

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

**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2017**  
**(With Independent Auditors' Reports Thereon)**

**LYNDHURST SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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LYNDHURST SCHOOL DISTRICT

Comprehensive Annual Financial Report

Introductory Section

**LYNDHURST BOARD OF EDUCATION**  
**420 FERN AVENUE**  
**LYNDHURST, NEW JERSEY 07071**

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November 30, 2017

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

Dear Board Members:

The comprehensive annual financial report of the Lyndhurst School District for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Lyndhurst Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management 's Discussion and Analysis, basic financial statements, combining and individual fund financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (U.S. Uniform Guidance), and the state OMB Circular 15-08, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Lyndhurst School District is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Lyndhurst Board of Education and all its schools constitute the District's reporting entity.

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

**LYNDHURST BOARD OF EDUCATION**  
**420 FERN AVENUE**  
**LYNDHURST, NEW JERSEY 07071**

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

3. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by the District management.

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

4. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality (if applicable). Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2017.

**LYNDHURST BOARD OF EDUCATION**  
**420 FERN AVENUE**  
**LYNDHURST, NEW JERSEY 07071**

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5. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

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

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

8. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Di Maria & Di Maria LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Uniform Guidance and State OMB Circular 15-08. The auditor's report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.



**LYNDHURST BOARD OF EDUCATION  
420 FERN AVENUE  
LYNDHURST, NEW JERSEY 07071**

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

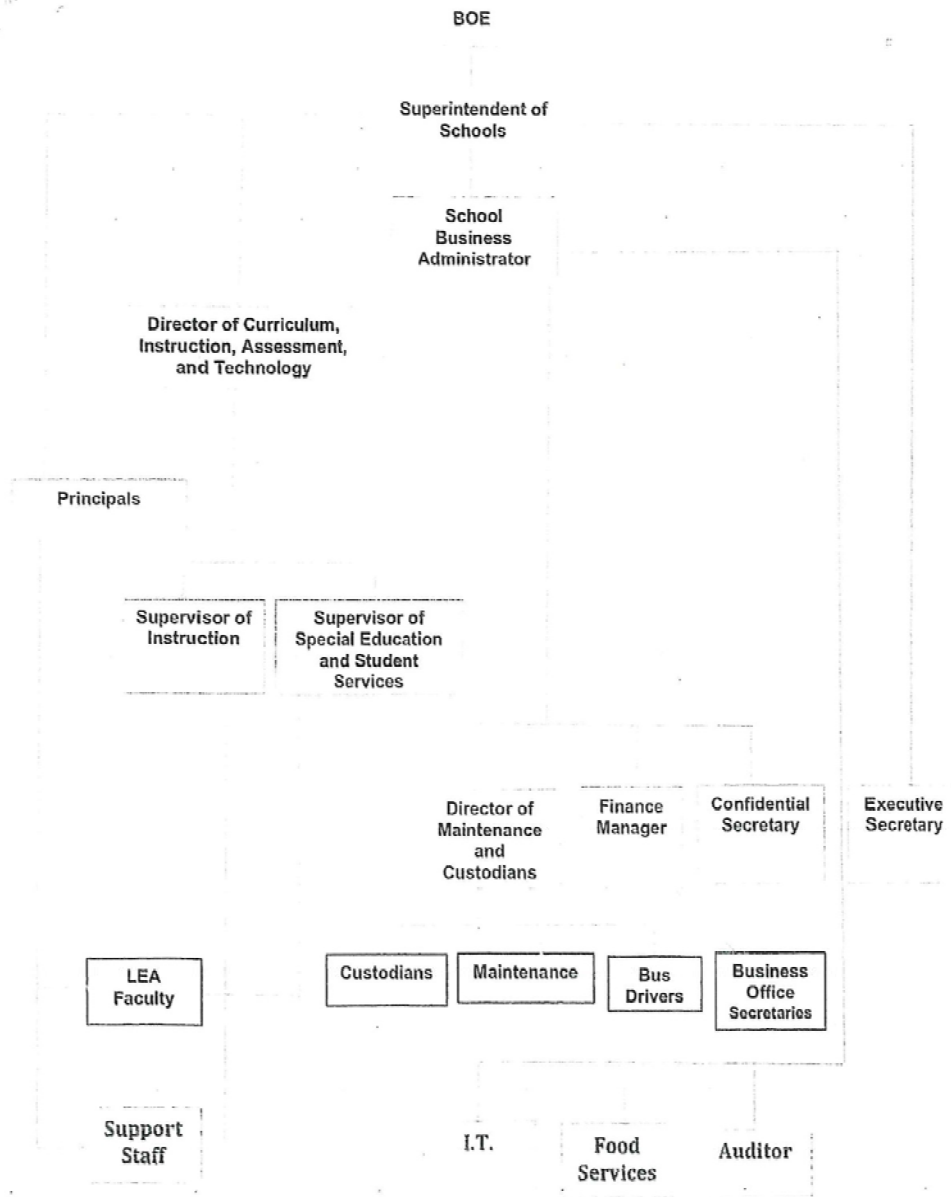
Respectfully submitted,

Scott T. Bisig M. Ed.  
School Business Administrator

Valerie Troncone  
Finance Manager

**LYNDHURST SCHOOL DISTRICT  
ORGANIZATIONAL CHART**

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**LYNDHURST SCHOOL DISTRICT  
ROSTER OF OFFICIALS**

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| <u>Board of Education</u>      | <u>Term Expires</u> |
|--------------------------------|---------------------|
| James Vuono - President        | 12/2017             |
| Ronald Grillo - Vice President | 12/2018             |
| Beverly Alberti                | 12/2017             |
| Susan Alcuri                   | 12/2019             |
| Christopher Andrinopoulos      | 12/2019             |
| James Donovan                  | 12/2019             |
| Sheri Jarvis                   | 12/2018             |
| Josephine Malaniak             | 12/2018             |
| Christopher Musto              | 12/2017             |

Other Officials

Shauna C. DeMarco, M.A., Superintendent

Scott T. Bisig, M. Ed., Business Administrator/Board Secretary

Joseph A. DeCorso, Director of Curriculum and Instruction

Valerie Troncone, Finance Manager

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

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

Attorney  
Sciarrillo, Cornell, Merlino, McKeever and Osbourne , LLC  
238 St. Paul Street  
Westfield, NJ 07090

Official Depositories  
Investor's Bank

LYNDHURST SCHOOL DISTRICT  
Comprehensive Annual Financial Report  
Financial Section

REQUIRED SUPPLEMENTARY INFORMATION - PART I

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

### **Independent Auditors' Report**

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

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst School District, Lyndhurst, New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

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

Independent Auditors' Report (Continued)

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst School District, Lyndhurst, New Jersey, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Independent Auditors' Report (Continued)

Other Matters

*Required Supplementary Information*

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

*Other Information*

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

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

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

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

Independent Auditors' Report (Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017 on our consideration of the Lyndhurst School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lyndhurst School District's internal control over financial reporting and compliance.

DI MARIA & DI MARIA LLP  
Accountants and Consultants

*Frank Di Maria*

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

November 30, 2017

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

This section of the Lyndhurst Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2016-2017 fiscal year include the following:

The position of the Lyndhurst Board of Education exceeded its liabilities at the close of the fiscal year by \$23,410,381 (net position).

The District's total net position increased \$16,404,114 primarily due Bond Sale Proceeds Receivable related to the new school referendum offset by adjustments related to the implementation of GASB 68.

Overall district revenues were \$65,826,452. General revenues accounted for \$58,561,219 or 89% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$7,265,233 or 11% of total revenues.

Overall district expenses were \$49,422,338. Governmental activities accounted for \$48,630,603 or 98% of all expenses. Business-type activities accounted for \$791,735 or 2% of all expenses. Governmental activities includes a \$848,709 charge to operations relating to the implementation of GASB 68.

The school district had \$48,630,603 in expenses for governmental activities; only \$6,816,238 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes, unrestricted State aid and capital asset adjustments) of \$58,561,219 were adequate to provide for these programs excluding the effect of GASB 68.

As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$17,949,646 an increase of \$17,958,423 when compared to the previous year ending fund balance at June 30, 2016 of (\$8,777). This includes \$19,873,807 related to new school referendum authorizations included in Capital Project Fund Other Financing Sources. Absent this, the combined fund balance would have been (\$1,924,161).

The General Fund unassigned fund balance at June 30, 2017 was (\$1,231,501) a decrease of \$1,222,724 when compared with the ending unassigned fund balance at June 30, 2016 of (\$8,777).

The General Fund unassigned budgetary fund balance at June 30, 2017 was (\$1,115,387) which represents a decrease of (\$1,213,132) when compared to the ending fund balance at June 30, 2016 of \$97,745.

LYNDHURST BOARD OF EDUCATION  
LYNDHURST, NEW JERSEY

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

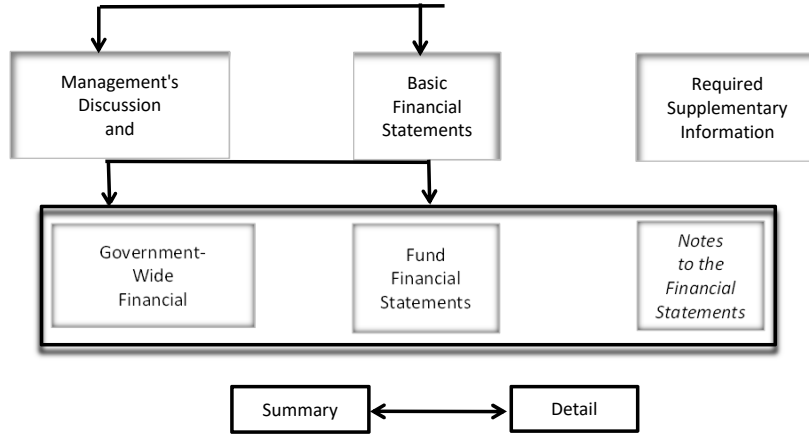
The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting the District's operations in *more detail* than the government-wide statements.

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

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

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

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The following illustration shows how the various parts of this annual report are arranged and related to one another.



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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

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

**Major Features of the District-Wide and Fund Financial Statements**

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

**Government-wide Statements**

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

The two government-wide statements report the District's *net position* and how they have changed. Net position - the difference between the District's assets and liabilities - is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

*Governmental activities* - Most of the District's basic services are included here, such as regular and special education instruction, transportation, administration and plant operations and maintenance. Property taxes and state aids finance most of these activities.

*Business type activities* - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund is included under this category.

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

**Fund financial statements**

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

Some funds are required by State law and bond covenants.

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

The District has three kinds of funds:

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

2. *Proprietary funds* - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information such as cash flows. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has the following enterprise funds: Food Service (Cafeteria)

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

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

**DISTRICT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$23,410,381 as of June 30, 2017 and \$7,006,267 as of June 30, 2016. Primarily accounting for this difference is a \$848,709 charge to operations related to the implementation of GASB 68 offset by \$19,873,807 of Bond Sale Proceeds Receivable in the Capital Projects Fund pertaining to the new school referendum authorization and \$1,969,052 of Deferred Pension Outflows recorded also pertaining to the implementation of GASB 68.

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

**Net Position  
As of June 30, 2017 and 2016**

|   | <u>Governmental Activities</u> |                      | <u>Business-Type Activities</u> |                   | <u>Total</u>         |                      |
|---|--------------------------------|----------------------|---------------------------------|-------------------|----------------------|----------------------|
|   | <u>2017</u>                    | <u>2016</u>          | <u>2017</u>                     | <u>2016</u>       | <u>2017</u>          | <u>2016</u>          |
| Current Assets                                  | \$ 21,064,115                  | \$ 846,563           | \$ 66,600                       | \$ 129,935        | \$ 21,130,715        | \$ 976,498           |
| Capital Assets                                  | 19,258,116                     | 20,252,716           | -                               | -                 | 19,258,116           | 20,252,716           |
| Deferred Pension Outflows                       | 3,701,298                      | 1,732,246            | -                               | -                 | 3,701,298            | 1,732,246            |
| <b>Total Assets</b>                             | <b>\$ 44,023,529</b>           | <b>\$ 22,831,525</b> | <b>\$ 66,600</b>                | <b>\$ 129,935</b> | <b>\$ 44,090,129</b> | <b>\$ 22,961,460</b> |
| Long-Term Liabilities                           | \$ 3,808,290                   | \$ 4,164,409         | \$ -                            | \$ -              | \$ 3,808,290         | \$ 4,164,409         |
| Other Liabilities                               | 3,679,469                      | 1,375,340            | 87,900                          | 129,116           | 3,767,369            | 1,504,456            |
| Net Pension Liability                           | 12,781,011                     | 10,020,439           | -                               | -                 | 12,781,011           | 10,020,439           |
| Deferred Pension Inflows                        | 323,078                        | 265,889              | -                               | -                 | 323,078              | 265,889              |
| <b>Total Liabilities</b>                        | <b>\$ 20,591,848</b>           | <b>\$ 15,826,077</b> | <b>\$ 87,900</b>                | <b>\$ 129,116</b> | <b>\$ 20,679,748</b> | <b>\$ 15,955,193</b> |
| <b>Net Position</b>                             |                                |                      |                                 |                   |                      |                      |
| Invested in capital assets, net of related debt | \$ 19,258,116                  | \$ 20,252,716        | \$ -                            | \$ -              | \$ 19,258,116        | \$ 20,252,716        |
| Restricted                                      | -                              | -                    | -                               | -                 | -                    | -                    |
| Unrestricted (Deficit)                          | 4,173,565                      | (13,247,268)         | (21,300)                        | 819               | 4,152,265            | (13,246,449)         |
| <b>Total Net Position</b>                       | <b>\$ 23,431,681</b>           | <b>\$ 7,005,448</b>  | <b>\$ (21,300)</b>              | <b>\$ 819</b>     | <b>\$ 23,410,381</b> | <b>\$ 7,006,267</b>  |

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

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



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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

**Change in Net Position  
For The Years Ended June 30, 2017 and 2016**

|  | <u>Governmental Activities</u> |                   | <u>Business-Type Activities</u> |                | <u>Total</u>      |                   |
|--|--------------------------------|-------------------|---------------------------------|----------------|-------------------|-------------------|
|  | <u>2017</u>                    | <u>2016</u>       | <u>2017</u>                     | <u>2016</u>    | <u>2017</u>       | <u>2016</u>       |
| <b>Revenues</b>                                  |                                |                   |                                 |                |                   |                   |
| Program Revenues                                 |                                |                   |                                 |                |                   |                   |
| Charges for Services                             | \$ -                           | \$ 27,834         | \$ 190,928                      | \$ 191,362     | \$ 190,928        | \$ 219,196        |
| Operating Grants and Contributions               | 6,816,238                      | 7,788,434         | 258,067                         | 247,039        | 7,074,305         | 8,035,473         |
| Capital Grants and Contributions                 | -                              | -                 | -                               | -              | -                 | -                 |
| General Revenues                                 |                                |                   |                                 |                |                   |                   |
| Property Taxes                                   | 36,576,884                     | 35,462,096        | -                               | -              | 36,576,884        | 35,462,096        |
| State and Federal Aid                            | 1,784,790                      | 28,749            | -                               | -              | 1,784,790         | 28,749            |
| Other  | 325,617                        | 183,490           | 121                             | 83             | 325,738           | 183,573           |
| Referendum Authorization                         | 19,873,807                     | -                 | -                               | -              | 19,873,807        | -                 |
| Transfers  | (320,500)                      | (345,000)         | 320,500                         | 345,000        | -                 | -                 |
| <b>Total Revenues</b>                            | <b>65,056,836</b>              | <b>43,145,603</b> | <b>769,616</b>                  | <b>783,484</b> | <b>65,826,452</b> | <b>43,929,087</b> |
| <b>Expenses</b>                                  |                                |                   |                                 |                |                   |                   |
| Instruction                                      |                                |                   |                                 |                |                   |                   |
| Regular  | 12,301,676                     | 12,561,431        | -                               | -              | 12,301,676        | 12,561,431        |
| Special Education                                | 3,740,517                      | 3,416,548         | -                               | -              | 3,740,517         | 3,416,548         |
| Basic Skills/Remedial                            | 575,533                        | 648,491           | -                               | -              | 575,533           | 648,491           |
| Bilingual  | 210,150                        | 134,667           | -                               | -              | 210,150           | 134,667           |
| School Sponsored Activities & Athletics          | 189,534                        | 743,964           | -                               | -              | 189,534           | 743,964           |
| Alternative Education Program                    | 604,386                        | -                 | -                               | -              | 604,386           | -                 |
| Undistributed Expenditures                       |                                |                   |                                 |                |                   |                   |
| Instruction                                      | 3,249,148                      | 2,254,384         | -                               | -              | 3,249,148         | 2,254,384         |
| Attendance and Social Work                       | 21,271                         | -                 | -                               | -              | 21,271            | -                 |
| Health Services                                  | 780,688                        | 778,285           | -                               | -              | 780,688           | 778,285           |
| Speech, OT, PT, Related Services                 | 793,586                        | 601,852           | -                               | -              | 793,586           | 601,852           |
| Other Support Services - Students                | 137,040                        | 100,004           | -                               | -              | 137,040           | 100,004           |
| Guidance   | 944,816                        | 825,481           | -                               | -              | 944,816           | 825,481           |
| Child Study Team                                 | 734,752                        | 675,876           | -                               | -              | 734,752           | 675,876           |
| Improvement of Instructional Services            | 904,595                        | 883,592           | -                               | -              | 904,595           | 883,592           |
| Educational Media                                |                                |                   |                                 |                |                   |                   |
| Services/School Library                          | 43,353                         | 33,519            | -                               | -              | 43,353            | 33,519            |
| Instructional Staff Training                     |                                |                   |                                 |                |                   |                   |
| Services   | 21,109                         | 20,506            | -                               | -              | 21,109            | 20,506            |
| General Administration                           | 1,151,908                      | 1,067,944         | -                               | -              | 1,151,908         | 1,067,944         |
| School Administration                            | 1,862,961                      | 1,832,175         | -                               | -              | 1,862,961         | 1,832,175         |
| Central Services                                 | 735,536                        | 654,175           | -                               | -              | 735,536           | 654,175           |
| Required Maintenance for School Facilities       | 1,187,975                      | 1,215,379         | -                               | -              | 1,187,975         | 1,215,379         |
| Custodial Services                               | 2,454,674                      | 2,549,900         | -                               | -              | 2,454,674         | 2,549,900         |
| Care & Upkeep of Grounds                         | 61,600                         | 78,830            | -                               | -              | 61,600            | 78,830            |
| Security   | 75,899                         | 35,077            | -                               | -              | 75,899            | 35,077            |
| Student Transportation                           | 1,361,325                      | 849,073           | -                               | -              | 1,361,325         | 849,073           |
| Unallocated Employee Benefits                    | 7,576,253                      | 7,060,335         | -                               | -              | 7,576,253         | 7,060,335         |
| TPAF Pension                                     | 3,607,102                      | 2,911,271         | -                               | -              | 3,607,102         | 2,911,271         |
| TPAF Social Security                             | 1,306,759                      | 1,267,617         | -                               | -              | 1,306,759         | 1,267,617         |
| Capital Outlay                                   |                                |                   |                                 |                |                   |                   |
| Interest Deposit to Capital Reserve              | -                              | -                 | -                               | -              | -                 | -                 |
| Equipment  | 1,127,647                      | (856,013)         | -                               | -              | 1,127,647         | (856,013)         |
| Facilities Acquisition and Construction Services | 718,852                        | 46,397            | -                               | -              | 718,852           | 46,397            |
| Charter Schools                                  | 126,315                        | 174,487           | -                               | -              | 126,315           | 174,487           |
| Debt Service                                     |                                |                   |                                 |                |                   |                   |
| Interest on Early Retirement Bonds               | 21,243                         | 29,563            | -                               | -              | 21,243            | 29,563            |
| Interest on Bonds                                | 72,400                         | 118,090           | -                               | -              | 72,400            | 118,090           |
| Redemption of Principal                          | (70,000)                       | -                 | -                               | -              | (70,000)          | -                 |
| Food Services                                    | -                              | -                 | 791,406                         | 782,963        | 791,406           | 782,963           |
| Pre-K  | -                              | -                 | 329                             | -              | 329               | -                 |
| Before/After Child Care                          | -                              | -                 | -                               | -              | -                 | -                 |
| <b>Total Expenses</b>                            | <b>48,630,603</b>              | <b>42,712,900</b> | <b>791,735</b>                  | <b>782,963</b> | <b>49,422,338</b> | <b>43,495,863</b> |

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

|  |                      |                     |                    |               |                      |                     |
|--|----------------------|---------------------|--------------------|---------------|----------------------|---------------------|
| <b>Change in Net Position</b>          | 16,426,233           | 432,703             | (22,119)           | 521           | 16,404,114           | 433,224             |
| <b>Net Position, Beginning of Year</b> | 7,005,448            | 6,572,745           | 819                | 298           | 7,006,267            | 6,573,043           |
| <b>Net Position, End of Year</b>       | <u>\$ 23,431,681</u> | <u>\$ 7,005,448</u> | <u>\$ (21,300)</u> | <u>\$ 819</u> | <u>\$ 23,410,381</u> | <u>\$ 7,006,267</u> |

**Governmental Activities** - The District's total governmental activities' revenues, which includes State and Federal grants, were \$45,503,529 and \$43,490,603 for the years ended June 30, 2017 and June 30, 2016, respectively. Property taxes of \$36,576,884 and \$35,462,096 represented 80% and 82% of the revenues for the fiscal years ended June 30, 2017 and 2016, respectively. Another significant portion of revenues came from state aid; total state, federal and local aid and grants was \$8,601,028 and \$7,810,383 which represented 20% and 18% of the revenues for the fiscal years ended June 30, 2017 and 2016, respectively. State, federal and local aid and grants are reported as operating and capital grants and contributions if specific to a program or as general revenues if not specific to a program. In addition, other miscellaneous income is earned which includes items such as interest, prior year refunds and other miscellaneous items. Additionally, \$19,873,807 of Other Financing Sources was realized in the Capital Projects Fund from the new school referendum.

The total cost of all governmental activities programs and services were \$47,418,913 and \$43,788,948 for the years ended June 30, 2017 and 2016. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$17,621,796 and \$17,505,101 (37% and 40%) of total expenditures for the fiscal years ended June 30, 2017 and 2016, respectively. Support services, totaled \$29,797,117 and \$26,283,847 (63% and 60%) of total expenditures.

**Business-Type-Activities** - The District's total business-type activities revenues were \$449,116 and \$438,484 for the years ended June 30, 2017 and June 30, 2016. Charges for services accounted for 43% and 44% of total revenues and operating grants and contributions accounted for 57% and 56% of total revenue for the years ended June 30, 2017 and 2016. There were no capital grants received for years ended June 30, 2017 or 2016.

The total cost of all business-type activities programs and services were \$791,735 and \$782,963 for the years ended June 30, 2017 and 2016. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District.

The business-type activities revenues (including transfers) for the year ended June 30, 2017 did not surpass expenses, decreasing net position by (\$22,119) below the previous year from \$819 at June 30, 2016 to (\$21,300) at June 30, 2017. The cost of business-type activities this year was \$791,735, an increase of \$8,772 (1%) from the previous year mainly due to increases in salaries and maintenance costs on food service equipment.

Some of the cost was paid by users of the Districts food service program for a total of \$190,928, a decrease of \$434 (.23%) from the previous year.

The Federal and State government subsidized the food service program with grants and contributions of \$258,067, an increase of \$11,028 (4.5%).

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

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

**Governmental Funds**

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$17,949,646 for the year ended June 30, 2017 compared to a fund balance of (\$8,777) for the year ended June 30, 2016, an increase in the balance of \$17,958,423 for the year mainly due to Other Financing Sources realized in the Capital Projects Fund relating to the authorized new school referendum offset by adjustments to pension expenses related to the implementation of GASB 68.

Revenues for the District's governmental funds were \$45,503,529 and \$43,490,603, while total expenses were \$47,418,913 and \$43,788,948 for the fiscal years ended June 30, 2017 and 2016, respectively excluding the effects of the Capital Projects Fund Other Financing Sources.

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

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

The following schedule presents a comparison of General Fund Revenues for the fiscal years ended June 30, 2017 and 2016:

|                                    | June 30,                    |                             | Amount of<br>Increase<br>(Decrease) | Percent<br>Increase<br>(Decrease) |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------------|-----------------------------------|
|                                    | <u>2017</u>                 | <u>2016</u>                 |                                     |                                   |
| Local Sources                      |                             |                             |                                     |                                   |
| Property Tax Levy                  | \$ 35,958,241               | \$ 34,804,443               | \$ 1,153,798                        | 3%                                |
| Miscellaneous                      | 312,193                     | 211,324                     | 100,869                             | 48%                               |
| State Sources                      | 7,284,201                   | 6,509,983                   | 774,218                             | 12%                               |
| Federal Sources                    | 60,568                      | 8,302                       | 52,266                              | 630%                              |
| <b>Total General Fund Revenues</b> | <b><u>\$ 43,615,203</u></b> | <b><u>\$ 41,534,052</u></b> | <b><u>\$ 2,081,151</u></b>          | <b>5%</b>                         |

Local property taxes increased by \$1,153,798 or 3% over the previous year. State aid revenues increased \$774,218, or 124%, predominantly attributable to a change in the State funding formula and adjustments made to aid during the year. Federal aid revenues increased \$52,266, or 630% due to increases in Special Education Medicaid Initiative funding.

The following schedule presents a comparison of General Fund expenditures for the fiscal years ended June 30, 2017 and 2016:

|                           | June 30,                    |                             | Amount of<br>Increase<br>(Decrease) | Percent<br>Increase<br>(Decrease) |
|---------------------------|-----------------------------|-----------------------------|-------------------------------------|-----------------------------------|
|                           | <u>2017</u>                 | <u>2016</u>                 |                                     |                                   |
| Instruction               | \$ 16,384,034               | \$ 16,234,643               | \$ 149,391                          | 1%                                |
| Support Services          | 27,849,700                  | 24,941,942                  | 2,907,758                           | 12%                               |
| Debt Services             | -                           | -                           | -                                   | 0%                                |
| Charter Schools           | 126,315                     | 174,487                     | (48,172)                            | -28%                              |
| Capital Outlay            | 157,378                     | 136,325                     | 21,053                              | 15%                               |
| <b>Total Expenditures</b> | <b><u>\$ 44,517,427</u></b> | <b><u>\$ 41,487,397</u></b> | <b><u>\$ 3,030,030</u></b>          | <b>7%</b>                         |

Total General Fund expenditures increased \$3,030,030 or 7% from the previous year. The increase can be attribute to contractual increases in salaries and wages, health benefits and special education tuition as well as increases in support services and capital outlay expenditures offset by a decrease in required charter school funding.

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

Revenues of the Special Revenue Fund were \$1,267,822 and \$1,298,898 for the years ended June 30, 2017 and 2016. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 83% and 84% of the total revenues for the years ended June 30, 2017 and 2016.

Total Special Revenue Fund revenues decreased \$31,076 or 2% from the previous year. State sources increased \$8,454 or 4% and Federal sources decreased \$44,293 or 4%. Local sources increased \$4,763 or 70%.

Expenditures of the Special Revenue Fund were \$1,267,822 and \$1,298,898 for the fiscal years ended June 30, 2017 and 2016. Instructional expenditures were \$1,237,762 and \$1,270,458 or 98% and 98% and expenditures for support services were \$30,060 and \$28,440 or 2% and 2% of the total amounts expended for the years ended June 30, 2017 and 2016, respectively.

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

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

Reinstating prior year purchase orders being carried over as encumbrances.

Increases in appropriations for significant unbudgeted costs.

General Fund budgetary revenues did not exceed General Fund budgetary and other financing uses decreasing budgetary fund balance \$1,213,132 from the previous year. After deducting statutory reserves and designations, the unreserved/unassigned budgetary fund balance decreased \$318,792 from a \$97,745 balance at June 30, 2016 to a (\$1,115,387) fund balance at June 30, 2017. Refer to the FY2017 Auditor's Management Report (AMR) for further information and recommendations made to management regarding this deficit.

**CAPITAL ASSETS**

The District's investment in capital assets for its governmental and business type activities as of June 30, 2017 and 2016 amounted to \$19,258,116 and \$20,252,716 (net of accumulated depreciation). The capital assets consist of land, land improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for fiscal years 2016-2017 and 2015-2016 amounted to \$121,893 and \$220,954 for governmental activities and \$0 and \$0 for business-type activities.

Capital Assets at June 30, 2017 and 2016  
(Net of Accumulated Depreciation)

|                                    | <u>Governmental Activities</u> |                      | <u>Business-Type Activities</u> |             | <u>Total</u>         |                      |
|------------------------------------|--------------------------------|----------------------|---------------------------------|-------------|----------------------|----------------------|
|                                    | <u>2017</u>                    | <u>2016</u>          | <u>2017</u>                     | <u>2015</u> | <u>2017</u>          | <u>2015</u>          |
| Land and Land Improvements         | \$ 18,803,100                  | \$ 18,803,100        | \$ -                            | \$ -        | \$ 18,803,100        | \$ 18,803,100        |
| Building and Building Improvements | -                              | -                    | -                               | -           | -                    | -                    |
| Machinery and Equipment            | 455,016                        | 1,449,616            | -                               | -           | 455,016              | 1,449,616            |
| Construction in Progress           | -                              | -                    | -                               | -           | -                    | -                    |
| <b>Total Net Assets</b>            | <b>\$ 19,258,116</b>           | <b>\$ 20,252,716</b> | <b>\$ -</b>                     | <b>\$ -</b> | <b>\$ 19,258,116</b> | <b>\$ 20,252,716</b> |

Additional information on the District's capital assets is presented in Note 4 of this report.

**LONG TERM LIABILITIES**

At June 30, 2017 and 2016, the District's long-term liabilities consisted of bonds payable of \$2,130,000 and \$2,725,000, and compensated absences payable of \$2,243,290 and \$1,959,409, respectively.

Additional information on the District's long term liabilities is presented in Note 6 of this report.

