

**TOWNSHIP OF LYNDHURST
County of Bergen, New Jersey**

**NJ Comprehensive Annual Financial Report
YEAR ENDED DECEMBER 31, 2016
(With Independent Auditors' Reports Thereon)**

**TOWNSHIP OF LYNDHURST
 NJ COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2016
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TOWNSHIP OF LYNDHURST

NJ Comprehensive Annual Financial Report

Introductory Section

**TOWNSHIP OF LYNDHURST
MUNICIPAL OFFICIALS
YEAR ENDED DECEMBER 31, 2016**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>GENERAL ADMINISTRATION</u>		
Robert B. Giangeruso	Mayor	May 16, 2017
Thomas A. Di Maggio	Commissioner	May 16, 2017
Theodore J. Dudek	Commissioner	May 16, 2017
John J. Montillo, Jr.	Commissioner	May 16, 2017
Matthew T. Ruzzo	Commissioner	May 16, 2017
Angela White	Township Clerk	
Robert L. Benecke	Chief Financial Officer (Interim)	
Joan Barone	Tax Collector	
	Treasurer	
Denis Mc Guire	Tax Assessor	
Richard J. DiLascio	Township Attorney	
Rogut McCarthy, LLC	Bond Counsel	
Michael Neglia	Township Engineer	May 16, 2017
Di Maria & Di Maria LLP	Township Auditor	May 16, 2017
The Bogle Agency	Risk Manager	December 31, 2016
James O' Conner	Police Chief	
Paul F. Haggerty	Emergency Management Coordinator	December 31, 2018
Andrew Marmorato	Assistant Emergency Mgmt Coordinator	December 31, 2018
Paul N. Haggerty	Assistant Emergency Mgmt Coordinator	December 31, 2018
Kevin Cuneo	Registrar of Vital Statistics	July 31, 2017
Annette Mazure	Deputy Registrar of Vital Statistics	June 30, 2018
Richard Gress	Superintendent of Water Utility & Streets	
	Superintendent of Parks and Recreation	
Mark Sadonis	Construction Code Official	
Charles Flenner	Plumbing Subcode Official	
Michael DeFrino	Electrical Subcode Official	
Robert Ferrara	Fire Inspector	
Remington & Vernick	Chemical Engineers	
George O. Savino, Esq.	Municipal Court Judge	June 30, 2018
Kim Bolton	Municipal Court Administrator	
Andrea Heyler	Deputy Court Administrator	
Denise Radigan	Violations Clerk	
Rosario Presti, Jr., Esq.	Prosecutor	
Damon Vespi, Esq.	Alternate Prosecutor	May 31, 2017
Christopher A. Errante, Esq.	Public Defender	May 31, 2017

**TOWNSHIP OF LYNDHURST
MUNICIPAL OFFICIALS
YEAR ENDED DECEMBER 31, 2016**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>PLANNING BOARD</u>		
Commissioner John J. Montillo	Member	May 16, 2017
Commissioner Matthew T. Ruzzo	Member	May 16, 2017
John Beirne	Member	December 21, 2019
Don Spagnuolo	Chairperson	December 31, 2019
Edward Koziol	Member	June 22, 2017
Arthur N. Woolis	Member	June 22, 2019
John T. Campion	Member	May 18, 2019
Sal Trippi	2nd Alternate	February 18, 2017
Giacomo Raguseo	1st Alternate	February 18, 2017
Priscilla Triolo, Esq. Neglia Engineering	Planning Board Attorney Planning Consultant	December 31, 2016
Fred Sulgic	Planner	
<u>ZONING BOARD</u>		
Frank Trangone	Member	December 31, 2016
Henry Simonak	Member	August 8, 2019
Vincent Gaccione	Member	December 31, 2016
Edward Koziol	Chairperson	January 7, 2019
Steve Laudati	Member	June 22, 2017
Joaquin Bouzas	Member	April 7, 2017
Ilhan Akar	1st Alternate	December 31, 2016
Vincent Morelli	2nd Alternate	October 23, 2017
James A. Breslin, Jr., Esq. Neglia Engineering	Zoning Board Attorney Engineer	December 31, 2016
<u>RENT LEVELING BOARD</u>		
Maryann Sidonio	Member	October 12, 2018
Frank Primerano	Member	October 12, 2019
John Beirne	Member	October 12, 2018
Francis Bianchi	Chairperson	October 12, 2019
Joseph Abruscato	Member	October 12, 2019
Hugo Bell	Member	October 12, 2019
Malcolm McPherson, Esq.	Attorney	

TOWNSHIP OF LYNDHURST
NJ Comprehensive Annual Financial Report
Financial Section

Di Maria & Di Maria LLP

Accountants & Consultants

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

Independent Auditors' Report

Honorable Mayor and Members of the Board of Commissioners
Township of Lyndhurst, County of Bergen, New Jersey

Report on the Financial Statements

We have audited the accompanying combined comparative balance sheets (*regulatory basis*) of the various funds and account group of the Township of Lyndhurst, in the County of Bergen (the "Township") as of and for the years ended December 31, 2016 and 2015, the related combined statement of operations and change in fund balance (*regulatory basis*) for the years then ended, and the related statement of operations and change in fund balance (*regulatory basis*) - budget and actual of the various funds for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the foregoing 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 prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Township'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 Township'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.

Independent Auditors' Report (Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2, these financial statements have been prepared on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "*Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles*" paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund and account group of the Township as of December 31, 2016 and 2015, or the changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 11 of the financial statements. the Township participates in a Length of Service Award Program ("LOSAP") for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$992,665 and \$896,311 for 2016 and 2015 respectively were not audited and, therefore, we express no opinion on the LOSAP program. The LOSAP Trust Fund balance is included in the Township's Trust Fund financial activities and represented 31% and 26% of the Trust Fund's assets and liabilities as of December 31, 2016 and 2015 respectively.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "*Basis for Qualified Opinion on Regulatory Basis of Accounting*" paragraph, the financial statements (regulatory basis) referred to above present fairly, in all material respects, the financial position (regulatory basis) of the various funds and account group as of December 31, 2016 and 2015, and the results of operations and changes in fund balance (regulatory basis) of such funds for the years then ended and the respective revenues (regulatory basis) and expenditures (regulatory basis) of the various funds for the year ended December 31, 2016 in accordance with the financial accounting and reporting principles and practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 2.

Independent Auditors' Report (Continued)

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The supplementary data schedules listed in the table of contents, the letter of comments and recommendations section, and the accompanying schedules 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance")*; and New Jersey OMB's 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 financial statements.

The supplementary data schedules listed above 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 supplementary data schedules listed in the table of contents, the schedules of expenditures of federal awards, and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting as described in Note 2.

The letter of comments and recommendations section and the statistical information 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 June 22, 2017 on our consideration of the Township'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 Township's internal control over financial reporting and compliance.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank Di Maria

Frank Di Maria
Registered Municipal Accountant
RMA No. CR00463

June 22, 2017

**TOWNSHIP OF LYNDHURST
COMBINED COMPARATIVE BALANCE SHEET (REGULATORY BASIS)
DECEMBER 31, 2016**

A-1

	Current Fund	Grant Fund	Trust Fund	General Capital Fund	Fixed Assets Account Group	Water Utility Operating Fund	Water Utility Capital Fund	Swimming Pool Utility Operating Fund	Total	
									2016	2015
ASSETS AND OTHER DEBITS										
Cash	\$ 13,596,486	\$ 647,076	\$ 1,519,414	\$ 1,820,335	\$ -	\$ 1,855,124	\$ 7,134	\$ 199,739	\$ 19,645,308	\$ 19,065,036
Deferred Compensation Assets	-	-	992,665	-	-	-	-	-	992,665	896,311
Interfunds Receivable	-	-	573,972	2,797,241	-	-	-	-	3,371,213	1,338,474
Intergovernmental Receivable	-	-	-	-	-	-	-	-	-	83,936
Other Receivables	16,772,475	-	-	-	-	503,879	-	-	17,276,354	15,825,254
Fixed Capital	-	-	-	-	-	-	21,492,654	-	21,492,654	21,459,391
Fixed Capital Authorized and Uncompleted	-	-	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	151,048,841	-	-	-	151,048,841	48,047,094
Deferred Charges	1,131,351	-	-	96,143,281	-	-	-	-	97,274,632	52,842,030
Total Assets and Other Debits	\$ 31,500,312	\$ 647,076	\$ 3,086,051	\$ 100,760,857	\$ 151,048,841	\$ 2,359,003	\$ 21,499,788	\$ 199,739	\$ 311,101,667	\$ 159,557,526
LIABILITIES, RESERVES AND FUND BALANCE										
Accounts/Contracts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfunds Payable	3,371,213	-	-	-	-	-	-	-	3,371,213	1,338,474
Intergovernmental Payable	5,226	-	-	-	-	-	-	-	5,226	107,964
Other Liabilities and Reserves	3,388,733	647,076	3,086,051	303,198	-	1,139,013	10,536,507	6,514	19,107,092	16,531,960
Improvement Authorizations	-	-	-	53,802,963	-	-	5,709	-	53,808,672	3,275,977
Serial Bonds Payable	-	-	-	30,058,000	-	-	4,230,000	-	34,288,000	37,213,000
Bond Anticipation Notes Payable	-	-	-	13,967,000	-	-	-	-	13,967,000	14,392,000
Loans Payable	-	-	-	2,403,281	-	-	6,726,747	-	9,130,028	11,300,691
Reserve for Receivables and Other Assets	16,772,475	-	-	-	-	503,879	-	-	17,276,354	15,855,225
Reserve for Investment in Fixed Assets	-	-	-	-	151,048,841	-	-	-	151,048,841	48,047,094
Fund Balance	7,962,665	-	-	226,415	-	716,111	825	193,225	9,099,241	11,495,141
Total Liabilities, Reserves and Fund Balance	\$ 31,500,312	\$ 647,076	\$ 3,086,051	\$ 100,760,857	\$ 151,048,841	\$ 2,359,003	\$ 21,499,788	\$ 199,739	\$ 311,101,667	\$ 159,557,526

**TOWNSHIP OF LYNDHURST
COMBINED STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE (REGULATORY BASIS)
YEAR ENDED DECEMBER 31, 2016**

