Supplies	249,340
Other Financing Uses	
Transfer Out - General Fund	<u>1,808</u>

Total Expenditures and Other Financing Uses	<u>4,253,765</u>
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Excess (Deficiency) of Revenues and Other Financing Sources

Over (Under) Expenditures and Other Financing Uses	(4,095,969)
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Fund Balance, Beginning of Year	<u>4,095,969</u>
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Fund Balance, End of Year	<u><u>-</u></u>
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Reconciliation to GAAP Basis

Fund Balance - Budgetary Basis	<u>-</u>
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Fund Balance - GAAP Basis	<u><u>-</u></u>
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**LYNDHURST BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
2016 REFERENDUM - IMPROVEMENT TO VARIOUS SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 19,845,000		\$ 19,845,000	\$ 19,845,000
Transfer In - Capital Reserve		\$ 155,988	155,988	155,988
Transfer In - Debt Service Fund (Project Note Paydown)	26,000	-	26,000	26,000
	<u>19,871,000</u>	<u>155,988</u>	<u>20,026,988</u>	<u>20,026,988</u>
Expenditures and Other Financing Uses				
Salaries	\$ 5,000	\$ 4,000	\$ 9,000	\$ 9,000
Legal Services	76,630		76,630	76,630
Purchased Professional & Technical Services	3,678,712	219,886	3,898,598	3,898,598
Other Purchased Services	101,865		101,865	101,865
Construction Services	11,002,565	3,778,731	14,781,296	14,781,296
General Supplies	248,125	249,340	497,465	497,465
Other Objects	662,134	-	662,134	662,134
	<u>15,775,031</u>	<u>4,251,957</u>	<u>20,026,988</u>	<u>20,026,988</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 4,095,969</u>	<u>\$ (4,095,969)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	November 8, 2016
Bonds Authorized	\$ 19,873,807
Bonds Issued	-
Original Authorized Cost	\$ 19,873,807
Additional Authorized Cost	153,181
Revised Authorized Cost	\$ 20,026,988
Percentage Increase(Decrease) Over Original	
Authorized Cost	0.77%
Percentage Completion	100.00%
Original Target Completion Date	June 2020
Revised Target Completion Date	September 2021

ENTERPRISE FUND

SCHEDULE G-1

**LYNDHURST BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

SCHEDULE G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**LYNDHURST BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2021</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2022</u>
			<u>Date</u>	<u>Amount</u>					
General Refunding Bonds	1/1/2016	\$ 2,270,000				\$ 375,000	-	\$ 375,000	
2020 School Bonds	9/1/2020	19,845,000	9/1/2022	785,000	1.00%				
			9/1/2023	810,000	1.00%				
			9/1/2024	835,000	1.00%				
			9/1/2025	850,000	2.00%				
			9/1/2026	890,000	2.00%				
			9/1/2027	920,000	2.00%				
			9/1/2028	950,000	2.00%				
			9/1/2029	970,000	2.00%				
			9/1/2030	1,000,000	2.00%				
			9/1/2031	1,035,000	2.00%				
			9/1/2032	1,065,000	2.00%				
			9/1/2033	1,100,000	2.00%				
			9/1/2034	1,130,000	2.00%				
			9/1/2035	1,160,000	2.00%				
			9/1/2036	1,200,000	2.00%				
			9/1/2037	1,230,000	2.00%				
			9/1/2038	1,270,000	2.00%				
			9/1/2039	1,300,000	2.00%				
			9/1/2040	1,345,000	2.00%				
						<u>19,845,000</u>	\$ -	-	\$ <u>19,845,000</u>
						<u>\$ 20,220,000</u>	<u>\$ -</u>	<u>\$ 375,000</u>	<u>\$ 19,845,000</u>
								<u>\$ 375,000</u>	
									Paid by Budget Appropriation

LYNDHURST BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS AND LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Amount of Original Issue	Interest Rate	Balance, July 1, 2021	Issued	Retired	Balance, June 30, 2022
<u>Capital Financing Agreements</u>						
2017 Copiers	\$ 199,805	4.72%	\$ 85,201		\$ 41,618	\$ 43,583
2018 Copiers	145,706	4.80%	62,482		30,496	31,986
2018 Copiers	145,706	4.80%	62,480		30,496	31,984
2019 School Buses	298,055	4.90%	187,461		59,470	127,991
2020 Copiers	139,473	4.40%	95,008		46,461	48,547
2020 Various Equipment (Plant Operations)	97,849	3.97%	43,387		19,283	24,104
2022 Copiers	216,777	5.75%	-	\$ 216,777	55,682	161,095
Total Capital Financing Agreements			<u>\$ 536,019</u>	<u>\$ 216,777</u>	<u>\$ 283,506</u>	<u>\$ 469,290</u>
<u>Leases Payable</u>						
2018 Copier Lease	214,494	3.00%	89,671		44,164	45,507
2020 Copier Lease	102,202	2.50%	79,348	-	31,146	48,202
Total Leases Payable			<u>\$ 169,019</u>	<u>\$ -</u>	<u>\$ 75,310</u>	<u>\$ 93,709</u>
				Paid by Budget Appropriation	<u>\$ 358,816</u>	

**LYNDHURST BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 784,184	-	\$ 784,184	\$ 784,184	-
State Sources					
Debt Service Aid	<u>102,639</u>	<u>-</u>	<u>102,639</u>	<u>102,639</u>	<u>-</u>
 Total Revenues	 <u>886,823</u>	 <u>-</u>	 <u>886,823</u>	 <u>886,823</u>	 <u>-</u>
EXPENDITURES					
Regular Debt Service					
Interest on Bonds	566,400		566,400	566,400	\$ -
Redemption of Bond Principal	<u>375,000</u>	<u>-</u>	<u>375,000</u>	<u>375,000</u>	<u>-</u>
 Total Expenditures	 <u>941,400</u>	 <u>-</u>	 <u>941,400</u>	 <u>941,400</u>	 <u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>(54,577)</u>	 <u>-</u>	 <u>(54,577)</u>	 <u>(54,577)</u>	 <u>-</u>
OTHER FINANCING SOURCES					
Transfers In - Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Other Financing Sources	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	 <u>(54,577)</u>	 <u>-</u>	 <u>(54,577)</u>	 <u>(54,577)</u>	 <u>-</u>
Fund Balance, Beginning of Year	<u>188,907</u>	<u>-</u>	<u>188,907</u>	<u>188,907</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 134,330</u>	<u>\$ -</u>	<u>\$ 134,330</u>	<u>\$ 134,330</u>	<u>\$ -</u>

Recapitulation of Fund Balance

Restricted for Debt Service:

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

Total Fund Balance Restricted for Debt Service	<u>\$ 134,330</u>
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STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment In Capital Assets	\$ 19,822,284	\$ 19,818,725	\$ 16,616,775	\$ 20,252,716	\$ 17,450,063	\$ 17,736,926	\$ 98,561	\$ 722,011	\$ 52,128,884	\$ 51,624,397
Restricted	65,218	-	-	-	-	45,650	139,612	1,095,818	2,415,800	2,292,318
Unrestricted	(2,603,084)	(2,507,090)	(10,044,030)	(13,247,268)	(15,753,809)	(17,651,548)	(16,794,105)	(15,397,141)	(14,415,956)	(13,962,164)
Total Governmental Activities Net Position	<u>\$ 17,284,418</u>	<u>\$ 17,311,635</u>	<u>\$ 6,572,745</u>	<u>\$ 7,005,448</u>	<u>\$ 1,696,254</u>	<u>\$ 131,028</u>	<u>\$ (16,555,932)</u>	<u>\$ (13,579,312)</u>	<u>\$ 40,128,728</u>	<u>\$ 39,954,551</u>
Business-Type Activities										
Net Investment In Capital Assets					\$ 3,295	\$ 2,030	\$ 3,192	\$ 2,136	\$ 5,583	\$ 4,457
Restricted										
Unrestricted	\$ 15,332	\$ 1,930	\$ 298	\$ 819	(21,300)	8,341	19,556	26,583	545,802	194,855
Total Business-Type Activities Net Position	<u>\$ 15,332</u>	<u>\$ 1,930</u>	<u>\$ 298</u>	<u>\$ 819</u>	<u>\$ (18,005)</u>	<u>\$ 10,371</u>	<u>\$ 22,748</u>	<u>\$ 28,719</u>	<u>\$ 551,385</u>	<u>\$ 199,312</u>
District-Wide										
Net Investment In Capital Assets	\$ 19,822,284	\$ 19,818,725	\$ 16,616,775	\$ 20,252,716	\$ 17,453,358	\$ 17,738,956	\$ 101,753	\$ 724,147	\$ 52,134,467	\$ 51,628,854
Restricted	65,218	-	-	-	-	45,650	139,612	1,095,818	2,415,800	2,292,318
Unrestricted	(2,587,752)	(2,505,160)	(10,043,732)	(13,246,449)	(15,775,109)	(17,643,207)	(16,774,549)	(15,370,558)	(13,870,154)	(13,767,309)
Total District Net Position	<u>\$ 17,299,750</u>	<u>\$ 17,313,565</u>	<u>\$ 6,573,043</u>	<u>\$ 7,006,267</u>	<u>\$ 1,678,249</u>	<u>\$ 141,399</u>	<u>\$ (16,533,184)</u>	<u>\$ (13,550,593)</u>	<u>\$ 40,680,113</u>	<u>\$ 40,153,863</u>

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

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

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

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

Source: District financial statements

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 11,251,065	\$ 11,860,247	\$ 12,085,449	\$ 12,561,431	\$ 12,313,239	\$ 24,875,552	\$ 23,011,167	\$ 21,610,822	\$ 26,341,161	\$ 25,557,702
Special Education	3,068,156	2,630,426	3,523,300	3,416,548	3,740,517	9,527,569	9,780,983	9,818,021	9,652,001	9,520,103
Other Instruction	549,722	492,652	522,621	783,158	785,683	1,538,544	1,161,515	1,152,865	1,184,008	1,022,319
School Sponsored Activities and Athletics	714,817	724,117	738,452	743,964	793,920	1,129,029	1,093,371	1,053,955	1,325,123	1,560,933
Support Services										
Student and Instruction Related Services	3,303,366	3,623,245	3,773,261	3,919,115	4,381,210	7,771,240	5,888,655	6,354,445	7,107,562	7,826,643
General Administration	977,981	907,836	970,151	1,067,944	1,151,908	1,330,676	1,302,704	1,388,349	1,715,696	1,735,073
School Administrative Services	1,811,058	1,902,760	2,082,171	1,832,175	1,862,961	3,388,005	3,196,004	3,136,804	3,845,668	3,637,828
Central and Other Support Services	579,310	571,373	637,103	654,175	723,973	1,126,547	1,117,163	1,061,407	1,216,291	1,241,363
Plant Operation and Maintenance	2,900,593	3,203,055	3,181,439	3,879,186	3,780,148	4,459,533	3,982,590	3,523,808	4,883,204	4,978,907
Student Transportation Services	776,810	733,370	795,344	849,073	1,361,325	1,217,608	1,490,206	1,189,341	1,164,872	1,495,494
Unallocated Expenditures	13,369,711	13,003,133	23,434,250	12,858,478	25,558,417					
Interest on Long-Term Debt	216,818	195,008	171,658	147,653	23,643	186,076	305,972	366,987	387,796	431,172
Total Governmental Activities Expenses	<u>39,519,407</u>	<u>39,847,222</u>	<u>51,915,199</u>	<u>42,712,900</u>	<u>56,476,944</u>	<u>56,550,379</u>	<u>52,330,330</u>	<u>50,656,804</u>	<u>58,823,382</u>	<u>59,007,537</u>
Business-Type Activities:										
Food service	702,878	791,151	777,138	782,963	791,406	802,711	813,994	725,106	586,267	1,601,993
Pre-K Program					329	395,178	446,530	105,626		
Before/After School Child Care/Pre-K	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expense	<u>702,878</u>	<u>791,151</u>	<u>777,138</u>	<u>782,963</u>	<u>791,735</u>	<u>1,197,889</u>	<u>1,260,524</u>	<u>830,732</u>	<u>586,267</u>	<u>1,601,993</u>
Total District Expenses	<u>\$ 40,222,285</u>	<u>\$ 40,638,373</u>	<u>\$ 52,692,337</u>	<u>\$ 43,495,863</u>	<u>\$ 57,268,679</u>	<u>\$ 57,748,268</u>	<u>\$ 53,590,854</u>	<u>\$ 51,487,536</u>	<u>\$ 59,409,649</u>	<u>\$ 60,609,530</u>
Program Revenues										
Governmental Activities:										
Charges for services				27,834		113,029	227,015	205,672	484,674	761,717
Operating grants and contributions	6,334,844	5,897,464	6,398,209	7,788,434	14,662,579	17,351,828	14,708,024	13,183,013	18,432,348	14,878,949
Capital grants and contributions									80,784	294,021
Total Governmental Activities Program Revenues	<u>6,334,844</u>	<u>5,897,464</u>	<u>6,398,209</u>	<u>7,816,268</u>	<u>14,662,579</u>	<u>17,464,857</u>	<u>14,935,039</u>	<u>13,388,685</u>	<u>18,997,806</u>	<u>15,934,687</u>
Business-Type Activities:										
Charges for services										
Food Service	197,948	240,472	203,661	191,362	190,928	164,716	175,180	132,344	4,030	65,273
Pre-K Program						235,361	248,165	79,595		
Operating grants and contributions	227,376	264,989	259,238	247,039	258,067	283,475	287,859	248,523	1,092,317	1,175,640
Capital grants and contributions										
Total Business Type Activities Program Revenues	<u>425,324</u>	<u>505,461</u>	<u>462,899</u>	<u>438,401</u>	<u>448,995</u>	<u>683,552</u>	<u>711,204</u>	<u>460,462</u>	<u>1,096,347</u>	<u>1,240,913</u>
Total District Program Revenues	<u>\$ 6,760,168</u>	<u>\$ 6,402,925</u>	<u>\$ 6,861,108</u>	<u>\$ 8,254,669</u>	<u>\$ 15,111,574</u>	<u>\$ 18,148,409</u>	<u>\$ 15,646,243</u>	<u>\$ 13,849,147</u>	<u>\$ 20,094,153</u>	<u>\$ 17,175,600</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental Activities	\$ (33,184,563)	\$ (33,949,758)	\$ (45,516,990)	\$ (34,896,632)	\$ (41,814,365)	\$ (39,085,522)	\$ (37,395,291)	\$ (37,268,119)	\$ (39,825,576)	\$ (43,072,850)
Business-Type Activities	(277,554)	(285,690)	(314,239)	(344,562)	(342,740)	(514,337)	(549,320)	(370,270)	510,080	(361,080)
Total District-Wide Net Expense	\$ (33,462,117)	\$ (34,235,448)	\$ (45,831,229)	\$ (35,241,194)	\$ (42,157,105)	\$ (39,599,859)	\$ (37,944,611)	\$ (37,638,389)	\$ (39,315,496)	\$ (43,433,930)
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 32,976,035	\$ 33,655,609	\$ 34,389,489	\$ 35,462,096	\$ 36,576,884	\$ 36,860,579	\$ 38,039,648	\$ 38,800,441	\$ 39,993,197	\$ 40,793,061
Property Taxes Levied for Debt Service						640,223	649,622	754,800	629,003	784,184
Unrestricted State and Federal Aid	381,161	389,292	603,510	28,749	1,784,790	428,077	410,128	410,053	558,300	1,023,738
State Aid for Debt Service Principal									25,997	40,886
Investment Earnings						58,222	153,850	174,567	192,107	150,446
Unrestricted Miscellaneous Revenues	147,309	204,074	97,601	183,490	325,617	75,510	102,934	72,620	356,349	106,358
Capital Asset Adjustments	651,702									
Donated Capital Assets									51,852,237	-
Transfers	(285,000)	(272,000)	(312,500)	(345,000)	(320,500)	(542,315)	(561,000)	(375,000)	(9,500)	-
Total Governmental Activities	33,871,207	33,976,975	34,778,100	35,329,335	38,366,791	37,520,296	38,795,182	39,837,481	93,597,690	42,898,673
Business-Type Activities:										
Investment Earnings		288	107	83	121	398	697	1,241	3,086	9,007
Transfers	285,000	272,000	312,500	345,000	320,500	542,315	561,000	375,000	9,500	-
Total Business-Type Activities	285,000	272,288	312,607	345,083	320,621	542,713	561,697	376,241	12,586	9,007
Total District-Wide	\$ 34,156,207	\$ 34,249,263	\$ 35,090,707	\$ 35,674,418	\$ 38,687,412	\$ 38,063,009	\$ 39,356,879	\$ 40,213,722	\$ 93,610,276	\$ 42,907,680
Change In Net Position										
Governmental Activities	\$ 686,644	\$ 27,217	\$ (10,738,890)	\$ 432,703	\$ (3,447,574)	\$ (1,565,226)	\$ 1,399,891	\$ 2,569,362	\$ 53,772,114	\$ (174,177)
Business-Type Activities	7,446	(13,402)	(1,632)	521	(22,119)	28,376	12,377	5,971	522,666	(352,073)
Total District	\$ 694,090	\$ 13,815	\$ (10,740,522)	\$ 433,224	\$ (3,469,693)	\$ (1,536,850)	\$ 1,412,268	\$ 2,575,333	\$ 54,294,780	\$ (526,250)