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

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

Many factors were considered by the District's administration during the process of developing the fiscal year 2017 - 2018 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs, and increased special education tuition costs.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

SECTION "A" - DISTRICT WIDE FINANCIAL STATEMENTS

**LYNDHURST SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2017**

|  | Governmental<br>Activities | Business-Type<br>Activities | Total                |
|--|----------------------------|-----------------------------|----------------------|
| <b><u>ASSETS</u></b>                               |                            |                             |                      |
| Cash   | \$ 371,695                 | \$ 45,448                   | \$ 417,143           |
| Receivables, (Net)                                 | 20,692,420                 | 21,152                      | 20,713,572           |
| Capital Assets, (Net)                              | 19,258,116                 | -                           | 19,258,116           |
| Deferred Pension Outflows                          | 3,701,298                  | -                           | 3,701,298            |
| <b>Total Assets</b>                                | <b>\$ 44,023,529</b>       | <b>\$ 66,600</b>            | <b>\$ 44,090,129</b> |
| <b><u>LIABILITIES</u></b>                          |                            |                             |                      |
| Accounts Payable                                   | \$ 3,114,469               | \$ 87,900                   | \$ 3,202,369         |
| Deferred Pension Inflows                           | 323,078                    | -                           | 323,078              |
| Net Pension Liability                              | 12,781,011                 | -                           | 12,781,011           |
| Non-Current Liabilities:                           |                            |                             |                      |
| Due Within One Year                                | 565,000                    | -                           | 565,000              |
| Due Beyond One Year                                | 3,808,290                  | -                           | 3,808,290            |
| <b>Total liabilities</b>                           | <b>\$ 20,591,848</b>       | <b>\$ 87,900</b>            | <b>\$ 20,679,748</b> |
| <b><u>NET POSITION</u></b>                         |                            |                             |                      |
| Invested in Capital Assets,<br>Net of Related Debt | \$ 19,258,116              | \$ -                        | \$ 19,258,116        |
| Unrestricted                                       | 4,173,565                  | (21,300)                    | 4,152,265            |
| <b>Total Net Position</b>                          | <b>\$ 23,431,681</b>       | <b>\$ (21,300)</b>          | <b>\$ 23,410,381</b> |

LYNDHURST SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2017

| Functions/Programs                                       | Program Expenses     |                     |                   |                      | Program Revenues     |                                 |                               |                     | Net (Expense) Revenue & Changes in Net Assets |                          |                        |
|--|----------------------|---------------------|-------------------|----------------------|----------------------|---------------------------------|-------------------------------|---------------------|---|--------------------------|------------------------|
|  | Budgetary Basis      | Adjustments         | Depreciation      | Total                | Charges for Services | Operating Grants/ Contributions | Capital Grants/ Contributions | Total               | Governmental Activities                       | Business-type Activities | Total                  |
| <b>Governmental Activities:</b>                          |                      |                     |                   |                      |                      |                                 |                               |                     |   |                          |                        |
| Current Expense:   |                      |                     |                   |                      |                      |                                 |                               |                     |   |                          |                        |
| Instruction:   |                      |                     |                   |                      |                      |                                 |                               |                     |   |                          |                        |
| Regular Programs - Instruction                           | \$ 12,301,676        | \$ -                | \$ -              | \$ 12,301,676        | \$ -                 | \$ -                            | \$ -                          | \$ -                | \$ (12,301,676)                               | \$ -                     | \$ (12,301,676)        |
| Special Education - Instruction                          | 3,740,517            | -                   | -                 | 3,740,517            | -                    | 1,765,603                       | -                             | 1,765,603           | (1,974,914)                                   | -                        | (1,974,914)            |
| Basic Skills - Remedial Instruction                      | 575,533              | -                   | -                 | 575,533              | -                    | -                               | -                             | -                   | (575,533)                                     | -                        | (575,533)              |
| Bilingual Education - Instruction                        | 210,150              | -                   | -                 | 210,150              | -                    | -                               | -                             | -                   | (210,150)                                     | -                        | (210,150)              |
| School Sponsored Cocurricular Activities - Instruction   | 189,534              | -                   | -                 | 189,534              | -                    | -                               | -                             | -                   | (189,534)                                     | -                        | (189,534)              |
| School Sponsored Athletics - Instruction                 | 604,386              | -                   | -                 | 604,386              | -                    | -                               | -                             | -                   | (604,386)                                     | -                        | (604,386)              |
| Alternative Education Program                            | -                    | -                   | -                 | -                    | -                    | -                               | -                             | -                   | -   | -                        | -                      |
| Undistributed Expenditures:                              |                      |                     |                   |                      |                      |                                 |                               |                     |   |                          |                        |
| Instruction  | 3,249,148            | -                   | -                 | 3,249,148            | -                    | -                               | -                             | -                   | (3,249,148)                                   | -                        | (3,249,148)            |
| Attendance and Social Work Services                      | 21,271               | -                   | -                 | 21,271               | -                    | -                               | -                             | -                   | (21,271)                                      | -                        | (21,271)               |
| Health Services  | 780,688              | -                   | -                 | 780,688              | -                    | -                               | -                             | -                   | (780,688)                                     | -                        | (780,688)              |
| Speech, OT, PT, Related Services                         | 793,586              | -                   | -                 | 793,586              | -                    | -                               | -                             | -                   | (793,586)                                     | -                        | (793,586)              |
| Other Support Services - Students Extraordinary Services | 137,040              | -                   | -                 | 137,040              | -                    | -                               | -                             | -                   | (137,040)                                     | -                        | (137,040)              |
| Guidance   | 944,816              | -                   | -                 | 944,816              | -                    | -                               | -                             | -                   | (944,816)                                     | -                        | (944,816)              |
| Child Study Team   | 734,752              | -                   | -                 | 734,752              | -                    | -                               | -                             | -                   | (734,752)                                     | -                        | (734,752)              |
| Improvement of Instructional Services                    | 904,595              | -                   | -                 | 904,595              | -                    | -                               | -                             | -                   | (904,595)                                     | -                        | (904,595)              |
| Educational Media Services/School Library                | 43,353               | -                   | -                 | 43,353               | -                    | -                               | -                             | -                   | (43,353)                                      | -                        | (43,353)               |
| Instructional Staff Training Services                    | 21,109               | -                   | -                 | 21,109               | -                    | -                               | -                             | -                   | (21,109)                                      | -                        | (21,109)               |
| Support Services - General Administration                | 1,151,908            | -                   | -                 | 1,151,908            | -                    | -                               | -                             | -                   | (1,151,908)                                   | -                        | (1,151,908)            |
| Support Services - School Administration                 | 1,862,961            | -                   | -                 | 1,862,961            | -                    | -                               | -                             | -                   | (1,862,961)                                   | -                        | (1,862,961)            |
| Central Services   | 735,536              | -                   | -                 | 735,536              | -                    | -                               | -                             | -                   | (735,536)                                     | -                        | (735,536)              |
| Required Maintenance for School Facilities               | 1,187,975            | -                   | -                 | 1,187,975            | -                    | -                               | -                             | -                   | (1,187,975)                                   | -                        | (1,187,975)            |
| Custodial Services                                       | 2,454,674            | -                   | -                 | 2,454,674            | -                    | -                               | -                             | -                   | (2,454,674)                                   | -                        | (2,454,674)            |
| Care & Upkeep of Grounds                                 | 61,600               | -                   | -                 | 61,600               | -                    | -                               | -                             | -                   | (61,600)                                      | -                        | (61,600)               |
| Security   | 75,899               | -                   | -                 | 75,899               | -                    | 75,106                          | -                             | 75,106              | (793)   | -                        | (793)                  |
| Student Transportation Services                          | 1,361,325            | -                   | -                 | 1,361,325            | -                    | 61,668                          | -                             | 61,668              | (1,299,657)                                   | -                        | (1,299,657)            |
| Allocated and Unallocated Employee Benefits              | 6,443,663            | 1,132,590           | -                 | 7,576,253            | -                    | -                               | -                             | -                   | (7,576,253)                                   | -                        | (7,576,253)            |
| TPAF Pension   | 3,607,102            | -                   | -                 | 3,607,102            | -                    | 3,607,102                       | -                             | 3,607,102           | -   | -                        | -                      |
| TPAF Social Security                                     | 1,306,759            | -                   | -                 | 1,306,759            | -                    | 1,306,759                       | -                             | 1,306,759           | -   | -                        | -                      |
| Capital Outlay   |                      |                     |                   |                      |                      |                                 |                               |                     |   |                          |                        |
| Equipment  | 133,047              | 872,707             | 121,893           | 1,127,647            | -                    | -                               | -                             | -                   | (1,127,647)                                   | -                        | (1,127,647)            |
| Facilities Acquisition and Construction Services         | 718,852              | -                   | -                 | 718,852              | -                    | -                               | -                             | -                   | (718,852)                                     | -                        | (718,852)              |
| Charter Schools  | 126,315              | -                   | -                 | 126,315              | -                    | -                               | -                             | -                   | (126,315)                                     | -                        | (126,315)              |
| Debt Service:  |                      |                     |                   |                      |                      |                                 |                               |                     |   |                          |                        |
| Interest on Early Retirement Bonds                       | 21,243               | -                   | -                 | 21,243               | -                    | -                               | -                             | -                   | (21,243)                                      | -                        | (21,243)               |
| Interest on Bonds  | 72,400               | -                   | -                 | 72,400               | -                    | -                               | -                             | -                   | (72,400)                                      | -                        | (72,400)               |
| Redemption of Principal                                  | 525,000              | (595,000)           | -                 | (70,000)             | -                    | -                               | -                             | -                   | 70,000  | -                        | 70,000                 |
| <b>Total Governmental Activities</b>                     | <b>\$ 47,098,413</b> | <b>\$ 1,410,297</b> | <b>\$ 121,893</b> | <b>\$ 48,630,603</b> | <b>\$ -</b>          | <b>\$ 6,816,238</b>             | <b>\$ -</b>                   | <b>\$ 6,816,238</b> | <b>\$ (41,814,365)</b>                        | <b>\$ -</b>              | <b>\$ (41,814,365)</b> |
| <b>Business-Type Activities:</b>                         |                      |                     |                   |                      |                      |                                 |                               |                     |   |                          |                        |
| Food Service   | \$ 791,406           | \$ -                | \$ -              | \$ 791,406           | \$ 190,928           | \$ 258,067                      | \$ -                          | \$ 448,995          | \$ -  | \$ (342,411)             | \$ (342,411)           |
| Pre-K  | 329                  | -                   | -                 | 329                  | -                    | -                               | -                             | -                   | (329)   | -                        | (329)                  |
| <b>Total Primary Government</b>                          | <b>\$ 791,735</b>    | <b>\$ -</b>         | <b>\$ -</b>       | <b>\$ 791,735</b>    | <b>\$ 190,928</b>    | <b>\$ 258,067</b>               | <b>\$ -</b>                   | <b>\$ 448,995</b>   | <b>\$ -</b>                                   | <b>\$ (342,740)</b>      | <b>\$ (342,740)</b>    |
|  |                      |                     |                   |                      |                      |                                 |                               |                     | General Revenues:                             |                          |                        |
|  |                      |                     |                   |                      |                      |                                 |                               |                     | Local Tax Levy                                | -                        | 36,576,884             |
|  |                      |                     |                   |                      |                      |                                 |                               |                     | Unrestricted Miscellaneous Revenues           | 325,617                  | 325,738                |
|  |                      |                     |                   |                      |                      |                                 |                               |                     | Federal & State Aid                           | 1,784,790                | 1,784,790              |
|  |                      |                     |                   |                      |                      |                                 |                               |                     | Referendum Authorization                      | 19,873,807               | 19,873,807             |
|  |                      |                     |                   |                      |                      |                                 |                               |                     | Transfers                                     | (320,500)                | 320,500                |
|  |                      |                     |                   |                      |                      |                                 |                               |                     | Change in Net Assets                          | \$ 16,426,233            | \$ (22,119)            |
|  |                      |                     |                   |                      |                      |                                 |                               |                     | Net Assets—Beginning                          | 7,005,448                | 7,006,267              |
|  |                      |                     |                   |                      |                      |                                 |                               |                     | <b>Net Assets—Ending</b>                      | <b>\$ 23,431,681</b>     | <b>\$ 23,410,381</b>   |



SECTION "B" - FUND FINANCIAL STATEMENTS

LYNDHURST SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

|  | General<br>Fund   | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Debt<br>Service<br>Fund | Total                |
|--|-------------------|----------------------------|-----------------------------|-------------------------|----------------------|
| <u>ASSETS</u>                              |                   |                            |                             |                         |                      |
| Cash                                       | \$ 26,982         | \$ 37,373                  | \$ 307,340                  | \$ -                    | \$ 371,695           |
| Intergovernmental Receivable:              |                   |                            |                             |                         |                      |
| Federal                                    | -                 | 419,521                    | -                           | -                       | 419,521              |
| State                                      | 391,520           | -                          | -                           | -                       | 391,520              |
| Other                                      | 7,572             | -                          | -                           | -                       | 7,572                |
| Bond Sale Proceeds Receivable              | -                 | -                          | 19,873,807                  | -                       | 19,873,807           |
| <b>Total Assets</b>                        | <b>\$ 426,074</b> | <b>\$ 456,894</b>          | <b>\$ 20,181,147</b>        | <b>\$ -</b>             | <b>\$ 21,064,115</b> |
| <u>LIABILITIES AND FUND BALANCES</u>       |                   |                            |                             |                         |                      |
| Liabilities:                               |                   |                            |                             |                         |                      |
| Accounts Payable                           | \$ 1,657,575      | \$ 449,191                 | \$ -                        | \$ -                    | \$ 2,106,766         |
| Intergovernmental Payable - State          | -                 | 7,703                      | -                           | -                       | 7,703                |
| School Construction Notes Payable          | -                 | -                          | 1,000,000                   | -                       | 1,000,000            |
| <b>Total Liabilities</b>                   | <b>1,657,575</b>  | <b>456,894</b>             | <b>1,000,000</b>            | <b>-</b>                | <b>3,114,469</b>     |
| Fund Balances:                             |                   |                            |                             |                         |                      |
| Unassigned                                 | (1,231,501)       | -                          | 19,181,147                  | -                       | 17,949,646           |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 426,074</b> | <b>\$ 456,894</b>          | <b>\$ 20,181,147</b>        | <b>\$ -</b>             | <b>\$ 21,064,115</b> |

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

|   |                      |
|---|----------------------|
| Net Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.   | \$ 20,252,716        |
| Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. | 1,732,246            |
| Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements.                       | (265,889)            |
| Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.   | (10,020,439)         |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.   | (4,684,409)          |
| <b>Net assets of governmental activities</b>  | <b>\$ 24,963,871</b> |

**LYNDHURST SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

|   | General<br>Fund | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Debt<br>Service<br>Fund | Total          |
|---|-----------------|----------------------------|-----------------------------|-------------------------|----------------|
| <b>REVENUES</b>   |                 |                            |                             |                         |                |
| Local Sources:  |                 |                            |                             |                         |                |
| Local Tax Levy  | \$ 35,958,241   | \$ -                       | \$ -                        | \$ 618,643              | \$ 36,576,884  |
| Unrestricted Miscellaneous Revenues                       | 312,193         | 11,563                     | 1,861                       | -                       | 325,617        |
| Total Local Sources                                       | \$ 36,270,434   | \$ 11,563                  | \$ 1,861                    | \$ 618,643              | \$ 36,902,501  |
| State Sources   | 7,284,201       | 210,851                    | -                           | -                       | 7,495,052      |
| Federal Sources   | 60,568          | 1,045,408                  | -                           | -                       | 1,105,976      |
| Total Revenues  | \$ 43,615,203   | \$ 1,267,822               | \$ 1,861                    | \$ 618,643              | \$ 45,503,529  |
| <b>EXPENDITURES</b>                                       |                 |                            |                             |                         |                |
| Current Expense:  |                 |                            |                             |                         |                |
| Instruction:  |                 |                            |                             |                         |                |
| Regular Programs  | \$ 11,715,152   | \$ 586,524                 | \$ -                        | \$ -                    | \$ 12,301,676  |
| Regular Programs - Special Education                      | 3,089,279       | 651,238                    | -                           | -                       | 3,740,517      |
| Basic Skills - Remedial                                   | 575,533         | -                          | -                           | -                       | 575,533        |
| Bilingual Education                                       | 210,150         | -                          | -                           | -                       | 210,150        |
| School Sponsored Cocurricular Activities                  | 189,534         | -                          | -                           | -                       | 189,534        |
| School Sponsored Athletics                                | 604,386         | -                          | -                           | -                       | 604,386        |
| Alternative Education Program                             | -               | -                          | -                           | -                       | -              |
| Undistributed Expenditures:                               |                 |                            |                             |                         |                |
| Instruction   | 3,249,148       | -                          | -                           | -                       | 3,249,148      |
| Attendance and Social Work Services                       | 21,271          | -                          | -                           | -                       | 21,271         |
| Health Services   | 750,628         | 30,060                     | -                           | -                       | 780,688        |
| Speech, OT, PT, Related Services                          | 793,586         | -                          | -                           | -                       | 793,586        |
| Other Support Services Students - Extraordinary Services  | 137,040         | -                          | -                           | -                       | 137,040        |
| Guidance  | 944,816         | -                          | -                           | -                       | 944,816        |
| Child Study Team  | 734,752         | -                          | -                           | -                       | 734,752        |
| Improvement of Instructional Services                     | 904,595         | -                          | -                           | -                       | 904,595        |
| Educational Media Services/School Library                 | 43,353          | -                          | -                           | -                       | 43,353         |
| Instructional Staff Training Services                     | 21,109          | -                          | -                           | -                       | 21,109         |
| Support Services - General Administration                 | 1,151,908       | -                          | -                           | -                       | 1,151,908      |
| Support Services - School Administration                  | 1,862,961       | -                          | -                           | -                       | 1,862,961      |
| Central Services  | 735,536         | -                          | -                           | -                       | 735,536        |
| Required Maintenance for School Facilities                | 1,187,975       | -                          | -                           | -                       | 1,187,975      |
| Custodial Services  | 2,454,674       | -                          | -                           | -                       | 2,454,674      |
| Care & Upkeep of Grounds                                  | 61,600          | -                          | -                           | -                       | 61,600         |
| Security  | 75,899          | -                          | -                           | -                       | 75,899         |
| Student Transportation Services                           | 1,361,325       | -                          | -                           | -                       | 1,361,325      |
| Allocated and Unallocated Employee Benefits               | 6,443,663       | -                          | -                           | -                       | 6,443,663      |
| TPAF Pension  | 3,607,102       | -                          | -                           | -                       | 3,607,102      |
| TPAF Social Security                                      | 1,306,759       | -                          | -                           | -                       | 1,306,759      |
| Capital Outlay:   |                 |                            |                             |                         |                |
| Equipment   | 133,047         | -                          | -                           | -                       | 133,047        |
| Facilities Acquisition and Construction Services          | 24,331          | -                          | 694,521                     | -                       | 718,852        |
| Charter Schools   | 126,315         | -                          | -                           | -                       | 126,315        |
| Debt Service:   |                 |                            |                             |                         |                |
| Interest on Bonds   | -               | -                          | -                           | 72,400                  | 72,400         |
| Interest on Early Retirement Bonds                        | -               | -                          | -                           | 21,243                  | 21,243         |
| Redemption of Principal                                   | -               | -                          | -                           | 525,000                 | 525,000        |
| Total Expenditures  | \$ 44,517,427   | \$ 1,267,822               | \$ 694,521                  | \$ 618,643              | \$ 47,098,413  |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ (902,224)    | \$ -                       | \$ (692,660)                | \$ -                    | \$ (1,594,884) |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                 |                            |                             |                         |                |
| Operating Transfers                                       | (320,500)       | -                          | -                           | -                       | (320,500)      |
| Referendum Authorization                                  | -               | -                          | 19,873,807                  | -                       | 19,873,807     |
| Net Change In Fund Balances                               | \$ (1,222,724)  | \$ -                       | \$ 19,181,147               | \$ -                    | \$ 17,958,423  |
| Fund Balances - July 1                                    | (8,777)         | -                          | -                           | -                       | (8,777)        |
| Fund Balances - June 30                                   | \$ (1,231,501)  | \$ -                       | \$ 19,181,147               | \$ -                    | \$ 17,949,646  |

**LYNDHURST SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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Total Net Change in Fund Balances - Governmental Funds (B-2) \$ 17,958,423

Amounts reported for governmental activities in the statement  
Investment Earnings

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

|                      |           |
|----------------------|-----------|
| Depreciation Expense | (121,893) |
| Capital Outlays      | (872,707) |

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. (848,709)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 595,000

Employee Benefits (283,881)

Change in net position of governmental activities \$ 16,426,233

**LYNDHURST SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017**

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|                               | <u>Business-Type<br/>Activities<br/>Enterprise<br/>Funds</u> |
|-------------------------------|--|
| <u>ASSETS</u>                 |  |
| Current Assets:               |  |
| Cash                          | \$ 45,448  |
| Intergovernmental Receivable: |  |
| State                         | 404  |
| Federal                       | 20,748   |
| Total Assets                  | <u>\$ 66,600</u>   |
| <u>LIABILITIES</u>            |  |
| Accounts Payable              | <u>\$ 87,900</u>   |
| <u>NET POSITION</u>           |  |
| Unrestricted                  | <u>\$ (21,300)</u>   |

**LYNDHURST SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

|  | <u>Business-Type<br/>Activities</u><br><u>Enterprise<br/>Funds</u> |
|--|--|
| <u>OPERATING REVENUES</u>                              |  |
| Charges for Services:                                  |  |
| Sales  | \$ 190,928   |
| <u>OPERATING EXPENSES</u>                              |  |
| Salaries   | \$ 298,416   |
| Support Services - Employee Benefits                   | 22,829   |
| Cost of Goods Sold                                     | 2,089  |
| Other Purchased Services                               | 468,072  |
| Supplies & Materials                                   | 329  |
|  | <u>\$ 791,735</u>  |
| Operating Income (Loss)                                | <u>\$ (600,807)</u>  |
| <u>NON-OPERATING REVENUES</u>                          |  |
| Local Sources:   |  |
| Interest on Investments                                | \$ 121   |
| State Sources:   |  |
| School Lunch Program                                   | 5,089  |
| Federal Sources:                                       |  |
| School Breakfast Program                               | 20,908   |
| School Lunch Program                                   | 232,070  |
|  | <u>\$ 258,188</u>  |
| Income (Loss) Before<br>Other Financing Sources (Uses) | \$ (342,619)   |
| Other Financing Sources (Uses):<br>Operating Transfers | <u>\$ 320,500</u>  |
| Change in Net Position                                 | \$ (22,119)  |
| Total Net Position - Beginning                         | 819  |
| Total Net Position - Ending                            | <u><u>\$ (21,300)</u></u>  |

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

**LYNDHURST SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|   | <u>Business-Type<br/>Activities</u> |
|---|-------------------------------------|
|   | <u>Enterprise<br/>Funds</u>         |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u>                           |                                     |
| Receipts from Sales   | \$ 190,928                          |
| Payments for Operating Expenses                                       | (832,951)                           |
|   | <u>\$ (642,023)</u>                 |
| <u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>               |                                     |
| Local Sources   | \$ 320,621                          |
| State Sources   | 5,627                               |
| Federal Sources   | 279,515                             |
|   | <u>\$ 605,763</u>                   |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>                           |                                     |
| Purchase of Capital Assets  | <u>\$ -</u>                         |
| Net Increase (Decrease) in Cash                                       | <u>\$ (36,260)</u>                  |
| Balances - Beginning of Year  | 81,708                              |
| Balances - End of Year  | <u><u>\$ 45,448</u></u>             |
| Reconciliation of Operating Income (Loss) to Net Cash Provided        |                                     |
| (Used) by Operating Activities:                                       |                                     |
| Operating Income (Loss)   | \$ (600,807)                        |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided |                                     |
| (Used for) Operating Activities:                                      |                                     |
| (Increase) Decrease in Accounts Receivable                            | -                                   |
| Increase (Decrease) in Accounts Payable                               | (41,216)                            |
| Net Cash Provided by (used for)                                       |                                     |
| Operating Activities  | <u><u>\$ (642,023)</u></u>          |

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

**LYNDHURST SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2017**

---

ASSETS

|      |              |
|------|--------------|
| Cash | \$ 1,399,172 |
|------|--------------|

LIABILITIES

|  |            |
|--|------------|
| Due to Student Groups                        | \$ 233,339 |
| Payroll, Deductions and Withholdings Payable | 1,098,794  |

|                   |                     |
|-------------------|---------------------|
| Total Liabilities | <u>\$ 1,332,133</u> |
|-------------------|---------------------|

NET POSITION

|                                |                  |
|--------------------------------|------------------|
| Held in Trust for Scholarships | <u>\$ 67,039</u> |
|--------------------------------|------------------|



**LYNDHURST SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

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ADDITIONS

|                         |    |       |
|-------------------------|----|-------|
| Earnings on Investments | \$ | 295   |
|                         |    | <hr/> |

DEDUCTIONS

|              |    |       |
|--------------|----|-------|
| Scholarships | \$ | -     |
|              |    | <hr/> |

|                        |    |     |
|------------------------|----|-----|
| Change in Net Position | \$ | 295 |
|------------------------|----|-----|

|                          |  |              |
|--------------------------|--|--------------|
| Net Position - Beginning |  | <hr/> 66,744 |
|--------------------------|--|--------------|

|                       |    |                    |
|-----------------------|----|--------------------|
| Net Position - Ending | \$ | <hr/> <hr/> 67,039 |
|-----------------------|----|--------------------|

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 1 - Summary of Significant Accounting Policies**

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

A. Reporting Entity

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

Regular Programs:

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

Special Education Programs:

- Learning and/or Language Disabilities

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*, is whether (1) the organization is legally separate (can sue or be sued in their own name), (2) the District holds the corporate powers of the organization, (3) the District appoints a voting majority of the organization's board, (4) the District is able to impose its will on the organization, (5) the organization has the potential to impose a financial benefit/burden on the District and (6) there is a fiscal dependency by the organization on the District.

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

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**B. Fund Accounting**

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

**Governmental Fund Types --**

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

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.

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

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

**Proprietary Fund Type --**

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

**Fiduciary Fund Types --**

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

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

C. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

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

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

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. All budget amendments must be approved by School Board resolution.

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

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

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

E. Encumbrances

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

F. Short-Term Interfund Receivables/Payables

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

G. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in first-out (FIFO) method. The cost of such inventories is recorded as expenses when incurred rather than when purchased.

H. Capital Assets

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

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

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

I. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2017, the amount earned by these employees but not disbursed was \$1,080,949.

J. Deferred Revenue

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

K. Long-Term Obligations

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

L. Fund Equity

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

M. Memorandum Only - Total Columns

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

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

N. Comparative Data

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

O. Accounting Changes

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



**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

P. Deferred Outflows/Inflows of Resources

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

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

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

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

Q. New Accounting Standards

During fiscal year 2017, the District adopted the following GASB statements:

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

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

*GASB No. 80, Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14.* The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended.

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

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

Q. New Accounting Standards (Continued)

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

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

GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. The Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

Q. New Accounting Standards (Continued)

GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. 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.

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

**Note 2 - Cash, Cash Equivalents and Investments**

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

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments. Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with District policy.

Deposits --

The District'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 District 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.

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.

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 District does not have a policy for custodial credit risk. As of June 30, 2017, the District had no bank balances exposed to custodial credit risk.

Investments --

A. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.

B. Government money market mutual funds;

C. 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.

D. 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.

E. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of the Treasury for investment by school districts

F. Local government investment pools.

G. 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)

H. Agreements for the repurchase of fully collateralized securities, if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a.;

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than 30 days;

(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L.1970, c.236 (C.17:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed

As of June 30, 2017, cash and cash equivalents and investments of the District consisted of the following:

|   | <u>Cash</u>         | <u>Investments</u> |
|---|---------------------|--------------------|
| Checking/Money Market Accounts - Governmental Funds | \$ 371,695          | \$ -               |
| Checking/Money Market Accounts - Proprietary Funds  | 45,448              | -                  |
| Checking/Money Market Accounts - Fiduciary Funds    | 1,399,172           | -                  |
|   | <u>\$ 1,816,315</u> | <u>\$ -</u>        |

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 3 - Tax Abatements**

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

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Review of the Township of Lyndhurst's 2017 User Friendly Budget (Sheet UFB-6) disclosed the following Tax Abatement (PILOT) Agreements:

|                         |                 |
|-------------------------|-----------------|
| Project Name:           | Riverside Plaza |
| PILOT Billing:          | \$ 17,604       |
| Assessed Value          | \$ 640,000      |
| Taxes if Billed in Full | \$ 17,604       |
| @ 2016 Tax Rate         |                 |

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

**Note 4 - Capital Assets**

The following schedule is a summarization of the changes in general fixed assets for the fiscal year ended June 30, 2017:

|                                       | Beginning<br>Balance | Additions   | Disposals | Adjustments  | Ending<br>Balance |
|---------------------------------------|----------------------|-------------|-----------|--------------|-------------------|
| <i>Governmental Activities --</i>     |                      |             |           |              |                   |
| Capital Assets not being Depreciated: |                      |             |           |              |                   |
| Land                                  | \$ 18,803,100        | \$ -        | \$ -      | \$ -         | \$ 18,803,100     |
| Capital Assets being Depreciated:     |                      |             |           |              |                   |
| Buildings and Building Improvements   | 13,456,100           | -           | -         | -            | 13,456,100        |
| Machinery and Equipment               | 7,384,335            | 74,465      | -         | (4,901,119)  | 2,557,681         |
|                                       | 20,840,435           | 74,465      | -         | (4,901,119)  | 16,013,781        |
|                                       | 39,643,535           | 74,465      | -         | (4,901,119)  | 34,816,881        |
| Less Accumulated Depreciation:        |                      |             |           |              |                   |
| Building Improvements                 | (13,456,100)         | -           | -         | -            | (13,456,100)      |
| Machinery and Equipment               | (5,934,719)          | (121,893)   | -         | 3,953,947    | (2,102,665)       |
|                                       | (19,390,819)         | (121,893)   | -         | 3,953,947    | (15,558,765)      |
| Net Assets for                        |                      |             |           |              |                   |
| Governmental Activities               | \$ 20,252,716        | \$ (47,428) | \$ -      | \$ (947,172) | \$ 19,258,116     |

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 5 - Operating Leases and Other Commitments**

The District has commitments to lease copying equipment, fax machines, postage meters, GPS software and AED units under operating leases which expire on various dates thru FY2021. Lease terms are either 36 or 48 months with monthly payments as low as \$105 and high as \$2,680. The District also has commitments to lease Apple computers and iPads under an operating lease which expires in FY2020. The lease term is 4 years with annual payments as low as \$149,000 and high as \$274,423. Additionally, the District has commitments to lease passenger buses, trucks, card readers, furniture and modular classrooms under operating leases that expire on various dates thru FY2021. Lease terms are between 2 and 5 years with monthly payments of \$3,502 and annual payments as low as \$7,329 and high as \$410,301. Total operating lease payments made during the year ended June 30, 2017 were \$1,018,606. Future minimum lease payments are as follows:

|                                     | Fiscal Year |                     |
|-------------------------------------|-------------|---------------------|
|                                     | Ended       | Amount              |
|                                     | 2018        | 1,142,322           |
|                                     | 2019        | 991,099             |
|                                     | 2020        | 470,612             |
|                                     | 2021        | 116,832             |
| Total future minimum lease payments |             | <u>\$ 2,720,865</u> |



**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

**Note 6 - Long-Term Debt**

During the fiscal year ended June 30, 2017, the following changes occurred in liabilities reported as general long-term debt:

|                              | Beginning<br>Balance | Issued              | Retired             | Adjustments | Ending<br>Balance   |
|------------------------------|----------------------|---------------------|---------------------|-------------|---------------------|
| Bonds Payable                | \$ 2,725,000         | \$ 2,270,000        | \$ 2,865,000        | \$ -        | \$ 2,130,000        |
| Compensated Absences Payable | 1,959,409            | 547,738             | 263,857             | -           | 2,243,290           |
|                              | <u>\$ 4,684,409</u>  | <u>\$ 2,817,738</u> | <u>\$ 3,128,857</u> | <u>\$ -</u> | <u>\$ 4,373,290</u> |

|                              | Amounts<br>Due within<br>One Year | Long-Term<br>Portion | Ending<br>Balance   |
|------------------------------|-----------------------------------|----------------------|---------------------|
| Bonds Payable                | \$ 565,000                        | \$ 1,565,000         | \$ 2,130,000        |
| Compensated Absences Payable | -                                 | 2,243,290            | 2,243,290           |
|                              | <u>\$ 565,000</u>                 | <u>\$ 3,808,290</u>  | <u>\$ 4,373,290</u> |

A. Bonds Payable

B. Compensated Absences Payable

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, no liability existed for compensated absences in the Food Service Fund.