	Current Fund	Water Utility Operating Fund	Swimming Pool Utility Operating Fund
REVENUES AND OTHER CREDITS TO INCOME			
Revenues:			
Fund Balance Anticipated	\$ 2,500,000	\$ 1,036,343	\$ 31,001
Miscellaneous Revenues	5,133,950	182,056	20,402
Receipts from Delinquent Taxes	1,076,246	-	-
Amount to be Raised by Taxation - Local	32,781,604	-	-
Amount to be Raised by Taxation - Library	921,779	-	-
Utility Rents	-	4,085,670	150,181
Fines	-	44,283	-
Shared Service Agreement - Lyndhurst BOE	-	-	60,000
Deficit (General Budget)	-	-	-
Total Revenues	42,413,579	5,348,352	261,584
Other Credits to Income	45,254,847	429,040	29,424
Total Revenues and Other Credits to Income	\$ 87,668,426	\$ 5,777,392	\$ 291,008
EXPENDITURES AND OTHER CHARGES TO INCOME			
Expenditures:			
Within "CAPS":			
Operations:			
Salaries and Wages	\$ 12,290,253	\$ -	\$ -
Other Expenses	10,768,847	-	-
Deferred Charges and Statutory Expenditures	3,041,283	-	-
Excluded From "CAPS":			
Operations:			
Salaries and Wages	-	-	-
Other Expenses	3,073,904	-	-
Capital Improvements	3,204,000	-	-
Debt Service	5,960,974	-	-
Deferred Charges	44,250	-	-
Judgments	-	-	-
Reserve for Uncollected Taxes	3,606,165	-	-
Utility:			
Operating	-	3,313,882	262,161
Prior Year Bills	-	94,270	-
Capital Improvements	-	50,000	15,000
Debt Service	-	1,345,929	-
Deferred Charges	-	310,361	-
Statutory Expenditures	-	66,901	13,840
Judgements	-	-	-
Surplus (General Budget)	-	-	-
Total Expenditures	\$ 41,989,676	\$ 5,181,343	\$ 291,001
Other Charges to Income	45,103,195	167	-
Total Expenditures and Other Charges to Income	\$ 87,092,871	\$ 5,181,510	\$ 291,001
Excess in Revenue	\$ 575,555	\$ 595,882	\$ 7
Transferred to Deferred Charge of Succeeding Year	\$ -	\$ -	\$ -
Fund Balance, January 1	9,887,110	1,156,572	224,219
	\$ 10,462,665	\$ 1,752,454	\$ 224,226
Utilization as Anticipated Revenue	2,500,000	1,036,343	31,001
Fund Balance, December 31	\$ 7,962,665	\$ 716,111	\$ 193,225
	-	-	-

TOWNSHIP OF LYNDHURST
CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE (REGULATORY BASIS)
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016

	Budget as Modified	Actual	Variance
REVENUES AND OTHER CREDITS TO INCOME			
Revenues:			
Fund Balance Anticipated	\$ 2,500,000	\$ 2,500,000	\$ -
Miscellaneous Revenues	4,695,433	5,133,950	438,517
Receipts from Delinquent Taxes	1,183,000	1,076,246	(106,754)
Amount to be Raised by Taxation - Local	32,689,464	32,781,604	92,140
Amount to be Raised by Taxation - Library	921,779	921,779	-
Total Revenues	41,989,676	42,413,579	423,903
Other Credits to Income	42,548,283	45,254,847	2,706,564
Total Revenues and Other Credits to Income	<u>\$ 84,537,959</u>	<u>\$ 87,668,426</u>	<u>\$ 3,130,467</u>
EXPENDITURES AND OTHER CHARGES TO INCOME			
Expenditures:			
Within "CAPS":			
Operations:			
Salaries and Wages	\$ 12,290,253	\$ 12,290,253	\$ -
Other Expenses	10,768,847	10,768,847	-
Deferred Charges and Statutory Expenditures	3,041,283	3,041,283	-
Excluded From "CAPS":			
Operations:			
Salaries and Wages	-	-	-
Other Expenses	3,073,904	3,073,904	-
Capital Improvements	3,204,000	3,204,000	-
Debt Service	5,960,974	5,960,974	-
Deferred Charges	44,250	44,250	-
Judgements	-	-	-
Reserve for Uncollected Taxes	3,606,165	3,606,165	-
Total Expenditures	41,989,676	41,989,676	-
Other Charges to Income	42,548,283	45,103,195	2,554,912
Total Expenditures and Other Charges to Income	<u>\$ 84,537,959</u>	<u>\$ 87,092,871</u>	<u>\$ 2,554,912</u>
Excess (Deficit) in Revenue		575,555	
Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Year			-
Fund Balance, January 1		9,887,110	
		<u>\$ 10,462,665</u>	
Utilization as Anticipated Revenue		2,500,000	
Fund Balance, December 31		<u>\$ 7,962,665</u>	

**TOWNSHIP OF LYNDHURST
WATER UTILITY OPERATING FUND
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE (REGULATORY BASIS)
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016**

	Budget as Modified	Actual	Variance
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Revenues:			
Operating Surplus Anticipated	\$ 1,036,343	\$ 1,036,343	\$ -
Rents	3,950,000	4,085,670	135,670
Miscellaneous	160,000	182,056	22,056
Fines	35,000	44,283	9,283
Deficit (General Budget)	-	-	-
Total Revenues	<u>5,181,343</u>	<u>5,348,352</u>	<u>167,009</u>
Other Credits to Income	-	429,040	429,040
Total Revenues and Other Credits to Income	<u>\$ 5,181,343</u>	<u>\$ 5,777,392</u>	<u>\$ 596,049</u>
<u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>			
Expenditures:			
Operating	\$ 3,313,882	\$ 3,313,882	\$ -
Prior Year Bills	94,270	94,270	-
Capital Improvements	50,000	50,000	-
Debt Service	1,345,929	1,345,929	-
Deferred Charges	310,361	310,361	-
Statutory Expenditures	66,901	66,901	-
Judgements	-	-	-
Surplus (General Budget)	-	-	-
Total Expenditures	<u>5,181,343</u>	<u>5,181,343</u>	<u>-</u>
Other Charges to Income	-	167	167
Total Expenditures and Other Charges to Income	<u>\$ 5,181,343</u>	<u>\$ 5,181,510</u>	<u>\$ 167</u>
Excess in Revenues		\$ 595,882	
Transferred to Deferred Charge of Succeeding Year		\$ -	
Fund Balance, January 1		<u>1,156,572</u>	
		<u>\$ 1,752,454</u>	
Utilization as Anticipated Revenue		<u>1,036,343</u>	
Fund Balance, December 31		<u>\$ 716,111</u>	

**TOWNSHIP OF LYNDHURST
 SWIMMING POOL UTILITY OPERATING FUND
 STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE (REGULATORY BASIS)
 BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2016**

	Budget as Modified	Actual	Variance
REVENUES AND OTHER CREDITS TO INCOME			
Revenues:			
Operating Surplus Anticipated	\$ 31,001	\$ 31,001	\$ -
Rents	190,000	150,181	(39,819)
Miscellaneous	10,000	20,402	10,402
Shared Service Agreement - Lyndhurst BOE	60,000	60,000	-
Deficit (General Budget)	-	-	-
Total Revenues	291,001	261,584	(29,417)
Other Credits to Income	-	29,424	29,424
Total Revenues and Other Credits to Income	<u>\$ 291,001</u>	<u>\$ 291,008</u>	<u>\$ 7</u>
EXPENDITURES AND OTHER CHARGES TO INCOME			
Expenditures:			
Operating	\$ 262,161	\$ 262,161	\$ -
Capital Improvements	15,000	15,000	-
Debt Service	-	-	-
Deferred Charges	-	-	-
Statutory Expenditures	13,840	13,840	-
Judgements	-	-	-
Total Expenditures	291,001	291,001	-
Other Charges to Income	-	-	-
Total Expenditures and Other Charges to Income	<u>\$ 291,001</u>	<u>\$ 291,001</u>	<u>\$ -</u>
Excess in Revenues		\$ 7	
Transferred to Deferred Charge of Succeeding Year		\$ -	
Fund Balance, January 1		224,219	
		<u>\$ 224,226</u>	
Utilization as Anticipated Revenue		31,001	
Fund Balance, December 31		<u>\$ 193,225</u>	

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 1 - Reporting Entity, Organization and Function

A. Introduction

The Township of Lyndhurst (the "Township") is located within the County of Bergen, approximately 5 miles west of the City of New York. The Township's population according to the 2010 census is 20,554.

The Township was incorporated in 1917 and operates under a Five Member Board of Commission form of government. The mayor is selected by the Board. The Township previously operated on a state fiscal year, July 1 to June 30, operated on a transition year from July 1 2009 to December 31, 2009 and has now reverted back to a calendar fiscal year.

The municipal budget includes the following generally stated municipal services:

- General Government Functions
- Land Use Administration Functions
- Public Safety Functions
- Health and Human Service Functions
- Park and Recreation Functions
- Educational Functions
- Code Enforcement Functions
- Municipal Court Functions
- Capital Improvements
- Debt Service

B. Basis of Accounting

A modified accrual basis of accounting is followed with minor exceptions. Accounting principles prescribed for New Jersey municipalities by the Department of Community Affairs, Division of Local Government Services differ in certain respects from generally accepted accounting principles applicable to local government units.

C. Component Units

The financial statements of the component units of the municipality are not presented in accordance with Governmental Accounting Standards Board Statement No. 14 as amended by Statement No. 61. If the provisions of GASBS No. 61 had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the municipality:

- Volunteer Fire Department
- Volunteer Ambulance Corp.
- Free Public Library

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 2 - Summary of Significant Accounting Policies

The financial statements contain all applicable funds and account groups in accordance with the "Requirements of Audit" and the "N.J. Comprehensive Annual Financial Report" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the municipality accounts for its financial transactions through the following separate funds which differs from the funds required by generally accepted accounting principles (GAAP).

A. Funds and Account Groups

The accounts are organized into the following funds and account groups:

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature.

Federal and State Grant Fund - The Federal and State Grant Fund accounts for the budgeted and unbudgeted revenue/receipt, expenditure/disbursement of federal and state grants which qualify for accounting treatment more closely related to GAAP.

Trust Fund - The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - The General Capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. It is also the only fund, other than the Current Fund, that possesses the statutory authority to issue debt.

General Fixed Asset Account Group - The General Fixed Asset Account Group accounts for Township owned real and personal property in accordance with N.J.A.C. 5:30-5.6.

Water & Swimming Pool Utility Operating and Capital Funds - The Water & Swimming Pool Utility Operating and Capital Funds account for the operations and acquisition of capital facilities of the municipally owned water and swimming pool utilities.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 2 - Summary of Significant Accounting Policies (Continued)

B. Budgets and Budgetary Accounting

The municipality must adopt an annual budget in accordance with N.J.S.A. 40A:4 et al. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten (10) days prior to the hearing in a newspaper published and circulated in the municipality. The public hearing must not be held less than twenty-eight (28) days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last 2 months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level.

The Borough is not required to adopt budgets for the Trust and General Capital Funds.

C. Cash and Investments

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The cash management plan adopted by the municipality requires that funds be deposited 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 a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires government units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act. Public funds are defined as the funds of any government unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units. All certificates of deposit are recorded as cash regardless of date of maturity.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 2 - Summary of Significant Accounting Policies (Continued)

D. Interfunds

Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

E. Inventories of Supplies

The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

F. General Fixed Assets

Accounting for Governmental Fixed Assets, as promulgated by N.J.A.C. 5:30-5.6 differs in certain respects from generally accepted accounting principles. Property and equipment purchased after December 31, 1985 are stated at cost. Donated fixed assets are recorded at estimated fair market value at the date of donation. Purchases prior to December 31, 1985 are stated as assessed value for Land & Buildings and estimated historical cost for Machinery & Equipment. Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation on general fixed assets is recorded in the financial statements. Fixed assets acquired by the Water Utility and Swim Pool Utility Funds are capitalized as Fixed Capital and not depreciated. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital have not been accounted for separately.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 2 - Summary of Significant Accounting Policies (Continued)

G. Foreclosed Property

Foreclosed property is recorded in the Current Fund at the assessed value when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Asset Account Group. If such property is converted to a municipal use, it will be capitalized in the General Fixed Asset Account Group. GAAP requires property to be recorded in the General Fixed Asset Account Group at the market value at the time of acquisition.