Source: District financial statements

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

	2013	2014	2015	2016	2017 (Restated)	2018	2019	2020	2021	2022
General Fund										
Restricted						\$ 301,224	\$ 301,224	\$ 841,245	\$ 2,162,739	\$ 2,060,326
Committed									339,100	-
Assigned						350,233	455,425	1,100,032	1,146,085	384,734
Unassigned	\$ 498,743	\$ 327,802	\$ 289,568	\$ (8,777)	\$ (2,847,479)	(4,927,771)	126,674	202,759	144,310	150,641
Total General Fund	\$ 498,743	\$ 327,802	\$ 289,568	\$ (8,777)	\$ (2,847,479)	\$ (4,276,314)	\$ 883,323	\$ 2,144,036	\$ 3,792,234	\$ 2,595,701
All Other Governmental Funds										
Restricted						\$ 45,650	\$ 139,612	\$ 555,797	\$ 4,650,254	\$ 533,216
Unassigned	-	-	-	-	\$ (692,660)	(1,818,880)	(3,976,532)	(5,531,932)	-	-
Total All Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ (692,660)	\$ (1,773,230)	\$ (3,836,920)	\$ (4,976,135)	\$ 4,650,254	\$ 533,216

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

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

Source: District financial statements

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax Levy	\$ 32,976,035	\$ 33,655,609	\$ 34,389,489	\$ 35,462,096	\$ 36,576,884	\$ 37,500,802	\$ 38,689,270	\$ 39,555,241	\$ 40,622,200	\$ 41,577,245
Tuition Charges						40,171	75,581	55,827	31,234	86,981
Transportation Fees						72,858	151,434	149,845	280,338	
Interest						58,222	153,850	174,567	192,107	150,446
Miscellaneous Revenues	147,309	204,074	97,601	218,124	325,617	75,510	102,934	73,567	601,208	895,376
State Sources	5,686,705	5,330,796	5,903,763	6,712,380	7,495,052	8,041,472	9,294,677	9,941,608	11,275,904	14,901,341
Federal Sources	1,029,300	955,960	1,097,956	1,098,003	1,105,976	1,127,947	1,170,194	1,086,779	1,982,591	3,377,343
Total Revenue	39,839,349	40,146,439	41,488,809	43,490,603	45,503,529	46,916,982	49,637,940	51,037,434	54,985,582	60,988,732
Expenditures										
Instruction										
Regular	11,251,065	11,860,247	12,085,449	12,561,431	12,313,239	19,675,191	20,538,470	19,722,336	22,353,402	25,677,934
Special Education	3,068,156	2,630,426	3,523,300	3,416,548	3,740,517	8,153,673	9,117,197	9,302,613	8,631,851	9,463,239
Other Instruction	549,722	492,652	522,621	783,158	785,683	1,198,003	1,029,531	1,045,598	979,404	996,052
School Sponsored Activities and Athletics	714,817	724,117	738,452	743,964	793,920	1,030,173	1,075,344	1,049,497	1,250,421	1,557,661
Undistributed Expenditures										
Student and Instruction Related Services	3,303,366	3,623,245	3,773,261	3,932,104	4,381,210	6,681,807	5,583,558	5,883,172	6,113,064	7,845,525
General Administration	977,981	907,836	970,151	1,088,102	1,151,908	1,254,322	1,287,516	1,448,485	1,577,202	1,743,819
School Administrative Services	1,811,058	1,902,760	2,082,171	1,876,788	1,862,961	2,755,784	2,918,434	2,923,768	3,290,002	3,631,135
Central and Other Support Services	579,310	571,373	637,103	654,175	723,973	1,036,303	1,095,235	1,055,782	1,106,179	1,218,886
Plant Operation and Maintenance	2,900,593	3,203,055	3,181,439	3,889,506	3,780,148	4,202,357	3,941,029	3,515,567	4,588,224	4,984,237
Student Transportation Services	776,810	733,370	795,344	849,073	1,361,325	1,172,226	1,481,367	1,186,451	1,135,471	1,464,962
Unallocated Expenditures	12,800,152	12,326,461	11,825,535	12,855,121	14,732,987					
Capital Outlay	520,681	379,830	403,059	136,325	851,899	1,126,220	2,157,652	2,242,003	11,039,111	6,127,595
Debt Service:										
Principal	440,000	495,000	505,000	510,000	525,000	565,000	425,000	1,436,604	1,188,174	1,213,816
Interest and Other Charges	216,818	195,008	171,658	147,653	93,643	82,673	224,622	435,667	293,990	594,219
Total Expenditures	39,910,529	40,045,380	41,214,543	43,443,948	47,098,413	48,933,732	50,874,955	51,247,543	63,546,495	66,519,080
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	(71,180)	101,059	274,266	46,655	(1,594,884)	(2,016,750)	(1,237,015)	(210,109)	(8,560,913)	(5,530,348)
Other Financing Sources (Uses)										
Bond Proceeds									19,845,000	
Capital Lease Proceeds								237,322		216,777
State Aid Advance Loan Proceeds							4,800,000			
Premiums on Notes						49,660	93,962	62,027		
Transfers In						84,259	197,012	160,028	86,979	217,796
Transfers Out						(626,574)	(758,012)	(535,028)	(96,479)	(217,796)
Operating Transfers	(285,000)	(272,000)	(312,500)	(345,000)	(320,500)					
Total Other Financing Sources (Uses)	(285,000)	(272,000)	(312,500)	(345,000)	(320,500)	(492,655)	4,332,962	(75,651)	19,835,500	216,777
Net Change in Fund Balances	\$ (356,180)	\$ (170,941)	\$ (38,234)	\$ (298,345)	\$ (1,915,384)	\$ (2,509,405)	\$ 3,095,947	\$ (285,760)	\$ 11,274,587	\$ (5,313,571)
Debt Service As A Percentage Of										
Noncapital Expenditures	1.67%	1.74%	1.66%	1.52%	1.34%	1.35%	1.33%	3.82%	2.82%	2.99%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District financial statements