C. Long-Term Debt Service to Maturity

| Year<br>Ended<br>June 30, | 2001 Refunding<br>Bonds |                   | 2003 Pension Refunding<br>Bonds |                  | Total               |                   |
|---------------------------|-------------------------|-------------------|---------------------------------|------------------|---------------------|-------------------|
|                           | Principal               | Interest          | Principal                       | Interest         | Principal           | Interest          |
| 2018                      | \$ 385,000              | \$ 84,970         | \$ 180,000                      | \$ 12,148        | \$ 565,000          | \$ 97,118         |
| 2019                      | 390,000                 | 66,500            | 35,000                          | 1,978            | 425,000             | 68,478            |
| 2020                      | 385,000                 | 47,500            | -                               | -                | 385,000             | 47,500            |
| 2021                      | 380,000                 | 28,500            | -                               | -                | 380,000             | 28,500            |
| 2022                      | 375,000                 | 9,500             | -                               | -                | 375,000             | 9,500             |
|                           | <u>\$ 1,915,000</u>     | <u>\$ 236,970</u> | <u>\$ 215,000</u>               | <u>\$ 14,126</u> | <u>\$ 2,130,000</u> | <u>\$ 251,096</u> |

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 7 - Retirement Plans**

Description of the Plans

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

**Note 7 - Retirement Plans (Continued)**

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

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

Summary of Significant Accounting Policies

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

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

**Note 7 - Retirement Plans (Continued)**

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$130,571,153 as measured on June 30, 2016 and \$98,187,722 as measured on June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$9,810,605 and revenue of \$9,810,605 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2017 is based upon changes in the collective net pension liability with a measurement period of June 30, 2015 through June 30, 2016. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2015 and June 30, 2016.

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

|  | <u>06/30/16</u>   | <u>06/30/15</u>   | <u>06/30/14</u>   |
|--|-------------------|-------------------|-------------------|
| Collective deferred outflows of resources  | \$ 17,414,701,002 | \$ 7,521,378,257  | \$ 2,306,623,861  |
| Collective deferred inflows of resources   | \$ 134,532,594    | \$ 554,399,005    | \$ 1,763,205,593  |
| Collective net pension liability (Nonemployer - State of   | \$ 78,666,367,052 | \$ 63,204,270,305 | \$ 53,446,745,367 |
| State's portion of the net pension liability that was associated with the district   | \$ 130,571,153    | \$ 98,187,722     | \$ 88,688,359     |
| State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability | 0.1659809114%     | 0.1553498229%     | 0.1659378104%     |

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 7 - Retirement Plans (Continued)**

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

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

|                           |                            |
|---------------------------|----------------------------|
| Inflation                 | 2.50%                      |
| Salary Increases          | Varies based on experience |
| Investment Rate of Return | 7.65%                      |

Pre-retirement, post-retirement and disability mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953-2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017

Note 7 - Retirement Plans (Continued)

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

Actuarial Assumptions (Continued)

| <u>Asset Class</u>           | <u>Target Allocation</u> | Long-Term<br>Expected Real<br>Rate of<br><u>Return</u> |
|------------------------------|--------------------------|--|
| Cash                         | 5.00%                    | 0.39%  |
| US Government Bonds          | 1.50%                    | 1.28%  |
| US Credit Bonds              | 13.00%                   | 2.76%  |
| US Mortgages                 | 2.00%                    | 2.38%  |
| US Inflation-Indexed Bonds   | 1.50%                    | 1.41%  |
| US High Yield Bonds          | 2.00%                    | 4.70%  |
| US Equity Market             | 26.00%                   | 5.14%  |
| Foreign-Developed Equity     | 13.25%                   | 5.91%  |
| Emerging Markets Equity      | 6.50%                    | 8.16%  |
| Private Real Estate Property | 5.25%                    | 3.64%  |
| Timber                       | 1.00%                    | 3.86%  |
| Farmland                     | 1.00%                    | 4.39%  |
| Private Equity               | 9.00%                    | 8.97%  |
| Commodities                  | 0.50%                    | 2.87%  |
| Hedge Funds - Multi Strategy | 5.00%                    | 3.70%  |
| Hedge Funds - Equity Hedge   | 3.75%                    | 4.72%  |
| Hedge Funds - Distressed     | 3.75%                    | 3.49%  |
|                              | <u>100.00%</u>           |  |

Discount Rate - The discount rate used to measure the State's total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate - The following presents the District's proportionate share of the net pension liability measured as of June 30, 2016, calculated using the discount rate of 3.22%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.22%) or 1-percentage-point higher (4.22%) than the current rate:

|                                       | 1% Decrease<br><u>(2.22%)</u> | Current Discount<br>Rate<br><u>(3.22%)</u> | 1% Increase<br><u>(4.22%)</u> |
|---------------------------------------|-------------------------------|--|-------------------------------|
| District's proportionate share of the | \$ 155,931,074                | \$ 130,571,153                             | \$ 109,862,568                |

**Note 7 - Retirement Plans (Continued)**

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

Pension plan fiduciary net position

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

**Note 7 - Retirement Plans (Continued)**

**Public Employees' Retirement System (PERS)**

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state administered retirement system or other state or local jurisdiction.

Summary of Significant Accounting Policies

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



**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

**Note 7 - Retirement Plans (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

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

At June 30, 2017, the District reported a liability of \$12,781,011 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2016 and 2015. At June 30, 2016, the District's proportion was 0.04315%, which was a decrease of 0.00149% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$1,232,063. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ 237,688                           | \$ -                                |
| Changes of assumptions  | 2,647,543                            | -                                   |
| Net difference between projected and actual earnings on pension plan investments                              | 487,352                              | 323,078                             |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 328,715                              | -                                   |
| Total   | <u>\$ 3,701,298</u>                  | <u>\$ 323,078</u>                   |

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

|            | <u>Year Ended 6/30:</u> |
|------------|-------------------------|
| 2017       | \$ 760,437              |
| 2018       | 760,437                 |
| 2019       | 881,040                 |
| 2020       | 740,168                 |
| 2021       | 236,138                 |
| Thereafter | -                       |
|            | <u>\$ 3,378,220</u>     |

Collective balances are as follows:

|  | <u>06/30/16</u>   | <u>06/30/15</u>   | <u>06/30/14</u>   |
|--|-------------------|-------------------|-------------------|
| Collective deferred outflows of resources                  | \$ 8,685,338,380  | \$ 3,578,755,666  | \$ 952,194,675    |
| Collective deferred inflows of resources                   | \$ 870,133,595    | \$ 993,410,455    | \$ 1,479,224,662  |
| Collective net pension liability (Non State - Local Group) | \$ 29,617,131,759 | \$ 22,447,996,119 | \$ 18,722,735,003 |
| District's Portion of net pension liability                | \$ 12,781,011     | \$ 10,020,439     | \$ 7,865,935      |
| District's Proportion                                      | 0.0431541147%     | 0.0446384566%     | 0.0420127455%     |

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

**Note 7 - Retirement Plans (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

|                           |                            |
|---------------------------|----------------------------|
| Inflation                 | 3.08%                      |
| Salary Increases:         |                            |
| Through 2026              | 1.65% - 4.15% based on age |
| Thereafter                | 2.65% - 5.15% based on age |
| Investment Rate of Return | 7.65%                      |

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males & females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (setback 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

| <u>Asset Class</u>          | <u>Target Allocation</u> | Long-Term<br>Expected Real<br>Rate of<br>Return |
|-----------------------------|--------------------------|---|
| Cash                        | 5.00%                    | 0.87%   |
| U.S. Treasuries             | 1.50%                    | 1.74%   |
| Investment Grade Credit     | 8.00%                    | 1.79%   |
| Mortgages                   | 2.00%                    | 1.67%   |
| High Yield Bonds            | 2.00%                    | 4.56%   |
| Inflation-Indexed Bonds     | 1.50%                    | 3.44%   |
| Broad US Equities           | 26.00%                   | 8.53%   |
| Developed Foreign Equities  | 13.25%                   | 6.83%   |
| Emerging Market Equities    | 6.50%                    | 9.95%   |
| Private Equity              | 9.00%                    | 12.40%  |
| Hedge Funds/Absolute Return | 12.50%                   | 4.68%   |
| Real Estate (Property)      | 2.00%                    | 6.91%   |
| Commodities                 | 0.50%                    | 5.45%   |
| Global Debt ex US           | 5.00%                    | -0.25%  |
| REIT                        | 5.25%                    | 5.63%   |
|                             | <u>100.00%</u>           |   |

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 7 - Retirement Plans (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

Actuarial Assumptions (Continued)

Discount rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions and the district contributed 100% of its actuarially determined contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate - The following presents the District's proportionate share of the net pension liability measured as of June 30, 2016, calculated using the discount rate of 3.98%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98%) or 1-percentage-point higher (4.98%) than the current rate:

|  | 1% Decrease<br><u>(2.98%)</u> | Current Discount<br>Rate<br><u>(3.98%)</u> | 1% Increase<br><u>(4.98%)</u> |
|--|-------------------------------|--|-------------------------------|
| District's proportionate share of the \$ net pension liability | \$ 15,661,851                 | \$ 12,781,011                              | \$ 10,402,465                 |

Pension plan fiduciary net position

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

**Note 7 - Retirement Plans (Continued)**

Defined Contribution Retirement Plan (DCRP)

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

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

**Note 7 - Retirement Plans (Continued)**

PERS and TPAF Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available between ages 60 and 65 depending on the members membership tier and are generally determined to be 1/55 or 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 or 30 years of service credit depending on the members membership tier or they may elect deferred retirement after achieving ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

**Note 7 - Retirement Plans (Continued)**

**PERS and TPAF Vesting and Benefit Provisions (Continued)**

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

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

1. New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
2. The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
3. The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
4. New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.

Contribution Requirements

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

During the fiscal year ended June 30, 2017, the State of New Jersey did contribute \$3,607,102 to the TPAF for postretirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,306,759 during the year ended June 30, 2017, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

**Note 7 - Retirement Plans (Continued)**

Trend Information

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

Contributions required by the District were as follows:

*Public Employees Retirement System:*

| Year | Annual Pension Cost | Chapter 108 P.L. 2003 Phase - In Credit | Chapter 19 P.L. 2009 Deferral | Non-Contributory Group Life Insurance & LTD | Net Pension Obligation |
|------|---------------------|---|-------------------------------|---|------------------------|
| 2017 | \$ 365,151          | \$ -                                    | \$ 14,069                     | \$ 19,957                                   | \$ 399,177             |
| 2016 | 364,268             | -                                       | 13,916                        | 19,503                                      | 397,687                |
| 2015 | 324,377             | -                                       | 13,830                        | 21,970                                      | 360,177                |
| 2014 | 317,155             | -                                       | 13,519                        | 5,394                                       | 336,068                |
| 2013 | 320,212             | -                                       | 13,127                        | 19,058                                      | 352,397                |
| 2012 | 316,858             | -                                       | 12,958                        | 20,188                                      | 350,004                |
| 2011 | 289,082             | -                                       | -                             | 21,956                                      | 311,038                |
| 2010 | 202,589             | -                                       | -                             | 28,094                                      | 230,683                |
| 2009 | 181,325             | -                                       | (90,663)                      | 22,539                                      | 113,201                |
| 2008 | 179,095             | (35,819)                                | -                             | -   | 143,276                |
| 2007 | 101,542             | (40,617)                                | -                             | -   | 60,925                 |
| 2006 | 89,401              | (53,641)                                | -                             | -   | 35,760                 |
| 2005 | 20,599              | -                                       | -                             | -   | 20,599                 |

*Teachers' Pension and Annuity Fund:*

| Year | Annual Pension Cost | Percentage Contributed | Total Obligation |
|------|---------------------|------------------------|------------------|
| 2017 | \$ 3,607,102        | 100%                   | - (On-Behalf)    |
| 2016 | 2,911,271           | 100%                   | - (On-Behalf)    |
| 2015 | 2,173,184           | 100%                   | - (On-Behalf)    |
| 2014 | 1,852,978           | 100%                   | - (On-Behalf)    |
| 2013 | 2,196,063           | 100%                   | - (On-Behalf)    |
| 2012 | 1,473,058           | 100%                   | - (On-Behalf)    |
| 2011 | 1,051,954           | 100%                   | - (On-Behalf)    |
| 2010 | 1,000,167           | 100%                   | - (On-Behalf)    |
| 2009 | 969,669             | 100%                   | - (On-Behalf)    |
| 2008 | 2,106,442           | 100%                   | - (On-Behalf)    |
| 2007 | 2,052,735           | 100%                   | - (On-Behalf)    |
| 2006 | 1,109,573           | 100%                   | - (On-Behalf)    |
| 2005 | 997,719             | 100%                   | - (On-Behalf)    |

**Note 8 - Post-Retirement Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.



**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 9 - Compensated Absences**

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, no liability existed for compensated absences in the Food Service Fund.

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 10 - Deferred Compensation**

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

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 11 - Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters.

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

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

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

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 12 - Fund Balance Appropriated**

General Fund -- The following is an analysis of the General Fund balance at June 30, 2017:

|   |    |                       |
|---|----|-----------------------|
| Reserve for Encumbrances                      | \$ | -                     |
| Designated for Subsequent Years' Expenditures |    | -                     |
| Unassigned                                    |    | (1,231,501)           |
|   |    | <u>\$ (1,231,501)</u> |

Fund balance categories (Restricted, Assigned & Unassigned/Unreserved) 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.

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 13 - Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the Restricted Fund Balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 was \$0.

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 14 - Economic Dependency**

The District is heavily reliant on federal and state sources to fund the District operations and debt service. Federal and state sources funded approximately 19% of the District's 2016-2017 governmental operations.

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 15 - Contingent Liabilities**

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

**LYNDHURST SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017**

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**Note 16 - Subsequent Events**

We have evaluated subsequent events through November 30, 2017, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.



REQUIRED SUPPLEMENTARY INFORMATION - PART II

SECTION "C" - GENERAL FUND

LYNDHURST SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2017

C-1

|  | Account Number | Original Budget | Budget Amendments | Budget Transfers | Prior Year Encumbrances | Final Budget  | Actual        | Variance to Final Favorable / (Unfavorable) | Encumbered (Memo Only) |
|--|----------------|-----------------|-------------------|------------------|-------------------------|---------------|---------------|---|------------------------|
| <b>REVENUES</b>                                  |                |                 |                   |                  |                         |               |               |   |                        |
| Local Sources:                                   |                |                 |                   |                  |                         |               |               |   |                        |
| Local Tax Levy                                   | 10-1210        | \$ 35,958,241   | \$ -              | \$ -             | \$ -                    | \$ 35,958,241 | \$ 35,958,241 | \$ -  |                        |
| Tuition From Individuals                         | 10-1310        | 8,872           | -                 | -                | -                       | 8,872         | 27,319        | 18,447                                      |                        |
| Tuition From LEAs Within State                   | 10-1320        | 29,824          | -                 | -                | -                       | 29,824        | 18,213        | (11,611)                                    |                        |
| Unrestricted Miscellaneous Revenues              | 10-1xxx        | 60,000          | -                 | -                | -                       | 60,000        | 266,661       | 206,661                                     |                        |
| Total Local Sources                              |                | 36,056,937      | -                 | -                | -                       | 36,056,937    | 36,270,434    | 213,497                                     |                        |
| State Sources:                                   |                |                 |                   |                  |                         |               |               |   |                        |
| Categorical Transportation Aid                   | 10-3121        | 61,668          | -                 | -                | -                       | 61,668        | 61,668        | -   |                        |
| Extraordinary Aid                                | 10-3131        | 217,000         | -                 | -                | -                       | 217,000       | 326,335       | 109,335                                     |                        |
| Categorical Special Education Aid                | 10-3132        | 1,439,268       | -                 | -                | -                       | 1,439,268     | 1,439,268     | -   |                        |
| Equalization Aid                                 | 10-3176        | 404,524         | -                 | -                | -                       | 404,524       | 404,524       | -   |                        |
| Categorical Security Aid                         | 10-3177        | 75,106          | -                 | -                | -                       | 75,106        | 75,106        | -   |                        |
| Adjustment Aid                                   | 10-3178        | 1               | -                 | -                | -                       | 1             | 1             | -   |                        |
| PARCC Readiness Aid                              | 10-3181        | 24,220          | -                 | -                | -                       | 24,220        | 24,220        | -   |                        |
| Per Pupil Growth Aid                             | 10-3182        | 24,220          | -                 | -                | -                       | 24,220        | 24,220        | -   |                        |
| Professional Learning Community Aid              | 10-3183        | 24,590          | -                 | -                | -                       | 24,590        | 24,590        | -   |                        |
| TPAF Pension (On-Behalf - Non-Budgeted)          | Non-Budgeted   | -               | -                 | -                | -                       | -             | 3,607,102     | 3,607,102                                   |                        |
| TPAF Social Security (Reimbursed - Non-Budgeted) | Non-Budgeted   | -               | -                 | -                | -                       | -             | 1,306,759     | 1,306,759                                   |                        |
| Total State Sources                              |                | 2,270,597       | -                 | -                | -                       | 2,270,597     | 7,293,793     | 5,023,196                                   |                        |
| Federal Sources:                                 |                |                 |                   |                  |                         |               |               |   |                        |
| Medicaid Reimbursement                           | 10-4200        | 48,675          | -                 | -                | -                       | 48,675        | 56,548        | 7,873                                       |                        |
| ARRA/SEMI Revenue                                | 10-4210        | -               | -                 | -                | -                       | -             | 4,020         | 4,020                                       |                        |
|  |                | 48,675          | -                 | -                | -                       | 48,675        | 60,568        | 11,893                                      |                        |
| Total Revenues                                   |                | 38,376,209      | -                 | -                | -                       | 38,376,209    | 43,624,795    | 5,248,586                                   |                        |

LYNDHURST SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2017

|   | Account<br>Number | Original<br>Budget | Budget<br>Amendments | Budget<br>Transfers | Prior Year<br>Encumbrances | Final<br>Budget | Actual     | Variance to Final<br>Favorable /<br>(Unfavorable) | Encumbered<br>(Memo Only) |
|---|-------------------|--------------------|----------------------|---------------------|----------------------------|-----------------|------------|---|---------------------------|
| <u>EXPENDITURES</u>                           |                   |                    |                      |                     |                            |                 |            |   |                           |
| <u>General Current Expense</u>                |                   |                    |                      |                     |                            |                 |            |   |                           |
| Regular Programs - Instruction:               |                   |                    |                      |                     |                            |                 |            |   |                           |
| Preschool - Salaries of Teachers              | 11-105-100-101    | 54,274             | -                    | 149,012             | -                          | 203,286         | 203,286    | -   | -                         |
| Kindergarten - Salaries of Teachers           | 11-110-100-101    | 841,418            | -                    | (104,668)           | -                          | 736,750         | 736,749    | 1   | -                         |
| Grades 1-5 - Salaries of Teachers             | 11-120-100-101    | 3,530,789          | -                    | (230,079)           | -                          | 3,300,710       | 3,300,709  | 1   | -                         |
| Grades 6-8 - Salaries of Teachers             | 11-130-100-101    | 2,404,832          | -                    | (26,846)            | -                          | 2,377,986       | 2,377,985  | 1   | -                         |
| Grades 9-12 - Salaries of Teachers            | 11-140-100-101    | 4,351,257          | -                    | (348,739)           | -                          | 4,002,518       | 4,002,725  | (207)   | -                         |
| Regular Programs - Home Instruction:          |                   |                    |                      |                     |                            |                 |            |   |                           |
| Salaries of Teachers                          | 11-150-100-101    | 25,000             | -                    | 146                 | -                          | 25,146          | 25,146     | -   | -                         |
| Regular Programs - Undistributed Instruction: |                   |                    |                      |                     |                            |                 |            |   |                           |
| Other Salaries for Instruction                | 11-190-100-106    | 239,418            | -                    | 67,998              | -                          | 307,416         | 307,501    | (85)  | -                         |
| Purchased Professional - Educational Services | 11-190-100-320    | 20,000             | -                    | (3,100)             | -                          | 16,900          | 16,900     | -   | -                         |
| Other Purchased Services                      | 11-190-100-500    | 159,156            | -                    | 222,868             | -                          | 382,024         | 382,023    | 1   | -                         |
| General Supplies                              | 11-190-100-610    | 265,586            | -                    | 9,197               | -                          | 274,783         | 277,704    | (2,921)   | -                         |
| Textbooks                                     | 11-190-100-640    | 144,000            | -                    | (59,576)            | -                          | 84,424          | 84,424     | -   | -                         |
| Total Regular Programs - Instruction          |                   | 12,035,730         | -                    | (323,787)           | -                          | 11,711,943      | 11,715,152 | (3,209)   | -                         |

LYNDHURST SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2017

|  | Account Number | Original Budget  | Budget Amendments | Budget Transfers | Prior Year Encumbrances | Final Budget     | Actual           | Variance to Final Favorable / (Unfavorable) | Encumbered (Memo Only) |
|--|----------------|------------------|-------------------|------------------|-------------------------|------------------|------------------|---|------------------------|
| <u>EXPENDITURES (Continued)</u>  |                |                  |                   |                  |                         |                  |                  |   |                        |
| <u>General Current Expense (Continued)</u>                               |                |                  |                   |                  |                         |                  |                  |   |                        |
| Special Education - Instruction - Learning and/or Language Disabilities: |                |                  |                   |                  |                         |                  |                  |   |                        |
| Salaries of Teachers   | 11-204-100-101 | 269,205          | -                 | (40,247)         | -                       | 228,958          | 228,958          | -   | -                      |
| Other Salaries for Instruction   | 11-204-100-106 | 104,092          | -                 | (20,618)         | -                       | 83,474           | 83,473           | 1   | -                      |
| General Supplies   | 11-204-100-610 | -                | -                 | 2,994            | -                       | 2,994            | 2,993            | 1   | -                      |
| Textbooks  | 11-204-100-640 | -                | -                 | -                | -                       | -                | -                | -   | -                      |
| Other Objects - ESY Program  | 11-204-100-800 | 1,500            | -                 | (93)             | -                       | 1,407            | 1,407            | -   | -                      |
|  |                | <u>374,797</u>   | <u>-</u>          | <u>(57,964)</u>  | <u>-</u>                | <u>316,833</u>   | <u>316,831</u>   | <u>2</u>                                    | <u>-</u>               |
| Special Education - Instruction - Multiple Disabilities:                 |                |                  |                   |                  |                         |                  |                  |   |                        |
| Salaries of Teachers   | 11-212-100-101 | -                | -                 | 197,093          | -                       | 197,093          | 197,093          | -   | -                      |
| Other Salaries for Instruction   | 11-212-100-106 | -                | -                 | 58,192           | -                       | 58,192           | 58,192           | -   | -                      |
| General Supplies   | 11-212-100-610 | -                | -                 | 547              | -                       | 547              | 546              | 1   | -                      |
|  |                | <u>-</u>         | <u>-</u>          | <u>255,832</u>   | <u>-</u>                | <u>255,832</u>   | <u>255,831</u>   | <u>1</u>                                    | <u>-</u>               |
| Special Education - Instruction - Resource Room/Resource Center:         |                |                  |                   |                  |                         |                  |                  |   |                        |
| Salaries of Teachers   | 11-213-100-101 | 1,852,729        | -                 | 100,848          | -                       | 1,953,577        | 1,953,577        | -   | -                      |
| Other Salaries for Instruction   | 11-213-100-106 | 274,416          | -                 | (106,985)        | -                       | 167,431          | 167,430          | 1   | -                      |
| Purchased Professional-Educational Services                              | 11-213-100-320 | -                | -                 | 29,665           | -                       | 29,665           | 29,655           | 10  | -                      |
| General Supplies   | 11-213-100-610 | 2,000            | -                 | 629              | -                       | 2,629            | 2,629            | -   | -                      |
| Textbooks  | 11-213-100-640 | 1,000            | -                 | (1,000)          | -                       | -                | -                | -   | -                      |
|  |                | <u>2,130,145</u> | <u>-</u>          | <u>23,157</u>    | <u>-</u>                | <u>2,153,302</u> | <u>2,153,291</u> | <u>11</u>                                   | <u>-</u>               |
| Special Education - Instruction - Preschool Disabilities - Part-Time:    |                |                  |                   |                  |                         |                  |                  |   |                        |
| Salaries of Teachers   | 11-215-100-101 | 101,660          | -                 | (2,414)          | -                       | 99,246           | 99,246           | -   | -                      |
| Other Salaries for Instruction   | 11-215-100-106 | 17,112           | -                 | 1,021            | -                       | 18,133           | 18,132           | 1   | -                      |
| General Supplies   | 11-215-100-600 | -                | -                 | 252              | -                       | 252              | 252              | -   | -                      |
|  |                | <u>118,772</u>   | <u>-</u>          | <u>(1,141)</u>   | <u>-</u>                | <u>117,631</u>   | <u>117,630</u>   | <u>1</u>                                    | <u>-</u>               |
| Special Education - Instruction - Preschool Disabilities - Full-Time:    |                |                  |                   |                  |                         |                  |                  |   |                        |
| Salaries of Teachers   | 11-216-100-101 | 142,295          | -                 | (7,969)          | -                       | 134,326          | 134,326          | -   | -                      |
| Other Salaries for Instruction   | 11-216-100-106 | 75,046           | -                 | 12,599           | -                       | 87,645           | 87,644           | 1   | -                      |
| General Supplies   | 11-216-100-600 | -                | -                 | 1,252            | -                       | 1,252            | 1,251            | 1   | -                      |
|  |                | <u>217,341</u>   | <u>-</u>          | <u>5,882</u>     | <u>-</u>                | <u>223,223</u>   | <u>223,221</u>   | <u>2</u>                                    | <u>-</u>               |
| Special Education - Instruction - Home Instruction:                      |                |                  |                   |                  |                         |                  |                  |   |                        |
| Purchased Professional-Educational Services                              | 11-219-100-320 | 27,500           | -                 | (7,553)          | 804                     | 20,751           | 22,475           | (1,724)                                     | -                      |
| <b>Total Special Education - Instruction</b>                             |                | <u>2,868,555</u> | <u>-</u>          | <u>218,213</u>   | <u>804</u>              | <u>3,087,572</u> | <u>3,089,279</u> | <u>(1,707)</u>                              | <u>-</u>               |

LYNDHURST SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2017

| Account Number   | Original Budget | Budget Amendments | Budget Transfers | Prior Year Encumbrances | Final Budget | Actual            | Variance to Final Favorable / (Unfavorable) | Encumbered (Memo Only) |          |
|--|-----------------|-------------------|------------------|-------------------------|--------------|-------------------|---|------------------------|----------|
| <u>EXPENDITURES (Continued)</u>                          |                 |                   |                  |                         |              |                   |   |                        |          |
| <u>General Current Expense (Continued)</u>               |                 |                   |                  |                         |              |                   |   |                        |          |
| Basic Skills/Remedial - Instruction:                     |                 |                   |                  |                         |              |                   |   |                        |          |
| Salaries of Teachers                                     | 11-230-100-101  | 640,960           | -                | (65,937)                | -            | 575,023           | 575,022                                     | 1                      | -        |
| General Supplies   | 11-230-100-610  | -                 | -                | 543                     | -            | 543               | 511   | 32                     | -        |
|  |                 | <u>640,960</u>    | <u>-</u>         | <u>(65,394)</u>         | <u>-</u>     | <u>575,566</u>    | <u>575,533</u>                              | <u>33</u>              | <u>-</u> |
| Bilingual Education - Instruction:                       |                 |                   |                  |                         |              |                   |   |                        |          |
| Salaries of Teachers                                     | 11-240-100-101  | 139,025           | -                | 71,055                  | -            | 210,080           | 210,080                                     | -                      | -        |
| General Supplies   | 11-240-100-610  | -                 | -                | -                       | -            | -                 | 70  | (70)                   | -        |
|  |                 | <u>139,025</u>    | <u>-</u>         | <u>71,055</u>           | <u>-</u>     | <u>210,080</u>    | <u>210,150</u>                              | <u>(70)</u>            | <u>-</u> |
| School Sponsored Co-Curricular Activities - Instruction: |                 |                   |                  |                         |              |                   |   |                        |          |
| Salaries   | 11-401-100-100  | 155,695           | -                | 2,037                   | -            | 157,732           | 158,789                                     | (1,057)                | -        |
| Purchased Services                                       | 11-401-100-390  | -                 | -                | 1,420                   | -            | 1,420             | 1,040                                       | 380                    | -        |
| Purchased Services                                       | 11-401-100-500  | -                 | -                | -                       | -            | -                 | -   | -                      | -        |
| Supplies and Materials                                   | 11-401-100-600  | 26,600            | -                | 3,787                   | -            | 30,387            | 29,705                                      | 682                    | -        |
|  |                 | <u>182,295</u>    | <u>-</u>         | <u>7,244</u>            | <u>-</u>     | <u>189,539</u>    | <u>189,534</u>                              | <u>5</u>               | <u>-</u> |
| School Sponsored Athletics - Instruction:                |                 |                   |                  |                         |              |                   |   |                        |          |
| Salaries   | 11-402-100-100  | 434,007           | -                | (6,652)                 | -            | 427,355           | 427,355                                     | -                      | -        |
| Purchased Professional and Technical Services            | 11-402-100-300  | -                 | -                | -                       | -            | -                 | 860   | (860)                  | -        |
| Purchased Services                                       | 11-402-100-500  | 65,000            | -                | (9,121)                 | -            | 55,879            | 55,878                                      | 1                      | -        |
| Supplies and Materials                                   | 11-402-100-600  | 71,000            | -                | (3,305)                 | -            | 67,695            | 67,293                                      | 402                    | -        |
| Other Objects  | 11-402-100-800  | 500               | -                | (500)                   | -            | -                 | -   | -                      | -        |
| Transfer to Cover Deficit                                | 11-402-100-930  | 83,000            | -                | (30,000)                | -            | 53,000            | 53,000                                      | -                      | -        |
|  |                 | <u>653,507</u>    | <u>-</u>         | <u>(49,578)</u>         | <u>-</u>     | <u>603,929</u>    | <u>604,386</u>                              | <u>(457)</u>           | <u>-</u> |
| Alternative Education Program - Instruction:             |                 |                   |                  |                         |              |                   |   |                        |          |
| Other Objects  | 11-423-100-800  | 500               | -                | (500)                   | -            | -                 | -   | -                      | -        |
|  |                 | <u>500</u>        | <u>-</u>         | <u>(500)</u>            | <u>-</u>     | <u>-</u>          | <u>-</u>                                    | <u>-</u>               | <u>-</u> |
| Total - Instruction                                      |                 | <u>16,520,572</u> | <u>-</u>         | <u>(142,747)</u>        | <u>804</u>   | <u>16,378,629</u> | <u>16,384,034</u>                           | <u>(5,405)</u>         | <u>-</u> |