H. Deferred Charges

The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et al. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

I. Appropriation Reserves

Appropriation reserves covering unexpended appropriation balances are automatically created at year end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriation Reserves are not established under GAAP.

J. Liens Sold for Other Governmental Units

Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

K. Fund Balance

Fund Balances included in the current fund represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 2 - Summary of Significant Accounting Policies (Continued)

L. Revenues

Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized as and when anticipated as such in the Township's budget. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP generally requires that grant revenues be recognized when the actual expenditures financed by the grant are made.

M. Property Tax Revenues

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. Property taxes unpaid on April 1 of the year following their final due date are subject to tax sale in accordance with the statutes. The amount of taxes levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the local free public library (if applicable), municipal open space (if applicable) and the entities described in "N" and "O" below. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenue to be recognized when available and measurable reduced by an allowance for doubtful accounts.

There are instances whereby certain properties continue to be assessed and taxes levied, yet appear to be erroneous due to various circumstances; i.e., Encap properties, donated properties, NJSEA properties. This is causing significant tax balances on the Township's computer system, yet collectability is not probable.

N. School Taxes

The municipality is responsible for levying, collecting and remitting school taxes for the Local School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30. GAAP would require the recording of a deferred revenue.

O. County Taxes

The municipality is responsible for levying, collecting and remitting county taxes for the County. Operations are charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations are charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 2 - Summary of Significant Accounting Policies (Continued)

P. Reserve for Uncollected Taxes

The inclusion of the "Reserve for Uncollected Taxes" appropriation in the municipality's annual budget protects from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. A Reserve for Uncollected Taxes is not established under GAAP.

Q. Expenditures

Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Outstanding encumbrances at December 31, are recorded as a cash liability. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long term debt which is recognized when due.

R. Compensated Absences and Postemployment Benefits

Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as long term obligations.

S. Total Columns on Combined Statements

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 is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 2 - Summary of Significant Accounting Policies (Continued)

T. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

U. Recent Accounting Pronouncements Not Yet Effective

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

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

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

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

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

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 3 - Cash and Cash Equivalents

Change funds, petty cash, cash in banks, certificates of deposit and funds on deposit with the New Jersey Cash Management Fund are considered cash and cash equivalents.

A. Deposits

The Township's deposits of public funds are insured by either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or by New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Township is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA which 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. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm.

At December 31, the municipality's deposits are summarized as follows:

<u>Year</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
2016	\$ 19,811,601	\$ 19,645,308

B. New Jersey Cash Management Fund

The State of New Jersey Cash Management Fund is managed by the State of New Jersey, Division of Investment under the Department of Treasury. It consists of U.S. Treasury obligations, government agency obligations, certificates of deposit and commercial paper. At December 31, 2016 the Township did not have any cash deposited with the New Jersey Cash Management Fund.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 4 - Investments

New Jersey Statutes permit the municipality to purchase the following types of securities for investment:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States of America.
- b. Government Money Market Mutual Funds.
- c. Any obligation that a federal agency or federal instrumentality has issued, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest.
- d. Bonds or other obligations of municipalities or bonds or other obligations of school districts.
- e. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury, Division of Investments.
- f. Local government investment pools.
- g. Agreement for the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 40A:5-15.1(8a-8e).

In addition, the Township is permitted to invest LOSAP Funds with the types of eligible investments authorized in N.J.A.C. 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2016 and 2015, the Township had LOSAP investments of \$992,665 and \$896,311, respectively, which are subject to custodial credit risk as they are held in the pledging financial institution's trust department but are not in the Township's name. In the event of the failure of the counterparty, the Township may not be able to recover the value of the investments held by the outside party.

No other investments were held by the Township at December 31, 2016 or 2015.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 5 - Fixed Assets

The following is a summary of general fixed asset additions, deletions and adjustments for the year ended December 31, 2016:

	Beginning Balance		Additions		Deletions		Adjustments		Ending Balance
Land	\$ 35,786,800	\$	-	\$	-	\$	97,412,100	\$	133,198,900
Buildings and Improvements	5,681,100		-		-		1,940,700		7,621,800
Equipment	6,579,194		-		-		3,648,947		10,228,141
	<u>\$ 48,047,094</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>103,001,747</u>	\$	<u>151,048,841</u>

No depreciation on general fixed assets is recorded in the financial statements in accordance with N.J.A.C. 5:30-5.6.

At December 31, 2016, the Township established a beginning balance starting point via a fixed asset inventory performed by a third party administrator, Acclaim Inventory, LLC. It is the Township's plan to proceed accounting for fixed assets utilizing the available module in the Edmunds system.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 6 - Municipal Debt

A. Types of Municipal Debt

Capital Debt

The "Local Bond Law" of New Jersey Statutes governs the issuance of bonds and notes to finance capital expenditures, and are permitted only from the General Capital Fund. Bonds and Notes are backed by the full faith and credit of the municipality. Capital projects under financed under the Local Bond Law must have a minimum useful life of five years.

Bond Anticipated Notes - Bond Anticipation Note ("BANs") are issued to temporarily finance projects prior to the issuance of permanent bonds. Generally, the term of BANs can not exceed one year, but may be renewed from time to time for periods not exceeding one year, and ultimately paid or permanently financed no later than the first day of the fifth month following the close of the tenth fiscal year following the original issue date of the BAN. New Jersey Statutes require that on or before the third anniversary date of the original BAN issue date, an amount at least equal to the first legally payable installment must be paid towards the BAN upon each renewal until permanently funded or retired.

Bonds - Bonds issued are retired in serial installments within statutory periods of usefulness. New Jersey Statutes limit installment increments unless approval for a non-conforming maturity schedule is approved by the Local Finance Board.

The Township's long term debt paid by the Current Fund consisted of the following at December 31, 2016:

\$8,523,000 - General Obligation Bonds Series 2001 issued 5/1/2001 payable in annual installments through 5/1/2017. Interest is paid semi-annually at 4.70% per annum. The balance remaining on this issue is \$518,000.

\$5,520,000 - General Obligation Bonds Series 2003 issued 7/1/2003 payable in annual installments through 10/1/2015. Interest is paid semi-annually at varying rates from 1.40% to 3.40% per annum. The balance remaining on this issue was fully paid off in 2015.

\$5,795,000 - General Obligation Bonds Series 2005 issued 3/1/2005 payable in annual installments through 10/1/2019. Interest is paid semi-annually at varying rates from 3.20% to 3.75% per annum. The balance remaining on this issue is \$1,270,000.

\$2,900,000 - General Obligation Bonds - BCIA Series 2005 issued 5/1/2005 payable in annual installments through 6/1/2031. Interest is paid semi-annually at varying rates per annum. The balance remaining on this issue is \$2,070,000.

\$30,500,000 - General Obligation Bonds Series 2013 issued 8/15/2013 payable in annual installments through 8/15/2028. Interest is paid semi-annually at varying rates from 3.00% to 4.50% per annum. The balance remaining on this issue is \$26,200,000.

\$1,535,000 - New Jersey Environmental Infrastructure Trust Loan (CW) issued 12/2/2010 payable in semi-annual installments through 8/1/2030. Interest is paid semi-annually. The balance remaining on this issue is \$1,255,000.

\$1,568,018 - New Jersey Environmental Infrastructure Fund Loan (CW) issued 12/2/2010 payable in semi-annual installments through 8/1/2030. No interest is payable on this issue. The balance remaining on this issue is \$1,148,281.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 6 - Municipal Debt

The Township's long term debt paid by the Water Utility Operating Fund consisted of the following at December 31, 2016:

\$3,105,000 - General Obligation Bonds Series 2001 issued 5/1/2001 payable in annual installments through 5/1/2030. Interest is paid semi-annually at 5.10% per annum. The balance remaining on this issue is \$1,610,000.

\$3,390,000 - General Obligation Bonds Series 2013 issued 8/15/2013 payable in annual installments through 8/15/2023. Interest is paid semi-annually at varying rates from 3.00% to 3.50% per annum. The balance remaining on this issue is \$2,620,000.

\$4,220,000 - New Jersey Environmental Infrastructure Trust Loan (DW) issued 12/2/2010 payable in semi-annual installments through 8/1/2030. Interest is paid semi-annually. The balance remaining on this issue is \$3,440,000.

\$4,408,475 - New Jersey Environmental Infrastructure Fund Loan (DW) issued 12/2/2010 payable in semi-annual installments through 8/1/2030. No interest is payable on this issue. The balance remaining on this issue is \$3,286,747.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 6 - Municipal Debt

B. Comparative Summary of Debt and Remaining Borrowing Power

The following information summarizes the statutory debt calculations of the municipality as reported on the Township's Annual Debt Statement.

	<u>2016</u>
Issued:	
School Bonds and Notes	\$ 2,740,000
Water Utility Bonds and Notes	10,956,747
General Bonds, Notes and Loans	<u>46,428,281</u>
	\$ 60,125,028
Authorized but not Issued:	
School Bonds and Notes	\$ 19,873,807
Water Utility Bonds and Notes	-
General Bonds and Notes	<u>49,715,000</u>
	\$ 69,588,807
Gross Debt	<u>\$ 129,713,835</u>
Deductions:	
School Deduction	\$ (22,613,807)
Utility Deduction	(10,956,747)
Funds on Hand	<u>(11,552,000)</u>
Total Deductions	<u>\$ (45,122,554)</u>
Net Debt	<u>\$ 84,591,281</u>
Equalized Valuation Basis	\$ 2,843,472,074
Statutory Net Debt Percentage	2.975%
3-1/2% of Equalized Valuation Basis	\$ 99,521,523
Remaining Borrowing Power	\$ 14,930,242

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 6 - Municipal Debt

C. Long-Term Bonded Debt Service Requirements to Maturity

The annual debt service requirement for long-term obligations requirements to maturity, including principal and interest as of December 31, 2016 for the General Capital Fund are as follows:

Year	2001 General Improvement Bonds	
	Principal	Interest
2017	518,000	12,173
	<u>\$ 518,000</u>	<u>\$ 12,173</u>

Year	2005 General Improvement Bonds		2013 General Improvement Bonds	
	Principal	Interest	Principal	Interest
2017	425,000	46,882	1,650,000	1,007,000
2018	425,000	31,476	1,750,000	949,250
2019	420,000	7,875	1,850,000	888,000
2020	-	-	1,900,000	823,250
2021	-	-	2,000,000	756,750
2022	-	-	2,200,000	686,750
2023	-	-	2,250,000	609,750
2024	-	-	2,350,000	531,000
2025	-	-	2,400,000	442,875
2026	-	-	2,550,000	346,875
2027	-	-	2,600,000	238,500
2028	-	-	2,700,000	121,500
	<u>\$ 1,270,000</u>	<u>\$ 86,233</u>	<u>\$ 26,200,000</u>	<u>\$ 7,401,500</u>

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 6 - Municipal Debt

C. Long-Term Bonded Debt Service Requirements to Maturity (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding -
General Capital Fund (Continued)

Year	2006 BCIA Bonds		Total	
	Principal	Interest	Principal	Interest
2017	105,000	100,875	2,698,000	1,166,930
2018	105,000	95,625	2,280,000	1,076,351
2019	110,000	90,250	2,380,000	986,125
2020	115,000	84,625	2,015,000	907,875
2021	120,000	78,750	2,120,000	835,500
2022	125,000	72,625	2,325,000	759,375
2023	130,000	66,250	2,380,000	676,000
2024	135,000	59,625	2,485,000	590,625
2025	140,000	52,750	2,540,000	495,625
2026	145,000	45,625	2,695,000	392,500
2027	150,000	38,250	2,750,000	276,750
2028	160,000	30,500	2,860,000	152,000
2029	170,000	22,250	170,000	22,250
2030	175,000	13,625	175,000	13,625
2031	185,000	4,625	185,000	4,625
	<u>\$ 2,070,000</u>	<u>\$ 856,250</u>	<u>\$ 30,058,000</u>	<u>\$ 8,356,156</u>

N.J.E.I.T. Loans Payable

Year	2010 Trust Loan (CW)		2010 Fund Loan (CW)	
	Principal	Interest	Principal	Interest
2017	65,000	62,750	83,947	-
2018	65,000	59,500	83,947	-
2019	70,000	56,250	83,948	-
2020	75,000	52,750	83,947	-
2021	80,000	49,000	83,947	-
2022	80,000	45,000	83,948	-
2023	85,000	41,000	83,947	-
2024	90,000	36,750	83,947	-
2025	95,000	32,250	83,948	-
2026	100,000	27,500	83,947	-
2027	105,000	22,500	83,947	-
2028	110,000	17,250	83,948	-
2029	115,000	11,750	83,947	-
2030	120,000	6,000	56,966	-
	<u>\$ 1,255,000</u>	<u>\$ 520,250</u>	<u>\$ 1,148,281</u>	<u>\$ -</u>

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 6 - Municipal Debt

C. Long-Term Bonded Debt Service Requirements to Maturity (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding -
General Capital Fund (Continued)

N.J.E.I.T. Loans Payable (Cont.)