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

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<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Transportation Fees</u>	<u>Rentals</u>	<u>Prior Year Refunds</u>	<u>Town of Lyndhurst ACCP Program</u>	<u>E-Rate</u>	<u>Sale of Technology Equipment</u>	<u>Credits and Adjustments</u>	<u>Cancelled Prior Year Payables</u>	<u>Misc.</u>	<u>Total</u>
2013	\$ 6,572			98,380	38,928						3,429	147,309
2014	5,520	\$ 28,534			65,667				\$ 3,205		308	103,234
2015	10,547				47,516						26,675	84,738
2016	6,526	27,554			85,948				61,887		1,575	183,490
2017	9,106	26,707			228,002				2,407		439	266,661
2018	23,623	40,171	\$ 72,858		27,523	\$ 25,000	\$ 18,732				4,255	212,162
2019	50,800	75,581	151,434		50,050		12,912			\$ 36,469	3,503	380,749
2020	102,566	55,827	149,845		66,923						5,697	380,858
2021	145,128	31,234	280,338		74,574		212,399				69,376	813,049
2022	148,638	86,981		254,740	36,704			67,542			2,112	596,717

Source: District financial statements

**LYNDHURST BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)**

Fiscal Year Ended June 30.	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^(*)
2013	51,265,900	1,564,237,000			403,364,900	575,442,300	56,709,600	2,651,019,700	4,355,209	2,655,374,909	2,833,854,903	1.255
2014	44,980,600	1,564,703,800			402,979,800	548,475,500	98,707,100	2,659,846,800	3,793,814	2,663,640,614	2,768,369,321	1.277
2015	44,625,700	1,569,316,100			391,876,900	536,260,800	121,818,000	2,663,897,500	3,964,445	2,667,861,945	2,464,660,097	1.309
2016	40,684,000	1,571,756,600			386,804,700	534,765,200	146,464,000	2,680,474,500	4,042,008	2,684,516,508	2,806,717,871	1.342
2017	40,526,500	1,582,588,500			381,588,200	523,912,600	145,959,900	2,674,574,800	3,633,059	2,678,207,859	3,164,601,688	1.385
2018	40,303,400	1,602,980,300			465,671,000	407,708,000	145,649,900	2,662,312,600	3,407,271	2,665,719,871	3,342,149,248	1.385
2019	39,329,100	1,609,428,800			511,299,200	383,112,600	164,639,900	2,707,809,600	3,541,653	2,711,351,253	3,309,300,670	1.443
2020	53,454,200	1,613,755,950			487,727,300	387,211,000	164,442,400	2,706,590,850	3,755,173	2,710,346,023	3,159,375,520	1.479
2021	54,141,900	1,618,682,550			486,022,100	384,357,000	164,294,900	2,707,498,450	3,801,241	2,711,299,691	3,245,767,506	1.516
2022	48,136,900	1,626,247,750			409,119,200	392,797,100	226,505,900	2,702,806,850	3,767,452	2,706,574,302	3,410,394,459	1.552

Source: County Abstract of Ratables

N/A = Not Available

* Revaluation Year

LYNDHURST BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per \$100 of assessed value)

Calendar Year	Total Direct School Tax Rate	Overlapping Rates				Total Direct and Overlapping Tax Rate
	Lyndhurst Local School District	Municipality of Lyndhurst	Municipal Library	County Open Space	County of Bergen	
2013	1.255	1.102	0.035	0.003	0.236	2.631
2014	1.277	1.160	0.034	0.003	0.237	2.711
2015	1.309	1.189	0.033	0.003	0.213	2.747
2016	1.342	1.217	0.034	0.003	0.240	2.836
2017	1.385	1.188	0.039	0.012	0.277	2.901
2018	1.428	1.202	0.042	0.012	0.292	2.976
2019	1.443	1.178	0.040	0.011	0.280	2.952
2020	1.479	1.167	0.039	0.011	0.278	2.974
2021	1.516	1.187	0.040	0.012	0.285	3.040
2022	1.552	1.277	0.041	0.013	0.289	3.172

Source: County Abstract of Ratables

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

Taxpayer	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
MFREVF II - Lyndhurst LLC	\$ 65,600,000	2.42%		
340 Orient Way, LLC	54,592,400	2.02%		
Tiger Den Partners VI LLC	40,000,000	1.48%		
JERC Partners VII, LLC	32,500,000	1.20%		
Veterans Square 2016, LLC	32,875,000	1.21%	31,000,000	1.17%
125 Chubb Avenue, LLC	31,607,000	1.17%		
Sika Chemical Corp./ANJ Corp.	30,347,000	1.12%	32,396,800	1.22%
Copper Ridge LLC	27,500,000	1.02%		
VA7 Heritage/ Riverside Plaza Lyndhurst LLC	24,660,000	0.91%		
Colfin 2018-7 Industrial Owner LLC	21,932,000	0.81%		
Avalon Bay Communities, Inc.			65,600,000	2.47%
Chubb Funding LLC			50,122,100	1.89%
Wells Operating Partnership (2 Properties)			54,200,000	2.04%
DGDJ 1-1200 WSW 337771 LLC (ETALS)			30,072,200	1.13%
Riverside Plz Urban RN, LLC (3 Properties)			21,740,000	0.82%
Lyndhurst Residential Comm2, LLC			21,731,000	0.82%
Denholtz 1099 Wall Street LLC (2 Properties)			21,269,800	0.80%
DDR-SAU Lew Andowski LLC (2 Properties)			21,000,000	0.79%
	<u>\$ 361,613,400</u>	<u>13.36%</u>	<u>\$ 349,131,900</u>	<u>13.15%</u>

Source: Municipal Tax Assessor

**LYNDHURST BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	70,634,586	70,634,586	100%	
2014	71,843,371	71,843,371	100%	
2015	72,387,868	72,387,868	100%	
2016	74,784,471	74,784,471	100%	
2017	36,576,884	36,576,884	100%	
2018	37,500,802	37,500,802	100%	
2019	38,689,270	38,689,270	100%	
2020	39,555,241	39,555,241	100%	
2021	40,622,200	40,622,200	100%	
2022	41,577,245	41,577,245	100%	

Source: District records

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

Fiscal Year Ended June 30,	Governmental Activities				Total District	Population	Per Capita
	General Obligation Bonds	Bond Anticipation Notes	State Aid Advance Loan	Capital Financing Agreements			
2013	\$ 4,235,000				\$ 4,235,000	20,767	204
2014	3,740,000				3,740,000	20,806	180
2015	3,235,000				3,235,000	21,482	151
2016	2,725,000				2,725,000	21,992	124
2017	2,130,000	\$ 1,000,000			3,130,000	21,976	142
2018	1,565,000	12,000,000			13,565,000	22,040	615
2019	1,140,000	12,000,000	\$ 4,800,000	\$ 1,139,005	19,079,005	22,484	849
2020	755,000	11,974,000	4,320,000	804,723	17,853,723	22,916	779
2021	20,220,000		3,840,000	476,549	24,536,549	22,781	1,077
2022	19,845,000		3,360,000	469,290	23,674,290	22,324	1,060