LYNDHURST SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2017

|  | Account Number  | Original Budget | Budget Amendments | Budget Transfers | Prior Year Encumbrances | Final Budget | Actual    | Variance to Final Favorable / (Unfavorable) | Encumbered (Memo Only) |
|--|---|-----------------|-------------------|------------------|-------------------------|--------------|-----------|---|------------------------|
| <u>EXPENDITURES (Continued)</u>  |   |                 |                   |                  |                         |              |           |   |                        |
| <u>General Current Expense (Continued)</u>   |   |                 |                   |                  |                         |              |           |   |                        |
| Undistributed Expenditures - Instruction:  |   |                 |                   |                  |                         |              |           |   |                        |
|  | Tuition to Other LEAs Within the State - Regular        | 11-000-100-561  | -                 | -                | -                       | -            | 60,077    | (60,077)                                    | -                      |
|  | Tuition to Other LEAs Within the State - Special        | 11-000-100-562  | 370,843           | -                | (80,709)                | 290,134      | 334,496   | (44,362)                                    | -                      |
|  | Tuition to County Vocational School District - Regular  | 11-000-100-563  | 241,020           | -                | (25,460)                | 215,560      | 318,522   | (102,962)                                   | -                      |
|  | Tuition to County Vocational School District - Special  | 11-000-100-564  | 324,285           | -                | (59,124)                | 265,161      | 453,943   | (188,782)                                   | -                      |
|  | Tuition to CSSD & Regional Day Schools                  | 11-000-100-565  | 805,740           | -                | 39,279                  | 845,019      | 881,289   | (36,270)                                    | -                      |
|  | Tuition to Private Schools for the Disabled - W/I State | 11-000-100-566  | 895,653           | -                | (92,632)                | 803,021      | 1,200,821 | (397,800)                                   | -                      |
|  | Tuition - State Facilities                              | 11-000-100-568  | -                 | -                | -                       | -            | -         | -   | -                      |
|  |   |                 | 2,637,541         | -                | (218,646)               | 2,418,895    | 3,249,148 | (830,253)                                   | -                      |
| Undistributed Expenditures - Attendance and Social Work:                               |   |                 |                   |                  |                         |              |           |   |                        |
|  | Salaries  | 11-000-211-100  | -                 | -                | 20,834                  | 20,834       | 20,833    | 1   | -                      |
|  | Supplies and Materials                                  | 11-000-211-600  | 500               | -                | (62)                    | 438          | 438       | -   | -                      |
|  |   |                 | 500               | -                | 20,772                  | 21,272       | 21,271    | 1   | -                      |
| Undistributed Expenditures - Health Services:  |   |                 |                   |                  |                         |              |           |   |                        |
|  | Salaries  | 11-000-213-100  | 672,218           | -                | (53,585)                | 618,633      | 618,632   | 1   | -                      |
|  | Purchased Professional and Technical Services           | 11-000-213-300  | 14,100            | -                | 62,095                  | 76,195       | 105,762   | (29,567)                                    | -                      |
|  | Other Purchased Services                                | 11-000-213-500  | 14,040            | -                | -                       | 14,040       | 14,040    | -   | -                      |
|  | Supplies and Materials                                  | 11-000-213-600  | 12,000            | -                | (1,148)                 | 10,852       | 11,300    | (448)                                       | -                      |
|  | Other Objects   | 11-000-213-800  | 3,000             | -                | (2,105)                 | 895          | 894       | 1   | -                      |
|  |   |                 | 715,358           | -                | 5,257                   | 720,615      | 750,628   | (30,013)                                    | -                      |
| Undistributed Expenditures - Speech, OT, PT, Related Services:                         |   |                 |                   |                  |                         |              |           |   |                        |
|  | Salaries  | 11-000-216-100  | 353,297           | -                | 4,287                   | 357,584      | 357,584   | -   | -                      |
|  | Purchased Professional - Educational Services           | 11-000-216-320  | 267,720           | -                | 78,564                  | 346,698      | 433,375   | (86,677)                                    | -                      |
|  | Supplies and Materials                                  | 11-000-216-600  | 3,000             | -                | (372)                   | 2,628        | 2,627     | 1   | -                      |
|  |   |                 | 624,017           | -                | 82,479                  | 706,910      | 793,586   | (86,676)                                    | -                      |
| Undistributed Expenditures - Other Support Services Students - Extraordinary Services: |   |                 |                   |                  |                         |              |           |   |                        |
|  | Salaries  | 11-000-217-100  | 74,923            | -                | 41,178                  | 116,101      | 116,100   | 1   | -                      |
|  | Purchased Professional - Educational Services           | 11-000-217-320  | 25,000            | -                | (7,314)                 | 17,686       | 18,095    | (409)                                       | -                      |
|  | Supplies and Materials                                  | 11-000-217-600  | 3,000             | -                | (154)                   | 2,846        | 2,845     | 1   | -                      |
|  |   |                 | 102,923           | -                | 33,710                  | 136,633      | 137,040   | (407)                                       | -                      |

LYNDHURST SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2017

|   | Account Number | Original Budget | Budget Amendments | Budget Transfers | Prior Year Encumbrances | Final Budget | Actual  | Variance to Final Favorable / (Unfavorable) | Encumbered (Memo Only) |
|---|----------------|-----------------|-------------------|------------------|-------------------------|--------------|---------|---|------------------------|
| <u>EXPENDITURES (Continued)</u>   |                |                 |                   |                  |                         |              |         |   |                        |
| <u>General Current Expense (Continued)</u>                              |                |                 |                   |                  |                         |              |         |   |                        |
| Undistributed Expenditures - Guidance:                                  |                |                 |                   |                  |                         |              |         |   |                        |
| Salaries of Other Professional Staff                                    | 11-000-218-104 | 716,648         | -                 | 56,792           | -                       | 773,440      | 773,439 | 1   | -                      |
| Salaries of Secretarial and Clerical Assistants                         | 11-000-218-105 | 85,166          | -                 | (5,507)          | -                       | 79,659       | 79,659  | -   | -                      |
| Purchased Professional - Educational Services                           | 11-000-218-320 | 96,750          | -                 | (18,946)         | -                       | 77,804       | 77,804  | -   | -                      |
| Other Purchased Professional and Technical Services                     | 11-000-218-390 | 1,000           | -                 | -                | -                       | 1,000        | 1,000   | -   | -                      |
| Other Purchased Services  | 11-000-218-500 | -               | -                 | -                | -                       | -            | -       | -   | -                      |
| Supplies and Materials  | 11-000-218-600 | 16,151          | -                 | (2,675)          | -                       | 13,476       | 12,914  | 562   | -                      |
|   |                | 915,715         | -                 | 29,664           | -                       | 945,379      | 944,816 | 563   | -                      |
| Undistributed Expenditures - Child Study Team:                          |                |                 |                   |                  |                         |              |         |   |                        |
| Salaries of Other Professional Staff                                    | 11-000-219-104 | 631,190         | -                 | 19,552           | -                       | 650,742      | 650,742 | -   | -                      |
| Salaries of Secretarial and Clerical Assistants                         | 11-000-219-105 | 74,911          | -                 | (4,884)          | -                       | 70,027       | 70,026  | 1   | -                      |
| Purchased Professional - Educational Services                           | 11-000-219-320 | -               | -                 | 7,400            | -                       | 7,400        | 7,400   | -   | -                      |
| Other Purchased Services  | 11-000-219-592 | 3,000           | -                 | (1,395)          | -                       | 1,605        | 1,605   | -   | -                      |
| Supplies and Materials  | 11-000-219-600 | 5,000           | -                 | -                | -                       | 5,000        | 4,979   | 21  | -                      |
|   |                | 714,101         | -                 | 20,673           | -                       | 734,774      | 734,752 | 22  | -                      |
| Undistributed Expenditures - Improvement of Instructional Services:     |                |                 |                   |                  |                         |              |         |   |                        |
| Salaries of Supervisors of Instruction                                  | 11-000-221-102 | 849,839         | -                 | 25,049           | -                       | 874,888      | 874,888 | -   | -                      |
| Salaries of Secretarial and Clerical Assistants                         | 11-000-221-105 | 57,016          | -                 | (47,745)         | -                       | 9,271        | 9,271   | -   | -                      |
| Unused Vacation to Terminated/Retired Staff                             | 11-000-221-199 | 11,000          | -                 | -                | -                       | 11,000       | 11,000  | -   | -                      |
| Other Purchases Services  | 11-000-221-500 | 4,500           | -                 | (2,499)          | -                       | 2,001        | 2,000   | 1   | -                      |
| Supplies and Materials  | 11-000-221-600 | 2,000           | -                 | (1,205)          | -                       | 795          | 795     | -   | -                      |
| Other Objects   | 11-000-221-800 | 6,000           | -                 | 641              | -                       | 6,641        | 6,641   | -   | -                      |
|   |                | 930,355         | -                 | (25,759)         | -                       | 904,596      | 904,595 | 1   | -                      |
| Undistributed Expenditures - Educational Media Services/School Library: |                |                 |                   |                  |                         |              |         |   |                        |
| Salaries  | 11-000-222-100 | 39,386          | -                 | (961)            | -                       | 38,425       | 38,425  | -   | -                      |
| Supplies and Materials  | 11-000-222-600 | 5,000           | -                 | (31)             | -                       | 4,969        | 4,928   | 41  | -                      |
|   |                | 44,386          | -                 | (992)            | -                       | 43,394       | 43,353  | 41  | -                      |
| Undistributed Expenditures - Instructional Staff Training Services:     |                |                 |                   |                  |                         |              |         |   |                        |
| Purchased Professional Educational                                      | 11-000-223-320 | -               | -                 | 7,344            | -                       | 7,344        | 7,344   | -   | -                      |
| Other Purchased Services  | 11-000-223-500 | 10,000          | -                 | 3,585            | -                       | 13,585       | 13,713  | (128)                                       | -                      |
| Supplies-Teacher  | 11-000-223-600 | -               | -                 | 53               | -                       | 53           | 52      | 1   | -                      |
|   |                | 10,000          | -                 | 10,982           | -                       | 20,982       | 21,109  | (127)                                       | -                      |



LYNDHURST SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2017

|   | Account Number | Original Budget | Budget Amendments | Budget Transfers | Prior Year Encumbrances | Final Budget | Actual    | Variance to Final Favorable / (Unfavorable) | Encumbered (Memo Only) |
|---|----------------|-----------------|-------------------|------------------|-------------------------|--------------|-----------|---|------------------------|
| <u>EXPENDITURES (Continued)</u>   |                |                 |                   |                  |                         |              |           |   |                        |
| <u>General Current Expense (Continued)</u>                              |                |                 |                   |                  |                         |              |           |   |                        |
| Undistributed Expenditures - Support Services - General Administration: |                |                 |                   |                  |                         |              |           |   |                        |
| Salaries  | 11-000-230-100 | 506,194         | -                 | 50,418           | -                       | 556,612      | 556,612   | -   | -                      |
| Unused Vacation to Terminated/Retired Staff                             | 11-000-230-199 | -               | -                 | 18,139           | -                       | 18,139       | 18,139    | -   | -                      |
| Legal Services  | 11-000-230-331 | 142,000         | -                 | 71,712           | -                       | 213,712      | 233,513   | (19,801)                                    | -                      |
| Audit Fees  | 11-000-230-332 | 35,000          | -                 | (1,405)          | -                       | 33,595       | 33,595    | -   | -                      |
| Architectural/Engineering Services                                      | 11-000-230-334 | 170,000         | -                 | (170,000)        | -                       | -            | -         | -   | -                      |
| Other Purchased Professional Services                                   | 11-000-230-339 | 60,000          | -                 | (53,715)         | -                       | 6,285        | 6,285     | -   | -                      |
| Communications/Telephone  | 11-000-230-530 | 141,347         | -                 | (223)            | -                       | 141,124      | 141,123   | 1   | -                      |
| BOE Other Purchased Services  | 11-000-230-585 | 5,000           | -                 | (3,195)          | -                       | 1,805        | 1,804     | 1   | -                      |
| Misc. Purchased Services  | 11-000-230-590 | 113,000         | -                 | 11,405           | -                       | 124,405      | 123,857   | 548   | -                      |
| General Supplies  | 11-000-230-610 | 13,000          | -                 | 3,502            | -                       | 16,502       | 16,444    | 58  | -                      |
| BOE In-House Training/Meeting Supplies                                  | 11-000-230-630 | 3,000           | -                 | 205              | -                       | 3,205        | 3,443     | (238)                                       | -                      |
| Miscellaneous Expenditures  | 11-000-230-890 | 5,000           | -                 | (3,136)          | -                       | 1,864        | 1,775     | 89  | -                      |
| BOE Membership Dues and Fees  | 11-000-230-895 | 16,000          | -                 | (682)            | -                       | 15,318       | 15,318    | -   | -                      |
|   |                | 1,209,541       | -                 | (76,975)         | -                       | 1,132,566    | 1,151,908 | (19,342)                                    | -                      |
| Undistributed Expenditures - Support Services - School Administration:  |                |                 |                   |                  |                         |              |           |   |                        |
| Salaries of Principals/Assistance Principals                            | 11-000-240-103 | 1,226,507       | -                 | 4,623            | -                       | 1,231,130    | 1,231,130 | -   | -                      |
| Salaries of Secretarial and Clerical Assistants                         | 11-000-240-105 | 547,778         | -                 | 6,623            | -                       | 554,401      | 554,400   | 1   | -                      |
| Unused Vacation to Terminated/Retired Staff                             | 11-000-240-199 | -               | -                 | -                | -                       | -            | -         | -   | -                      |
| Purchased Professional & Technical Services                             | 11-000-240-300 | 60,000          | -                 | (28,325)         | -                       | 31,675       | 28,500    | 3,175                                       | -                      |
| Other Purchased Services  | 11-000-240-500 | 20,220          | -                 | (4,005)          | -                       | 16,215       | 16,214    | 1   | -                      |
| Supplies and Materials  | 11-000-240-600 | 26,600          | -                 | (901)            | -                       | 25,699       | 24,247    | 1,452                                       | -                      |
| Other Objects   | 11-000-240-800 | 10,000          | -                 | (818)            | -                       | 9,182        | 8,470     | 712   | -                      |
|   |                | 1,891,105       | -                 | (22,803)         | -                       | 1,868,302    | 1,862,961 | 5,341                                       | -                      |
| Undistributed Expenditures - Central Services:                          |                |                 |                   |                  |                         |              |           |   |                        |
| Salaries  | 11-000-251-100 | 446,512         | -                 | (9,709)          | -                       | 436,803      | 436,803   | -   | -                      |
| Unused Vacation to Terminated/Retired Staff                             | 11-000-251-199 | -               | -                 | 19,127           | -                       | 19,127       | 19,126    | 1   | -                      |
| Purchased Professional Services   | 11-000-251-330 | 4,535           | -                 | 20,953           | -                       | 25,488       | 25,487    | 1   | -                      |
| Purchased Technical Services  | 11-000-251-340 | 216,045         | -                 | 138              | -                       | 216,183      | 218,223   | (2,040)                                     | -                      |
| Misc. Purchased Services  | 11-000-251-592 | 4,000           | -                 | (3,287)          | -                       | 713          | 713       | -   | -                      |
| Supplies and Materials  | 11-000-251-600 | 14,000          | -                 | 7,731            | -                       | 21,731       | 21,731    | -   | -                      |
| Miscellaneous Expenditures  | 11-000-251-890 | 1,500           | 11,563            | 390              | -                       | 13,453       | 13,453    | -   | -                      |
|   |                | 686,592         | 11,563            | 35,343           | -                       | 733,498      | 735,536   | (2,038)                                     | -                      |

LYNDHURST SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2017

|  | Account Number | Original Budget  | Budget Amendments | Budget Transfers | Prior Year Encumbrances | Final Budget     | Actual           | Variance to Final Favorable / (Unfavorable) | Encumbered (Memo Only) |
|--|----------------|------------------|-------------------|------------------|-------------------------|------------------|------------------|---|------------------------|
| <u>EXPENDITURES (Continued)</u>  |                |                  |                   |                  |                         |                  |                  |   |                        |
| <u>General Current Expense (Continued)</u>                               |                |                  |                   |                  |                         |                  |                  |   |                        |
| Undistributed Expenditures - Required Maintenance for School Facilities: |                |                  |                   |                  |                         |                  |                  |   |                        |
| Salaries   | 11-000-261-100 | 340,454          | -                 | (44,536)         | -                       | 295,918          | 295,918          | -   | -                      |
| Cleaning, Repair and Maintenance Services                                | 11-000-261-420 | 626,000          | -                 | 175,438          | -                       | 801,438          | 834,119          | (32,681)                                    | -                      |
| General Supplies   | 11-000-261-610 | 40,000           | -                 | 14,737           | -                       | 54,737           | 57,938           | (3,201)                                     | -                      |
|  |                | <u>1,006,454</u> | <u>-</u>          | <u>145,639</u>   | <u>-</u>                | <u>1,152,093</u> | <u>1,187,975</u> | <u>(35,882)</u>                             | <u>-</u>               |
| Undistributed Expenditures - Custodial Services:                         |                |                  |                   |                  |                         |                  |                  |   |                        |
| Salaries   | 11-000-262-100 | 937,897          | -                 | 29,170           | -                       | 967,067          | 990,876          | (23,809)                                    | -                      |
| Unused Vacation to Terminated/Retired Staff                              | 11-000-262-199 | 4,087            | -                 | (4,087)          | -                       | -                | -                | -   | -                      |
| Purchased Professional and Technical Services                            | 11-000-262-300 | -                | -                 | -                | -                       | -                | -                | -   | -                      |
| Cleaning, Repair and Maintenance Services                                | 11-000-262-420 | 61,039           | -                 | 14,132           | -                       | 75,171           | 75,558           | (387)                                       | -                      |
| Rental of Land & Bldg. Other Than Lease Purch Agrmt.                     | 11-000-262-441 | 350,000          | -                 | -                | -                       | 350,000          | 350,000          | -   | -                      |
| Other Purchased Property Services  | 11-000-262-490 | 468,885          | -                 | (58,583)         | -                       | 410,302          | 410,301          | 1   | -                      |
| Insurance  | 11-000-262-520 | 182,500          | -                 | (3,032)          | -                       | 179,468          | 179,467          | 1   | -                      |
| General Supplies   | 11-000-262-610 | 55,000           | -                 | 5,911            | -                       | 60,911           | 66,168           | (5,257)                                     | -                      |
| Energy (Natural Gas)   | 11-000-262-621 | 160,000          | -                 | (39,085)         | -                       | 120,915          | 120,916          | (1)   | -                      |
| Energy (Electricity)   | 11-000-262-622 | 260,500          | -                 | (11,041)         | -                       | 249,459          | 249,459          | -   | -                      |
| Energy (Gasoline)  | 11-000-262-626 | 15,000           | -                 | (5,500)          | -                       | 9,500            | 9,500            | -   | -                      |
| Other Objects  | 11-000-262-800 | 5,000            | -                 | (2,571)          | -                       | 2,429            | 2,429            | -   | -                      |
|  |                | <u>2,499,908</u> | <u>-</u>          | <u>(74,686)</u>  | <u>-</u>                | <u>2,425,222</u> | <u>2,454,674</u> | <u>(29,452)</u>                             | <u>-</u>               |
| Undistributed Expenditures - Care & Upkeep of Grounds:                   |                |                  |                   |                  |                         |                  |                  |   |                        |
| Cleaning, Repair, and Maintenance Services                               | 11-000-263-420 | 50,000           | -                 | (12,629)         | -                       | 37,371           | 54,607           | (17,236)                                    | -                      |
| General Supplies   | 11-000-263-610 | 20,000           | -                 | (13,953)         | -                       | 6,047            | 6,993            | (946)                                       | -                      |
|  |                | <u>70,000</u>    | <u>-</u>          | <u>(26,582)</u>  | <u>-</u>                | <u>43,418</u>    | <u>61,600</u>    | <u>(18,182)</u>                             | <u>-</u>               |
| Undistributed Expenditures - Security:                                   |                |                  |                   |                  |                         |                  |                  |   |                        |
| Salaries   | 11-000-266-100 | 111,786          | -                 | (38,211)         | -                       | 73,575           | 75,899           | (2,324)                                     | -                      |

LYNDHURST SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2017

|   | Account Number | Original Budget | Budget Amendments | Budget Transfers | Prior Year Encumbrances | Final Budget | Actual     | Variance to Final Favorable / (Unfavorable) | Encumbered (Memo Only) |
|---|----------------|-----------------|-------------------|------------------|-------------------------|--------------|------------|---|------------------------|
| <u>EXPENDITURES (Continued)</u>                               |                |                 |                   |                  |                         |              |            |   |                        |
| <u>General Current Expense (Continued)</u>                    |                |                 |                   |                  |                         |              |            |   |                        |
| Undistributed Expenditures - Student Transportation Services: |                |                 |                   |                  |                         |              |            |   |                        |
| Salaries of Non-Instructional Aides                           | 11-000-270-107 | 58,843          | -                 | 12,425           | -                       | 71,268       | 71,776     | (508)                                       | -                      |
| Salaries for Pupil Trans. (Between Home and School) F         | 11-000-270-160 | 38,235          | -                 | 33,673           | -                       | 71,908       | 71,907     | 1   | -                      |
| Salaries for Pupil Trans. (Between Home and School) -         | 11-000-270-161 | 38,235          | -                 | 6,390            | -                       | 44,625       | 44,624     | 1   | -                      |
| Sal. for Pupil Trans. (Other Than Bet. Home and Sch)          | 11-000-270-162 | 31,905          | -                 | 31,217           | -                       | 63,122       | 64,375     | (1,253)                                     | -                      |
| Cleaning, Repair and Maintenance Services                     | 11-000-270-420 | 40,000          | -                 | 21,520           | -                       | 61,520       | 79,215     | (17,695)                                    | -                      |
| Lease Purchase Payments - School Buses                        | 11-000-270-443 | 40,000          | -                 | 26,270           | -                       | 66,270       | 66,269     | 1   | -                      |
| Aid in Lieu - Non Public                                      | 11-000-270-503 | 90,000          | -                 | (33,424)         | -                       | 56,576       | 54,808     | 1,768                                       | -                      |
| Contract Serv. - Aid in Lieu - Charter Schools                | 11-000-270-504 | 20,000          | -                 | (10,276)         | -                       | 9,724        | 9,724      | -   | -                      |
| Contr Serv (Other Than Bet Home and Sch) - Vendors            | 11-000-270-512 | 66,000          | -                 | 11,043           | -                       | 77,043       | 83,154     | (6,111)                                     | -                      |
| Contr Serv (Bet Home and Sch) - Joint Agreements              | 11-000-270-513 | 100,000         | -                 | (6,106)          | -                       | 93,894       | 110,776    | (16,882)                                    | -                      |
| Contr Serv (Special Ed Students) - Joint Agreements           | 11-000-270-515 | 562,172         | -                 | (109,341)        | -                       | 452,831      | 691,852    | (239,021)                                   | -                      |
| Transportation Supplies                                       | 11-000-270-615 | 25,000          | -                 | (14,632)         | -                       | 10,368       | 10,368     | -   | -                      |
| Other Objects   | 11-000-270-800 | 5,000           | -                 | (2,523)          | -                       | 2,477        | 2,477      | -   | -                      |
|   |                | 1,115,390       | -                 | (33,764)         | -                       | 1,081,626    | 1,361,325  | (279,699)                                   | -                      |
| Unallocated Benefits - Employee Benefits:                     |                |                 |                   |                  |                         |              |            |   |                        |
| Social Security Contributions                                 | 11-000-291-220 | 405,000         | -                 | 53,295           | -                       | 458,295      | 457,571    | 724   | -                      |
| Other Retirement Contributions - PERS                         | 11-000-291-241 | 380,000         | -                 | 29,063           | -                       | 409,063      | 410,634    | (1,571)                                     | -                      |
| Other Retirement Contributions - Deferred PERS                | 11-000-291-248 | 14,065          | -                 | 4                | -                       | 14,069       | 14,069     | -   | -                      |
| Unemployment Compensation                                     | 11-000-291-250 | 85,000          | -                 | (10,061)         | -                       | 74,939       | 100,629    | (25,690)                                    | -                      |
| Workmen's Compensation  | 11-000-291-260 | 185,000         | -                 | 45,549           | -                       | 230,549      | 230,549    | -   | -                      |
| Health Benefits   | 11-000-291-270 | 4,282,000       | -                 | (81,993)         | -                       | 4,200,007    | 4,358,210  | (158,203)                                   | -                      |
| Other Employee Benefits                                       | 11-000-291-290 | 556,700         | -                 | 75,179           | -                       | 631,879      | 631,877    | 2   | -                      |
| Unused Sick Payment to Terminated/Retired Staff               | 11-000-291-299 | 131,666         | -                 | 83,927           | -                       | 215,593      | 240,124    | (24,531)                                    | -                      |
|   |                | 6,039,431       | -                 | 194,963          | -                       | 6,234,394    | 6,443,663  | (209,269)                                   | -                      |
| TPAF Pension (On-Behalf - Non-Budgeted)                       |                | -               | -                 | -                | -                       | -            | 3,607,102  | (3,607,102)                                 | -                      |
| TPAF Social Security (Reimbursed - Non-Budgeted)              |                | -               | -                 | -                | -                       | -            | 1,306,759  | (1,306,759)                                 | -                      |
| Total Undistributed Expenditures                              |                | 21,325,103      | 11,563            | 61,064           | 414                     | 21,398,144   | 27,849,700 | (6,451,556)                                 | -                      |
| Total Expenditures - Current Expense                          |                | 37,845,675      | 11,563            | (81,683)         | 1,218                   | 37,776,773   | 44,233,734 | (6,456,961)                                 | -                      |

LYNDHURST SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2017

|   | Account Number | Original Budget | Budget Amendments | Budget Transfers | Prior Year Encumbrances | Final Budget | Actual     | Variance to Final Favorable / (Unfavorable) | Encumbered (Memo Only) |
|---|----------------|-----------------|-------------------|------------------|-------------------------|--------------|------------|---|------------------------|
| <u>Capital Outlay</u>   |                |                 |                   |                  |                         |              |            |   |                        |
| Equipment:  |                |                 |                   |                  |                         |              |            |   |                        |
| Undistributed Expenditures - Custodial Services                                       | 12-000-262-730 | -               | -                 | 61,626           | -                       | 61,626       | 61,625     | 1   | -                      |
| Undistributed Expenditures - Care & Upkeep of Grounds                                 | 12-000-263-730 | -               | -                 | 46,422           | -                       | 46,422       | 46,422     | -   | -                      |
| Undistributed Expenditures - Student Transportation Services - School Buses - Regular | 12-000-270-733 | -               | -                 | 25,000           | -                       | 25,000       | 25,000     | -   | -                      |
|   |                | -               | -                 | 133,048          | -                       | 133,048      | 133,047    | 1   | -                      |
| Facilities Acquisition and Construction Services:                                     |                |                 |                   |                  |                         |              |            |   |                        |
| Construction Services   | 12-000-400-450 | -               | -                 | -                | -                       | -            | -          | -   | -                      |
| Assessment for Debt Service on SDA Funding  | 12-000-400-896 | 24,331          | -                 | -                | -                       | 24,331       | 24,331     | -   | -                      |
|   |                | 24,331          | -                 | -                | -                       | 24,331       | 24,331     | -   | -                      |
| Total Capital Outlay  |                | 24,331          | -                 | 133,048          | -                       | 157,379      | 157,378    | 1   | -                      |
| <u>Charter Schools</u>  |                |                 |                   |                  |                         |              |            |   |                        |
| Transfers to Charter Schools  | 10-000-100-56X | 185,703         | -                 | (51,365)         | -                       | 134,338      | 126,315    | 8,023                                       | -                      |
| Total Expenditures  |                | 38,055,709      | 11,563            | -                | 1,218                   | 38,068,490   | 44,517,427 | (6,448,937)                                 | -                      |
| Excess (Deficiency) of Revenues Over (Under) Expenditures                             |                | 320,500         | (11,563)          | -                | (1,218)                 | 307,719      | (892,632)  | (1,200,351)                                 | -                      |

LYNDHURST SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2017

C-1

|   | Account Number | Original Budget  | Budget Amendments  | Budget Transfers | Prior Year Encumbrances | Final Budget     | Actual                | Variance to Final         |                        |
|---|----------------|------------------|--------------------|------------------|-------------------------|------------------|-----------------------|---------------------------|------------------------|
|   |                |                  |                    |                  |                         |                  |                       | Favorable / (Unfavorable) | Encumbered (Memo Only) |
| Other Financing Sources (Uses):   |                |                  |                    |                  |                         |                  |                       |                           |                        |
| Operating Transfers:  |                |                  |                    |                  |                         |                  |                       |                           |                        |
| Food Service Enterprise Fund  | 11-000-310-930 | (320,000)        | -                  | -                | -                       | (320,000)        | (320,000)             | -                         | -                      |
| Pre-K Enterprise Fund   |                | (500)            | -                  | -                | -                       | (500)            | (500)                 | -                         | -                      |
|   |                | <u>(320,500)</u> | <u>-</u>           | <u>-</u>         | <u>-</u>                | <u>(320,500)</u> | <u>(320,500)</u>      | <u>-</u>                  | <u>-</u>               |
| Excess (Deficiency) of Revenues Over (Under) Expenditures and Expenditures and Other Financing Uses |                |                  |                    |                  |                         |                  |                       |                           |                        |
|   |                | -                | (11,563)           | -                | (1,218)                 | (12,781)         | (1,213,132)           | (1,200,351)               |                        |
| Fund Balances, July 1   |                |                  |                    |                  |                         |                  |                       |                           |                        |
|   |                | 97,745           | -                  | -                | -                       | 97,745           | 97,745                | -                         |                        |
| Fund Balances, June 30  |                |                  |                    |                  |                         |                  |                       |                           |                        |
|   |                | <u>\$ 97,745</u> | <u>\$ (11,563)</u> | <u>\$ -</u>      | <u>\$ (1,218)</u>       | <u>\$ 84,964</u> | <u>\$ (1,115,387)</u> | <u>\$ (1,200,351)</u>     |                        |

Recapitulation of Fund Balance:

Unreserved - Unassigned (1,115,387)  
(1,115,387)

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payment(s) not recognized on GAAP basis (116,114)  
Fund Balance per Governmental Funds (GAAP) (Exhibit B-1) (1,231,501)  
-

**LYNDHURST SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDED JUNE 30, 2017**

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

|   | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> |
|---|-------------------------|-------------------------------------|
| <b>Sources/Inflows of Resources</b>   |                         |                                     |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1,2) Difference - budget to GAAP:  | \$ 43,624,795           | \$ 1,267,822                        |
| State aid payment recognized for GAAP purposes,<br>not recognized for budgetary statements  | 106,522                 | -                                   |
| State aid payment recognized for budgetary purposes,<br>not recognized for GAAP statements  | (116,114)               | -                                   |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)   | <u>\$ 43,615,203</u>    | <u>\$ 1,267,822</u>                 |
| <b>Uses/outflows of resources</b>   |                         |                                     |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule  | \$ 44,517,427           | \$ 1,267,822                        |
| Differences - budget to GAAP  |                         |                                     |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes. | -                       | -                                   |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds  | <u>\$ 44,517,427</u>    | <u>\$ 1,267,822</u>                 |

REQUIRED SUPPLEMENTAL INFORMATION - PART III

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



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

|   | June 30,      |               |               |               |      |      |      |      |      |      |
|---|---------------|---------------|---------------|---------------|------|------|------|------|------|------|
|   | 2016          | 2015          | 2014          | 2013          | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| District's proportion of the net pension liability (asset)  | 0.0431541157% | 0.0446384556% | 0.0420127438% | 0.0428079288% |      |      |      |      |      |      |
| District's proportionate share of the net pension liability (asset)   | \$ 12,781,011 | \$ 10,020,439 | \$ 7,865,935  | \$ 8,181,446  |      |      |      |      |      |      |
| District 's covered employee payroll  | \$ 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 | 461.38%       | 337.37%       | 267.03%       | 299.00%       |      |      |      |      |      |      |
| Plan fiduciary net position as a percentage of the total pension liability (Local)                                  | 40.14%        | 47.93%        | 52.08%        | 48.72%        |      |      |      |      |      |      |

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

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

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

|  | June 30,     |              |              |              |      |      |      |      |      |      |
|--|--------------|--------------|--------------|--------------|------|------|------|------|------|------|
|  | 2016         | 2015         | 2014         | 2013         | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Contractually required contribution                                  | \$ 397,687   | \$ 360,177   | \$ 336,068   | \$ 352,397   |      |      |      |      |      |      |
| Contributions in relation to the contractually required contribution | (397,687)    | (360,177)    | (336,068)    | (352,397)    |      |      |      |      |      |      |
| Contribution deficiency (excess)                                     | \$ -         | \$ -         | \$ -         | \$ -         |      |      |      |      |      |      |
| District 's covered employee payroll                                 | \$ 2,770,142 | \$ 2,970,168 | \$ 2,945,693 | \$ 2,736,261 |      |      |      |      |      |      |
| Contributions as a percentage of covered employee payroll            | 14.36%       | 12.13%       | 11.41%       | 12.88%       |      |      |      |      |      |      |

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

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

|   | 2016                  | 2015                 | 2014                 | 2013                 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|-----------------------|----------------------|----------------------|----------------------|------|------|------|------|------|------|
| District's proportion of the net pension liability (asset)*   | N/A                   | N/A                  | N/A                  | N/A                  |      |      |      |      |      |      |
| District's proportionate share of the net pension liability (asset)*  | N/A                   | N/A                  | N/A                  | N/A                  |      |      |      |      |      |      |
| State's proportionate share of the net pension liability (asset) associated with the District                       | \$ 130,571,153        | \$ 98,187,722        | \$ 88,688,359        | \$ 80,612,933        |      |      |      |      |      |      |
| <b>Total</b>  | <b>\$ 130,571,153</b> | <b>\$ 98,187,722</b> | <b>\$ 88,688,359</b> | <b>\$ 80,612,933</b> |      |      |      |      |      |      |
| District's covered employee payroll   | \$ 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 employee payroll | N/A                   | N/A                  | N/A                  | N/A                  |      |      |      |      |      |      |
| Plan fiduciary net position as a percentage of the total pension liability  | 22.33%                | 28.71%               | 33.64%               | 33.76%               |      |      |      |      |      |      |

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

LYNDHURST SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

*Changes of assumptions* Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

**Public Employees' Retirement System (PERS)**

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

*Changes of assumptions* Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males & females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (setback 3 years for males and set forward 1 year for females).