	Total	
	Principal	Interest
2017	148,947	62,750
2018	148,947	59,500
2019	153,948	56,250
2020	158,947	52,750
2021	163,947	49,000
2022	163,948	45,000
2023	168,947	41,000
2024	173,947	36,750
2025	178,948	32,250
2026	183,947	27,500
2027	188,947	22,500
2028	193,948	17,250
2029	198,947	11,750
2030	176,966	6,000
	<u>\$ 2,403,281</u>	<u>\$ 520,250</u>

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 6 - Municipal Debt

C. Long-Term Bonded Debt Service Requirements to Maturity (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding -
Water Utility Capital Fund

Year	2001 Water Utility Bonds		2013 Water Utility Bonds	
	Principal	Interest	Principal	Interest
2017	115,000	79,177	300,000	91,700
2018	116,000	73,287	320,000	81,200
2019	116,000	67,371	350,000	70,000
2020	116,000	61,455	350,000	57,750
2021	116,000	55,539	400,000	45,500
2022	116,000	49,623	450,000	31,500
2023	116,000	43,707	450,000	15,750
2024	116,000	37,791	-	-
2025	116,000	31,875	-	-
2026	116,000	25,959	-	-
2027	116,000	20,043	-	-
2028	116,000	14,127	-	-
2029	116,000	8,211	-	-
2030	103,000	2,627	-	-
	<u>\$ 1,610,000</u>	<u>\$ 570,792</u>	<u>\$ 2,620,000</u>	<u>\$ 393,400</u>

Year	Total	
	Principal	Interest
2017	415,000	170,877
2018	436,000	154,487
2019	466,000	137,371
2020	466,000	119,205
2021	516,000	101,039
2022	566,000	81,123
2023	566,000	59,457
2024	116,000	37,791
2025	116,000	31,875
2026	116,000	25,959
2027	116,000	20,043
2028	116,000	14,127
2029	116,000	8,211
2030	103,000	2,627
	<u>\$ 4,230,000</u>	<u>\$ 964,192</u>

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 6 - Municipal Debt

C. Long-Term Bonded Debt Service Requirements to Maturity (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding -
Water Utility Capital Fund

N.J.E.I.T. Loans Payable

Year	2010 Trust Loan (DW)		2010 Fund Loan (DW)	
	Principal	Interest	Principal	Interest
2017	220,000	172,000	280,432	-
2018	230,000	161,000	280,432	-
2019	245,000	149,500	280,432	-
2020	255,000	137,250	280,432	-
2021	265,000	124,500	280,432	-
2022	280,000	111,250	280,432	-
2023	295,000	97,250	280,432	-
2024	310,000	82,500	280,432	-
2025	325,000	67,000	280,432	-
2026	340,000	50,750	280,432	-
2027	360,000	33,750	280,432	-
2028	315,000	15,750	201,995	-
	<u>\$ 3,440,000</u>	<u>\$ 1,202,500</u>	<u>\$ 3,286,747</u>	<u>\$ -</u>

Year	Total	
	Principal	Interest
2017	500,432	172,000
2018	510,432	161,000
2019	525,432	149,500
2020	535,432	137,250
2021	545,432	124,500
2022	560,432	111,250
2023	575,432	97,250
2024	590,432	82,500
2025	605,432	67,000
2026	620,432	50,750
2027	640,432	33,750
2028	516,995	15,750
	<u>\$ 6,726,747</u>	<u>\$ 1,202,500</u>

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 6 - Municipal Debt

D. Summary of Changes in Municipal Debt

During the year ended December 31, 2016, the following changes occurred in liabilities reported as general long-term debt:

	<u>Beginning Balance</u>	<u>Authorized/ Issued</u>	<u>Retired/ De-Obligated</u>	<u>Ending Balance</u>
Short-Term Debt:				
Tax Anticipation Notes	\$ -	\$ -	\$ -	\$ -
Bond Anticipation Notes	14,392,000	13,967,000	(14,392,000)	13,967,000
Emergency Notes	-	-	-	-
	<u>\$ 14,392,000</u>	<u>\$ 13,967,000</u>	<u>\$ (14,392,000)</u>	<u>\$ 13,967,000</u>
Long-Term Debt:				
Serial Bonds	\$ 32,568,000	\$ -	\$ (2,510,000)	\$ 30,058,000
Loan Payable	2,574,211	-	(170,930)	2,403,281
Authorized but not Issued	1,459,250	49,715,000	(1,459,250)	49,715,000
	<u>\$ 36,601,461</u>	<u>\$ 49,715,000</u>	<u>\$ (4,140,180)</u>	<u>\$ 82,176,281</u>
	<u>\$ 50,993,461</u>	<u>\$ 63,682,000</u>	<u>\$ (18,532,180)</u>	<u>\$ 96,143,281</u>

	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>	<u>Long-term Portion</u>
Short-Term Debt:			
Tax Anticipation Notes	\$ -	\$ -	-
Bond Anticipation Notes	13,967,000	13,967,000	-
Emergency Notes	-	-	-
	<u>\$ 13,967,000</u>	<u>\$ 13,967,000</u>	<u>\$ -</u>
Long-Term Debt:			
Serial Bonds	\$ 30,058,000	\$ 2,698,000	\$ 27,360,000
Loan Payable	2,403,281	148,947	2,254,334
Authorized but not Issued	49,715,000	-	49,715,000
	<u>\$ 82,176,281</u>	<u>\$ 2,846,947</u>	<u>\$ 79,329,334</u>
	<u>\$ 96,143,281</u>	<u>\$ 16,813,947</u>	<u>\$ 79,329,334</u>

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 6 - Municipal Debt

D. Summary of Changes in Municipal Debt (Continued)

During the year ended December 31, 2016, the following changes occurred in liabilities reported as water utility capital long-term debt:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired/Cancelled/ De-Obligated</u>	<u>Ending Balance</u>
Short-Term Debt:				
Tax Anticipation Notes	\$ -	\$ -	\$ -	-
Bond Anticipation Notes	-	-	-	-
Emergency Notes	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Long-Term Debt:				
Serial Bonds	\$ 4,645,000	\$ -	\$ (415,000)	\$ 4,230,000
Loan Payable	8,726,480	-	(1,999,733)	6,726,747
Authorized but not Issued	-	-	-	-
	<u>\$ 13,371,480</u>	<u>\$ -</u>	<u>\$ (2,414,733)</u>	<u>\$ 10,956,747</u>
	<u>\$ 13,371,480</u>	<u>\$ -</u>	<u>\$ (2,414,733)</u>	<u>\$ 10,956,747</u>

	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>	<u>Long-term Portion</u>
Short-Term Debt:			
Tax Anticipation Notes	\$ -	\$ -	-
Bond Anticipation Notes	-	-	-
Emergency Notes	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Long-Term Debt:			
Serial Bonds	\$ 4,230,000	\$ 415,000	\$ 3,815,000
Loan Payable	6,726,747	500,432	6,226,315
Authorized but not Issued	-	-	-
	<u>\$ 10,956,747</u>	<u>\$ 915,432</u>	<u>\$ 10,041,315</u>
	<u>\$ 10,956,747</u>	<u>\$ 915,432</u>	<u>\$ 10,041,315</u>

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 7 - Risk Management

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2016 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Township is a member of the South Bergen Municipal Joint Insurance Fund (SBJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The SBJIF and MEL coverage amounts are on file with the Township.

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

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members.

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

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the Township 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 Township is billed quarterly for amounts due to the State.

Unemployment expenditures for the past 3 years are as follows:

CY2016 - \$ 46,246
CY2015 - \$ 51,638
CY2014 - \$ 63,383

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 8 - Interfunds

As of December 31, 2016 interfund balances on the Township's various balance sheets were as follows:

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ -	\$ 3,371,213
Grant Fund	-	-
Trust Fund	573,972	-
General Capital Fund	2,797,241	-
Water Utility Operating Fund	-	-
Water Utility Capital Fund	-	-
Swimming Pool Utility Operating Fund	-	-
Swimming Pool Utility Capital Fund	-	-
	<u>\$ 3,371,213</u>	<u>\$ 3,371,213</u>

All interfund balances are due to either expenditures paid from an incorrect fund and/or Current Fund appropriations not turned over to the applicable fund. It is anticipated that all interfunds will be liquidated during the subsequent fiscal year.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 9 - Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016 the following deferred charges are shown on the balance sheet of the indicated Fund:

	<u>Balance</u>	<u>Appropriated in Subsequent Year's Budget</u>	<u>Balance to Succeeding</u>
<u>Current Fund:</u>			
Emergency Authorizations (40A:4-47)	\$ -	\$ -	\$ -
Special Emergency Authorizations (40A:4-53)	-	-	-
EnCap Tax Refunding - Township Portion	1,131,351	376,857	754,494
	<u>\$ 1,131,351</u>	<u>\$ 376,857</u>	<u>\$ 754,494</u>

Note 10 - Retirement Plans

Description of the Plans

All required employees of the Township are covered by either the Public Employees' Retirement System (PERS) or the Police and Fireman's Retirement System (PFRS) 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 Police and Fireman's Retirement System. 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>.

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

Funded Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, which was rolled forward to June 30, 2016, the aggregate funded ratio for the local PERS system is 40.14% and \$29.6 billion, respectively and the aggregate funded ratio and unfunded accrued liability for the local PFRS is 52.0% and \$20.7 billion, respectively.

The funded status and funding progress of the retirement systems includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2015 PERS and PFRS actuarial valuations, the date of the most recent actuarial valuations, the five year average of market value was used as the asset valuation method. The actuarial assumptions included (a) 7.65% for investment rate of return and (b) changes to projected salary increases of 1.65% to 5.15% based on age for PERS and 2.10% to 9.98% based on age for PFRS.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 10 - 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. PERS 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, employer contributions and benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms consistent with the accrual basis of accounting. Investments are reported at fair value.