Source: District records

E - Estimate

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2013	\$ 4,235,000		\$ 4,235,000	0.16%	204
2014	3,740,000		3,740,000	0.14%	180
2015	3,235,000		3,235,000	0.12%	151
2016	2,725,000		2,725,000	0.10%	124
2017	2,130,000		2,130,000	0.08%	97
2018	1,565,000	\$ 45,650	1,519,350	0.06%	69
2019	1,140,000	139,612	1,000,388	0.04%	44
2020	755,000	148,539	606,461	0.02%	26
2021	20,220,000	188,907	20,031,093	0.74%	879
2022	19,845,000	134,330	19,710,670	0.73%	883

Source: District records

**LYNDHURST BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2021
(Unaudited)**

	Total <u>Debt</u>
Municipal Debt: (1)	
Lyndhurst Board of Education (as of June 30, 2022)	\$ 19,845,000
Township of Lyndhurst	<u>95,232,131</u>
	<u>115,077,131</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	25,751,482
Passaic Valley Sewerage Commission (B)	<u>5,378,849</u>
	<u>31,130,331</u>
Total Direct and Overlapping Debt	<u>\$ 146,207,462</u>

Source:

(1) Borough's 2021 Annual Debt Statement

(A) The debt for this entity was apportioned to the Township by dividing the municipality's 2021 equalized value by the total 2021 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Township's 2021 billings by the total 2021 billings of the Commission.

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

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	
2019	3,136,943,466
2020	3,222,515,597
2021	3,393,280,424
	<u>\$ 9,752,739,487</u>

Average equalized valuation of taxable property	<u>\$ 3,250,913,162</u>
Debt limit (4% of average equalization value)	\$ 130,036,526
Total Net Debt Applicable to Limit	<u>19,845,000</u>
Legal debt margin	<u>\$ 110,191,526</u>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 124,799,788	\$ 116,240,840	\$ 108,674,738	\$ 108,129,248	\$ 113,738,883	\$ 123,269,568	\$ 129,520,287	\$ 129,348,949	\$ 127,861,826	\$ 130,036,526
Total net debt applicable to limit	<u>4,235,000</u>	<u>3,740,000</u>	<u>3,235,000</u>	<u>2,740,000</u>	<u>21,788,807</u>	<u>21,403,807</u>	<u>21,013,807</u>	<u>20,602,807</u>	<u>20,222,807</u>	<u>19,845,000</u>
Legal debt margin	<u>\$ 120,564,788</u>	<u>\$ 112,500,840</u>	<u>\$ 105,439,738</u>	<u>\$ 105,389,248</u>	<u>\$ 91,950,076</u>	<u>\$ 101,865,761</u>	<u>\$ 108,506,480</u>	<u>\$ 108,746,142</u>	<u>\$ 107,639,019</u>	<u>\$ 110,191,526</u>
Total net debt applicable to the limit as a percentage of debt limit	3.39%	3.22%	2.98%	2.53%	19.16%	17.36%	16.22%	15.93%	15.82%	15.26%

Source: Annual Debt Statements

**LYNDHURST BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2013	20,767	68,591	8.0%
2014	20,806	71,773	7.0%
2015	21,482	71,286	5.8%
2016	21,992	73,883	5.1%
2017	21,976	77,323	4.8%
2018	22,040	78,836	4.4%
2019	22,484	81,024	3.5%
2020	22,916	85,191	11.9%
2021	22,781	88,241	7.7%
2022	22,324	91,972	N/A

Source: New Jersey State Department of Education

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

	<u>2022</u>		<u>2013</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

**LYNDHURST BOARD OF EDUCATION
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Unaudited)**

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular Programs (Including Aides)	158	162	163	163	164	158	164	158	166	169
Special Education (Including Aides)	54	58	63	64	66	71	83	72	60	62
Other Instruction	9	8	10	13	13	12	13	10	10	10
School Sponsored Activities and Athletics	1	1	1	1	1	1	1	1	1	1
Support Services:										
Student and Instruction Related Services	38	39	46	46	52	53	55	47	46	50
General Administration	7	6	6	6	5	5	5	5	6	6
School Administrative Services	19	21	21	20	22	21	21	22	22	22
Central Services and Admin. Info. Technology	6	6	6	6	8	10	10	9	9	9
Operation and Maintenance of Plant Svs.	33	34	27	27	40	32	32	33	33	38
Student Transportation Services	8	7	6	5	6	7	7	7	6	7
Total	<u>333</u>	<u>342</u>	<u>349</u>	<u>351</u>	<u>377</u>	<u>370</u>	<u>391</u>	<u>364</u>	<u>359</u>	<u>374</u>

Source: District Personnel Records

N/A - Not Available

**LYNDHURST BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Teacher/Pupil Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	2,240.3	36,857,527	16,452	7.3%	159	14.1	2,240.3	2,132.4	-4.1%	95.2%
2014	2,311.7	37,275,715	16,125	-2.0%	149	15.5	2,311.7	2,200.9	3.2%	95.2%
2015	2,390.2	38,089,632	15,936	-1.2%	170	14.1	2,390.2	2,273.7	3.4%	95.1%
2016	2,385.0	39,610,060	16,608	4.2%	167	14.6	2,385.0	2,269.8	-0.2%	95.2%
2017	2,468.0	42,505,052	17,222	3.7%	171	14.8	2,468.0	2,351.7	3.5%	95.3%
2018	2,507.0	47,159,839	18,811	9.2%	180	13.9	2,503.1	2,356.9	1.4%	94.2%
2019	2,615.0	48,067,681	18,382	-2.3%	217	12.1	2,610.1	2,461.4	4.3%	94.3%
2020	2,550.0	47,133,269	18,484	0.6%	217	12.0	2,550.0	2,403.0	-2.3%	94.2%
2021	2,468.0	51,025,220	20,675	11.9%	219	11.2	2,468.0	2,330.3	-3.2%	94.4%
2022	2,558.0	58,583,450	22,902	10.8%	227	11.3	2,558.0	2,445.5	3.6%	95.6%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
 - b Operating expenditures equal total expenditures less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.

LYNDHURST BOARD OF EDUCATION
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS
 (Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Building</u>										
<u>Elementary</u>										
Columbus										
Square Feet	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	6,500	10,500
Capacity (students)	126.90	126.90	126.90	126.90	126.90	126.90	126.90	126.90	78.60	126.90
Enrollment	207.00	222.00	183.00	164.00	213.96	214.00	211.00	181.00	87.00	111.00
Franklin										
Square Feet	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400
Capacity (students)	205.20	205.20	205.20	205.20	205.20	205.20	205.20	205.20	205.20	205.20
Enrollment	303.00	317.00	202.00	217.00	220.34	232.00	234.00	244.00	204.00	205.00
Jefferson										
Square Feet	32,060	32,060	32,060	32,060	32,060	32,060	32,060	32,060	32,060	32,060
Capacity (students)	260.10	260.10	260.10	260.10	260.10	260.10	260.10	260.10	260.10	260.10
Enrollment	259.00	266.00	268.00	276.00	268.00	274.00	270.00	271.00	261.00	277.00
Lincoln (Transferred to Township 2020/2021)										
Square Feet	24,300	24,300	24,300	24,300	24,300	24,300	24,300	24,300	-	-
Capacity (students)	283.50	283.50	283.50	283.50	283.50	283.50	283.50	283.50	-	-
Enrollment	238.00	241.00	248.00	278.00	265.06	266.00	255.00	256.00	-	-
Roosevelt										
Square Feet	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600
Capacity (students)	431.10	431.10	431.10	431.10	431.10	431.10	431.10	431.10	431.10	431.10
Enrollment	402.00	377.00	388.00	408.00	401.95	400.00	416.00	445.00	296.00	327.00
Washington										
Square Feet	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500
Capacity (students)	273.70	273.70	273.70	273.70	273.70	273.70	273.70	273.70	273.70	273.70
Enrollment	211.00	221.00	188.00	195.00	184.00	212.00	184.00	200.00	196.00	184.00
Memorial Campus										
Square Feet			17,800	17,800	17,800	17,800	17,800	17,800	17,800	17,800
Capacity (students)			150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
Enrollment			193.00	163.00	182.61	162.00	204.00	172.00	-	79.00
<u>Middle School</u>										
Lyndhurst Middle School										
Square Feet									143,000	143,000
Capacity (students)									650.00	650.00
Enrollment									573.00	661.00
<u>High School</u>										
Lyndhurst Senior High School										
Square Feet	112,300	112,300	112,300	112,300	112,300	112,300	112,300	112,300	112,300	112,300
Capacity (students)	906.95	906.95	906.95	906.95	906.95	906.95	906.95	906.95	906.95	906.95
Enrollment	672.00	704.00	721.00	735.00	732.07	747.00	753.00	781.00	743.00	884.00
<u>Community School</u>										
Lyndhurst Senior High School										
Square Feet									4,000	4,000
Capacity (students)									48.30	48.30
Enrollment									39.00	57.00