SECTION "E" - SPECIAL REVENUE FUND

LYNDHURST SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FISCAL YEAR ENDED JUNE 30, 2017

|   | FY2017            | FY2017            | FY2016            | FY2017                        | FY2017            | FY2016        | FY2017           |
|---|-------------------|-------------------|-------------------|-------------------------------|-------------------|---------------|------------------|
|   | N.C.L.B.          |                   |                   | I.D.E.A. Part B (Handicapped) |                   |               |                  |
|   | Title I - Part A  | Title II - Part A | Title II - Part A | Title III                     | Basic             | Basic         | Preschool        |
| <b>REVENUES</b>   |                   |                   |                   |                               |                   |               |                  |
| Local Sources   | \$ -              | \$ -              | \$ -              | \$ -                          | \$ -              | \$ -          | \$ -             |
| State Sources   | -                 | -                 | -                 | -                             | -                 | -             | -                |
| Federal Sources   | 324,547           | 50,222            | 527               | 18,874                        | 626,184           | 219           | 24,835           |
| <b>Total Revenues</b>   | <b>\$ 324,547</b> | <b>\$ 50,222</b>  | <b>\$ 527</b>     | <b>\$ 18,874</b>              | <b>\$ 626,184</b> | <b>\$ 219</b> | <b>\$ 24,835</b> |
| <b>EXPENDITURES</b>   |                   |                   |                   |                               |                   |               |                  |
| Instruction:  |                   |                   |                   |                               |                   |               |                  |
| Salaries of Teachers  | 100-101           | \$ 216,370        | \$ -              | \$ -                          | \$ 4,100          | \$ -          | \$ -             |
| Purchased Professional and Technical Services                 | 100-300           | 48,856            | -                 | -                             | -                 | -             | -                |
| Other Purchased Services                                      | 100-500           | -                 | -                 | -                             | -                 | 576,302       | 23,455           |
| General Supplies  | 100-600           | 9,601             | -                 | -                             | 11,416            | 12,000        | 1,380            |
| Textbooks   | 100-640           | -                 | -                 | -                             | -                 | -             | -                |
| <b>Total Instruction</b>                                      | <b>\$ 274,827</b> | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ 15,516</b>              | <b>\$ 588,302</b> | <b>\$ 61</b>  | <b>\$ 24,835</b> |
| Support Services:   |                   |                   |                   |                               |                   |               |                  |
| Non Instruction - Salaries                                    | 200-100           | \$ -              | \$ -              | \$ -                          | \$ -              | \$ -          | \$ -             |
| Personal Services - Employee Benefits                         | 200-200           | 49,720            | -                 | -                             | 1,139             | -             | -                |
| Purchased Technical Services                                  | 200-300           | -                 | 31,160            | -                             | -                 | -             | -                |
| Purchased Professional - Educational Services                 | 200-320           | -                 | -                 | -                             | -                 | 34,232        | 158              |
| Other Purchased Services                                      | 200-500           | -                 | 13,827            | -                             | 1,374             | -             | -                |
| Supplies  | 200-600           | -                 | 5,235             | 527                           | 845               | 3,650         | -                |
| <b>Total Support Services</b>                                 | <b>\$ 49,720</b>  | <b>\$ 50,222</b>  | <b>\$ 527</b>     | <b>\$ 3,358</b>               | <b>\$ 37,882</b>  | <b>\$ 158</b> | <b>\$ -</b>      |
| Facilities Acquisition and Construction Services:             |                   |                   |                   |                               |                   |               |                  |
| Buildings   |                   | \$ -              | \$ -              | \$ -                          | \$ -              | \$ -          | \$ -             |
| Instructional Equipment                                       | 400-731           | -                 | -                 | -                             | -                 | -             | -                |
| Non-Instructional Equipment                                   | 400-732           | -                 | -                 | -                             | -                 | -             | -                |
| <b>Total Facilities Acquisition and Construction Services</b> | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>                   | <b>\$ -</b>       | <b>\$ -</b>   | <b>\$ -</b>      |
| <b>Total Expenditures</b>                                     | <b>\$ 324,547</b> | <b>\$ 50,222</b>  | <b>\$ 527</b>     | <b>\$ 18,874</b>              | <b>\$ 626,184</b> | <b>\$ 219</b> | <b>\$ 24,835</b> |

LYNDHURST SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPEN  
FISCAL YEAR ENDED JUNE 30, 2017

|   | FY2017           | FY2017           | FY2017          | FY2017           | FY2017                                       | FY2017            | FY2017                    | FY2017                                     | FY2017      | FY2017           | FY2017                    | FY2016        |
|---|------------------|------------------|-----------------|------------------|--|-------------------|---------------------------|--|-------------|------------------|---------------------------|---------------|
|   | N.J. Non-Public  |                  |                 |                  | Ch. 193 N.J. Non-Public Handicapped Services |                   |                           | Ch. 192 N.J. Non-Public Auxiliary Services |             |                  |                           |               |
|   | Textbook Aid     | Nursing Aid      | Technology Aid  | Security Aid     | Examination & Classification                 | Corrective Speech | Supplementary Instruction | Compensatory Education                     | E.S.L.      | Home Instruction | HS Auditorium Renovations |               |
| <b>REVENUES</b>   |                  |                  |                 |                  |  |                   |                           |  |             |                  |                           |               |
| Local Sources   | \$ -             | \$ -             | \$ -            | \$ -             | \$ -   | \$ -              | \$ -                      | \$ -                                       | \$ -        | \$ -             | \$ -                      | 11,563        |
| State Sources   | 19,252           | 30,060           | 8,656           | 16,700           | 16,754                                       | 24,296            | 19,617                    | 75,516                                     | -           | -                | -                         | -             |
| Federal Sources   | -                | -                | -               | -                | -  | -                 | -                         | -  | -           | -                | -                         | -             |
| <b>Total Revenues</b>   | <b>\$ 19,252</b> | <b>\$ 30,060</b> | <b>\$ 8,656</b> | <b>\$ 16,700</b> | <b>\$ 16,754</b>                             | <b>\$ 24,296</b>  | <b>\$ 19,617</b>          | <b>\$ 75,516</b>                           | <b>\$ -</b> | <b>\$ -</b>      | <b>\$ -</b>               | <b>11,563</b> |
| <b>EXPENDITURES</b>   |                  |                  |                 |                  |  |                   |                           |  |             |                  |                           |               |
| <b>Instruction:</b>   |                  |                  |                 |                  |  |                   |                           |  |             |                  |                           |               |
| Salaries of Teachers  | 100-101          | \$ -             | \$ -            | \$ -             | \$ -   | \$ -              | \$ -                      | \$ -                                       | \$ -        | \$ -             | \$ -                      | -             |
| Purchased Professional and Technical Services                 | 100-300          | -                | -               | -                | -  | -                 | -                         | -  | -           | -                | -                         | -             |
| Other Purchased Services                                      | 100-500          | -                | -               | -                | -  | -                 | -                         | -  | -           | -                | -                         | -             |
| General Supplies  | 100-600          | -                | -               | 8,656            | -  | -                 | -                         | -  | -           | -                | -                         | -             |
| Textbooks   | 100-640          | 19,252           | -               | -                | -  | -                 | -                         | -  | -           | -                | -                         | -             |
| <b>Total Instruction</b>                                      | <b>\$ 19,252</b> | <b>\$ -</b>      | <b>\$ 8,656</b> | <b>\$ -</b>      | <b>\$ -</b>                                  | <b>\$ -</b>       | <b>\$ -</b>               | <b>\$ -</b>                                | <b>\$ -</b> | <b>\$ -</b>      | <b>\$ -</b>               | <b>-</b>      |
| <b>Support Services:</b>                                      |                  |                  |                 |                  |  |                   |                           |  |             |                  |                           |               |
| Non Instruction - Salaries                                    | 200-100          | \$ -             | \$ -            | \$ -             | \$ -   | \$ -              | \$ -                      | \$ -                                       | \$ -        | \$ -             | \$ -                      | -             |
| Personal Services - Employee Benefits                         | 200-200          | -                | -               | -                | -  | -                 | -                         | -  | -           | -                | -                         | -             |
| Purchased Technical Services                                  | 200-300          | -                | -               | -                | 16,700                                       | -                 | -                         | -  | -           | -                | -                         | -             |
| Purchased Professional - Educational Services                 | 200-320          | -                | 30,060          | -                | -  | 16,754            | 24,296                    | 19,617                                     | 75,516      | -                | -                         | -             |
| Other Purchased Services                                      | 200-500          | -                | -               | -                | -  | -                 | -                         | -  | -           | -                | -                         | -             |
| Supplies  | 200-600          | -                | -               | -                | -  | -                 | -                         | -  | -           | -                | -                         | 11,563        |
| <b>Total Support Services</b>                                 | <b>\$ -</b>      | <b>\$ 30,060</b> | <b>\$ -</b>     | <b>\$ 16,700</b> | <b>\$ 16,754</b>                             | <b>\$ 24,296</b>  | <b>\$ 19,617</b>          | <b>\$ 75,516</b>                           | <b>\$ -</b> | <b>\$ -</b>      | <b>\$ -</b>               | <b>11,563</b> |
| <b>Facilities Acquisition and Construction Services:</b>      |                  |                  |                 |                  |  |                   |                           |  |             |                  |                           |               |
| Buildings   |                  | \$ -             | \$ -            | \$ -             | \$ -   | \$ -              | \$ -                      | \$ -                                       | \$ -        | \$ -             | \$ -                      | -             |
| Instructional Equipment                                       | 400-731          | -                | -               | -                | -  | -                 | -                         | -  | -           | -                | -                         | -             |
| Non-Instructional Equipment                                   | 400-732          | -                | -               | -                | -  | -                 | -                         | -  | -           | -                | -                         | -             |
| <b>Total Facilities Acquisition and Construction Services</b> | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>     | <b>\$ -</b>      | <b>\$ -</b>                                  | <b>\$ -</b>       | <b>\$ -</b>               | <b>\$ -</b>                                | <b>\$ -</b> | <b>\$ -</b>      | <b>\$ -</b>               | <b>-</b>      |
| <b>Total Expenditures</b>                                     | <b>\$ 19,252</b> | <b>\$ 30,060</b> | <b>\$ 8,656</b> | <b>\$ 16,700</b> | <b>\$ 16,754</b>                             | <b>\$ 24,296</b>  | <b>\$ 19,617</b>          | <b>\$ 75,516</b>                           | <b>\$ -</b> | <b>\$ -</b>      | <b>\$ -</b>               | <b>11,563</b> |

LYNDHURST SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPEN  
FISCAL YEAR ENDED JUNE 30, 2017

|  | Reconciliation to GAAP Basis |                              |                                |                     |
|--|------------------------------|------------------------------|--------------------------------|---------------------|
|  | Total                        | plus 6/30/16<br>encumbrances | (less) 6/30/17<br>encumbrances | GAAP<br>Basis       |
| <u>REVENUES</u>  |                              |                              |                                |                     |
| Local Sources  | \$ 11,563                    | \$ -                         | \$ -                           | \$ 11,563           |
| State Sources  | 210,851                      | -                            | -                              | 210,851             |
| Federal Sources  | 1,045,408                    | -                            | -                              | 1,045,408           |
| Total Revenues   | <u>\$ 1,267,822</u>          | <u>\$ -</u>                  | <u>\$ -</u>                    | <u>\$ 1,267,822</u> |
| <u>EXPENDITURES</u>                                    |                              |                              |                                |                     |
| Instruction:   |                              |                              |                                |                     |
| Salaries of Teachers                                   | 100-101 \$ 220,470           | \$ -                         | \$ -                           | \$ 220,470          |
| Purchased Professional and Technical Services          | 100-300 48,856               | -                            | -                              | 48,856              |
| Other Purchased Services                               | 100-500 599,757              | -                            | -                              | 599,757             |
| General Supplies                                       | 100-600 43,114               | -                            | -                              | 43,114              |
| Textbooks  | 100-640 19,252               | -                            | -                              | 19,252              |
| Total Instruction                                      | <u>\$ 931,449</u>            | <u>\$ -</u>                  | <u>\$ -</u>                    | <u>\$ 931,449</u>   |
| Support Services:                                      |                              |                              |                                |                     |
| Non Instruction - Salaries                             | 200-100 \$ -                 | \$ -                         | \$ -                           | -                   |
| Personal Services - Employee Benefits                  | 200-200 50,859               | -                            | -                              | 50,859              |
| Purchased Technical Services                           | 200-300 47,860               | -                            | -                              | 47,860              |
| Purchased Professional - Educational Services          | 200-320 200,633              | -                            | -                              | 200,633             |
| Other Purchased Services                               | 200-500 15,201               | -                            | -                              | 15,201              |
| Supplies   | 200-600 21,820               | -                            | -                              | 21,820              |
| Total Support Services                                 | <u>\$ 336,373</u>            | <u>\$ -</u>                  | <u>\$ -</u>                    | <u>\$ 336,373</u>   |
| Facilities Acquisition and Construction Services:      |                              |                              |                                |                     |
| Buildings  | \$ -                         | \$ -                         | \$ -                           | -                   |
| Instructional Equipment                                | 400-731 -                    | -                            | -                              | -                   |
| Non-Instructional Equipment                            | 400-732 -                    | -                            | -                              | -                   |
| Total Facilities Acquisition and Construction Services | <u>\$ -</u>                  | <u>\$ -</u>                  | <u>\$ -</u>                    | <u>\$ -</u>         |
| Total Expenditures                                     | <u>\$ 1,267,822</u>          | <u>\$ -</u>                  | <u>\$ -</u>                    | <u>\$ 1,267,822</u> |



SECTION "F" - CAPITAL PROJECTS FUND

LYNDHURST SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

| Project Title/Issue             | Approval Date | Revised<br>Budgetary<br>Appropriations | GAAP<br>Expenditures to Date |                 | Unexpended<br>Appropriations<br>June 30, 2017 |
|---------------------------------|---------------|--|------------------------------|-----------------|---|
|                                 |               |  | Prior<br>Years               | Current<br>Year |   |
| Improvements to Various Schools | 11/08/16      | \$ 19,875,668                          | \$ -                         | \$ 694,521      | \$ 19,181,147                                 |

SECTION "G" - ENTERPRISE FUNDS

**LYNDHURST SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
ENTERPRISE FUND  
JUNE 30, 2017**

|                               | Food<br>Service    | Pre-K         | Total<br>Enterprise<br>Fund |
|-------------------------------|--------------------|---------------|-----------------------------|
| <b><u>ASSETS</u></b>          |                    |               |                             |
| Current Assets:               |                    |               |                             |
| Cash                          | \$ 45,277          | \$ 171        | \$ 45,448                   |
| Intergovernmental Receivable: |                    |               |                             |
| State                         | 404                | -             | 404                         |
| Federal                       | 20,748             | -             | 20,748                      |
| Total Assets                  | <u>\$ 66,429</u>   | <u>\$ 171</u> | <u>\$ 66,600</u>            |
| <b><u>LIABILITIES</u></b>     |                    |               |                             |
| Accounts Payable              | <u>\$ 87,900</u>   | <u>\$ -</u>   | <u>\$ 87,900</u>            |
| <b><u>NET POSITION</u></b>    |                    |               |                             |
| Unrestricted (Deficit)        | <u>\$ (21,471)</u> | <u>\$ 171</u> | <u>\$ (21,300)</u>          |

**LYNDHURST SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

|  | Food<br>Service     | Pre-K           | Total<br>Enterprise<br>Fund |
|--|---------------------|-----------------|-----------------------------|
| <u>OPERATING REVENUES</u>                              |                     |                 |                             |
| Charges for Services:                                  |                     |                 |                             |
| Sales - Reimbursable Programs                          | \$ 190,928          | \$ -            | \$ 190,928                  |
| Sales - Other  | -                   | -               | -                           |
|  | <u>\$ 190,928</u>   | <u>\$ -</u>     | <u>\$ 190,928</u>           |
| <u>OPERATING EXPENSES</u>                              |                     |                 |                             |
| Salaries   | \$ 298,416          | \$ -            | \$ 298,416                  |
| Support Services - Employee Benefits                   | 22,829              | -               | 22,829                      |
| Cost of Goods Sold                                     | 2,089               | -               | 2,089                       |
| Other Purchased Services                               | 468,072             | -               | 468,072                     |
| Supplies & Materials                                   | -                   | 329             | 329                         |
|  | <u>\$ 791,406</u>   | <u>\$ 329</u>   | <u>\$ 791,735</u>           |
| Operating Income (Loss)                                | <u>\$ (600,478)</u> | <u>\$ (329)</u> | <u>\$ (600,807)</u>         |
| <u>NON-OPERATING REVENUES</u>                          |                     |                 |                             |
| Local Sources:   |                     |                 |                             |
| Interest on Investments                                | \$ 121              | \$ -            | \$ 121                      |
| State Sources:   |                     |                 |                             |
| State School Lunch Program                             | 5,089               | -               | 5,089                       |
| Federal Sources:                                       |                     |                 |                             |
| School Breakfast Program                               | 20,908              | -               | 20,908                      |
| National School Lunch Program                          | 232,070             | -               | 232,070                     |
|  | <u>\$ 258,188</u>   | <u>\$ -</u>     | <u>\$ 258,188</u>           |
| Income (Loss) Before<br>Other Financing Sources (Uses) | <u>\$ (342,290)</u> | <u>\$ (329)</u> | <u>\$ (342,619)</u>         |
| Other Financing Sources (Uses):                        |                     |                 |                             |
| Operating Transfers:                                   |                     |                 |                             |
| General Fund   | \$ 320,000          | \$ 500          | \$ 320,500                  |
| Change in Net Position                                 | <u>\$ (22,290)</u>  | <u>\$ 171</u>   | <u>\$ (22,119)</u>          |
| Total Net Position - Beginning                         | 819                 | -               | 819                         |
| Total Net Position - Ending                            | <u>\$ (21,471)</u>  | <u>\$ 171</u>   | <u>\$ (21,300)</u>          |

**LYNDHURST SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

|   | Food<br>Service     | Pre-K           | Total<br>Enterprise<br>Fund |
|---|---------------------|-----------------|-----------------------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u>             |                     |                 |                             |
| Receipts from Sales                                     | \$ 190,928          | \$ -            | \$ 190,928                  |
| Payments for Operating Expenses                         | (832,622)           | (329)           | (832,951)                   |
|   | <u>\$ (641,694)</u> | <u>\$ (329)</u> | <u>\$ (642,023)</u>         |
| <u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u> |                     |                 |                             |
| Local Sources   | \$ 320,121          | \$ 500          | \$ 320,621                  |
| State Sources   | 5,627               | -               | 5,627                       |
| Federal Sources   | 279,515             | -               | 279,515                     |
|   | <u>\$ 605,263</u>   | <u>\$ 500</u>   | <u>\$ 605,763</u>           |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>             |                     |                 |                             |
| Purchase of Capital Assets                              | \$ -                | \$ -            | \$ -                        |
| Net Increase (Decrease) in Cash                         | <u>\$ (36,431)</u>  | <u>\$ 171</u>   | <u>\$ (36,260)</u>          |
| Balance - Beginning of Year                             | 81,708              | -               | 81,708                      |
| Balance - End of Year                                   | <u>\$ 45,277</u>    | <u>\$ 171</u>   | <u>\$ 45,448</u>            |

SECTION "H" - FIDUCIARY FUNDS

LYNDHURST SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 AS OF JUNE 30, 2017

|  | Agency Funds        |              |              | Scholarship<br>Trust | Total        |
|--|---------------------|--------------|--------------|----------------------|--------------|
|  | Student<br>Activity | Payroll      | Total        |                      |              |
| <u>ASSETS</u>  |                     |              |              |                      |              |
| Cash   | \$ 233,339          | \$ 1,098,794 | \$ 1,332,133 | \$ 67,039            | \$ 1,399,172 |
| <u>LIABILITIES</u>   |                     |              |              |                      |              |
| Due to Student Groups<br>Payroll, Deductions and<br>Withholdings Payable | \$ 233,339          | \$ -         | \$ 233,339   | \$ -                 | \$ 233,339   |
|  | -                   | 1,098,794    | 1,098,794    | -                    | 1,098,794    |
| Total Liabilities  | \$ 233,339          | \$ 1,098,794 | \$ 1,332,133 | \$ -                 | \$ 1,332,133 |
| <u>NET POSITION</u>  |                     |              |              |                      |              |
| Unrestricted   | \$ -                | \$ -         | \$ -         | \$ 67,039            | \$ 67,039    |



LYNDHURST SCHOOL DISTRICT  
 FIDUCIARY FUNDS  
 SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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|                         | <u>Scholarship<br/>Trust</u> |
|-------------------------|------------------------------|
| <u>REVENUES</u>         |                              |
| Earnings on Investments | <u>\$ 295</u>                |
| <u>EXPENDITURES</u>     |                              |
| Scholarships            | <u>\$ -</u>                  |
| Net Position, July 1    | 66,744                       |
| Net Position, June 30   | <u><u>\$ 67,039</u></u>      |

**LYNDHURST SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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|                                | Balance<br>July 1, 2016 | Cash<br>Receipts  | Cash<br>Disbursements | Balance<br>June 30, 2017 |
|--------------------------------|-------------------------|-------------------|-----------------------|--------------------------|
| Elementary Student Activities  | \$ 31,892               | \$ 111,828        | \$ 107,167            | \$ 36,553                |
| High School Student Activities | 181,693                 | 361,425           | 349,574               | 193,544                  |
| GoFundMe Student Activities    | 1,724                   | 100               | 1,724                 | 100                      |
| Student Athletics              | 215                     | 78,714            | 75,787                | 3,142                    |
|                                | <u>\$ 215,524</u>       | <u>\$ 552,067</u> | <u>\$ 534,252</u>     | <u>\$ 233,339</u>        |

**LYNDHURST SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

|   | Balance<br>July 1, 2016 | Additions            | Deletions            | Balance<br>June 30, 2017 |
|---|-------------------------|----------------------|----------------------|--------------------------|
| <b><u>ASSETS</u></b>                            |                         |                      |                      |                          |
| Cash:   |                         |                      |                      |                          |
| Net Payroll Account                             | \$ -                    | \$ 14,499,023        | \$ 14,499,023        | \$ -                     |
| Payroll Agency Account                          | 42,818                  | 27,102,269           | 27,127,377           | 17,710                   |
| Summer Payment Plan Account                     | 1,074,348               | 3,531,463            | 3,524,862            | 1,080,949                |
| Health Benefit Account                          | -                       | 2,727,624            | 2,727,489            | 135                      |
|   | <u>\$ 1,117,166</u>     | <u>\$ 47,860,379</u> | <u>\$ 47,878,751</u> | <u>\$ 1,098,794</u>      |
| <b><u>LIABILITIES</u></b>                       |                         |                      |                      |                          |
| Payroll, Deductions and<br>Withholdings Payable | <u>\$ 1,117,166</u>     | <u>\$ 47,860,379</u> | <u>\$ 47,878,751</u> | <u>\$ 1,098,794</u>      |

SECTION "I" - LONG-TERM DEBT

**LYNDHURST SCHOOL DISTRICT  
SCHEDULE OF SERIAL BONDS  
FISCAL YEAR ENDED JUNE 30, 2017**

| <u>Issue</u>            | <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Amount Outstanding June 30, 2016</u> | <u>Issued Current Year</u> | <u>Retired Current Year</u> | <u>Amount Outstanding June 30, 2017</u> |
|-------------------------|----------------------|------------------------|---|----------------------------|-----------------------------|---|
| School Bonds            | 07/01/01             | \$ 6,190,000           | \$ 2,340,000                            | \$ -                       | \$ 2,340,000                | \$ -                                    |
| 2001 Refunding Bonds    | 01/01/16             | 2,270,000              | -                                       | 2,270,000                  | 355,000                     | 1,915,000                               |
| Pension Refunding Bonds | 03/15/03             | \$ 2,030,000           | 385,000                                 | -                          | 170,000                     | 215,000                                 |
|                         |                      |                        | <u>\$ 2,725,000</u>                     | <u>\$ 2,270,000</u>        | <u>\$ 2,865,000</u>         | <u>\$ 2,130,000</u>                     |

**LYNDHURST SCHOOL DISTRICT  
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2017**

|  | <u>Account<br/>Number</u> | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance<br/>Favorable /<br/>(Unfavorable)</u> |
|--|---------------------------|----------------------------|-----------------------------|-------------------------|---------------|---|
| <b><u>REVENUES</u></b>                                       |                           |                            |                             |                         |               |   |
| Local Sources:   |                           |                            |                             |                         |               |   |
| Local Tax Levy   | 40-1210                   | \$ 618,643                 | \$ -                        | \$ 618,643              | \$ 618,643    | \$ -  |
| <b><u>EXPENDITURES</u></b>                                   |                           |                            |                             |                         |               |   |
| Regular Debt Service   |                           |                            |                             |                         |               |   |
| Interest on Bonds  | 40-701-510-834            | 72,400                     | -                           | 72,400                  | 72,400        | -   |
| Interest on Early Retirement Bonds                           | 40-701-510-835            | 21,243                     | -                           | 21,243                  | 21,243        | -   |
| Redemption of Principal                                      | 40-701-510-910            | 525,000                    | -                           | 525,000                 | 525,000       | -   |
| Total Expenditures   |                           | 618,643                    | -                           | 618,643                 | 618,643       | -   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures |                           | -                          | -                           | -                       | -             | -   |
| Fund Balances, July 1  |                           | -                          | -                           | -                       | -             | -   |
| Fund Balances, June 30                                       |                           | \$ -                       | \$ -                        | \$ -                    | \$ -          | \$ -  |

LYNDHURST SCHOOL DISTRICT  
Comprehensive Annual Financial Report  
Statistical Section

**LYNDHURST SCHOOL DISTRICT  
NET POSITION BY COMPONENT (DISTRICT)  
UNAUDITED**

J-1

|  | 2017                 | 2016                | 2015                | 2014                 | 2013                 | 2012                 | 2011                 | 2010                 | 2009                 | 2008                 |
|--|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental activities</b>                     |                      |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Invested in capital assets,<br>net of related debt | \$ 19,258,116        | \$ 20,252,716       | \$ 16,616,775       | \$ 19,818,725        | \$ 19,822,284        | \$ 19,077,883        | \$ 18,952,883        | \$ 17,577,883        | \$ 17,145,263        | \$ 23,274,783        |
| Restricted   | -                    | -                   | -                   | -                    | 65,218               | 214,212              | 107,245              | -                    | -                    | 2                    |
| Unrestricted                                       | 4,173,565            | (13,247,268)        | (10,044,030)        | (2,507,090)          | (2,603,084)          | (2,694,321)          | (2,833,186)          | (1,966,931)          | (1,825,315)          | (8,118,628)          |
| <b>Total governmental activities</b>               | <b>\$ 23,431,681</b> | <b>\$ 7,005,448</b> | <b>\$ 6,572,745</b> | <b>\$ 17,311,635</b> | <b>\$ 17,284,418</b> | <b>\$ 16,597,774</b> | <b>\$ 16,226,942</b> | <b>\$ 15,610,952</b> | <b>\$ 15,319,948</b> | <b>\$ 15,156,157</b> |
| <b>Business-type activities</b>                    |                      |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Invested in capital assets,<br>net of related debt | \$ -                 | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Restricted   | -                    | -                   | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Unrestricted                                       | (21,300)             | 819                 | 298                 | 1,930                | 15,332               | 7,886                | 35,116               | 16,934               | 17,199               | 18,350               |
| <b>Total business-type activities</b>              | <b>\$ (21,300)</b>   | <b>\$ 819</b>       | <b>\$ 298</b>       | <b>\$ 1,930</b>      | <b>\$ 15,332</b>     | <b>\$ 7,886</b>      | <b>\$ 35,116</b>     | <b>\$ 16,934</b>     | <b>\$ 17,199</b>     | <b>\$ 18,350</b>     |
| <b>District-wide</b>                               |                      |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Invested in capital assets,<br>net of related debt | \$ 19,258,116        | \$ 20,252,716       | \$ 16,616,775       | \$ 19,818,725        | \$ 19,822,284        | \$ 19,077,883        | \$ 18,952,883        | \$ 17,577,883        | \$ 17,145,263        | \$ 23,274,783        |
| Restricted   | -                    | -                   | -                   | -                    | 65,218               | 214,212              | 107,245              | -                    | -                    | 2                    |
| Unrestricted                                       | 4,152,265            | (13,246,449)        | (10,043,732)        | (2,505,160)          | (2,587,752)          | (2,686,435)          | (2,798,070)          | (1,949,997)          | (1,808,116)          | (8,100,278)          |
| <b>Total district-wide net position</b>            | <b>\$ 23,410,381</b> | <b>\$ 7,006,267</b> | <b>\$ 6,573,043</b> | <b>\$ 17,313,565</b> | <b>\$ 17,299,750</b> | <b>\$ 16,605,660</b> | <b>\$ 16,262,058</b> | <b>\$ 15,627,886</b> | <b>\$ 15,337,147</b> | <b>\$ 15,174,507</b> |