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

At June 30, 2016, the Township's liability of for its proportionate share of the net pension liability was \$18,582,982 which is not required to be reflected in the financial statements but is a required disclosure under GASB 68. 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 Township'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 Township's proportion was 0.06274%, which was a decrease of 0.00138% from its proportion measured as of June 30, 2014 which was rolled forward to June 30, 2015.

For the year ended June 30, 2016, the Township recognized PERS related pension expense of \$1,484,787 representing the required annual contribution. At June 30, 2016, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 345,587	\$ -
Changes of assumptions	3,849,401	-
Net difference between projected and actual earnings on pension plan investments	708,586	-
Changes in proportion and differences between Township contributions and proportionate share of contributions	-	1,097,837
Total	<u>\$ 4,903,574</u>	<u>\$ 1,097,837</u>

Other 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	\$ (856,671)
2018	(856,671)
2019	(992,536)
2020	(833,837)
2021	(266,022)
	<u>\$ (3,805,737)</u>

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

**Note 10 - Retirement Plans (Continued)
Public Employees' Retirement System (PERS) (Continued)**

Collective balances are as follows:

	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources (Local Group)	\$ 8,685,338,380	\$ 3,578,755,666	\$ 952,194,675
Collective deferred inflows of resources (Local Group)	\$ 870,133,595	\$ 993,410,555	\$ 1,479,224,662
Collective net pension liability (Non State - Local Group)	\$29,617,131,759	\$22,447,996,119	\$ 18,722,735,003
Township's Portion of net pension liability	\$ 18,582,982	\$ 14,394,699	\$ 12,583,174
Township's Proportion	0.0627440299%	0.0641246503%	0.0672079907%

Actuarial Assumptions

The total pension liability in the July 1, 2015 actuarial valuation, which was rolled forward to June 30, 2016, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.08%
Salary Increases:	
Thru 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 and females) for service retirement and beneficiaries of former members and a 1 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. The RP-2000 Disabled Mortality Tables (setback 3 years for males and set forward 1 year for females) are used to value disabled retirees.

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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of 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>	

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

**Note 10 - Retirement Plans (Continued)
PERS Actuarial Assumptions (Continued)**

Discount rate

The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. 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% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year.

State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their 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 Township's proportionate share of the net pension liability to changes in the discount rate

The following presents the Township's June 30, 2016 proportionate share of the net pension liability calculated using the discount rate of 3.98%, as well as what the Township'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. A sensitivity analysis specific to the Township's net pension liability was not provided by the pension system.

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Township's proportionate share of \$ the net pension liability	22,771,586	\$ 18,582,982	\$ 15,124,689

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>.

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. 2008 and was expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010 effective May 21, 2010 to new Tier 2 employees of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not work the minimum required hours but earn a base salary of at least \$5,000. 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, Chapter 103, P.L. 2007, Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010, plan members are required to contribute 5.5% of their annual covered salary and employers contribute 3% of employees base salary. 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.

PERS Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS. Retirement benefits for age and service are available at ages 60, 62 or 65 and are generally determined to be 1/55 or 1/60 of the final average salary for each year of service credit, as defined depending on the employees membership tier. 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). Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Note 10 - Retirement Plans (Continued)
PERS Vesting and Benefit Provisions (Continued)

The 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 earnings on their contributions at 2% per annum. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

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

1. New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
2. The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
3. The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
4. Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011.
5. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
6. The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
7. New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
8. In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements

The PERS contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified that amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount. PERS provides for employee contributions of 7.20% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate for PERS. The current PERS rate is 12.91% of covered payroll.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 10 - Retirement Plans (Continued)

Police and Firemen's Retirement System (PFRS)

The Police and Firemen's Retirement System (PFRS) was established as of July 1, 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death, disability and medical benefits to certain qualified members. The Police and Firemen's 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 PFRS and additions to/deductions from PFRS fiduciary net position have been determined on the same basis as they are reported by PFRS. For this purpose, employer contributions and benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms consistent with the accrual basis of accounting. Investments are reported at fair value.

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

At June 30, 2016, the Township's liability of for its proportionate share of the net pension liability was \$34,843,294 which is not required to be reflected in the financial statements but is a required disclosure under GASB 68. 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, rolled forward to June 30, 2016. The Township's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PFRS during the years ended June 30, 2016 and 2015. At June 30, 2016, the Township's proportion was 0.1824%, which was an increase of 0.0105% from its proportion measured as of June 30, 2014 rolled forward to June 30, 2015.

For the year ended June 30, 2016, the Township recognized PFRS related pension expense of \$3,777,861 representing the required annual contribution. At June 30, 2016, the Township reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 228,403
Changes of assumptions	4,826,083	-
Net difference between projected and actual earnings on pension plan investments	2,441,399	-
Changes in proportion and differences between Township contributions and proportionate share of contributions	1,213,011	750,641
Total	<u>\$ 8,480,493</u>	<u>\$ 979,044</u>

Other 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	\$ (1,795,847)
2018	(1,795,847)
2019	(2,419,217)
2020	(1,430,526)
2021	(59,654)
	<u>\$ (7,501,449)</u>

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

**Note 10 - Retirement Plans (Continued)
Police and Firemen's Retirement System (PFRS) (Continued)**

Collective balances are as follows:

	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources (Non Special Funding)	\$ 4,547,316,543	\$ 3,512,729,953	\$ 750,532,959
Collective deferred inflows of resources (Non Special Funding)	\$ 688,197,590	\$ 871,083,367	\$ 1,561,923,934
Collective net pension liability (Non Special Funding)	\$19,102,557,969	\$16,656,514,197	\$ 12,579,072,492
Township's Portion of net pension liability	\$ 34,843,294	\$ 28,625,261	22,609,980
Township's Proportion	0.1824011949%	0.1718562519%	0.1797428230%

Actuarial Assumptions

The total pension liability in the July 1, 2015 actuarial valuation, which was rolled forward to June 30, 2016, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.08%
Salary Increases:	
Through 2026	2.10% - 8.98% based on age
Thereafter	3.10% - 9.98% based on age
Investment Rate of Return	7.65%

Mortality rates for male service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected 13 years using Projection Scale BB and then 2 years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

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, 2010 to June 30, 2013.

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of 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>	

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

**Note 10 - Retirement Plans (Continued)
PFRS Actuarial Assumptions (Continued)**

Discount rate

The discount rate used to measure the total pension liability was 5.55% and 5.79% as of June 30, 2016 and 2015, respectively. 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% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year.

The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their 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 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the net pension liability to changes in the discount rate

The following presents the Township's June 30, 2016 proportionate share of the net pension liability measured as of June 30, 2016, calculated using the discount rate of 5.55%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.55%) or 1-percentage-point higher (6.55%) than the current rate:

	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
Township's proportionate share of \$ the net pension liability	44,926,943	\$ 34,843,294	\$ 26,620,277

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>.

PFRS Vesting and Benefit Provisions

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A. All benefits vest after ten years of service, except for disability benefits that vest after four years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek early retirement after achieving 25 years of service credit, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members contributions providing no survivor death benefits are payable.

Contribution Requirements

The PFRS contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on the actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016, the State contributed an amount less than the actuarially determined amount. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate for PFRS. The current PFRS rate is 25.51% of covered payroll.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 11 - Deferred Compensation Plan

A. Description

The Township offers its qualifying volunteers participation in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is administered by an outside contractor, permits participants to defer Township contributions until future years. Amounts deferred under the plan are not available to volunteers until termination, retirement, unforeseeable emergency or upon death to their beneficiaries.

All amounts of Township contribution deferred under the plan and all income attributable to those amounts are (until paid or made available to the qualifying volunteer or other beneficiary) solely the property of the Township.

The Township has no liability for losses under the plan. Under the plan, participants select investments from alternatives offered by the plan administrators, whose manages the plan on behalf of the Township. Investment selection by the participants may change from time to time, as the Borough manages none of the investment selections. By making the selection, participants accept and assume all risks that adhere in the plan and its administration.

Information pertaining to the plan offered by the Township is as follows:

Lincoln National Life Insurance Co.

This plan administers Township contributions towards its Volunteer Length of Service Award Program (LOSAP).

	<u>CY2016</u>
Assets, Beginning of Year (Market Value)	\$ 896,311
Township Contribution	50,848
Earnings and Adjustments to Market Value	73,011
Payments to Eligible Employees	(25,250)
Charges and Credits	(2,255)
Assets, Ending of Year (Market Value)	<u>\$ 992,665</u>

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 12 - Other Post Employment Benefits

A. Compensated Absences

The Township permits employees to accrue all their unused vacation and 1/2 of their unused sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with accounting practices prescribed by the Division of Local Government Services, this amount is not recorded as either an expenditure or a liability. The Township approximates this liability at December 31, 2016 to be \$3,610,000.

The most significant portion of the above noted liability (approximately 87%) pertains to the accrued time of the Police Department. The Township Committee has requested that additional agreed upon procedures be performed to 1.) better quantify the liability pertaining to their balance and 2.) ascertain whether the accrued time payment policy complies with the provisions of S-2318 regarding limits on accrued sick and vacation time for employees. Completion time for these additional agreed upon procedures and the issuance of the related separate report cannot be estimated as of the date of this report.

B. Post Retirement Health Benefits

In addition to the pension benefits described in Note 10, the Township of Lyndhurst has a defined post retirement Employee Health Benefits Program authorized pursuant to collective bargaining agreements with applicable employee groups. In addition, the Township extends the same benefits to permanent unclassified employees. The Township of Lyndhurst provides medical, dental, and prescription drug insurance to all regular permanent full-time employees upon their successful retirement with the State of New Jersey, Division of Pensions, excluding Police retirees having less than twenty-five years of service and receiving a non-disability pension. The authorization for these post employment benefits are found in C. 88, P.L. 1974 and C. 436, P.L. 1981.

The Township provides such health benefits pursuant to an Agreement with Oxford Health Plans. The Lyndhurst Group number is TL1137*03P. The original agreement is dated January 1, 2004 and has been renewed for the policy year 2017. This Agreement has a continuing coverage clause. The Township also is party to an Agreement with Delta Dental, dated January 1, 2016. The Lyndhurst Group Number is 9018. The Township considers retirees who have not attained the age of 65 as "active" under this policy. Finally, the Township is party to an Agreement with Select Solutions, Inc., formerly Garden State Pharmacy Owners Provider Services Corporation, dated December 1, 2015. This is referred to as the Select Plan, which is extended by the Township to eligible retirees. An automatic renewal clause is included in the Agreement. This policy is audited by the Township at least every two years. This is a self-funded Plan with an employee co-pay per prescription. The Township has obtained excess loss insurance coverage from RxReins-Stop Loss Insurance Company for all prescriptions; this reinsurance is applicable to aggregate employee prescription claims above \$1,001,637, in 2016.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 12 - Other Post Employment Benefits

The Township's OPEB costs are funded on a pay as you go basis, as invoices are submitted they are paid through the annual budget process. The payments for OPEB costs to be funded in the future, by the Township of Lyndhurst, are calculated based on the annual required contribution (ARC). The specific calculation of ARC is actuarially determined in accordance with GASB 45 and pursuant to the guidance provided in LFN-2007-15 of the New Jersey Division of Local Government Services, pertaining to the "Disclosure of Liabilities for Other Post-Employment Benefits for Municipalities and Counties". The rules established in these guidelines are intended to provide: 1-a calculation of an annual payment that reflects the current expense of paying for already retired employees; and, 2-to recognize the costs being incurred for payments that will be made in the future for today's employees. The ideal result of funding future OPEB by the taxpayer receiving the benefit may NOT be realized; however, calculation and disclosure will help local officials and regulators, as well as investors in local unit debt, understand the nature of the Township's OPEB plan. The aforementioned LFN indicates that New Jersey Budget Law does NOT require funding of OPEB amounts beyond the invoices presented for payment and budgeted for on an annual basis. In other words, future OPEB expenses are deferred and not recorded on the financial records of local units. However, local units in New Jersey are required to comply with the calculation and disclosure provisions of GASB 45 (and related SEC requirements when a local unit has outstanding debt obligations). Of particular importance to note is that most local units in New Jersey participate and contribute to the State Health Benefits Program (SHBP), including providing OPEB estimates. The SHBP is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A 52:14-17.25 et seq., to provide health benefits to State employees, retirees and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 89 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 12 - Other Post Employment Benefits

The SHBP was extended to employees, retirees and dependents of participating local public employers in the year 1964. Local employers must adopt a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplemental information for the SHBP. The actuarial information provided by the SHBP satisfies GASB 45 and related rules.