Number of Schools at June 30, 2022
 Elementary = 6
 Middle School = 1
 High School = 1
 Community School = 1

N/A - Information was not available.

Source: District Records

LYNDHURST BOARD OF EDUCATION
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST TEN FISCAL YEARS
 (Unaudited)

	Project # (s)	Gross Building Area (SF)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
*School Facilities												
Lyndhurst Senior High School	N/A		\$ 329,062	\$ 618,629	\$ 514,288	\$ 512,059	\$ 450,383	\$ 388,111	\$ 361,366	\$ 319,021	\$ 374,433	\$ 288,869
Lyndhurst Middle School	N/A										78,021	136,390
Columbus Elementary School	N/A		60,522	54,989	45,715	101,332	127,886	36,288	33,787	29,828	52,305	81,751
Franklin Elementary School	N/A		288,847	96,231	80,001	83,979	137,700	63,591	59,209	52,271	85,277	39,101
Jefferson Elementary School	N/A		262,287	178,715	148,572	164,834	177,053	110,800	103,165	91,076	139,196	35,021
Lincoln Elementary School	N/A		47,289	137,473	114,287	60,881	66,450	83,981	78,194	69,031	4,795	-
Roosevelt Elementary School	N/A		55,563	123,726	102,858	114,043	92,652	74,650	69,506	61,361	72,042	252,477
Washington Elementary School	N/A		142,801	109,978	91,429	103,397	71,062	67,393	62,748	55,396	3,831	29,552
Community School	N/A											26,533
Memorial Campus	N/A		-	54,989	45,715	74,854	64,789	61,517	57,278	50,566	3,910	15,185
Grand Total			<u>\$ 1,186,371</u>	<u>\$ 1,374,730</u>	<u>\$ 1,142,865</u>	<u>\$ 1,215,379</u>	<u>\$ 1,187,975</u>	<u>\$ 886,331</u>	<u>\$ 825,253</u>	<u>\$ 728,550</u>	<u>\$ 813,810</u>	<u>\$ 904,879</u>

Source: District Records

N/A - Not Available

LYNDHURST BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2022
(Unaudited)

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

**LYNDHURST BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2022
(Unaudited)**

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

Source: School District records

SINGLE AUDIT SECTION

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst Board of Education as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Lyndhurst Board of Education's basic financial statements and have issued our report thereon dated January 25, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Lyndhurst Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated January 25, 2023.

Purpose of this Report

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

LERCH, VINCI & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 25, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

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

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE U.S. UNIFORM GUIDANCE AND
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY
OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Lyndhurst Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Lyndhurst Board of Education's major federal and state programs for the fiscal year ended June 30, 2022. The Lyndhurst Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Lyndhurst Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst Board of Education, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 25, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 25, 2023

LYNDHURST BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN	Grant Period	Award Amount	Balance July 1, 2021			Unearned Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Balance, June 30, 2022			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture																
Passed-through State Department of Agriculture																
Enterprise Fund:																
Child Nutrition Cluster																
National School Breakfast Program																
Cash Assistance	10.553	221NJ304N1099	7/1/21-6/30/22	\$ 79,096					\$ 70,554	\$ 79,096			\$ (8,542)		\$ (8,542)	
Cash Assistance	10.553	211NJ304N1099	7/1/20-6/30/21	370,873	\$ (57,372)				57,372				-			
National School Lunch Program																
Non-Cash Assistance	10.555	221NJ304N1099	7/1/21-6/30/22	49,591					46,591	43,642			\$ 2,949			
Non-Cash Assistance	10.555	211NJ304N1099	7/1/20-6/30/21	29,834		\$ 7,364				7,364						
Cash Assistance	10.555	221NJ304N1099	7/1/21-6/30/22	1,017,660					926,410	1,017,660			(91,250)		(91,250)	
Cash Assistance	10.555	211NJ304N1099	7/1/20-6/30/21	630,356	(95,731)				95,731				-			
Emergency Operational Cost Program	10.555	202121H170341	7/1/20-6/30/21	26,107	(26,107)				26,107				-			
P-EBT Administrative Costs	10.649	212125900941	7/1/21-6/30/22	628					628	628						
P-EBT Administrative Costs	10.649	202125900941	7/1/20-6/30/21	614	(614)				614							
Total U.S. Department of Agriculture/Child Nutrition Cluster					(179,824)	7,364	-	-	-	1,224,007	1,148,390	-	(99,792)	2,949	(99,792)	
U.S. Department of Education																
Passed-through State Department of Education																
SPECIAL REVENUE FUND																
Special Education Cluster (IDEA)																
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	7/1/21-9/30/22	678,468			\$ 15,710	\$ (15,710)	467,948	686,805			(226,230)	7,373	(218,857)	
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	7/1/20-9/30/21	703,690	(134,162)	15,711		(15,710)	118,452	15,710		(1)	-	-	-	
I.D.E.A. Part B, ARP Basic	84.027X	H027X210100	7/1/21-9/30/22	129,306					109,322	129,181			(19,984)	125	(19,859)	
I.D.E.A. Part B, Preschool	84.173	H173A200114	7/1/21-9/30/22	26,367			7,850	(7,850)	26,367	30,736			(7,850)	3,481	(4,369)	
I.D.E.A. Part B, Preschool	84.173	H173A200114	7/1/20-9/30/21	26,176	(20,377)	7,850		(7,850)	7,850	12,527			-	-	-	
I.D.E.A. Part B, ARP Preschool	84.173X	H173X210114	7/1/21-9/30/22	11,017					11,017	11,017			-	-	-	
Total Special Education Cluster IDEA					(154,539)	23,561	-	-	-	745,633	857,739	(1)	(254,064)	10,979	(243,085)	
ESEA																
Title I, Part A	84.010	S010A200030	7/1/21-9/30/22	276,838			71,451	(71,451)	168,374	313,209			(179,915)	35,080	(144,835)	
Title I, Part A	84.010	S010A200030	7/1/20-9/30/21	307,616	(117,219)	428		(428)	116,791	428			-	-	-	
Total ESEA Title I					(117,219)	428	-	71,023	(71,023)	285,165	313,209		(179,915)	35,080	(144,835)	
Title II, Part A	84.367A	S367A200029	7/1/21-9/30/22	51,384			-	-	28,970	50,128			(22,414)	1,256	(21,158)	
Title II, Part A	84.367A	S367A200029	7/1/20-9/30/21	65,223	(57,315)	44,008		(44,008)	44,008	13,307			-	-	-	
Total ESEA Title II					(57,315)	44,008	-	(44,008)	44,008	42,277	50,128		(22,414)	1,256	(21,158)	
Title III	84.365	S365A200030	7/1/21-9/30/22	13,394			11,288	(11,288)	7,299	22,855			(17,383)	1,827	(15,556)	
Title III	84.365	S365A200030	7/1/20-9/30/21	35,332	(27,740)	11,288		(11,288)	11,288	16,452			-	-	-	
Title III - Immigrant	84.365	S365A200030	7/1/21-9/30/22	10,568			10,635	(10,635)	5,282	12,219			(15,921)	8,984	(6,937)	
Title III - Immigrant	84.365	S365A200030	7/1/20-9/30/21	9,448	(15,635)	10,635		(10,635)	10,635	5,000			-	-	-	
Total ESEA Title III					(43,375)	21,923	-	-	-	34,033	35,074		(33,304)	10,811	(22,493)	
Title IV	84.424	S424A200031	7/1/21-9/30/22	22,451			-	-	3,230	10,595			(19,221)	11,856	(7,365)	
Title IV	84.424	S424A200031	7/1/20-9/30/21	22,657	(27,015)	27,015		(27,015)	27,015	-			-	-	-	
Total NCLB Title IV					(27,015)	27,015	-	(27,015)	27,015	3,230	10,595		(19,221)	11,856	(7,365)	
Temporary Emergency Impact Aid	84.938C	S938C18005	N/A	10,688			10,688								\$ 10,688	
Elementary and Secondary School Emergency Relief (ESSER)																
Coronavirus Aid, Relief, and Economic Security (CARES) Act																
American Rescue Plan Consolidated																
CARES - Emergency Relief Grant	84.425D	S425D200027	3/13/20-9/30/22	267,307	(20,636)	20,636			14,626	20,606			(6,010)	30	(5,980)	
American Rescue Plan Consolidated																
ARP ESSER III	84.425U	S425U210027	3/13/20-9/30/24	2,265,726						1,368,681			(2,265,726)	897,045	(1,368,681)	
Accelerated Learning Coach and Educator Support	84.425D	S425U210027	3/13/20-9/30/24	223,394					44,300				(223,394)	179,094	(44,300)	
Evidence Based Summer Learning and Enrichment	84.425D	S425U210027	3/13/20-9/30/24	40,000									(40,000)	40,000		
Evidence Based Comprehensive Beyond the School Day	84.425D	S425U210027	3/13/20-9/30/24	40,000						17,760			(40,000)	22,240	(17,760)	
NJTSS Mental Health Support Staffing	84.425D	S425U210027	3/13/20-9/30/24	45,000									(45,000)	45,000		