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

|  | 2017                 | 2016                 | 2015                 | 2014                 | 2013                 | 2012                 | 2011                 | 2010                 | 2009                 | 2008                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Expenses</b>                                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental Activities:                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Instruction                                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Regular Programs                                 | \$ 12,313,239        | \$ 12,561,431        | \$ 12,085,449        | \$ 11,860,247        | \$ 11,251,065        | \$ 10,850,650        | \$ 10,258,383        | \$ 10,396,628        | \$ 10,271,102        | \$ 9,843,904         |
| Special Education                                | 3,740,517            | 3,416,548            | 3,523,300            | 2,630,426            | 3,068,156            | 3,041,577            | 2,883,630            | 2,885,367            | 2,089,010            | 2,031,642            |
| Basic Skills - Remedial Instruction              | 575,533              | 648,491              | 419,368              | 387,347              | 411,454              | 526,616              | 497,055              | 516,898              | 542,798              | 519,204              |
| Bilingual Education                              | 210,150              | 134,667              | 102,753              | 104,805              | 137,768              | 114,718              | 116,590              | 111,418              | 104,344              | 106,068              |
| School Sponsored Cocurricular Activities         | 189,534              | 178,829              | 186,125              | 188,199              | 180,297              | 158,099              | 151,767              | 167,481              | 161,805              | 153,243              |
| School Sponsored Athletics                       | 604,386              | 565,135              | 552,327              | 535,918              | 534,520              | 533,944              | 449,594              | 439,849              | 433,813              | 389,549              |
| Alternative Education Program                    | -                    | -                    | 500                  | 500                  | 500                  | -                    | 500                  | 500                  | -                    | -                    |
| Undistributed Expenditures:                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Instruction                                      | 3,249,148            | 2,254,384            | 2,904,552            | 3,223,918            | 3,084,816            | 3,072,615            | 3,330,268            | 4,286,863            | 3,905,443            | 3,723,516            |
| Attendance and Social Work                       | 21,271               | -                    | 27,557               | 80,946               | 63,316               | 86,298               | 32,735               | 44,922               | 83,380               | 73,782               |
| Health Services                                  | 780,688              | 778,285              | 740,997              | 512,055              | 474,743              | 553,887              | 540,898              | 585,717              | 602,789              | 556,444              |
| Speech, OT, PT, Related Services                 | 793,586              | 601,852              | 696,669              | 594,631              | 580,463              | 588,084              | 700,532              | 516,266              | 529,504              | 515,673              |
| Other Support Services - Students Ext Svcs       | 137,040              | 100,004              | 70,306               | 37,735               | 3,707                | 15,756               | 15,176               | 13,804               | 24,552               | 9,402                |
| Guidance   | 944,816              | 825,481              | 788,407              | 599,227              | 613,607              | 716,975              | 750,127              | 718,033              | 635,967              | 652,995              |
| Child Study Team                                 | 734,752              | 675,876              | 627,010              | 690,574              | 638,418              | 649,348              | 638,771              | 662,917              | 687,152              | 658,789              |
| Improvement of Instructional Services            | 904,595              | 883,592              | 800,966              | 1,101,551            | 923,249              | 838,522              | 817,590              | 688,241              | 535,941              | 521,591              |
| Educational Media Services/School Library        | 43,353               | 33,519               | 2,180                | 1,900                | 2,516                | 118,927              | 110,475              | 111,429              | 119,383              | 107,954              |
| Instructional Staff Training Services            | 21,109               | 20,506               | 19,169               | 4,626                | 3,347                | 44,530               | 68,401               | 66,265               | 64,855               | 60,671               |
| Support Services - General Administration        | 1,151,908            | 1,067,944            | 970,151              | 907,836              | 977,981              | 1,014,482            | 993,483              | 992,475              | 927,451              | 914,452              |
| Support Services - School Administration         | 1,862,961            | 1,832,175            | 2,082,171            | 1,902,760            | 1,811,058            | 1,611,203            | 1,500,106            | 1,498,398            | 1,432,945            | 1,461,553            |
| Central Services                                 | 723,973              | 654,175              | 637,103              | 571,373              | 579,310              | 628,389              | 484,777              | 389,200              | 398,387              | 373,665              |
| Required Maintenance for School Facilities       | 1,187,975            | 1,215,379            | 1,142,865            | 1,374,730            | 1,186,371            | 737,504              | 552,976              | 406,610              | 483,078              | 434,097              |
| Custodial Services                               | 2,454,674            | 2,549,900            | 1,946,883            | 1,744,716            | 1,600,385            | 1,826,736            | 1,785,479            | 1,408,168            | 1,294,668            | 1,342,662            |
| Care & Upkeep of Grounds                         | 61,600               | 78,830               | 55,498               | 48,910               | 77,987               | 54,083               | 13,715               | 4,026                | -                    | -                    |
| Security   | 75,899               | 35,077               | 36,193               | 34,699               | 35,850               | 34,934               | 36,705               | 29,335               | -                    | -                    |
| Student Transportation Services                  | 1,361,325            | 849,073              | 795,344              | 733,370              | 776,810              | 663,149              | 839,842              | 903,699              | 792,493              | 912,586              |
| Allocated and Unallocated Employee Benefits      | 7,576,253            | 7,060,335            | 12,966,315           | 5,877,714            | 6,107,106            | 6,107,637            | 5,718,235            | 5,600,379            | 4,892,766            | 4,453,197            |
| TPAF Pension                                     | 3,607,102            | 2,911,271            | 2,173,184            | 1,852,978            | 2,196,063            | 1,473,058            | 1,051,954            | 1,000,167            | 969,669              | 2,106,442            |
| TPAF Social Security                             | 1,306,759            | 1,267,617            | 1,264,227            | 1,188,687            | 1,141,939            | 1,211,608            | 1,171,264            | 1,153,079            | 1,119,367            | 1,074,768            |
| Capital Outlay                                   | 1,846,499            | (809,616)            | 3,955,009            | 733,389              | 727,982              | 362,719              | 383,000              | 273,554              | 364,647              | (266,362)            |
| Charter Schools                                  | 126,315              | 174,487              | 170,963              | 126,447              | 111,805              | 55,086               | 1,157                | -                    | -                    | -                    |
| Special Schools                                  | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Debt Service:                                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Principal on Commissioner Approved LP Agreeme    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Interest on Commissioner Approved LP Agreemen    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 3,306                |
| Interest on Early Retirement Bonds               | 21,243               | 29,563               | 37,468               | 44,718               | 51,578               | 58,058               | 63,973               | 69,348               | 74,208               | 78,405               |
| Redemption of Principal - Early Retirement Bonds | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Interest on Bonds                                | 72,400               | 118,090              | 134,190              | 150,290              | 165,240              | 179,040              | 192,840              | 206,640              | 219,290              | 230,790              |
| Redemption of Principal                          | (70,000)             | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| <b>Total Governmental Activities Expenses</b>    | <b>\$ 48,630,603</b> | <b>\$ 42,712,900</b> | <b>\$ 51,915,199</b> | <b>\$ 39,847,222</b> | <b>\$ 39,519,407</b> | <b>\$ 37,928,232</b> | <b>\$ 36,151,998</b> | <b>\$ 36,147,676</b> | <b>\$ 33,760,807</b> | <b>\$ 33,043,988</b> |
| Business-Type Activities:                        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Food Service                                     | \$ 791,406           | \$ 782,963           | \$ 777,138           | \$ 791,151           | \$ 702,878           | \$ 689,129           | \$ 668,626           | \$ 602,406           | \$ 576,973           | \$ 579,984           |
| Pre-K  | 329                  | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Before/After School Child Care/Pre-K             | -                    | -                    | -                    | -                    | -                    | 34,954               | 218,796              | 124,682              | 233,639              | 240,517              |
| Saturday Enrichment                              | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| <b>Total Business-Type Activities Expenses</b>   | <b>\$ 791,735</b>    | <b>\$ 782,963</b>    | <b>\$ 777,138</b>    | <b>\$ 791,151</b>    | <b>\$ 702,878</b>    | <b>\$ 724,083</b>    | <b>\$ 887,422</b>    | <b>\$ 727,088</b>    | <b>\$ 810,612</b>    | <b>\$ 820,501</b>    |
| <b>Total District Expenses</b>                   | <b>\$ 49,422,338</b> | <b>\$ 43,495,863</b> | <b>\$ 52,692,337</b> | <b>\$ 40,638,373</b> | <b>\$ 40,222,285</b> | <b>\$ 38,652,315</b> | <b>\$ 37,039,420</b> | <b>\$ 36,874,764</b> | <b>\$ 34,571,419</b> | <b>\$ 33,864,489</b> |

LYNDHURST SCHOOL DISTRICT  
CHANGES IN NET POSITION (DISTRICT)  
UNAUDITED

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| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|------|------|------|------|------|------|------|------|------|------|
|------|------|------|------|------|------|------|------|------|------|

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

|   | 2017                   | 2016                   | 2015                   | 2014                   | 2013                   | 2012                   | 2011                   | 2010                   | 2009                   | 2008                   |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Program Revenues</b>                                   |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental Activities:                                  |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Charges for Services                                      | \$ -                   | \$ 27,834              | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ 7,715               | \$ 4,060               |
| Operating Grants and Contributions                        | 6,816,238              | 7,788,434              | 6,398,209              | 5,897,464              | 6,334,844              | 5,456,695              | 4,845,962              | 5,665,397              | 4,303,864              | 4,912,222              |
| Capital Grants and Contributions                          | -                      | -                      | -                      | -                      | -                      | -                      | -                      | 49,099                 | -                      | -                      |
| <b>Total Governmental Activities Program Revenues</b>     | <b>\$ 6,816,238</b>    | <b>\$ 7,816,268</b>    | <b>\$ 6,398,209</b>    | <b>\$ 5,897,464</b>    | <b>\$ 6,334,844</b>    | <b>\$ 5,456,695</b>    | <b>\$ 4,845,962</b>    | <b>\$ 5,714,496</b>    | <b>\$ 4,311,579</b>    | <b>\$ 4,916,282</b>    |
| Business-Type Activities:                                 |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Charges for Services                                      | \$ 190,928             | \$ 191,362             | \$ 203,661             | \$ 240,472             | \$ 197,948             | \$ 211,839             | \$ 441,513             | \$ 353,245             | \$ 463,609             | \$ 482,703             |
| Operating Grants and Contributions                        | 258,067                | 247,039                | 259,238                | 264,989                | 227,376                | 210,014                | 188,091                | 154,761                | 140,676                | 113,531                |
| Capital Grants and Contributions                          | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| <b>Total Business-Type Activities Program Revenues</b>    | <b>448,995</b>         | <b>438,401</b>         | <b>462,899</b>         | <b>505,461</b>         | <b>425,324</b>         | <b>421,853</b>         | <b>629,604</b>         | <b>508,006</b>         | <b>604,285</b>         | <b>596,234</b>         |
| <b>Total District Program Revenues</b>                    | <b>\$ 7,265,233</b>    | <b>\$ 8,254,669</b>    | <b>\$ 6,861,108</b>    | <b>\$ 6,402,925</b>    | <b>\$ 6,760,168</b>    | <b>\$ 5,878,548</b>    | <b>\$ 5,475,566</b>    | <b>\$ 6,222,502</b>    | <b>\$ 4,915,864</b>    | <b>\$ 5,512,516</b>    |
| <b>Net (Expense)/Revenue</b>                              |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental Activities                                   | \$ (41,814,365)        | \$ (34,896,632)        | \$ (45,516,990)        | \$ (33,949,758)        | \$ (33,184,563)        | \$ (32,471,537)        | \$ (31,306,036)        | \$ (30,433,180)        | \$ (29,449,228)        | \$ (28,127,706)        |
| Business-Type Activities                                  | (342,740)              | (344,562)              | (314,239)              | (285,690)              | (277,554)              | (302,230)              | (257,818)              | (219,082)              | (206,327)              | (224,267)              |
| <b>Total District-Wide</b>                                | <b>\$ (42,157,105)</b> | <b>\$ (35,241,194)</b> | <b>\$ (45,831,229)</b> | <b>\$ (34,235,448)</b> | <b>\$ (33,462,117)</b> | <b>\$ (32,773,767)</b> | <b>\$ (31,563,854)</b> | <b>\$ (30,652,262)</b> | <b>\$ (29,655,555)</b> | <b>\$ (28,351,973)</b> |
| <b>General Revenues and Other Changes in Net Position</b> |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities:                                  |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Local Tax Levy  | 36,576,884             | 35,462,096             | 34,389,489             | 33,655,609             | 32,976,035             | 32,684,721             | 31,807,753             | 29,711,738             | 28,477,291             | 27,502,953             |
| Unrestricted Miscellaneous Revenues                       | 325,617                | 183,490                | 97,601                 | 204,074                | 147,309                | 172,353                | -                      | 262,376                | 139,738                | 136,975                |
| Federal & State Sources                                   | 1,784,790              | 28,749                 | 603,510                | 389,292                | 381,161                | 260,295                | 451,073                | 1,033,564              | 1,154,537              | 1,463,800              |
| Other Financing Sources (Referendum Auth.)                | 19,873,807             | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| Interest Earned on Capital Reserve Funds                  | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| Capital Asset Adjustments                                 | -                      | -                      | -                      | -                      | 651,702                | -                      | -                      | -                      | -                      | -                      |
| Other Adjustments   | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| Transfers   | (320,500)              | (345,000)              | (312,500)              | (272,000)              | (285,000)              | (275,000)              | (336,800)              | (283,494)              | (281,496)              | (245,856)              |
| <b>Total Governmental Activities</b>                      | <b>\$ 58,240,598</b>   | <b>\$ 35,329,335</b>   | <b>\$ 34,778,100</b>   | <b>\$ 33,976,975</b>   | <b>\$ 33,871,207</b>   | <b>\$ 32,842,369</b>   | <b>\$ 31,922,026</b>   | <b>\$ 30,724,184</b>   | <b>\$ 29,490,070</b>   | <b>\$ 28,857,872</b>   |
| Business-Type Activities:                                 |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Unrestricted Miscellaneous Revenues                       | \$ 121                 | \$ 83                  | \$ 107                 | \$ 288                 | \$ -                   | \$ -                   | \$ -                   | \$ 817                 | \$ 1,176               | \$ 1,362               |
| Transfers   | 320,500                | 345,000                | 312,500                | 272,000                | 285,000                | 275,000                | 276,000                | 218,000                | 204,000                | 197,000                |
| <b>Total business-type activities</b>                     | <b>\$ 320,621</b>      | <b>\$ 345,083</b>      | <b>\$ 312,607</b>      | <b>\$ 272,288</b>      | <b>\$ 285,000</b>      | <b>\$ 275,000</b>      | <b>\$ 276,000</b>      | <b>\$ 218,817</b>      | <b>\$ 205,176</b>      | <b>\$ 198,362</b>      |
| <b>Total district-wide</b>                                | <b>\$ 58,561,219</b>   | <b>\$ 35,674,418</b>   | <b>\$ 35,090,707</b>   | <b>\$ 34,249,263</b>   | <b>\$ 34,156,207</b>   | <b>\$ 33,117,369</b>   | <b>\$ 32,198,026</b>   | <b>\$ 30,943,001</b>   | <b>\$ 29,695,246</b>   | <b>\$ 29,056,234</b>   |
| <b>Change in Net Position</b>                             |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental Activities                                   | \$ 16,426,233          | \$ 432,703             | \$ (10,738,890)        | \$ 27,217              | \$ 686,644             | \$ 370,832             | \$ 615,990             | \$ 291,004             | \$ 40,842              | \$ 730,166             |
| Business-Type Activities                                  | (22,119)               | 521                    | (1,632)                | (13,402)               | 7,446                  | (27,230)               | 18,182                 | (265)                  | (1,151)                | (25,905)               |
| <b>Total District</b>                                     | <b>\$ 16,404,114</b>   | <b>\$ 433,224</b>      | <b>\$ (10,740,522)</b> | <b>\$ 13,815</b>       | <b>\$ 694,090</b>      | <b>\$ 343,602</b>      | <b>\$ 634,172</b>      | <b>\$ 290,739</b>      | <b>\$ 39,691</b>       | <b>\$ 704,261</b>      |
| Net Position - Beginning                                  | 7,006,267              | 6,573,043              | 17,313,565             | 17,299,750             | 16,605,660             | 16,262,058             | 15,627,886             | 15,337,147             | 15,297,456             | 14,593,195             |
| <b>Net Position - Ending</b>                              | <b>\$ 23,410,381</b>   | <b>\$ 7,006,267</b>    | <b>\$ 6,573,043</b>    | <b>\$ 17,313,565</b>   | <b>\$ 17,299,750</b>   | <b>\$ 16,605,660</b>   | <b>\$ 16,262,058</b>   | <b>\$ 15,627,886</b>   | <b>\$ 15,337,147</b>   | <b>\$ 15,297,456</b>   |

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

|                                    | 2017           | 2016       | 2015       | 2014       | 2013       | 2012       | 2011       | 2010       | 2009       | 2008       |
|------------------------------------|----------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| General Fund                       |                |            |            |            |            |            |            |            |            |            |
| Reserved                           | \$ -           | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Unassigned                         | (1,231,501)    | (8,777)    | 289,568    | 327,802    | 498,743    | 854,923    | 786,065    | 602,031    | 557,524    | 463,301    |
| Total General Fund                 | \$ (1,231,501) | \$ (8,777) | \$ 289,568 | \$ 327,802 | \$ 498,743 | \$ 854,923 | \$ 786,065 | \$ 602,031 | \$ 557,524 | \$ 463,301 |
| All Other Governmental Funds       |                |            |            |            |            |            |            |            |            |            |
| Reserved                           | \$ -           | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Unassigned, reported in:           |                |            |            |            |            |            |            |            |            |            |
| Special Revenue Fund               | -              | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| Capital Projects Fund              | 19,181,147     | -          | -          | -          | -          | -          | -          | 49,105     | -          | -          |
| Debt Service Fund                  | -              | -          | -          | -          | -          | -          | -          | -          | 1          | 3          |
| Total all Other Governmental Funds | \$ 19,181,147  | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ 49,105  | \$ 1       | \$ 3       |
| Total Governmental Funds           | \$ 17,949,646  | \$ (8,777) | \$ 289,568 | \$ 327,802 | \$ 498,743 | \$ 854,923 | \$ 786,065 | \$ 651,136 | \$ 557,525 | \$ 463,304 |

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

|   | 2017                 | 2016                 | 2015                 | 2014                 | 2013                 | 2012                 | 2011                 | 2010                 | 2009                 | 2008                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Revenues:</b>                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Local Tax Levy                              | \$ 36,576,884        | \$ 35,462,096        | \$ 34,389,489        | \$ 33,655,609        | \$ 32,976,035        | \$ 32,684,721        | \$ 31,807,753        | \$ 29,711,738        | \$ 28,477,291        | \$ 27,502,953        |
| Tuition                                     | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 7,715                | 4,060                |
| Unrestricted Miscellaneous Revenues         | 325,617              | 218,124              | 97,601               | 204,074              | 147,309              | 172,353              | 451,073              | 262,376              | 139,738              | 136,975              |
| State Sources                               | 7,495,052            | 6,712,380            | 5,903,763            | 5,330,796            | 5,686,705            | 4,698,506            | 3,809,562            | 5,013,681            | 4,753,131            | 5,564,617            |
| Federal Sources                             | 1,105,976            | 1,098,003            | 1,097,956            | 955,960              | 1,029,300            | 1,018,484            | 1,036,400            | 1,734,379            | 828,219              | 811,405              |
| <b>Total Revenue</b>                        | <b>\$ 45,503,529</b> | <b>\$ 43,490,603</b> | <b>\$ 41,488,809</b> | <b>\$ 40,146,439</b> | <b>\$ 39,839,349</b> | <b>\$ 38,574,064</b> | <b>\$ 37,104,788</b> | <b>\$ 36,722,174</b> | <b>\$ 34,206,094</b> | <b>\$ 34,020,010</b> |
| <b>Expenditures:</b>                        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Instruction:</b>                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Regular Programs                            | \$ 12,313,239        | \$ 12,561,431        | \$ 12,085,449        | \$ 11,860,247        | \$ 11,251,065        | \$ 10,850,650        | \$ 10,258,383        | \$ 10,396,628        | \$ 10,271,102        | \$ 9,843,904         |
| Special Education                           | 3,740,517            | 3,416,548            | 3,523,300            | 2,630,426            | 3,068,156            | 3,041,577            | 2,883,630            | 2,885,367            | 2,089,010            | 2,031,642            |
| Basic Skills - Remedial Instruction         | 575,533              | 648,491              | 419,368              | 387,347              | 411,454              | 526,616              | 497,055              | 516,898              | 542,798              | 519,204              |
| Bilingual Education                         | 210,150              | 134,667              | 102,753              | 104,805              | 137,768              | 114,718              | 116,590              | 111,418              | 104,344              | 106,068              |
| School Sponsored Cocurricular Activities    | 189,534              | 178,829              | 186,125              | 188,199              | 180,297              | 158,099              | 151,767              | 167,481              | 161,805              | 153,243              |
| School Sponsored Athletics                  | 604,386              | 565,135              | 552,327              | 535,918              | 534,520              | 533,944              | 449,594              | 439,849              | 433,813              | 389,549              |
| Alternative Education Program               | -                    | -                    | 500                  | 500                  | 500                  | -                    | 500                  | 500                  | -                    | -                    |
| <b>Undistributed Expenditures:</b>          |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Instruction                                 | 3,249,148            | 2,254,384            | 2,904,552            | 3,223,918            | 3,084,816            | 3,072,615            | 3,330,268            | 4,286,863            | 3,905,443            | 3,723,516            |
| Attendance and Social Work Services         | 21,271               | -                    | 27,557               | 80,946               | 63,316               | 86,298               | 32,735               | 44,922               | 83,380               | 73,782               |
| Health Services                             | 780,688              | 778,285              | 740,997              | 512,055              | 474,743              | 553,887              | 540,898              | 585,717              | 602,789              | 556,444              |
| Speech, OT, PT, Related Services            | 793,586              | 601,852              | 696,669              | 594,631              | 580,463              | 588,084              | 700,532              | 516,266              | 529,504              | 515,673              |
| Other Support Services - Students Ext Svcs  | 137,040              | 100,004              | 70,306               | 37,735               | 3,707                | 15,756               | 15,176               | 13,804               | 24,552               | 9,402                |
| Guidance                                    | 944,816              | 825,481              | 788,407              | 599,227              | 613,607              | 716,975              | 750,127              | 718,033              | 635,967              | 652,995              |
| Child Study Team                            | 734,752              | 675,876              | 627,010              | 690,574              | 638,418              | 649,348              | 638,771              | 662,917              | 687,152              | 658,789              |
| Improvement of Instructional Services       | 904,595              | 896,581              | 800,966              | 1,101,551            | 923,249              | 838,522              | 817,590              | 688,241              | 535,941              | 521,591              |
| Educational Media Services/School Library   | 43,353               | 33,519               | 2,180                | 1,900                | 2,516                | 118,927              | 110,475              | 111,429              | 119,383              | 107,954              |
| Instructional Staff Training Services       | 21,109               | 20,506               | 19,169               | 4,626                | 3,347                | 44,530               | 68,401               | 66,265               | 64,855               | 60,671               |
| Support Services - General Administration   | 1,151,908            | 1,088,102            | 970,151              | 907,836              | 977,981              | 1,014,482            | 993,483              | 992,475              | 927,451              | 914,452              |
| Support Services - School Administration    | 1,862,961            | 1,876,788            | 2,082,171            | 1,902,760            | 1,811,058            | 1,611,203            | 1,500,106            | 1,498,398            | 1,432,945            | 1,461,553            |
| Central Services                            | 723,973              | 654,175              | 637,103              | 571,373              | 579,310              | 628,389              | 484,777              | 389,200              | 398,387              | 373,665              |
| Required Maintenance for School Facilities  | 1,187,975            | 1,215,379            | 1,142,865            | 1,374,730            | 1,186,371            | 737,504              | 552,976              | 406,610              | 483,078              | 434,097              |
| Custodial Services                          | 2,454,674            | 2,560,220            | 1,946,883            | 1,744,716            | 1,600,385            | 1,826,736            | 1,785,479            | 1,408,168            | 1,294,668            | 1,342,662            |
| Care and Upkeep of Grounds                  | 61,600               | 78,830               | 55,498               | 48,910               | 77,987               | 54,083               | 13,715               | 4,026                | -                    | -                    |
| Security                                    | 75,899               | 35,077               | 36,193               | 34,699               | 35,850               | 34,934               | 36,705               | 29,335               | -                    | -                    |
| Student Transportation Services             | 1,361,325            | 849,073              | 795,344              | 733,370              | 776,810              | 663,149              | 839,842              | 903,699              | 792,493              | 912,586              |
| Allocated and Unallocated Employee Benefits | 6,443,663            | 6,247,362            | 5,312,609            | 5,934,431            | 6,265,529            | 6,149,611            | 5,944,296            | 5,365,152            | 4,756,856            | 4,563,937            |
| TPAF Pension                                | 3,607,102            | 2,911,271            | 2,173,184            | 1,852,978            | 2,196,063            | 1,473,058            | 1,051,954            | 1,000,167            | 969,669              | 2,106,442            |
| TPAF Social Security                        | 1,306,759            | 1,267,617            | 1,264,227            | 1,188,687            | 1,141,939            | 1,211,608            | 1,171,264            | 1,153,079            | 1,119,367            | 1,074,768            |
| <b>Sub-Total</b>                            | <b>\$ 45,501,556</b> | <b>\$ 42,475,483</b> | <b>\$ 39,963,863</b> | <b>\$ 38,849,095</b> | <b>\$ 38,621,225</b> | <b>\$ 37,315,303</b> | <b>\$ 35,737,089</b> | <b>\$ 35,362,907</b> | <b>\$ 32,966,752</b> | <b>\$ 33,108,589</b> |

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

|  | 2017           | 2016          | 2015          | 2014          | 2013          | 2012          | 2011          | 2010          | 2009          | 2008          |
|--|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Capital Outlay   | \$ 851,899     | \$ 136,325    | \$ 403,059    | \$ 379,830    | \$ 520,681    | \$ 187,719    | \$ 209,157    | \$ 281,174    | \$ 200,127    | \$ 85,647     |
| Charter School   | 126,315        | 174,487       | 170,963       | 126,447       | 111,805       | 55,086        | -             | -             | -             | -             |
| Debt Service:  |                |               |               |               |               |               |               |               |               |               |
| Principal on Commissioner Approved LP Agreeer                | -              | -             | -             | -             | -             | -             | -             | -             | -             | 81,589        |
| Interest on Commissioner Approved LP Agreeem                 | -              | -             | -             | -             | -             | -             | -             | -             | -             | 3,306         |
| Interest on Early Retirement Bonds                           | 21,243         | 29,563        | 37,468        | 44,718        | 51,578        | 58,058        | 63,973        | 69,348        | 74,208        | 78,405        |
| Redemption of Principal - Early Retirement Bonc              | 170,000        | 160,000       | 155,000       | 145,000       | 140,000       | 135,000       | 130,000       | 125,000       | 120,000       | 115,000       |
| Interest on Bonds  | 72,400         | 118,090       | 134,190       | 150,290       | 165,240       | 179,040       | 192,840       | 206,640       | 219,290       | 230,790       |
| Redemption of Principal                                      | 355,000        | 350,000       | 350,000       | 350,000       | 300,000       | 300,000       | 300,000       | 300,000       | 250,000       | 250,000       |
| Total Expenditures   | \$ 47,098,413  | \$ 43,443,948 | \$ 41,214,543 | \$ 40,045,380 | \$ 39,910,529 | \$ 38,230,206 | \$ 36,633,059 | \$ 36,345,069 | \$ 33,830,377 | \$ 33,953,326 |
| Excess (Deficiency) of revenues<br>over (under) expenditures | \$ (1,594,884) | \$ 46,655     | \$ 274,266    | \$ 101,059    | \$ (71,180)   | \$ 343,858    | \$ 471,729    | \$ 377,105    | \$ 375,717    | \$ 66,684     |
| Other Financing Sources (Uses)                               |                |               |               |               |               |               |               |               |               |               |
| Serial Bonds   | \$ -           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| State of New Jersey - N.J.S.A. 18:7Q-15                      | -              | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Referendum Authorization                                     | 19,873,807     | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Operating Transfers  | (320,500)      | (345,000)     | (312,500)     | (272,000)     | (285,000)     | (275,000)     | (336,800)     | (283,494)     | (281,496)     | (245,856)     |
| Private Donation   | -              | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Transfers out  | -              | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Total other financing sources (uses)                         | \$ 19,553,307  | \$ (345,000)  | \$ (312,500)  | \$ (272,000)  | \$ (285,000)  | \$ (275,000)  | \$ (336,800)  | \$ (283,494)  | \$ (281,496)  | \$ (245,856)  |
| Net change in fund balances                                  | \$ 17,958,423  | \$ (298,345)  | \$ (38,234)   | \$ (170,941)  | \$ (356,180)  | \$ 68,858     | \$ 134,929    | \$ 93,611     | \$ 94,221     | \$ (179,172)  |
| Debt service as a percentage of<br>noncapital expenditures   | 0.92%          | 1.08%         | 1.19%         | 1.26%         | 1.18%         | 1.26%         | 1.35%         | 1.40%         | 1.40%         | 1.42%         |

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

| <u>Fiscal Year<br/>Ended June 30,</u> | <u>State Paid<br/>Tuition</u> | <u>Interest on<br/>Investments</u> | <u>Rent</u> | <u>State Health<br/>Benefits<br/>Rebate</u> | <u>Prior Year<br/>Refunds</u> | <u>Adult<br/>Education<br/>Fees</u> | <u>Credits &amp;<br/>Adjustments</u> | <u>Miscellaneous</u> | <u>Total</u> |
|---------------------------------------|-------------------------------|------------------------------------|-------------|---|-------------------------------|-------------------------------------|--------------------------------------|----------------------|--------------|
| 2017                                  | 26,707                        | 9,106                              | -           | -   | 228,002                       | -                                   | 2,407                                | 439                  | 266,661      |
| 2016                                  | 27,554                        | 6,526                              | -           | -   | 85,948                        | -                                   | 61,887                               | 1,575                | 183,490      |
| 2015                                  | -                             | 10,547                             | -           | -   | 47,516                        | -                                   | -                                    | 26,675               | 84,738       |
| 2014                                  | 28,534                        | 5,520                              | -           | -   | 65,667                        | -                                   | 3,205                                | 308                  | 103,234      |
| 2013                                  | -                             | 6,572                              | 98,380      | -   | 38,928                        | -                                   | -                                    | 3,429                | 147,309      |
| 2012                                  | -                             | -                                  | 64,300      | -   | 104,340                       | -                                   | -                                    | 3,713                | 172,353      |
| 2011                                  | -                             | 19,643                             | 71,248      | -   | 309,207                       | -                                   | -                                    | 50,975               | 451,073      |
| 2010                                  | 1,915                         | 15,782                             | 159,775     | -   | 71,762                        | -                                   | 10,988                               | 2,148                | 262,370      |
| 2009                                  | 7,715                         | 26,557                             | 87,500      | -   | 16,523                        | -                                   | (3,307)                              | 4,750                | 139,738      |
| 2008                                  | 4,060                         | 77,203                             | 32,500      | -   | 14,480                        | -                                   | -                                    | 12,792               | 141,035      |