It is recommended that the Township of Lyndhurst should join other local units in providing these OPEB using the SHBP. Collective Bargaining Agreements should be modified as soon as practical to implement the SHBP.

The Township's OPEB plan is capped at age 65, at which time the employee is enrolled in Medicare and may elect to pay their continuing "wrap-around" premium directly to the Township/insurer, or obtain a private individual Medicare Advantage type policy. The claims history of the retirees continuing with the Township's health insurance plan, may impact the overall health insurance rate charged to the Township of Lyndhurst. Notwithstanding the foregoing, the 65 year of age restriction reduces the Township's exposure and increases the accuracy of the OPEB calculations inasmuch as the "age expectancy", also referred to as "life expectancy", for each employee (also referred to as member(s)) does NOT have to be estimated.

The Township of Lyndhurst has 129 covered, eligible employees; who may reasonably be assumed to receive OPEB. This includes 22 retired employees and 107 current employees reasonably assumed to receive OPEB. In addition, one employee is currently provided paid health benefits but is estimated not to not receive OPEB because of not retiring within this report's time frame.

To comply with GASB and related rules, the Township must update the calculated OPEB obligation every three years. The actuarial assumptions are based on the demographic guidelines and health care assumptions of the SHBP. However, the aforementioned age 65 restriction provides for actuarial compliance and accuracy. The following is the annual OPEB cost calculation and related information for Lyndhurst as of 12/31/16:

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 12 - Other Post Employment Benefits

1-The Township's January 1, 2017-Net initial annual cost of OPEB:

Retired Members (22) = \$ 801,044 (annual insurance premium(s))

2-The Township's January 1, 2017 "Normal" cost of health benefits (OPEB) for future retirees:

Current Police Employees (51) = \$1,872,263

Current Eligible Regular Employees (56) = \$1,554,537

TOTAL (107)= \$3,426,800

These costs are based on the current health insurance plan design and exclude certain regular employees, those employees receiving waivers and COBRA eligible employees.

3-The Township's January 1, 2017 actuarial annual cost of future OPEB for current and future retirees:

Police Retirees \$1,142,640

Non-Uniformed \$346,749

TOTAL = \$1,489,389

Note: This is the estimated (projected) average annual cost of OPEB for current and future retirees assuming a 5% growth in health insurance costs and that all 107 current employees will retire with health benefits, spread out over a 30 year period (+/-), and with an OPEB age cap of 65 years of age.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 12 - Other Post Employment Benefits

4-Actuarial calculations:

Valuation date: 12/31/16

Actuarial Valuation of OPEB Assets: \$0 {zero}

Actuarial estimated ("projected") present value of accrued total OPEB liability: \$44,699,648.

Approximate OPEB calculation period: 2017-2047 (30 periods/years)

Unfunded actuarial percent: 100% (or 0% funded).

The Present Value (PV) of all other post employment benefits (OPEB) is the total of all expected future benefits to be paid over the actuarial period, based on certain assumptions. The PV includes \$34,297,193 for future Police retiree OPEB. (This is \$1,142,640 annually, on average for the 30 year actuary period). The PV calculation also includes \$10,402,455 for current and future regular retiree OPEB. (This is \$346,749 annually, on average (discounted) for the 30 year actuary period.) On average over the next 30 years the Township will pay \$1,489,389 annually, for OPEB. The Township currently pays \$801,441 annually for OPEB. Accordingly, over the next several years the Township budget for OPEB will increase by approximately \$687,948, an 86% increase over 2017. These numbers are in 2017 dollars.

The \$1,489,389 is the amount expected to be budgeted annually for all retiree OPEB. This number will increase if medical cost inflation increases beyond a reasonable market rate. We have assumed a 5% inflation factor for all retiree health benefits.

The Normal Cost, item number 2 above, is the value of the health benefits to be paid in 2017 and reasonably expected to be paid in the future with annual increases added to the annual cost of health benefits.

Other Information:

On 1/1/2012 the Township had 99 employees eligible for OPEB, therefore, 8 new employees have been added to the OPEB calculation.

The indicated cost is the gross cost without any consideration given to employee contributions ("Chapter 78"). The employee health insurance contribution law is set to undergo review and the applicability to retirees is uncertain as of this writing.

Please note that as the number of employees increase, so will the OPEB.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 13 - Contingencies

A. Litigation

The Township is a party to various legal proceedings which normally occur in the operation of government. There are various employment related cases pending, which could have a material adverse financial impact on the Township.

B. Federal and State Grants

The municipality participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor agency. If expenditures are disallowed, the municipality may be required to reimburse the grantor agency. As of December 31, 2016, significant amounts of grant expenditures have not been audited. The municipality believes that any future disallowed expenditures will not have a material effect on its financial position.

C. Tax Appeals

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2016. Amounts claimed have not yet been determined. The Township is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Township does not recognize a liability, if any, until these cases have been adjudicated. The Township expects such amounts, if any, to be material. As of December 31, 2016, the Township did not record reserves in the Current Fund for tax appeals pending in the New Jersey Tax Court and is not appropriating any amount in the 2017 budget. Funding of any ultimate liability would be provided for in succeeding years' budgets, from fund balance or by issuance of refunding bonds.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 14 - Fund Balances Appropriated

Fund balances at December 31, 2016 and 2015 which were appropriated and included as anticipated revenue in their respective funds for the years ending December 31, 2017 and 2016 were as follows:

	<u>2017</u>		<u>2016</u>
Current Fund	\$ -	\$	2,500,000
Water Utility	313,774		1,036,343
Swimming Pool Utility	51,180		31,001

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 15 - Economic Dependency

The Township of Lyndhurst is not economically dependent on any one business or industry as a major source of tax revenue for the Township.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 16 - Subsequent Events

As of the date of this report, the following are considered material subsequent events:

A. Subsequent Year Capital Projects

The Township's 2017 Capital Budget currently includes the following:

Purpose	Total	CIF, Grants & Other Funded Sources	Bonds & Notes Authorized
Water System Improvements	\$ 2,000,000	\$ -	\$ -
Acquisition of DPW Equipment - Street Sweeper	275,000	25,000	250,000
Reconstruction of Municipal Parking Lot (UST Project)	110,000	110,000	-
Improvements to Municipal Facilities	75,000	75,000	-
Forest Avenue, Newark Avenue, NY Avenue, Warren St.	500,000	25,000	475,000
New Jersey Avenue, Watson Avenue	600,000	40,000	560,000
Acquisition of Fire Apparatus	1,650,000	100,000	1,550,000
	<u>\$ 5,210,000</u>	<u>\$ 375,000</u>	<u>\$ 2,835,000</u>
	\$2,000,000 will be funded in future years		

B. Bond Anticipation Notes

On February 9, 2017 the Township issued Bond Anticipation Notes in the amount of \$4,415,000 comprised solely of General Capital notes to temporarily finance expenditures related to various capital projects. The Township paid down \$1,215,000 to the maturing notes derived from the 2017 Current Fund budget. Additionally, \$2,215,000 of new money was borrowed in this renewal. The Township has awarded the sale of said notes to Oppenheimer & Company, Inc. at a gross interest rate of 2.00% receiving a premium of \$23,153 producing a blended reduced effective interest rate. These notes will mature on February 9, 2018.

On March 15, 2017 the Township issued Bond Anticipation Notes in the amount of \$9,892,500 comprised solely of General Capital notes to temporarily finance expenditures related to various capital projects. The Township paid down \$659,500 to the maturing notes derived from the 2017 Current Fund budget. The Township has awarded the sale of said notes to Oppenheimer & Company, Inc. at a gross interest rate of 2.00% receiving a premium of \$42,043, producing a blended reduced effective interest rate. These notes will mature on March 15, 2018.

**TOWNSHIP OF LYNDHURST
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

Note 16 - Subsequent Events

C. Due From N.J. Meadowlands Commission & Deferred Charge to Future Taxation - EnCap Project -Tax Litigation

On May 21, 2012 the Township applied to the New Jersey Local Finance Board ("LFB") to allow the issuance of two (2) refunding bonds necessary to conclude the EnCap financing; the first to fund tax balances outstanding and the second to fund the refund of tax appeals. This financing includes taxes owed on Meadowlands area property by EnCap, or successor owner. (Now the New Jersey Meadowlands Commission ("NJMC").

The first financing totals \$1,143,000 needed to refund taxes on JCMUA property, which was to have constructed a water service line on the property to the EnCap project. This financing was approved by the LFB in August, 2012 and the refunding notes were issued on October 9, 2012. This is five (5) year debt authorization.

The second application was made so as to finance the remaining prior year's taxes owed by the NJMC to the Township; in the form of liens placed on the EnCap properties for taxes (excluding interest on tax balances). After much discussion this application was denied by the LFB, however, the LFB/DLGS did allow the Township to move forward with its 2012 Budget adoption on June 26, 2012 with an Account Receivable - Due From NJMC - Prior Years Taxes in the amount of \$7,813,779 on the books as of December 31, 2011.

The NJMC and the Township settled all outstanding litigation in June, 2012 and the Township received a \$5,000,000 payment towards the outstanding taxes bringing the account balance to \$2,813,779. The DLGS requested that the Township make a "significant" payment toward this amount in 2012. The Township and DLGS agreed to apply the 2012 PILOT payment of \$175,000 to the outstanding amount making the then outstanding balance \$2,638,779.

This balance is now considered a "Deferred Charge to Future Taxation - EnCap Project -Tax Litigation", inasmuch as the NJMC does not owe any taxes on the EnCap properties to the Township. To pay off this deferred charge the Township must include a minimum of one-seventh of this amount (seven years straight-line financing) or approximately \$376,857 in the budget of 2013 and thereafter until this deferred charge is paid off in full. This amount will be inside the tax levy cap and will be off-set with a minimum of \$175,000 in revenues from the PILOT - Due from the NJMC. The balance of this deferred charge on the current fund balance sheet at December 31, 2016 is \$1,131,351. Refer to Note 9 for more information on deferred charges.