LYNDHURST BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN	Grant Period	Award Amount	Balance July 1, 2021			Unearned Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Balance, June 30, 2022			Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Account Receivable)	Unearned Revenue	Due to Grantor	
Elementary and Secondary School Emergency Relief (ESSER II)																
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act																
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	\$ 1,008,139	\$ (1,008,139)	1,008,139			\$ 438,275	\$ 624,725		\$ (569,864)	\$ 383,414		\$ (186,450)	
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	64,697	(64,697)	64,697			36,264	42,364		(28,433)	22,333		(6,100)	
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(45,000)	45,000			20,516	25,045		(24,484)	19,955		(4,529)	
Total ESSER Cluster					(1,138,472)	1,138,472			509,681	2,143,481		(3,242,911)	1,609,111		(1,633,800)	
Coronavirus State and Local Fiscal Recovery																
Additional or Compensatory Special Education and Related Service	21.027	SLFRFDOE1SES	7/1/21-6/30/22	28,554					16,348	28,554		(12,206)			(12,206)	
Total Special Revenue Fund					(1,537,935)	1,255,407	\$ 10,688		1,636,367	3,438,780	\$ (1)	(3,764,035)	1,679,093	\$ 10,688	(2,084,942)	
Total U.S. Department of Education					(1,537,935)	1,255,407	10,688		1,636,367	3,438,780	(1)	(3,764,035)	1,679,093	10,688	(2,084,942)	
U.S. Department of Health and Human Services																
General Fund																
Medical Assistance Program	93.778	1905NJ5MAP	7/1/21-6/30/22	43,607					43,607	43,607						
Total General Fund									43,607	43,607						
Total Federal Awards					\$ (1,717,759)	\$ 1,262,771	\$ 10,688	\$ -	\$ 2,903,981	\$ 4,630,777	\$ (1)	\$ (3,863,827)	\$ 1,682,042	\$ 10,688	(2,184,734)	

LYNDHURST BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2021	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2022			Memo	
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education													
General Fund:													
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	\$ 1,055,599		\$ 996,464	\$ 1,055,599			\$ (59,135)				\$ 1,055,599
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	571,797	\$ (27,274)	27,274				-				-
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	1,781,596		1,681,791	1,781,596			(99,805)				1,781,596
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	1,609,062	(76,749)	76,749				-				-
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	75,106		70,899	75,106			(4,207)				75,106
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	75,106	(3,582)	3,582				-				-
Total State Aid - Public Cluster				(107,605)	2,856,759	2,912,301	-	-	(163,147)	-	-	-	2,912,301
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	239,630		226,205	239,630			(13,425)				239,630
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	239,630	(11,430)	11,430				-				-
Non-Public Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	27,550			27,550			(27,550)			\$ (27,550)	27,550
Non-Public Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	29,580	(29,580)	29,580				-				-
Total Transportation Aid Cluster				(41,010)	267,215	267,180	-	-	(40,975)	-	-	(27,550)	267,180
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	790,852			790,852			(790,852)				790,852
Extraordinary Aid	21-495-034-5120-044	7/1/21-6/30/22	752,135	(752,135)	752,135				-				-
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	7/1/21-6/30/22	1,556,156		1,481,339	1,556,156			(74,817)			(74,817)	1,556,156
Reimbursed TPAF Social Security Contribution	21-495-034-5094-003	7/1/20-6/30/21	1,437,658	(73,265)	73,265				-				-
On-Behalf TPAF													
Pension Benefit Cost	22-495-034-5094-002	7/1/21-6/30/22	7,098,343		7,098,343	7,098,343							7,098,343
Pension - NCGI Premium	22-495-034-5094-004	7/1/21-6/30/22	100,148		100,148	100,148							100,148
Post Retire. Medical	22-495-034-5094-001	7/1/21-6/30/22	1,681,858		1,681,858	1,681,858							1,681,858
Long-Term Disability Insurance Prem.	22-495-034-5094-004	7/1/21-6/30/22	2,912	-	2,912	2,912			-				2,912
New Jersey Schools Development Authority													
Alyssa's Law School Security Grant	1270-050-14-1005-G-04	N/A	138,363	-	138,363	138,363	-	-	-	-	-	-	138,363
Total General Fund				(974,015)	14,452,337	14,548,113	-	-	(1,069,791)	-	-	(102,367)	14,548,113
Special Revenue:													
New Jersey Nonpublic Aid:													
Auxiliary Services:													
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	137,057		137,057	118,694			-		\$ 18,363		118,694
Compensatory Education	21-100-034-5120-067	7/1/20-6/30/21	113,218	8,623				\$ 8,623					
English as a Second Language	22-100-034-5120-067	7/1/21-6/30/22	10,963		10,963	7,308					3,655		7,308
English as a Second Language	21-100-034-5120-067	7/1/20-6/30/21	1,421	1,066				1,066					
Total Nonpublic Auxiliary Services Aid (Chapter 192) Cluster				9,689	148,020	126,002	-	9,689	-	-	22,018	-	126,002
Handicapped Services:													
Examination & Classification	22-100-034-5120-066	7/1/21-6/30/22	39,816		39,816	27,493			-		12,323		27,493
Examination & Classification	21-100-034-5120-066	7/1/20-6/30/21	30,469	8,915				8,915					
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	29,736		29,736	20,154					9,582		20,154
Supplemental Instruction	21-100-034-5120-066	7/1/20-6/30/21	21,451	1,213				1,213					
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	39,990		39,990	32,922			-		7,068		32,922
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	32,810	5,468				5,468					
Total Nonpublic Handicapped Aid (Chapter 193) Cluster				15,596	109,542	80,569	-	15,596	-	-	28,973	-	80,569