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

| Description                       | 2016            |                          | 2015            |                           | 2014            |                           | 2013            |                           | 2012**          |                           |
|-----------------------------------|-----------------|--------------------------|-----------------|---------------------------|-----------------|---------------------------|-----------------|---------------------------|-----------------|---------------------------|
|                                   | # of<br>Parcels | Value                    | # of<br>Parcels | Value                     | # of<br>Parcels | Value                     | # of<br>Parcels | Value                     | # of<br>Parcels | Value                     |
| Net Valuations Taxable:           |                 |                          |                 |                           |                 |                           |                 |                           |                 |                           |
| Vacant Land                       | 105             | \$ 40,684,000            | 107             | \$ 44,625,700             | 105             | \$ 44,980,600             | 106             | \$ 51,265,900             | 106             | \$ 51,468,800             |
| Residential                       | 5113            | 1,571,756,600            | 5113            | 1,569,316,100             | 5111            | 1,564,703,800             | 5112            | 1,564,237,000             | 5112            | 1,562,667,400             |
| Farm (Regular)                    | 0               | -                        | 0               | -                         | 0               | -                         | 0               | -                         | 0               | -                         |
| Farm (Qualified)                  | 0               | -                        | 0               | -                         | 0               | -                         | 0               | -                         | 0               | -                         |
| Commercial                        | 322             | 386,804,700              | 325             | 391,876,900               | 326             | 402,979,800               | 325             | 403,364,900               | 325             | 404,209,800               |
| Industrial                        | 92              | 534,765,200              | 92              | 536,260,800               | 92              | 548,475,500               | 92              | 575,442,300               | 92              | 575,492,500               |
| Apartments                        | 55              | 146,464,000              | 54              | 121,818,000               | 55              | 98,707,100                | 54              | 56,709,600                | 54              | 56,843,600                |
| Sub-Total                         | 5687            | 2,680,474,500            | 5691            | 2,663,897,500             | 5689            | 2,659,846,800             | 5689            | 2,651,019,700             | 5689            | 2,650,682,100             |
| Personal Property                 |                 | 4,042,008                |                 | 3,964,445                 |                 | 3,793,814                 |                 | 4,355,209                 |                 | 4,652,311                 |
| Net Valuations Taxable            |                 | 2,684,516,508            |                 | 2,667,861,945             |                 | 2,663,640,614             |                 | 2,655,374,909             |                 | 2,655,334,411             |
| County Equalization Adjustment    |                 | 122,201,363              |                 | (21,201,848)              |                 | 104,728,707               |                 | 178,479,994               |                 | 282,231,509               |
| County Equalized Valuations       |                 | <u>\$ 2,806,717,871</u>  |                 | <u>\$ 2,646,660,097</u>   |                 | <u>\$ 2,768,369,321</u>   |                 | <u>\$ 2,833,854,903</u>   |                 | <u>\$ 2,937,565,920</u>   |
| County Equalization Ratio         |                 | 96.47%                   |                 | 101.55%                   |                 | 97.14%                    |                 | 94.59%                    |                 | 91.27%                    |
| Average Residential Assessment    |                 | \$ 307,404               |                 | \$ 306,927                |                 | \$ 306,144                |                 | \$ 305,993                |                 | \$ 305,686                |
| Total County Equalized Valuations |                 | <u>\$167,963,794,248</u> |                 | <u>\$ 164,459,857,393</u> |                 | <u>\$ 162,301,130,131</u> |                 | <u>\$ 165,008,934,260</u> |                 | <u>\$ 173,258,537,441</u> |
| Municipal Percentage              |                 |                          |                 |                           |                 |                           |                 |                           |                 |                           |
| County Equalized Valuations       |                 | <u>1.67%</u>             |                 | <u>1.61%</u>              |                 | <u>1.71%</u>              |                 | <u>1.72%</u>              |                 | <u>1.70%</u>              |

\*\*Revaluation Year



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

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

\*\*Revaluation Year

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

J-7

|                                 | 2016             | 2015             | 2014             | 2013             | 2012**           | 2011             | 2010             | 2009             | 2008             | 2007             |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| NET VALUATIONS TAXABLE          | \$ 2,684,516,508 | \$ 2,667,861,945 | \$ 2,663,640,614 | \$ 2,655,374,909 | \$ 2,655,334,411 | \$ 3,473,783,983 | \$ 3,503,307,716 | \$ 3,531,361,970 | \$ 3,528,164,401 | \$ 3,472,059,121 |
| <b>TAX REQUIREMENTS</b>         |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| County                          | \$ 6,425,350     | \$ 5,673,214     | \$ 6,302,320     | \$ 6,264,119     | \$ 6,301,846     | \$ 6,886,226     | \$ 6,663,683     | \$ 6,212,674     | \$ 5,967,116     | \$ 5,256,991     |
| County Open Space               | 70,168           | 66,166           | 69,209           | 70,846           | 73,439           | 84,398           | 87,577           | 344,891          | 344,939          | 311,782          |
| Local School                    | 36,019,490       | 34,925,793       | 34,022,549       | 33,315,823       | 32,830,378       | 32,246,237       | 30,759,746       | 29,094,514       | 27,990,122       | 27,014,424       |
| Municipal - Local               | 32,689,464       | 31,720,723       | 30,900,710       | 29,254,885       | 27,421,715       | 25,836,662       | 25,997,381       | 24,031,493       | 23,491,674       | 22,655,215       |
| Municipal - Minimum Library Tax | 921,779          | 874,347          | 911,141          | 935,645          | 1,064,450        | 1,125,855        | -                | -                | -                | -                |
| Total                           | \$ 76,126,251    | \$ 73,260,243    | \$ 72,205,929    | \$ 69,841,318    | \$ 67,691,828    | \$ 66,179,378    | \$ 63,508,387    | \$ 59,683,572    | \$ 57,793,851    | \$ 55,238,412    |
| <b>TAX RATES</b>                |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| County                          | 0.240            | 0.213            | 0.237            | 0.236            | 0.238            | 0.199            | 0.191            | 0.176            | 0.170            | 0.151            |
| County Open Space               | 0.003            | 0.003            | 0.003            | 0.003            | 0.003            | 0.003            | 0.002            | 0.010            | 0.010            | 0.010            |
| Local School                    | 1.342            | 1.309            | 1.277            | 1.255            | 1.237            | 0.928            | 0.878            | 0.824            | 0.793            | 0.778            |
| Library                         | 0.034            | 0.033            | 0.034            | 0.035            | 0.040            | 0.032            | -                | -                | -                | -                |
| Municipal                       | 1.217            | 1.189            | 1.160            | 1.102            | 1.032            | 0.744            | 0.742            | 0.681            | 0.666            | 0.661            |
| Total                           | 2.836            | 2.747            | 2.711            | 2.631            | 2.550            | 1.906            | 1.813            | 1.691            | 1.639            | 1.600            |

\*\*Revaluation Year

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

| Taxpayer                                | Assessed<br>Valuation | As a Percent of<br>Total 2016 Net<br>Valuations<br>\$ 2,684,516,508 |
|---|-----------------------|---|
| NFREVF II - Lyndhurst LLC               | \$ 65,600,000         | 2.44%   |
| 340 Orient Way, LLC                     | 54,592,400            | 2.03%   |
| Copper Ridge, LLC (2 Properties)        | 45,200,000            | 1.68%   |
| JERC Partners, LLC                      | 37,000,000            | 1.38%   |
| Veterans Square Town Center, LLC        | 32,875,000            | 1.22%   |
| Chubb Funding, LLC                      | 31,607,000            | 1.18%   |
| Sika Chemical Corp./ANJ Corp.           | 30,311,700            | 1.13%   |
| 1200 Wall Street West Holdings          | 22,554,100            | 0.84%   |
| Lyndhurst Residential Comm 2, LLC       | 21,731,000            | 0.81%   |
| DDR-SAU Lew Andowski LLC (2 Properties) | 21,000,000            | 0.78%   |
|   | \$ 362,471,200        |   |

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

|  | CY2016        | CY2015        | CY2014        | CY2013        | CY2012        | CY2011        | CY2010        | TY2009        | SFY2009       | SFY2008       |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Tax Levy                             | \$ 74,784,471 | \$ 72,387,868 | \$ 71,843,371 | \$ 70,634,586 | \$ 67,857,360 | \$ 66,179,378 | \$ 63,393,449 | \$ 30,904,791 | \$ 58,847,938 | \$ 57,492,435 |
| Total Credits                              | \$ 72,645,501 | \$ 69,056,373 | \$ 69,889,210 | \$ 68,854,668 | \$ 65,612,799 | \$ 59,988,671 | \$ 58,425,753 | \$ 27,416,737 | \$ 56,344,944 | \$ 55,791,491 |
| % of Tax Levy Collected                    | <u>97.14%</u> | <u>95.40%</u> | <u>97.28%</u> | <u>97.48%</u> | <u>96.69%</u> | <u>90.65%</u> | <u>92.16%</u> | <u>88.71%</u> | <u>95.75%</u> | <u>97.04%</u> |
| Tax Title Liens                            | \$ 614,606    | \$ 582,682    | \$ 572,220    | \$ 562,168    | \$ 1,627,174  | \$ 1,602,460  | \$ 5,634,175  | \$ 2,895,284  | \$ 2,323,315  | \$ 2,326,553  |
| Delinquent Taxes                           | 8,603,959     | 7,295,233     | 5,494,531     | 4,824,248     | 5,127,240     | 5,092,612     | 7,098,769     | 6,412,223     | 4,158,299     | 2,177,262     |
| Total Delinquent                           | \$ 9,218,565  | \$ 7,877,915  | \$ 6,066,751  | \$ 5,386,416  | \$ 6,754,414  | \$ 6,695,072  | \$ 12,732,944 | \$ 9,307,507  | \$ 6,481,614  | \$ 4,503,815  |
| Total Tax Levy                             | \$ 74,784,471 | \$ 72,387,868 | \$ 71,843,371 | \$ 70,634,586 | \$ 67,857,360 | \$ 66,179,378 | \$ 63,393,449 | \$ 30,904,791 | \$ 58,847,938 | \$ 57,492,435 |
| % of Delinquencies to Tax Levy             | <u>12.33%</u> | <u>10.88%</u> | <u>8.44%</u>  | <u>7.63%</u>  | <u>9.95%</u>  | <u>10.12%</u> | <u>20.09%</u> | <u>30.12%</u> | <u>11.01%</u> | <u>7.83%</u>  |
| Foreclosed Property:<br>Assessed Valuation | \$ 7,542,000  | \$ 7,542,000  | \$ 7,542,000  | \$ 7,542,000  | \$ 7,542,000  | \$ 7,542,000  | \$ 7,542,000  | \$ 7,542,000  | \$ 7,542,000  | \$ 7,542,000  |

**LYNDHURST SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE (DISTRICT)  
UNAUDITED**

| Fiscal Year<br>Ended<br>June 30, | Governmental<br>Activities     |                                  | Total District | (Exhibit J-14)         | Outstanding<br>Debt<br>Per Capita | (Exhibit J-14)                   | Percentage of<br>Personal<br>Income |
|----------------------------------|--------------------------------|----------------------------------|----------------|------------------------|-----------------------------------|----------------------------------|-------------------------------------|
|                                  | General<br>Obligation<br>Bonds | Certificates of<br>Participation |                | District<br>Population |                                   | (County)<br>Per Capita<br>Income |                                     |
| 2017                             | \$ 2,130,000                   | \$ -                             | \$ 2,130,000   | 22,239                 | \$ 96                             | \$ 75,849                        | 0.13%                               |
| 2016                             | \$ 2,725,000                   | \$ -                             | \$ 2,725,000   | 22,239                 | \$ 123                            | \$ 75,849                        | 0.16%                               |
| 2015                             | \$ 3,235,000                   | \$ -                             | \$ 3,235,000   | 22,226                 | \$ 146                            | \$ 75,849                        | 0.19%                               |
| 2014                             | \$ 3,740,000                   | \$ -                             | \$ 3,740,000   | 21,668                 | \$ 173                            | \$ 73,424                        | 0.24%                               |
| 2013                             | \$ 4,235,000                   | \$ -                             | \$ 4,235,000   | 20,936                 | \$ 202                            | \$ 71,388                        | 0.28%                               |
| 2012                             | \$ 4,675,000                   | \$ -                             | \$ 4,675,000   | 20,848                 | \$ 224                            | \$ 71,929                        | 0.31%                               |
| 2011                             | \$ 5,110,000                   | \$ -                             | \$ 5,110,000   | 20,748                 | \$ 246                            | \$ 69,021                        | 0.36%                               |
| 2010                             | \$ 5,540,000                   | \$ -                             | \$ 5,540,000   | 20,585                 | \$ 269                            | \$ 66,073                        | 0.41%                               |
| 2009                             | \$ 5,965,000                   | \$ -                             | \$ 5,965,000   | 19,290                 | \$ 309                            | \$ 65,097                        | 0.47%                               |
| 2008                             | \$ 6,335,000                   | \$ -                             | \$ 6,335,000   | 19,233                 | \$ 329                            | \$ 68,124                        | 0.48%                               |
| 2007                             | \$ 6,700,000                   | \$ -                             | \$ 6,700,000   | 19,257                 | \$ 348                            | \$ 67,722                        | 0.51%                               |
| 2006                             | \$ 7,165,000                   | \$ -                             | \$ 7,165,000   | 19,330                 | \$ 371                            | \$ 63,814                        | 0.58%                               |
| 2005                             | \$ 7,415,000                   | \$ -                             | \$ 7,415,000   | 19,134                 | \$ 388                            | \$ 57,674                        | 0.67%                               |
| 2004                             | \$ 7,720,000                   | \$ -                             | \$ 7,720,000   | 19,282                 | \$ 400                            | \$ 55,322                        | 0.72%                               |
| 2003                             | \$ 8,020,000                   | \$ -                             | \$ 8,020,000   | 19,287                 | \$ 416                            | \$ 51,995                        | 0.80%                               |
| 2002                             | \$ 6,190,000                   | \$ -                             | \$ 6,190,000   | 19,302                 | \$ 321                            | \$ 51,913                        | 0.62%                               |

**LYNDHURST SCHOOL DISTRICT**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING (DISTRICT)**  
**UNAUDITED**

|   | 2016             | 2015             | 2014             | 2013             | 2012             | 2011             | 2010             | 2009             | 2008             | 2007             |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Population (Exhibit J-14)                               | 22,239           | 22,226           | 21,668           | 20,936           | 20,848           | 20,748           | 20,585           | 19,290           | 19,233           | 19,257           |
| County Equalized Valuations<br>Valuations (Exhibit J-6) | \$ 2,806,717,871 | \$ 2,646,660,097 | \$ 2,768,369,321 | \$ 2,833,854,903 | \$ 2,937,565,920 | \$ 3,375,925,358 | \$ 3,503,089,234 | \$ 3,448,909,035 | \$ 3,449,391,764 | \$ 3,117,819,944 |
| Gross Debt (Exhibit J-10)                               | \$ 2,725,000     | \$ 3,235,000     | \$ 3,740,000     | \$ 4,235,000     | \$ 4,675,000     | \$ 5,110,000     | \$ 5,540,000     | \$ 5,965,000     | \$ 6,335,000     | \$ 6,700,000     |
| Gross Debt Per Capita                                   | \$ 123           | \$ 146           | \$ 173           | \$ 202           | \$ 224           | \$ 246           | \$ 269           | \$ 309           | \$ 329           | \$ 348           |
| Ratio of Gross Debt to<br>County Equalized Valuations   | 0.10%            | 0.12%            | 0.14%            | 0.15%            | 0.16%            | 0.15%            | 0.16%            | 0.17%            | 0.18%            | 0.21%            |

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

DIRECT DEBT

|                               | December 31,<br>2016  | December 31,<br>2015 | December 31,<br>2014 | December 31,<br>2013 | December 31,<br>2012 | December 31,<br>2011 | December 31,<br>2010 | December 31,<br>2009 | June 30,<br>2009     | June 30,<br>2008     |
|-------------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Municipal:                    |                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General Purposes:             |                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| B&N Issued and Outstanding:   |                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Serial Bonds                  | \$ 30,058,000         | \$ 32,568,000        | \$ 35,543,000        | \$ 38,463,000        | \$ 9,473,000         | \$ 10,923,000        | \$ 12,563,000        | \$ 14,263,000        | \$ 15,298,000        | \$ 16,913,000        |
| Bond Anticipation Notes       | 13,967,000            | 14,392,000           | 16,068,500           | 17,660,500           | 50,803,000           | 36,900,000           | 37,250,008           | 26,169,238           | 26,169,238           | 17,503,453           |
| Loans                         | 2,403,281             | 2,574,211            | 2,718,158            | 2,857,106            | 2,996,053            | 3,130,000            | -                    | -                    | -                    | -                    |
| B&N Authorized But Not Issued | 49,715,000            | 1,459,250            | 14,250               | 14,250               | 14,250               | 14,195,750           | 5,962,500            | 2,525,000            | -                    | 8,665,785            |
| Credits                       | -                     | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
|                               | <u>\$ 96,143,281</u>  | <u>\$ 50,993,461</u> | <u>\$ 54,343,908</u> | <u>\$ 58,994,856</u> | <u>\$ 63,286,303</u> | <u>\$ 65,148,750</u> | <u>\$ 55,775,508</u> | <u>\$ 42,957,238</u> | <u>\$ 41,467,238</u> | <u>\$ 43,082,238</u> |
| Water Utility:                |                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| B&N Issued and Outstanding:   |                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Serial Bonds                  | \$ 4,230,000          | \$ 4,645,000         | \$ 5,005,000         | \$ 5,345,000         | \$ 2,070,000         | \$ 2,235,000         | \$ 2,400,000         | \$ 2,565,000         | \$ 2,615,000         | \$ 2,780,000         |
| Bond Anticipation Notes       | -                     | -                    | -                    | -                    | 3,530,000            | 1,290,000            | 1,313,670            | 635,000              | 635,000              | 635,000              |
| Other Notes                   | 6,726,747             | 8,726,480            | 9,206,912            | 9,677,344            | 10,137,000           | 10,137,776           | -                    | -                    | -                    | -                    |
| B&N Authorized But Not Issued | -                     | -                    | -                    | -                    | -                    | 2,262,224            | 15,000,000           | -                    | -                    | -                    |
|                               | <u>\$ 10,956,747</u>  | <u>\$ 13,371,480</u> | <u>\$ 14,211,912</u> | <u>\$ 15,022,344</u> | <u>\$ 15,737,000</u> | <u>\$ 15,925,000</u> | <u>\$ 18,713,670</u> | <u>\$ 3,200,000</u>  | <u>\$ 3,250,000</u>  | <u>\$ 3,415,000</u>  |
| Local School:                 |                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Serial Bonds Issued           | \$ 2,740,000          | \$ 3,235,000         | \$ 3,740,000         | \$ 4,235,000         | \$ 4,675,000         | \$ 5,110,000         | \$ 5,540,000         | \$ 5,965,000         | \$ 5,965,000         | \$ 6,335,000         |
| B&N Authorized But Not Issued | 19,873,807            | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
|                               | <u>\$ 22,613,807</u>  | <u>\$ 3,235,000</u>  | <u>\$ 3,740,000</u>  | <u>\$ 4,235,000</u>  | <u>\$ 4,675,000</u>  | <u>\$ 5,110,000</u>  | <u>\$ 5,540,000</u>  | <u>\$ 5,965,000</u>  | <u>\$ 5,965,000</u>  | <u>\$ 6,335,000</u>  |
| Total Direct Debt - Gross     | <u>\$ 129,713,835</u> | <u>\$ 67,599,941</u> | <u>\$ 72,295,820</u> | <u>\$ 78,252,200</u> | <u>\$ 83,698,303</u> | <u>\$ 86,183,750</u> | <u>\$ 80,029,178</u> | <u>\$ 52,122,238</u> | <u>\$ 50,682,238</u> | <u>\$ 52,832,238</u> |

OVERLAPPING DEBT

|   | December 31,<br>2016  | December 31,<br>2015 | December 31,<br>2014  | December 31,<br>2013  | December 31,<br>2012  | December 31,<br>2011  | December 31,<br>2010  | December 31,<br>2009 | December 31,<br>2008 | December 31,<br>2007 |
|---|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|
| (1) County Debt:                          |                       |                      |                       |                       |                       |                       |                       |                      |                      |                      |
| Municipal Equalized Valuations            | \$ 2,806,717,871      | \$ 2,646,660,097     | \$ 2,768,369,321      | \$ 2,833,854,903      | \$ 2,937,565,920      | \$ 3,375,925,358      | \$ 3,503,089,234      | \$ 3,448,909,035     | \$ 3,449,391,764     | \$ 3,117,819,944     |
| Total County Equalized Valuations         | \$ 167,963,794,248    | \$ 164,459,857,393   | \$ 162,301,130,131    | \$ 165,008,934,260    | \$ 173,258,537,441    | \$ 173,258,537,441    | \$ 183,412,099,706    | \$ 187,580,071,463   | \$ 182,767,512,263   | \$ 172,863,500,734   |
|   | 1.67%                 | 1.61%                | 1.71%                 | 1.72%                 | 1.70%                 | 1.95%                 | 1.91%                 | 1.84%                | 1.89%                | 1.80%                |
| X's Outstanding County Debt               | 1,676,225,344         | 1,578,532,537        | 1,471,796,641         | 1,343,787,738         | 1,276,830,919         | 1,209,730,830         | 1,248,273,490         | 1,138,505,430        | 1,102,573,565        | 1,087,757,268        |
|   | <u>\$ 27,992,963</u>  | <u>\$ 25,414,374</u> | <u>\$ 25,167,723</u>  | <u>\$ 23,113,149</u>  | <u>\$ 21,706,126</u>  | <u>\$ 23,589,751</u>  | <u>\$ 23,842,024</u>  | <u>\$ 20,948,500</u> | <u>\$ 20,838,640</u> | <u>\$ 19,579,631</u> |
| (2) Passaic Valley Sewerage Commission:   |                       |                      |                       |                       |                       |                       |                       |                      |                      |                      |
| Municipal Sewer Flow Charges              | \$ 1,756,372          | \$ 1,718,644         | \$ 1,648,444          | \$ 1,576,860          | \$ 1,574,479          | \$ 1,572,807          | \$ 1,596,174          | \$ 1,569,661         | \$ 1,532,212         | \$ 1,440,543         |
| Total Flow Charges                        | \$ 130,115,638        | \$ 127,571,358       | \$ 127,571,359        | \$ 127,569,056        | \$ 123,957,348        | \$ 129,883,667        | \$ 129,963,014        | \$ 127,525,062       | \$ 125,403,855       | \$ 121,388,216       |
|   | 1.35%                 | 1.35%                | 1.29%                 | 1.24%                 | 1.27%                 | 1.21%                 | 1.23%                 | 1.23%                | 1.22%                | 1.19%                |
| X's Outstanding Debt                      | 279,299,508           | 266,194,637          | 289,855,869           | 296,652,116           | 316,515,886           | 339,880,368           | 355,234,494           | 305,533,465          | 293,135,787          | 305,405,498          |
|   | <u>\$ 3,770,543</u>   | <u>\$ 3,593,628</u>  | <u>\$ 3,739,141</u>   | <u>\$ 3,678,486</u>   | <u>\$ 4,019,752</u>   | <u>\$ 4,112,552</u>   | <u>\$ 4,369,384</u>   | <u>\$ 3,758,062</u>  | <u>\$ 3,576,257</u>  | <u>\$ 3,634,325</u>  |
| Total Overlapping Debt                    | <u>\$ 31,763,506</u>  | <u>\$ 29,008,002</u> | <u>\$ 28,906,864</u>  | <u>\$ 26,791,635</u>  | <u>\$ 25,725,878</u>  | <u>\$ 27,702,303</u>  | <u>\$ 28,211,408</u>  | <u>\$ 24,706,562</u> | <u>\$ 24,414,897</u> | <u>\$ 23,213,956</u> |
| Total Direct and Overlapping Debt - Gross | <u>\$ 161,477,341</u> | <u>\$ 96,607,943</u> | <u>\$ 101,202,684</u> | <u>\$ 105,043,835</u> | <u>\$ 109,424,181</u> | <u>\$ 113,886,053</u> | <u>\$ 108,240,586</u> | <u>\$ 76,828,800</u> | <u>\$ 75,097,135</u> | <u>\$ 76,046,194</u> |

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

|                                     | December 31,     |                  |                  |                  |                  |                  |                  | June 30,         |                  |                  |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                     | 2016             | 2015             | 2014             | 2013             | 2012             | 2011             | 2010             | 2009             | 2009             | 2008             |
| State Equalized Valuation Basis     | \$ 2,843,472,074 | \$ 2,703,231,195 | \$ 2,716,868,448 | \$ 2,906,021,002 | \$ 3,119,994,688 | \$ 3,351,293,007 | \$ 3,426,599,226 | \$ 3,287,313,029 | \$ 3,287,313,029 | \$ 3,012,126,129 |
| Municipal Borrowing Power:          |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| 3 1/2% of Equalized Valuation Basis | \$ 99,521,523    | \$ 94,613,092    | \$ 95,090,396    | \$ 101,710,735   | \$ 109,199,814   | \$ 117,295,255   | \$ 119,930,973   | \$ 115,055,956   | \$ 115,055,956   | \$ 105,424,415   |
| Net Debt                            | 84,591,281       | 37,781,961       | 39,641,908       | 42,852,356       | 47,533,303       | 48,237,663       | 53,004,421       | 39,536,151       | 37,517,238       | 41,892,238       |
| Remaining Borrowing Power           | \$ 14,930,242    | \$ 56,831,131    | \$ 55,448,488    | \$ 58,858,379    | \$ 61,666,511    | \$ 69,057,592    | \$ 66,926,552    | \$ 75,519,805    | \$ 77,538,718    | \$ 63,532,177    |
| School Borrowing Power:             |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| 4% of Equalized Valuation Basis     | \$ 113,738,883   | \$ 108,129,248   | \$ 108,674,738   | \$ 116,240,840   | \$ 124,799,788   | \$ 134,051,720   | \$ 137,063,969   | \$ 131,492,521   | \$ 131,492,521   | \$ 120,485,045   |
| Net School Debt                     | 2,740,000        | 3,235,000        | 3,740,000        | 4,235,000        | 4,675,000        | 5,110,000        | 5,540,000        | 5,965,000        | 5,965,000        | 6,335,000        |
| School Borrowing Margin Available   | \$ 110,998,883   | \$ 104,894,248   | \$ 104,934,738   | \$ 112,005,840   | \$ 120,124,788   | \$ 128,941,720   | \$ 131,523,969   | \$ 125,527,521   | \$ 125,527,521   | \$ 114,150,045   |



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

|  | 2016   | 2015   | 2014   | 2013   | 2012   | 2011   | 2010   | 2009   | 2008   | 2007      |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|
| Average Labor Force Estimates by Municipality: |        |        |        |        |        |        |        |        |        |           |
| Labor Force                                    | 11,249 | 11,268 | 10,892 | 10,441 | 11,270 | 11,179 | 11,193 | 11,262 | 11,048 | 10,886    |
| Employment                                     | 10,677 | 10,615 | 10,130 | 9,605  | 10,035 | 9,974  | 9,967  | 10,057 | 10,376 | 10,375    |
| Unemployment                                   | 572    | 653    | 762    | 836    | 1,235  | 1,205  | 1,226  | 1,205  | 673    | 511       |
| Unemployment Rate                              | 5.1%   | 5.8%   | 7.0%   | 8.0%   | 11.0%  | 10.8%  | 11.0%  | 10.7%  | 6.1%   | 4.7%      |
| Per Capital Personal Income by County          |        |        |        |        |        |        |        |        |        |           |
|  | 75,849 | 75,849 | 73,424 | 71,388 | 71,929 | 69,021 | 66,073 | 65,097 | 68,124 | \$ 67,722 |

Estimates as of July 1,

| Subcounty Population Estimates: |         |         |         |         |         |         |         |         |         |         |
|---------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Lyndhurst TWP                   | 22,239  | 22,226  | 21,668  | 20,936  | 20,848  | 20,748  | 20,585  | 19,290  | 19,233  | 19,257  |
| County of Bergen                | 939,151 | 936,010 | 931,196 | 925,497 | 919,694 | 913,717 | 906,800 | 895,250 | 889,915 | 885,664 |

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

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Not Available

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

|   | <u>2017</u> |            |
|---|-------------|------------|
| <u>Function/Program</u>                     |             |            |
| Instruction:                                |             |            |
| Regular Programs (Including Aides)          | 1XX         | 164        |
| Special Education (Including Aides)         | 2XX         | 66         |
| Basic Skills/Remedial                       | 230         | 10         |
| Bilingual Education                         | 240         | 3          |
| School Sponsored Co/Extra Curr. Activities  | 401         | -          |
| School Sponsored Athletics                  | 402         | 1          |
| Support Services:                           |             |            |
| Tuition                                     | 100         | -          |
| Attendance and Social Work Services         | 211         | 1          |
| Health Services                             | 213         | 9          |
| Students - Related and Extraordinary        | 216,217     | 12         |
| Guidance                                    | 218         | 12         |
| Child Study Teams                           | 219         | 10         |
| Improvement of Instructional Services       | 221         | 7          |
| Educational Media Services/School Library   | 222         | 1          |
| Instructional Staff Training Services       | 223         | -          |
| General Administration                      | 230         | 5          |
| School Administration                       | 240         | 22         |
| Central Svcs. & Admin. Info. Technology     | 25X         | 8          |
| Operation and Maintenance of Plant Services | 26X         | 40         |
| Student Transportation Services             | 270         | 6          |
| Personal Services - Employee Benefits       | XXX         | -          |
| Special Schools                             |             | -          |
| Food Service                                | 310         | -          |
| Child Care                                  | 000         | -          |
|   |             | <u>377</u> |

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

J-17

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| <u>Fiscal Year</u> | <u>Average<br/>Daily<br/>Enrollment</u> | <u>% Change</u> | <u>(Exhibit J-4)</u>              |                               | <u>Percentage<br/>Change</u> | <u>Teaching<br/>Staff</u> | <u>Pupil/<br/>Teacher Ratio</u> | <u>Average<br/>Daily<br/>Attendance</u> | <u>Student<br/>Attendance<br/>Percentage</u> |
|--------------------|---|-----------------|-----------------------------------|-------------------------------|------------------------------|---------------------------|---------------------------------|---|--|
|                    |   |                 | <u>Operating<br/>Expenditures</u> | <u>Cost<br/>Per<br/>Pupil</u> |                              |                           |                                 |   |  |
| 2017               | 2468.0                                  | 3.5%            | \$ 42,505,052                     | 17,222                        | 3.7%                         | 171                       | 14.8                            | 2351.7                                  | 95.3%  |
| 2016               | 2385.0                                  | -0.2%           | \$ 39,610,060                     | 16,608                        | 4.2%                         | 167                       | 14.6                            | 2269.8                                  | 95.2%  |
| 2015               | 2390.2                                  | 3.4%            | \$ 38,089,632                     | 15,936                        | -1.2%                        | 170                       | 14.1                            | 2273.7                                  | 95.1%  |
| 2014               | 2311.7                                  | 3.2%            | \$ 37,275,715                     | 16,125                        | -2.0%                        | 149                       | 15.5                            | 2200.9                                  | 95.2%  |
| 2013               | 2240.3                                  | -4.1%           | \$ 36,857,527                     | 16,452                        | 7.3%                         | 159                       | 14.1                            | 2132.4                                  | 95.2%  |
| 2012               | 2336.0                                  | 1.0%            | \$ 35,820,540                     | 15,334                        | 2.0%                         | 155                       | 15.1                            | 2222.5                                  | 95.1%  |
| 2011               | 2312.0                                  | 0.2%            | \$ 34,746,641                     | 15,029                        | 4.4%                         | 162                       | 14.3                            | 2191.1                                  | 94.8%  |
| 2010               | 2307.5                                  | -7.9%           | \$ 33,209,661                     | 14,392                        | 16.8%                        | 160                       | 14.4                            | 2177.7                                  | 94.4%  |
| 2009               | 2504.9                                  | 12.1%           | \$ 30,877,716                     | 12,327                        | -8.0%                        | 176                       | 14.2                            | 2355.7                                  | 94.0%  |
| 2008               | 2234.7                                  | 1.3%            | \$ 29,927,379                     | 13,392                        | 2.4%                         | 156                       | 14.3                            | 2102.2                                  | 94.1%  |
| 2007               | 2205.2                                  | 0.1%            | \$ 28,841,588                     | 13,079                        | 7.2%                         | 154                       | 14.3                            | 2081.1                                  | 94.4%  |
| 2006               | 2203.4                                  | 0.8%            | \$ 26,876,282                     | 12,198                        | 5.4%                         | 153                       | 14.4                            | 2078.8                                  | 94.3%  |
| 2005               | 2185.7                                  | 1.7%            | \$ 25,283,556                     | 11,568                        | 0.9%                         | 150                       | 14.6                            | 2066.4                                  | 94.5%  |
| 2004               | 2148.6                                  |                 | \$ 24,630,278                     | 11,463                        |                              | 149                       | 14.4                            | 2039.2                                  | 94.9%  |