**TOWNSHIP OF LYNDHURST
CURRENT FUND
BALANCE SHEET (REGULATORY BASIS)**

	2016	2015
<u>ASSETS AND OTHER DEBITS</u>		
Cash:		
Operating Account	\$ 13,596,161	\$ 12,625,334
Change Funds	325	325
	<u>\$ 13,596,486</u>	<u>\$ 12,625,659</u>
Intergovernmental Receivable:		
Due From State of N.J. - D.C.A. Training Fees	\$ -	\$ 29,971
Other Receivables:		
Delinquent Property Taxes	\$ 8,603,959	\$ 7,295,233
Tax Title Liens Receivable	614,606	582,682
Revenue Accounts Receivable	11,910	22,384
Property Acquired for Taxes at Assessed Valuation	7,542,000	7,542,000
	<u>\$ 16,772,475</u>	<u>\$ 15,442,299</u>
Deferred Charges:		
Special Emergency Authorizations (40A:4-53)	\$ -	\$ 30,000
EnCap Tax Refunding - Township Portion	1,131,351	1,508,208
	<u>\$ 1,131,351</u>	<u>\$ 1,538,208</u>
Total Assets and Other Debits	<u>\$ 31,500,312</u>	<u>\$ 29,636,137</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Interfund Payable:		
Trust Fund	\$ 573,972	\$ 557,993
General Capital Fund	2,797,241	105,086
Grant Fund	-	73,767
	<u>\$ 3,371,213</u>	<u>\$ 736,846</u>
Intergovernmental Payable:		
Due County of Bergen - County Taxes Payable	\$ -	\$ 107,964
Due State of NJ - DCA Training Fees	4,251	-
Due State of NJ - Marriage License Fees	975	-
	<u>\$ 5,226</u>	<u>\$ 107,964</u>
Other Liabilities and Reserves:		
Appropriation Reserves	\$ 2,181,448	\$ 2,889,917
Accounts Payable (Police Accumulated Absences)	400,000	200,000
Accounts Payable (EE Health Insurance Contributions)	383,666	-
Outside Tax Title Lien Redemptions	75,821	-
Tax Overpayments	-	86,837
Prepaid Taxes	347,798	255,193
	<u>\$ 3,388,733</u>	<u>\$ 3,431,947</u>
Reserve for Receivables and Other Assets	<u>\$ 16,772,475</u>	<u>\$ 15,472,270</u>
Fund Balance	<u>\$ 7,962,665</u>	<u>\$ 9,887,110</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 31,500,312</u>	<u>\$ 29,636,137</u>

TOWNSHIP OF LYNDHURST
CURRENT FUND
SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME (REGULATORY BASIS)
YEAR ENDED DECEMBER 31, 2016

	Budget As Modified	Realized	Excess/ (Deficit)
Fund Balance Anticipated	\$ 2,500,000	\$ 2,500,000	\$ -
Miscellaneous Revenues:			
Alcoholic Beverage Licenses	\$ 30,000	34,910	\$ 4,910
Other Licenses	10,000	4,500	(5,500)
Fees and Permits	85,000	79,394	(5,606)
Municipal Court Fines and Costs	465,000	511,994	46,994
Interest and Costs on Taxes	230,000	230,341	341
Sewer Charges	160,000	193,933	33,933
Hotel Occupancy Tax	300,000	332,956	32,956
Consolidated Municipal Property Tax Relief Aid	150,540	150,540	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	1,258,800	1,258,800	-
Uniform Construction Code Fees	348,000	649,654	301,654
Clean Communities Program	37,221	37,221	-
Recycling Tonnage Grant	-	-	-
Drunk Driving Enforcement Fund	20,518	20,518	-
Body Armor Replacement Program	4,794	4,794	-
Recreation Opportunities for Individuals with Disabilities (ROID)	7,500	7,500	-
Alcohol Education & Rehabilitation Program	2,534	2,534	-
NJ State Cultural Affairs Grant (NJSCA)	187	187	-
Bergen County Arts Grant	1,013	1,013	-
Comcast Franchise Fee	100,000	96,405	(3,595)
Verizon FIOS Franchise Fee	150,000	220,320	70,320
Recreation Commission Contribution	87,000	70,000	(17,000)
Recycling Proceeds	40,000	23,983	(16,017)
Shared Service Agreement - Lyndhurst BOE (Legal Services TWP Attorney)	40,625	96,250	55,625
PILOT Payments - N.J. Meadowlands Commission	175,000	175,000	-
Shared Service Agreement - Lyndhurst BOE (Swimming Pool)	150,000	150,000	-
Shared Service Agreement - Lyndhurst BOE (Jefferson School)	140,000	140,000	-
Felician College - Athletic Field Usage Contract	35,000	17,000	(18,000)
Ambulance Fees	380,000	337,502	(42,498)
Police Off Duty Trust Fund Contribution	140,000	140,000	-
Pension Contribution - Library	96,060	96,060	-
Pension Contribution - Water Utility	45,401	45,401	-
Pension Contribution - Swimming Pool Utility	5,240	5,240	-
Total Miscellaneous Revenues	\$ 4,695,433	\$ 5,133,950	\$ 438,517
Receipts From Delinquent Taxes	\$ 1,183,000	\$ 1,076,246	\$ (106,754)
Amount to be Raised by Taxation - Local	\$ 32,689,464	\$ 32,781,604	\$ 92,140
Amount to be Raised by Taxation - Library	921,779	921,779	-
	\$ 33,611,243	\$ 33,703,383	\$ 92,140
Total Budget Revenues	\$ 41,989,676	\$ 42,413,579	\$ 423,903
Other Credits to Income:			
Non-Budget Revenues	\$ -	\$ 1,068,579	\$ 1,068,579
Unexpended Balance of Appropriation Reserves	-	1,622,292	1,622,292
Interfund Loans Returned	-	-	-
Federal & State Grant Fund Excesses	-	-	-
Unexpended Balances Cancelled	-	15,693	15,693
Cancellations and Adjustments	-	-	-
	\$ -	\$ 2,706,564	\$ 2,706,564
Taxes Allocated to School and County:			
Local District School Taxes	\$ 36,019,490	\$ 36,019,490	\$ -
County Taxes	6,425,350	6,425,350	-
County Open Space Taxes	70,168	70,168	-
Added and Omitted County/Open Space Taxes	33,275	33,275	-
	\$ 42,548,283	\$ 42,548,283	\$ -
Total Other Credits to Income	\$ 42,548,283	\$ 45,254,847	\$ 2,706,564
Total Revenues and Credits to Income	\$ 84,537,959	\$ 87,668,426	\$ 3,130,467

TOWNSHIP OF LYNDHURST
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2016

	Appropriated			Paid or Charged	Reserved	Unexpended	
	CY2016 Budget	Emergency Appropriation	Budget After Modification			Balance Canceled	Overexpended
<u>Operations - Within "CAPS"</u>							
<u>DEPARTMENT OF PUBLIC AFFAIRS</u>							
Director's Office:							
Salaries and Wages	\$ 6,700	\$ -	\$ 6,700	\$ 6,700	\$ -	\$ -	\$ -
Central Services:							
Salaries and Wages	50,713	-	53,913	53,866	47	-	-
Other Expenses	71,000	-	78,500	78,201	299	-	-
Municipal Clerk:							
Salaries and Wages	158,576	-	158,576	144,077	14,499	-	-
Other Expenses	70,000	-	56,050	42,275	13,775	-	-
Tax Assessment Administration:							
Salaries and Wages	151,474	-	151,474	150,387	1,087	-	-
Other Expenses	13,000	-	13,000	12,581	419	-	-
Planning Board:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	10,200	-	18,200	17,677	523	-	-
Other Expenses - Affordable Housing Litigation	20,000	-	20,000	11,379	8,621	-	-
Zoning Board of Adjustment:							
Salaries and Wages	3,052	-	3,302	3,302	-	-	-
Other Expenses	4,500	-	10,500	10,432	68	-	-
Rent Leveling Board:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	300	-	1,300	859	441	-	-
Public Health Services:							
Salaries and Wages	157,062	-	157,062	155,151	1,911	-	-
Other Expenses	155,000	-	127,000	126,591	409	-	-
Medical Transportation Program:							
Salaries and Wages	34,000	-	34,000	23,121	10,879	-	-
Other Expenses	250	-	250	-	250	-	-
Aid to Mental Health Association:							
Other Expenses	5,000	-	5,000	3,800	1,200	-	-
	<u>\$ 910,827</u>	<u>\$ -</u>	<u>\$ 894,827</u>	<u>\$ 840,399</u>	<u>\$ 54,428</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF LYNDHURST
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2016

	Appropriated			Paid or Charged	Reserved	Unexpended	
	CY2016 Budget	Emergency Appropriation	Budget After Modification			Balance Canceled	Overexpended
<u>Operations - Within "CAPS" (Continued)</u>							
<u>DEPARTMENT OF REVENUE AND FINANCE</u>							
Director's Office:							
Salaries and Wages	\$ 6,200	\$ -	\$ 6,200	\$ 6,200	\$ -	\$ -	\$ -
Financial Administration:							
Salaries and Wages	169,697	-	169,697	117,702	51,995	-	-
Other Expenses	35,000	-	35,000	18,386	16,614	-	-
Revenue Administration:							
Salaries and Wages	197,015	-	197,015	195,973	1,042	-	-
Other Expenses	18,000	-	18,000	14,472	3,528	-	-
	<u>\$ 425,912</u>	<u>\$ -</u>	<u>\$ 425,912</u>	<u>\$ 352,733</u>	<u>\$ 73,179</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF LYNDHURST
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2016

	Appropriated			Paid or Charged	Reserved	Unexpended	
	CY2016 Budget	Emergency Appropriation	Budget After Modification			Balance Canceled	Overexpended
<u>Operations - Within "CAPS" (Continued)</u>							
<u>DEPARTMENT OF PUBLIC SAFETY</u>							
Director's Office:							
Salaries and Wages	\$ 6,200	\$ -	\$ 6,200	\$ 6,200	\$ -	\$ -	\$ -
Police:							
Salaries and Wages	6,732,993	-	6,707,993	6,113,765	594,228	-	-
Other Expenses	380,000	-	405,000	397,699	7,301	-	-
Purchase of Police Cars	-	-	-	-	-	-	-
911/Dispatch:							
Salaries and Wages	43,036	-	43,036	8,785	34,251	-	-
Other Expenses	-	-	-	-	-	-	-
School Marshals:							
Salaries and Wages	387,219	-	387,219	352,521	34,698	-	-
Other Expenses	6,000	-	6,000	5,083	917	-	-
Police Clerical:							
Salaries and Wages	251,018	-	251,018	233,876	17,142	-	-
Office of Emergency Management:							
Salaries and Wages	7,366	-	7,366	7,366	-	-	-
Other Expenses	3,000	-	3,000	1,653	1,347	-	-
Aid to Volunteer Fire Companies:							
Other Expenses	90,000	-	96,000	91,945	4,055	-	-
Emergency Medical Services:							
Salaries and Wages	273,478	-	264,228	252,278	11,950	-	-
Other Expenses	46,000	-	35,500	20,472	15,028	-	-
Other Expenses - Third Party Billing	60,000	-	60,000	22,185	37,815	-	-
Aid to Volunteer Ambulance Companies:							
Other Expenses	44,000	-	44,000	40,635	3,365	-	-
Fire Department:							
Salaries and Wages	66,589	-	66,589	50,765	15,824	-	-
Other Expenses	10,000	-	14,500	11,121	3,379	-	-
Township Prosecutor:							
Salaries and Wages	17,096	-	17,096	16,846	250	-	-
Municipal Court:							
Salaries and Wages	202,427	-	211,427	211,360	67	-	-
Other Expenses	18,000	-	18,000	13,211	4,789	-	-
Public Defender (P.L. 1997, c.256)							
Salaries and Wages	9,951	-	10,201	10,201	-	-	-
Other Expenses	1,000	-	1,000	-	1,000	-	-
	<u>\$ 8,655,373</u>	<u>\$ -</u>	<u>\$ 8,655,373</u>	<u>\$ 7,867,967</u>	<u>\$ 787,406</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF LYNDHURST
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2016