**LYNDHURST BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2021	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2022			Memo	
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
Textbook Aid	22-100-034-5120-064	7/1/21-6/30/22	\$ 18,066		\$ 18,066	\$ 18,062					\$ 4		\$ 18,062
Textbook Aid	21-100-034-5120-064	7/1/20-6/30/21	16,800	\$ 267			\$ 267				-		-
Nursing Services	22-100-034-5120-070	7/1/21-6/30/22	33,712		33,712	33,712					-		33,712
Technology Aid	22-100-034-5120-373	7/1/21-6/30/22	12,642		12,642	12,517					125		12,517
Security Aid	22-100-034-5120-509	7/1/21-6/30/22	52,675	-	52,675	52,675	-	-	-	-	-	-	52,675
New Jersey Schools Development Authority													
Emergent and Capital Maintenance Needs			59,240	-	59,240	29,200	-	-	-	30,040	-	-	29,200
Total Special Revenue Fund				<u>25,552</u>	<u>433,897</u>	<u>352,737</u>	<u>-</u>	<u>25,552</u>	<u>-</u>	<u>30,040</u>	<u>51,120</u>	<u>-</u>	<u>352,737</u>
Debt Service Fund													
School Construction Debt Service Aid	22-495-034-5120-075	7/1/21-6/30/22	102,639	-	102,639	102,639	-	-	-	-	-	-	102,639
State Department of Agriculture													
Enterprise Funds:													
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	23,922		21,822	23,922			\$ (2,100)			(2,100)	23,922
State School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	39,015	(6,781)	10,109	3,328	-	-	-	-	-	-	3,328
Total Enterprise Funds/Child Nutrition Cluster				<u>(6,781)</u>	<u>31,931</u>	<u>27,250</u>	<u>-</u>	<u>-</u>	<u>(2,100)</u>	<u>-</u>	<u>-</u>	<u>(2,100)</u>	<u>27,250</u>
Total State Financial Assistance Subject to Single Audit Determination				<u>(955,244)</u>	<u>15,020,804</u>	<u>15,030,739</u>	<u>-</u>	<u>25,552</u>	<u>(1,071,891)</u>	<u>30,040</u>	<u>51,120</u>	<u>(104,467)</u>	<u>15,030,739</u>
State Financial Assistance Not Subject to Major Program Determination													
General Fund													
On-Behalf TPAF													
Pension Benefit Cost	22-495-034-5094-002	7/1/21-6/30/22			(7,098,343)	(7,098,343)							(7,098,343)
Pension - NCGI Premium	22-495-034-5094-004	7/1/21-6/30/22			(100,148)	(100,148)							(100,148)
Post Retire. Medical	22-495-034-5094-001	7/1/21-6/30/22			(1,681,858)	(1,681,858)							(1,681,858)
Long-Term Disability Insurance Prem.	22-495-034-5094-004	7/1/21-6/30/22			(2,912)	(2,912)							(2,912)
Total State Financial Assistance Subject to Major Program Determination				<u>\$ (955,244)</u>	<u>\$ 6,137,543</u>	<u>\$ 6,147,478</u>	<u>\$ -</u>	<u>\$ 25,552</u>	<u>\$ (1,071,891)</u>	<u>\$ 30,040</u>	<u>\$ 51,120</u>	<u>\$ (104,467)</u>	<u>\$ 6,147,478</u>

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$96,254 for the general fund and a decrease of \$115,067 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 43,607	\$ 14,451,859	\$ 14,495,466
Special Revenue Fund	3,333,736	346,843	3,680,579
Debt Service Fund		102,639	102,639
Food Service Fund	<u>1,148,390</u>	<u>27,250</u>	<u>1,175,640</u>
Total Financial Assistance	<u>\$ 4,525,733</u>	<u>\$ 14,928,591</u>	<u>\$ 19,454,324</u>

**LYNDHURST BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,556,156 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$7,198,491, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,681,858 and TPAF Long-Term Disability Insurance in the amount of \$2,912 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

LYNDHURST BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? yes X no
2) Significant deficiencies identified not considered to be material weaknesses? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards Section

Internal Control over major programs:

1) Material weakness(es) identified? yes X no
2) Significant deficiencies identified not considered to be material weaknesses? yes X none reported

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

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

Identification of major federal programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553</u>	<u>National School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.555</u>	<u>Emergency Operational Cost Program</u>
<u>84.425</u>	<u>ESSER Cluster</u>
<u>84.010</u>	<u>Title I</u>

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

Auditee qualified as low-risk auditee? yes X no

**LYNDHURST BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

**LYNDHURST BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Finding 2022-001

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

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

Information on Federal Program

CARES-ESSER I	84.425D
CRRSA-ESSER II	84.425D
ARP-ESSER III	84.425U

Criteria or Specific Requirement

Federal Procurement Code 2 CFR 200.318

Condition

Purchases of various goods and services were made which were not in accordance with the procedures specified in the Federal Procurement Code.

Questioned Costs

Unknown.

Context

- Two (2) contract awards made through a cooperative purchasing program that exceed the bid threshold were not approved by Board resolution in the minutes. Vendor payments totaled \$180,000 for fiscal year 2022.
- In four (4) instances competitive quotations were not sought for purchasing exceeded \$4,800.

**LYNDHURST BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Finding 2022-001 (Continued)

Effect

Noncompliance with requirements of the Federal Procurement Code procedures.

Cause

Purchases and contract awards were made that were not procured in accordance with the procedures required by the Federal Procurement Code and State Statute.

Recommendation

Procedures be reviewed and revised to ensure purchases and contract awards are procured and approved in accordance with the Public School Contracts Law and Federal procurement regulations.

View of Responsible Officials and Planned Corrective Action

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

**LYNDHURST BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

Finding 2022-002

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

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

State Program Information

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

Criteria or Specific Requirement

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

Condition

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

Questioned Costs

Unknown.

**LYNDHURST BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

Finding 2022-002 (Continued)

Context

- Two (2) contracts tested for construction services exceeded the bid threshold that were not awarded through public bidding. Contract payments totaled \$141,099 for fiscal year 2022.
- Proof of public advertisement for bids and other bid award documentation were not available for two (2) vendors tested. Vendor payments totaled \$536,921 for fiscal year 2022.
- Four (4) vendors tested with purchases and contract awards made through cooperative purchasing programs that exceed the bid threshold were not approved by Board resolution in the minutes. Vendor payments totaled \$538,102 for fiscal year 2022.
- Cooperative purchasing program contract award information was not on file in the District and therefore not reviewed to ensure goods or services purchased and prices paid were in agreement to the respective cooperative program approved contract award for three (3) vendors tested. Total vendor payment were \$265,215 for fiscal year 2022.
- In nine (9) instances competitive quotations were not sought for purchasing exceeded \$4,800.

Effect

Noncompliance with requirements of the Public School Contracts Law.

Cause

Purchases and contract awards were made that were not procured in accordance with the procedures required by State statute and regulation.

Recommendation

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

View of Responsible Officials and Planned Corrective Action

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

LYNDHURST BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2021-001

Condition

National School Lunch and Breakfast programs meals served per tally sheets did not support meals claimed for reimbursement. Tally sheets did not provide sufficient detail on meals served.

Current Status

Corrective action has been taken.

Finding 2021-002

Condition

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

Current Status

See Finding 2022-001.