**LYNDHURST SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION (DISTRICT)  
UNAUDITED**

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2016

Elementary

|                          |        |
|--------------------------|--------|
| Columbus:                |        |
| Square Feet              | 10,500 |
| Capacity (students)      | 126.90 |
| Average Daily Enrollment | 213.96 |
| Franklin:                |        |
| Square Feet              | 18,400 |
| Capacity (students)      | 205.20 |
| Average Daily Enrollment | 220.34 |
| Jefferson:               |        |
| Square Feet              | 32,060 |
| Capacity (students)      | 260.10 |
| Average Daily Enrollment | 268.00 |
| Lincoln:                 |        |
| Square Feet              | 24,300 |
| Capacity (students)      | 283.50 |
| Average Daily Enrollment | 265.06 |
| Roosevelt:               |        |
| Square Feet              | 21,600 |
| Capacity (students)      | 431.10 |
| Average Daily Enrollment | 401.95 |
| Washington:              |        |
| Square Feet              | 19,500 |
| Capacity (students)      | 273.70 |
| Average Daily Enrollment | 184.00 |
| Memorial Campus:         |        |
| Square Feet              | 17,800 |
| Capacity (students)      | 150.00 |
| Average Daily Enrollment | 182.61 |

High School

|                          |          |
|--------------------------|----------|
| Lyndhurst High School:   |          |
| Square Feet              | 112,300  |
| Capacity (students)      | 906.95   |
| Average Daily Enrollment | 732.07   |
| District Totals:         |          |
| Square Feet              | 256,460  |
| Capacity (students)      | 2,637.45 |
| Average Daily Enrollment | 2,467.99 |

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

| School Facilities            | 2017                | 2016                | 2015                | 2014                | 2013                | 2012              | 2011              | 2010              | 2009              | 2008              |
|------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Lyndhurst Senior High School | \$ 450,383          | \$ 512,059          | \$ 514,288          | \$ 618,629          | \$ 329,062          | \$ 387,873        | \$ 257,611        | \$ 220,136        | \$ 238,214        | \$ 195,507        |
| Columbus Elementary School   | 127,886             | 101,332             | 45,715              | 54,989              | 60,522              | 19,436            | 19,049            | 8,376             | 13,483            | 31,880            |
| Franklin Elementary School   | 137,700             | 83,979              | 80,001              | 96,231              | 288,847             | 47,705            | 32,025            | 22,947            | 51,019            | 33,253            |
| Jefferson Elementary School  | 177,053             | 164,834             | 148,572             | 178,715             | 262,287             | 110,215           | 84,430            | 60,240            | 78,532            | 61,590            |
| Lincoln Elementary School    | 66,450              | 60,881              | 114,287             | 137,473             | 47,289              | 51,667            | 68,282            | 37,552            | 32,773            | 42,880            |
| Roosevelt Elementary School  | 92,652              | 114,043             | 102,858             | 123,726             | 55,563              | 52,779            | 41,985            | 19,068            | 14,683            | 18,673            |
| Washington Elementary School | 71,062              | 103,397             | 91,429              | 109,978             | 142,801             | 67,829            | 49,594            | 38,291            | 54,374            | 50,314            |
| Memorial Campus              | 64,789              | 74,854              | 45,715              | 54,989              | -                   | -                 | -                 | -                 | -                 | -                 |
|                              | <u>\$ 1,187,975</u> | <u>\$ 1,215,379</u> | <u>\$ 1,142,865</u> | <u>\$ 1,374,730</u> | <u>\$ 1,186,371</u> | <u>\$ 737,504</u> | <u>\$ 552,976</u> | <u>\$ 406,610</u> | <u>\$ 483,078</u> | <u>\$ 434,097</u> |

**LYNDHURST SCHOOL DISTRICT  
INSURANCE SCHEDULE (DISTRICT)  
UNAUDITED**

| Coverage Type                                  | Coverage Amount | Carrier                        | Policy Number     | Effective Dates   |
|--|-----------------|--------------------------------|-------------------|-------------------|
| <b>Property</b>                                |                 |                                |                   |                   |
| Blanket Building Coverage                      | \$ 60,301,677   | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Business Income/Extra Expense                  | \$ 250,000      | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Flood & Earthquake                             | \$ 10,000,000   | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Blanket Contents Coverage                      | \$ 13,002,055   | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| <b>General Liability</b>                       |                 |                                |                   |                   |
| General Aggregate                              | \$ 50,000,000   | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Products/Completed Operations                  | \$ 50,000,000   | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Personal & Advertising Injury                  | \$ 5,000,000    | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Each Occurrence                                | \$ 5,000,000    | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Damage to Rented Premises                      | \$ 2,500,000    | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Medical Expense (Per Person)                   | \$ 5,000        | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Employee Benefits                              | \$ 5,000,000    | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| <b>School Leaders Professional Liability</b>   |                 |                                |                   |                   |
| General Aggregate                              | \$ 5,000,000    | School Alliance Insurance Fund | SLPL-16-185       | 7/1/2016-7/1/2017 |
| Each Occurrence                                | \$ 5,000,000    | School Alliance Insurance Fund | SLPL-16-185       | 7/1/2016-7/1/2017 |
| Deductible                                     | \$ 25,000       | School Alliance Insurance Fund | SLPL-16-185       | 7/1/2016-7/1/2017 |
| <b>Environmental Liability</b>                 |                 |                                |                   |                   |
| Per Incident                                   | \$ 1,000,000    | Ace Group                      | PPE G23566527 012 | 7/1/2016-7/1/2017 |
| Fund Annual Aggregate                          | \$ 25,000,000   | Ace Group                      | PPE G23566527 012 | 7/1/2016-7/1/2017 |
| Deductible                                     | \$ 10,000       | Ace Group                      | PPE G23566527 012 | 7/1/2016-7/1/2017 |
| <b>Cyber Liability</b>                         |                 |                                |                   |                   |
| Limit of Liability                             | \$ 2,000,000    | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Deductible                                     | \$ 10,000       | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| <b>Student Accident</b>                        |                 |                                |                   |                   |
| Maximum Benefit                                | \$ 5,000,000    | Zurich Insurance Company       | MCB5465777        | 7/1/2016-7/1/2017 |
| Benefit Period                                 | 10 Years        | Zurich Insurance Company       | MCB5465777        | 7/1/2016-7/1/2017 |
| <b>Business Auto</b>                           |                 |                                |                   |                   |
| Liability - Combined Single Limit              | \$ 5,000,000    | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Medical Payments (Each Person)                 | \$ 5,000        | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Uninsured Motorists - Combined Single Limit    | \$ 15,000       | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Underinsured Motorists - Combined Single Limit | \$ 15,000       | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Comprehensive Deductible                       | \$ 500          | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Collision Deductible                           | \$ 500          | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| <b>Crime</b>                                   |                 |                                |                   |                   |
| Employee Dishonesty                            | \$ 500,000      | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Forgery or Alteration                          | \$ 50,000       | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Inside Premises                                | \$ 50,000       | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Outside Premises                               | \$ 50,000       | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Robbery of Custodians                          | \$ 25,000       | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Safe Burglary                                  | \$ 25,000       | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Outside Premises                               | \$ 25,000       | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Computer Fraud                                 | \$ 50,000       | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Deductible for All Above                       | \$ 1,000        | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| <b>Equipment Floater</b>                       |                 |                                |                   |                   |
| Deductible                                     | \$ 1,000        | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| <b>Umbrella</b>                                |                 |                                |                   |                   |
| Liability - Each Occurrence                    | \$ 5,000,000    | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |
| Aggregate Limit                                | \$ 5,000,000    | School Alliance Insurance Fund | PR-16-01-185      | 7/1/2016-7/1/2017 |

LYNDHURST SCHOOL DISTRICT  
 INSURANCE SCHEDULE (DISTRICT)  
 UNAUDITED

| Coverage Type                                 | Coverage Amount | Carrier                       | Policy Number     | Effective Dates   |
|---|-----------------|-------------------------------|-------------------|-------------------|
| <b>Excess Umbrella</b>                        |                 |                               |                   |                   |
| Liability - Each Occurrence                   | \$ 5,000,000    | Fireman's Fund                | SHX-000-9045-5668 | 7/1/2016-7/1/2017 |
| Aggregate Limit                               | \$ 5,000,000    | Fireman's Fund                | SHX-000-9045-5668 | 7/1/2016-7/1/2017 |
| <b>Accidental Death &amp; Dismemberment</b>   |                 |                               |                   |                   |
| Coverage Limit Per Person                     | \$ 100,000      | Gerber Life Insurance Company | BTA-37350         | 7/1/2016-7/1/2017 |
| Aggregate Limit                               | \$ 500,000      | Gerber Life Insurance Company | BTA-37350         |                   |
| <b>Finance Department Surety Bond</b>         |                 |                               |                   |                   |
| Bond Amount                                   | \$ 50,000       | Selective Insurance Company   | B1023611          | 7/1/2016-7/1/2017 |
| <b>Employee Blanket Bond</b>                  |                 |                               |                   |                   |
| Bond Amount                                   | \$ 100,000      | Selective Insurance Company   | B6017696          | 7/1/2016-7/1/2017 |
| Deductible                                    | \$ 1,000        | Selective Insurance Company   | B6017696          | 7/1/2016-7/1/2017 |
| <b>Business Administrator Surety Bond</b>     |                 |                               |                   |                   |
| Bond Amount                                   | \$ 250,000      | First Indemnity of America    | FP0021178         | 3/7/2016-3/7/2017 |
| <b>Treasurer of School Monies Surety Bond</b> |                 |                               |                   |                   |
| Bond Amount                                   | \$ 10,000       | Selective Insurance Company   | B1116808          | 7/1/2016-7/1/2017 |



LYNDHURST SCHOOL DISTRICT  
Comprehensive Annual Financial Report  
Single Audit Section

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

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

**Report on Internal Control Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements Performed in Accordance With  
Government Auditing Standards**

**Independent Auditor's Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst School District, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Lyndhurst School District's basic financial statements, and have issued our report thereon dated November 30, 2017.

**Internal Control Over Financial Reporting**

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

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

**Di Maria & Di Maria LLP**

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

**DI MARIA & DI MARIA LLP**  
**Accountants and Consultants**

*Frank Di Maria*

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

November 30, 2017

245 Union Street  
 Lodi, New Jersey 07644  
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**Report on Compliance for Each Major Federal & State Program; Report on Internal Control Over Compliance; and Report on the Schedules of Expenditures of Federal Awards as required by Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform, Guidance) and State Financial Assistance as Required by New Jersey OMB Circular 15-08**

**Independent Auditor's Report**

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

**Report on Compliance for Each Major Federal and State Program**

We have audited the compliance of the Board of Education of the Lyndhurst School District, in the County of Bergen, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Lyndhurst School District's major federal and state programs for the fiscal year ended June 30, 2017. The Lyndhurst School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

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

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

**Opinion on Each Major Federal and State Program**

In our opinion, the Lyndhurst School District, in the County of Bergen, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2017.

**Report on Internal Control Over Compliance**

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

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

**Di Maria & Di Maria LLP**

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lyndhurst School District as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2017 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 Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

**DI MARIA & DI MARIA LLP**  
**Accountants and Consultants**

*Frank Di Maria*

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

November 30, 2017

LYNDHURST SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

K-3  
 Schedule A

| Catalog of Federal Domestic Assistance<br>Program Title | Federal<br>C.F.D.A.<br>Number | FAIN<br>Number  | State Aid/Grant Program Titles        | Award<br>Amount | Grant Period               |          | (Accounts     | Deferred      | Carryover | Cash       | Budgetary      | Repayment of | (Accounts     | Deferred      | Due to        |
|---|-------------------------------|-----------------|---------------------------------------|-----------------|----------------------------|----------|---------------|---------------|-----------|------------|----------------|--------------|---------------|---------------|---------------|
|   |                               |                 |                                       |                 | From                       | To       | Receivable)   | Revenue       |           |            |                |              | Adjustments   | Receivable)   |               |
|   |                               |                 |                                       |                 |                            |          | June 30, 2016 | June 30, 2016 | Amount    | Received   | Expenditures   | Balances     | June 30, 2017 | June 30, 2017 | June 30, 2017 |
| <b>General Fund</b>                                     |                               |                 |                                       |                 |                            |          |               |               |           |            |                |              |               |               |               |
| Medical Assistance Program                              | 93.778                        | 1705NU5MAP      | Special Education Medicaid Initiative | 56,548          | 09/01/16                   | 06/30/17 | \$ -          | \$ -          | \$ -      | 56,548     | (56,548)       | \$ -         | \$ -          | \$ -          | \$ -          |
| Medical Assistance Program                              | 93.778                        | 1605NU5MAP      | Special Education Medicaid Initiative | 8,302           | 09/01/15                   | 06/30/16 | (8,302)       | -             | -         | 8,302      | -              | -            | -             | -             | -             |
|   |                               |                 |                                       |                 | Total General Fund         |          | (8,302)       | -             | -         | 64,850     | (56,548)       | -            | -             | -             | -             |
| <b>Special Revenue Fund</b>                             |                               |                 |                                       |                 |                            |          |               |               |           |            |                |              |               |               |               |
| Grants to Local Educational Agencies                    | 84.010                        | S010A160030     | Title I, Part A                       | 326,481         | 09/01/16                   | 08/31/17 | -             | -             | -         | 206,822    | (324,547)      | -            | -             | (117,725)     | -             |
| Grants to Local Educational Agencies                    | 84.010                        | S010A150030     | Title I, Part A                       | 328,481         | 09/01/15                   | 08/31/16 | (298)         | -             | -         | 298        | -              | -            | -             | -             | -             |
| Improving Teacher Quality State Grants                  | 84.367A                       | S367A160029     | Title II, Part A                      | 50,752          | 09/01/16                   | 08/31/17 | -             | -             | -         | 30,332     | (50,222)       | -            | -             | (19,890)      | -             |
| Improving Teacher Quality State Grants                  | 84.367A                       | S367A150029     | Title II, Part A                      | 56,004          | 09/01/15                   | 08/31/16 | (8,621)       | -             | 527       | 8,621      | (527)          | -            | -             | -             | -             |
| English Language Acquisition Grants                     | 84.365                        | S365A160030     | Title II, Part A                      | 18,874          | 09/01/16                   | 08/31/17 | -             | -             | -         | 10,114     | (18,874)       | -            | -             | (8,760)       | -             |
| English Language Acquisition Grants                     | 84.365                        | S365A150030     | Title III                             | 7,742           | 09/01/15                   | 08/31/16 | (7,742)       | -             | -         | 7,742      | -              | -            | -             | -             | -             |
| Special Education - Grants to States                    | 84.027                        | H027A160100     | I.D.E.A. Part B - Basic               | 629,825         | 09/01/16                   | 08/31/17 | -             | -             | -         | 353,727    | (626,184)      | -            | -             | (272,457)     | -             |
| Special Education - Grants to States                    | 84.027                        | H027A150100     | I.D.E.A. Part B - Basic               | 647,339         | 09/01/15                   | 08/31/16 | (12,158)      | -             | 219       | 12,158     | (219)          | -            | -             | -             | -             |
| Special Education - Grants to States                    | 84.173                        | H173A160114     | I.D.E.A. Part B - Preschool           | 24,835          | 09/01/16                   | 08/31/17 | -             | -             | -         | 24,146     | (24,835)       | -            | -             | (689)         | -             |
|   |                               |                 |                                       |                 | Total Special Revenue Fund |          | (28,819)      | -             | 746       | 653,960    | (1,045,408)    | -            | -             | (419,521)     | -             |
| <b>Enterprise Fund</b>                                  |                               |                 |                                       |                 |                            |          |               |               |           |            |                |              |               |               |               |
| School Breakfast Program                                | 10.553                        | 171NJ304N1099   | School Breakfast Program              | 20,908          | 10/01/16                   | 09/30/17 | -             | -             | -         | 19,133     | (20,908)       | -            | -             | (1,775)       | -             |
| School Breakfast Program                                | 10.553                        | 16161NJ304N1099 | School Breakfast Program              | 19,896          | 09/01/15                   | 06/30/16 | (4,310)       | -             | -         | 4,310      | -              | -            | -             | -             | -             |
| National School Lunch Program                           | 10.555                        | 171NJ304N1099   | National School Lunch Program         | 232,070         | 10/01/16                   | 09/30/17 | -             | -             | -         | 213,097    | (232,070)      | -            | -             | (18,973)      | -             |
| National School Lunch Program                           | 10.555                        | 16161NJ304N1099 | National School Lunch Program         | 222,047         | 09/01/15                   | 06/30/16 | (42,975)      | -             | -         | 42,975     | -              | -            | -             | -             | -             |
|   |                               |                 |                                       |                 | Total Enterprise Fund      |          | (47,285)      | -             | -         | 279,515    | (252,978)      | -            | -             | (20,748)      | -             |
| Total Federal Financial Awards                          |                               |                 |                                       |                 |                            |          | \$ (84,406)   | \$ -          | \$ 746    | \$ 998,325 | \$ (1,354,934) | \$ -         | \$ -          | \$ (440,269)  | \$ -          |

LYNDHURST SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

K-4  
 Schedule B

| State Grantor / Program Title  | Grant or State Project Number | Award Amount | Grant Period |          | (Accounts           | Due to           | Carryover Amount | Cash Received       | Budgetary Expenditures | Adjustments | Repayment of       | (Accounts           | Deferred      | Due to          |
|--|-------------------------------|--------------|--------------|----------|---------------------|------------------|------------------|---------------------|------------------------|-------------|--------------------|---------------------|---------------|-----------------|
|  |                               |              | From         | To       | Receivable)         | Grantor at       |                  |                     |                        |             | Prior Years        | Receivable)         | Revenue       | Grantor at      |
|  |                               |              |              |          | June 30, 2016       | June 30, 2016    |                  |                     |                        |             | Balances           | June 30, 2017       | June 30, 2017 | June 30, 2017   |
| <b>General Fund</b>  |                               |              |              |          |                     |                  |                  |                     |                        |             |                    |                     |               |                 |
| Equalization Aid   | 17-495-034-5120-078           | 404,524      | 09/01/16     | 06/30/17 | \$ -                | \$ -             | \$ -             | \$ 404,524          | \$ (404,524)           | \$ -        | \$ -               | \$ -                | \$ -          | \$ -            |
| Transportation Aid   | 17-495-034-5120-014           | 61,668       | 09/01/16     | 06/30/17 | -                   | -                | -                | 61,668              | (61,668)               | -           | -                  | -                   | -             | -               |
| Special Education Categorical Aid  | 17-495-034-5120-089           | 1,439,268    | 09/01/16     | 06/30/17 | -                   | -                | -                | 1,439,268           | (1,439,268)            | -           | -                  | -                   | -             | -               |
| Security Aid   | 17-495-034-5120-084           | 75,106       | 09/01/16     | 06/30/17 | -                   | -                | -                | 75,106              | (75,106)               | -           | -                  | -                   | -             | -               |
| Adjustment Aid   | 17-495-034-5120-085           | 1            | 09/01/16     | 06/30/17 | -                   | -                | -                | 1                   | (1)                    | -           | -                  | -                   | -             | -               |
| PARCC Readiness Aid  | 17-495-034-5120-098           | 24,220       | 09/01/16     | 06/30/17 | -                   | -                | -                | 24,220              | (24,220)               | -           | -                  | -                   | -             | -               |
| Per Pupil Growth Aid   | 17-495-034-5120-097           | 24,220       | 09/01/16     | 06/30/17 | -                   | -                | -                | 24,220              | (24,220)               | -           | -                  | -                   | -             | -               |
| Professional Learning Community Aid  | 17-495-034-5120-101           | 24,590       | 09/01/16     | 06/30/17 | -                   | -                | -                | 24,590              | (24,590)               | -           | -                  | -                   | -             | -               |
| Extraordinary Special Education Costs Aid                                      | 17-100-034-5120-473           | 326,335      | 09/01/16     | 06/30/17 | -                   | -                | -                | -                   | (326,335)              | -           | -                  | (326,335)           | -             | -               |
| Extraordinary Special Education Costs Aid                                      | 16-100-034-5120-473           | 297,428      | 09/01/15     | 06/30/16 | (297,428)           | -                | -                | 297,428             | -                      | -           | -                  | -                   | -             | -               |
| TPAF (Post Retirement Medical)   | 17-495-034-5094-001           | 1,636,679    | 09/01/16     | 06/30/17 | -                   | -                | -                | 1,636,679           | (1,636,679)            | -           | -                  | -                   | -             | -               |
| TPAF   | 17-495-034-5094-002           | 1,964,264    | 09/01/16     | 06/30/17 | -                   | -                | -                | 1,964,264           | (1,964,264)            | -           | -                  | -                   | -             | -               |
| TPAF (Non-Contributory Insurance)  | 17-495-034-5094-004           | 6,159        | 09/01/16     | 06/30/17 | -                   | -                | -                | 6,159               | (6,159)                | -           | -                  | -                   | -             | -               |
| Social Security Tax  | 17-495-034-5094-003           | 1,306,759    | 09/01/16     | 06/30/17 | -                   | -                | -                | 1,241,574           | (1,306,759)            | -           | -                  | (65,185)            | -             | -               |
| <b>Total General Fund</b>  |                               |              |              |          | <b>(297,428)</b>    | <b>-</b>         | <b>-</b>         | <b>7,199,701</b>    | <b>(7,293,793)</b>     | <b>-</b>    | <b>-</b>           | <b>(391,520)</b>    | <b>-</b>      | <b>-</b>        |
| <b>Special Revenue Fund</b>  |                               |              |              |          |                     |                  |                  |                     |                        |             |                    |                     |               |                 |
| N.J. Non-Public Textbook Aid   | 17-100-034-5120-064           | 19,252       | 09/01/16     | 06/30/17 | -                   | -                | -                | 19,252              | (19,252)               | -           | -                  | -                   | -             | -               |
| N.J. Non-Public Nursing Services   | 17-100-034-5120-070           | 30,060       | 09/01/16     | 06/30/17 | -                   | -                | -                | 30,060              | (30,060)               | -           | -                  | -                   | -             | -               |
| N.J. Non-Public Technology Initiative  | 17-100-034-5120-373           | 8,684        | 09/01/16     | 06/30/17 | -                   | -                | -                | 8,684               | (8,656)                | -           | -                  | -                   | -             | 28              |
| N.J. Non-Public Security Aid   | 17-100-034-5120-509           | 16,700       | 09/01/16     | 06/30/17 | -                   | -                | -                | 16,700              | (16,700)               | -           | -                  | -                   | -             | -               |
| N.J. Non-Public Handicapped Aid:   |                               |              |              |          |                     |                  |                  |                     |                        |             |                    |                     |               |                 |
| Examination & Classification   | 17-100-034-5120-066           | 16,754       | 09/01/16     | 06/30/17 | -                   | -                | -                | 16,754              | (16,754)               | -           | -                  | -                   | -             | -               |
| Corrective Speech  | 17-100-034-5120-066           | 26,593       | 09/01/16     | 06/30/17 | -                   | -                | -                | 26,593              | (24,296)               | -           | -                  | -                   | -             | 2,297           |
| Supplementary Instruction  | 17-100-034-5120-066           | 22,756       | 09/01/16     | 06/30/17 | -                   | -                | -                | 22,756              | (19,617)               | -           | -                  | -                   | -             | 3,139           |
| N.J. Non-Public Auxiliary Services Aid:  |                               |              |              |          |                     |                  |                  |                     |                        |             |                    |                     |               |                 |
| Compensatory Education   | 17-100-034-5120-067           | 77,755       | 09/01/16     | 06/30/17 | -                   | -                | -                | 77,755              | (75,516)               | -           | -                  | -                   | -             | 2,239           |
| ESL  | 17-100-034-5120-067           | -            | 09/01/16     | 06/30/17 | -                   | -                | -                | -                   | -                      | -           | -                  | -                   | -             | -               |
| Home Instruction   | 17-100-034-5120-067           | -            | 09/01/16     | 06/30/17 | -                   | -                | -                | -                   | -                      | -           | -                  | -                   | -             | -               |
| N.J. Non-Public Handicapped Aid:   |                               |              |              |          |                     |                  |                  |                     |                        |             |                    |                     |               |                 |
| Examination & Classification   | 16-100-034-5120-066           | 27,442       | 09/01/15     | 06/30/16 | -                   | 4,602            | -                | -                   | -                      | -           | (4,602)            | -                   | -             | -               |
| Corrective Speech  | 16-100-034-5120-066           | 24,162       | 09/01/15     | 06/30/16 | -                   | 2,090            | -                | -                   | -                      | -           | (2,090)            | -                   | -             | -               |
| Supplementary Instruction  | 16-100-034-5120-066           | 19,975       | 09/01/15     | 06/30/16 | -                   | 2,079            | -                | -                   | -                      | -           | (2,079)            | -                   | -             | -               |
| N.J. Non-Public Auxiliary Services Aid:  |                               |              |              |          |                     |                  |                  |                     |                        |             |                    |                     |               |                 |
| Compensatory Education   | 16-100-034-5120-067           | 81,218       | 09/01/15     | 06/30/16 | -                   | 4,229            | -                | -                   | -                      | -           | (4,229)            | -                   | -             | -               |
| ESL  | 16-100-034-5120-067           | 3,451        | 09/01/15     | 06/30/16 | -                   | 3,451            | -                | -                   | -                      | -           | (3,451)            | -                   | -             | -               |
| <b>Total Special Revenue Fund</b>  |                               |              |              |          | <b>-</b>            | <b>16,451</b>    | <b>-</b>         | <b>218,554</b>      | <b>(210,851)</b>       | <b>-</b>    | <b>(16,451)</b>    | <b>-</b>            | <b>-</b>      | <b>7,703</b>    |
| <b>Enterprise Fund</b>   |                               |              |              |          |                     |                  |                  |                     |                        |             |                    |                     |               |                 |
| State School Lunch Program   | 17-100-010-3350-023           | 5,089        | 09/01/16     | 06/30/17 | -                   | -                | -                | 4,685               | (5,089)                | -           | -                  | (404)               | -             | -               |
| State School Lunch Program   | 16-100-010-3350-023           | 5,096        | 09/01/15     | 06/30/16 | (942)               | -                | -                | 942                 | -                      | -           | -                  | -                   | -             | -               |
| <b>Total Enterprise Fund</b>   |                               |              |              |          | <b>(942)</b>        | <b>-</b>         | <b>-</b>         | <b>5,627</b>        | <b>(5,089)</b>         | <b>-</b>    | <b>-</b>           | <b>(404)</b>        | <b>-</b>      | <b>-</b>        |
| <b>Total State Financial Assistance</b>  |                               |              |              |          | <b>\$ (298,370)</b> | <b>\$ 16,451</b> | <b>\$ -</b>      | <b>\$ 7,423,882</b> | <b>\$ (7,509,733)</b>  | <b>\$ -</b> | <b>\$ (16,451)</b> | <b>\$ (391,924)</b> | <b>\$ -</b>   | <b>\$ 7,703</b> |
| Less: Grants Not Subject to Major Program Determination:                       |                               |              |              |          |                     |                  |                  |                     |                        |             |                    |                     |               |                 |
| On Behalf TPAF Pension & Medical Cont.   | 17-495-034-5094-001           | 1,636,679    | 09/01/16     | 06/30/17 | -                   | -                | -                | -                   | 1,636,679              | -           | -                  | -                   | -             | -               |
| On Behalf TPAF Pension & Medical Cont.   | 17-495-034-5094-002           | 1,964,264    | 09/01/16     | 06/30/17 | -                   | -                | -                | -                   | 1,964,264              | -           | -                  | -                   | -             | -               |
| On Behalf TPAF Pension & Medical Cont.   | 17-495-034-5094-004           | 6,159        | 09/01/16     | 06/30/17 | -                   | -                | -                | -                   | 6,159                  | -           | -                  | -                   | -             | -               |
| <b>Total State Financial Assistance Subject to Major Program Determination</b> |                               |              |              |          |                     |                  |                  |                     | <b>\$ (3,902,631)</b>  |             |                    |                     |               |                 |



**LYNDHURST SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**Note 1 - General**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Lyndhurst School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**Note 2 - Basis of Accounting**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and NJ Treasury Circular 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 3 - Relationship to General-Purpose Financial Statements**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$9,592) for the general fund and \$0 for the special revenue fund. See Note 1 (C-3) [the Notes to Required Supplementary Information] for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

**LYNDHURST SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

|                                       | Federal             | State               | Total               |
|---------------------------------------|---------------------|---------------------|---------------------|
| General Fund                          | \$ 56,548           | \$ 7,293,793        | \$ 7,350,341        |
| Special Revenue Fund                  | 1,045,408           | 210,851             | 1,256,259           |
| Debt Service Fund                     | -                   | -                   | -                   |
| Enterprise Fund                       | 252,978             | 5,089               | 258,067             |
| Total Awards and Financial Assistance | <u>\$ 1,354,934</u> | <u>\$ 7,509,733</u> | <u>\$ 8,864,667</u> |

**Note 4 - Relationship to Federal and State Financial Reports**

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

**Note 5 - Federal and State Loans Outstanding**

The District did not have any federal and state loans outstanding at of June 30, 2017.

**Note 6 - Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2017. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

**LYNDHURST SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**Section I -- Summary of Auditors' Results**

Financial Statements

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

**LYNDHURST SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Federal Awards

A) Internal control over major programs:

1. Material weakness(es) identified? \_\_\_\_\_ yes            X   no
2. Significant deficiencies identified? \_\_\_\_\_ yes            X   none reported

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

- C) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section 516(a) of Uniform Guidance? \_\_\_\_\_ yes            X   no

D) Identification of major programs:

| <u>Name of Program</u> | <u>CFDA Number</u> | <u>FAIN Number</u> | <u>Program Name or Cluster</u> |
|------------------------|--------------------|--------------------|--------------------------------|
| I.D.E.A. Part B        | 84.027             | H027A160100        | Special Education Grants       |

E) Dollar threshold used to distinguish between type A and type B programs:

\$750,000

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

**LYNDHURST SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

State Awards

A) Internal control over major programs:

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

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

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

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

D) Identification of major programs:

Name of State Program

Special Education Categorical Aid

GMIS Number

17-495-034-5120-089

E) Dollar threshold used to distinguish between  
type A and type B programs:

\$750,000

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

LYNDHURST SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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**Section II -- Financial Statement Findings**

There were no matters identified.

LYNDHURST SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

Current Year

Federal Awards:

There were no matters identified.

State Awards:

There were no matters identified.

**LYNDHURST SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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Not Applicable - No Prior Audit Findings