	Appropriated		Paid or Charged	Reserved	Unexpended	
	CY2016 Budget	Emergency Appropriation			Budget After Modification	Balance Canceled
<u>Operations - Within "CAPS" (Continued)</u>						
<u>DEPARTMENT OF PUBLIC WORKS</u>						
Director's Office:						
Salaries and Wages	\$ 6,200	\$ -	\$ 6,200	\$ 6,200	\$ -	\$ -
Engineering:						
Salaries and Wages	2,998	-	2,998	2,998	-	-
Other Expenses	69,000	-	62,100	47,301	14,799	-
Road Repairs and Maintenance:						
Salaries and Wages	260,899	-	240,899	226,737	14,162	-
Other Expenses	160,000	-	140,000	122,946	17,054	-
Sewer System:						
Salaries and Wages	359,042	-	387,542	384,547	2,995	-
Other Expenses	110,000	-	108,000	97,816	10,184	-
Public Works Administration						
Salaries and Wages	197,448	-	192,448	186,044	6,404	-
Shade Trees:						
Salaries and Wages	216,302	-	247,702	237,139	10,563	-
Other Expenses	50,000	-	51,000	49,461	1,539	-
Drug and Alcohol Testing:						
Other Expenses	1,000	-	1,000	-	1,000	-
Snow Control:						
Salaries and Wages	50,000	-	100	-	100	-
Vehicle Maintenance:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	140,000	-	140,000	122,699	17,301	-
Recycling/Beautification Program:						
Salaries and Wages	193,895	-	190,895	189,251	1,644	-
Other Expenses	10,000	-	11,000	9,232	1,768	-
Other Expenses - Recycling Contract	295,000	-	310,000	282,857	27,143	-
Solid Waste Collection:						
Other Expenses	490,000	-	475,000	439,000	36,000	-
Dump Fees:						
Other Expenses (Type 10)	710,000	-	683,000	610,433	72,567	-
Other Expenses (Grass and Leaves)	65,000	-	35,000	17,165	17,835	-
	<u>\$ 3,386,784</u>	<u>\$ -</u>	<u>\$ 3,284,884</u>	<u>\$ 3,031,826</u>	<u>\$ 253,058</u>	<u>\$ -</u>

TOWNSHIP OF LYNDHURST
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2016

	Appropriated			Paid or Charged	Reserved	Unexpended	
	CY2016 Budget	Emergency Appropriation	Budget After Modification			Balance Canceled	Overexpended
<u>Operations - Within "CAPS" (Continued)</u>							
<u>DEPARTMENT OF PARKS AND PUBLIC PROPERTY</u>							
Director's Office:							
Salaries and Wages	\$ 6,200	\$ -	\$ 6,200	\$ 6,200	\$ -	\$ -	\$ -
Township Buildings & Grounds:							
Other Expenses	145,000	-	192,000	179,987	12,013	-	-
Generator Testing	10,000	-	10,000	9,550	450	-	-
Recreation Services and Programs:							
Salaries and Wages	26,000	-	21,200	18,119	3,081	-	-
Other Expenses	51,000	-	51,000	42,463	8,537	-	-
Summer Day Camp:							
Salaries and Wages	150,000	-	120,000	109,252	10,748	-	-
Handicapped Persons Program:							
Salaries and Wages	86,891	-	94,891	94,501	390	-	-
Other Expenses	5,500	-	2,200	1,125	1,075	-	-
Senior Citizen Activities:							
Salaries and Wages	12,902	-	12,902	10,481	2,421	-	-
Other Expenses	2,500	-	2,500	2,485	15	-	-
Maintenance of Parks:							
Salaries and Wages	1,131,869	-	1,236,869	1,234,522	2,347	-	-
Other Expenses	108,000	-	88,000	62,087	25,913	-	-
	<u>\$ 1,735,862</u>	<u>\$ -</u>	<u>\$ 1,837,762</u>	<u>\$ 1,770,772</u>	<u>\$ 66,990</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF LYNDHURST
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2016

	Appropriated			Paid or Charged	Reserved	Unexpended	
	CY2016 Budget	Emergency Appropriation	Budget After Modification			Balance Canceled	Overexpended
<u>Operations - Within "CAPS" (Continued)</u>							
<u>UNIFORM CONSTRUCTION CODE</u>							
Construction Code Official:							
Salaries and Wages	\$ 419,470	\$ -	\$ 427,470	\$ 421,315	\$ 6,155	\$ -	\$ -
Other Expenses	18,000	-	18,000	12,565	5,435	-	-
Other Expenses - Clean Up & Demolition	2,500	-	2,500	-	2,500	-	-
Other Expenses - Tenant Relocation	1,733	-	1,733	-	1,733	-	-
	<u>\$ 441,703</u>	<u>\$ -</u>	<u>\$ 449,703</u>	<u>\$ 433,880</u>	<u>\$ 15,823</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF LYNDHURST
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2016

	Appropriated		Paid or Charged	Reserved	Unexpended	
	CY2016 Budget	Emergency Appropriation			Budget After Modification	Balance Canceled
<u>Operations - Within "CAPS" (Continued)</u>						
<u>UNCLASSIFIED</u>						
Accumulated Leave Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Insurance Premiums	992,500	-	992,500	992,193	307	-
Disability Insurance Program	2,500	-	2,500	-	2,500	-
Employee Group Insurance	4,003,034	-	4,003,034	3,921,960	81,074	-
Health Benefit Waiver	12,000	-	12,000	12,000	-	-
Unemployment Trust Contribution	53,000	-	53,000	46,246	6,754	-
General Postage Expenses	34,000	-	44,000	43,485	515	-
Legal Salaries and Wages	191,625	-	191,625	191,625	-	-
Legal & Other Professional Services	266,400	-	314,700	301,945	12,755	-
Legal Services - Tax Appeals	84,000	-	53,500	47,075	6,425	-
Legal Advertising	18,000	-	10,200	9,146	1,054	-
Electricity	555,000	-	555,000	425,362	129,638	-
Street Lighting	260,000	-	260,000	196,748	63,252	-
Telephone	142,000	-	147,000	141,345	5,655	-
Gasoline	240,000	-	235,000	110,539	124,461	-
Annual Audit:						
Other Expenses	100,000	-	100,000	100,000	-	-
Computerized Data Processing:						
Other Expenses	125,000	-	125,000	90,423	34,577	-
Celebration of Public Events:						
Other Expenses	77,000	-	65,000	52,022	12,978	-
Shared Service Operating Expenses	33,000	-	33,000	17,560	15,440	-
Vehicle Maintenance:						
Other Expenses	240,000	-	240,000	238,081	1,919	-
Swimming Pool - Other Expenses						
Other Expenses	1,000	-	1,000	-	1,000	-
DEP Fees - Trust Loan (CW)	7,975	-	7,975	-	7,975	-
NJEIT Fees - Trust Loan (CW)	4,605	-	4,605	4,605	-	-
	<u>\$ 7,442,639</u>	<u>\$ -</u>	<u>\$ 7,450,639</u>	<u>\$ 6,942,360</u>	<u>\$ 508,279</u>	<u>\$ -</u>
Total Operations Within "CAPS"	\$ 22,999,100	\$ -	\$ 22,999,100	\$ 21,239,937	\$ 1,759,163	\$ -
Contingent	60,000	-	60,000	30,578	29,422	-
Total Operations Including Contingent Within "CAPS"	<u>\$ 23,059,100</u>	<u>\$ -</u>	<u>\$ 23,059,100</u>	<u>\$ 21,270,515</u>	<u>\$ 1,788,585</u>	<u>\$ -</u>
<u>Detail:</u>						
Salaries and Wages	\$ 12,243,603	\$ -	\$ 12,290,253	\$ 11,439,373	\$ 850,880	\$ -
Other Expenses (Including Contingent)	\$ 10,815,497	\$ -	\$ 10,768,847	\$ 9,831,142	\$ 937,705	\$ -

TOWNSHIP OF LYNDHURST
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2016

	Appropriated			Paid or Charged	Reserved	Unexpended	
	CY2016 Budget	Emergency Appropriation	Budget After Modification			Balance Canceled	Overexpended
<u>Deferred Charges and Statutory Expenditures - Within "CAPS"</u>							
<u>DEFERRED CHARGES</u>							
Prior Year Bills	\$ 90,497	\$ -	\$ 90,497	\$ 90,497	\$ -	\$ -	\$ -
EnCap Refunding - Township Portion	376,857	-	376,857	376,857	-	-	-
Swimming Pool Utility Fund - Deficit	-	-	-	-	-	-	-
<u>STATUTORY EXPENDITURES</u>							
Social Security System (O.A.S.I.)	510,000	-	510,000	487,875	22,125	-	-
Consolidated Police and Firemen's Pension	-	-	-	-	-	-	-
Public Employees Retirement System (PERS)	580,224	-	580,224	580,224	-	-	-
Police and Fireman's Retirement System (PFRS)	1,483,705	-	1,483,705	1,483,705	-	-	-
Total Deferred Charges and Statutory Expenditures	<u>\$ 3,041,283</u>	<u>\$ -</u>	<u>\$ 3,041,283</u>	<u>\$ 3,019,158</u>	<u>\$ 22,125</u>	<u>\$ -</u>	<u>\$ -</u>
Total General Appropriations - Within "CAPS"	<u>\$ 26,100,383</u>	<u>\$ -</u>	<u>\$ 26,100,383</u>	<u>\$ 24,289,673</u>	<u>\$ 1,810,710</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF LYNDHURST
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2016

	Appropriated			Paid or Charged	Reserved	Unexpended	
	CY2016 Budget	Emergency Appropriation	Budget After Modification			Balance Canceled	Overexpended
<u>Operations - Excluded from "CAPS"</u>							
<u>OTHER APPROPRIATIONS</u>							
Maintenance of Free Public Library	921,779	-	921,779	691,334	230,445	-	-
Lyndhurst - North Arlington Joint Meeting	175,986	-	175,986	175,986	-	-	-
Stormwater Management	-	-	-	-	-	-	-
Volunteer Length of Service Awards Program	85,000	-	85,000	61,971	23,029	-	-
Sewerage Processing & Disposal	1,756,372	-	1,756,372	1,756,372	-	-	-
Employee Group Insurance (Increase in Excess of 4%)	-	-	-	-	-	-	-
Reserve for Tax Appeals	-	-	-	-	-	-	-
Total Other Appropriations	\$ 2,939,137	\$ -	\$ 2,939,137	\$ 2,685,663	\$ 253,474	\$ -	\$ -
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>							
911 Service	\$ 30,000	\$ -	\$ 30,000	\$ 15,415	\$ 14,585	\$ -	\$ -
Borough of Wanaque - QPA Services	31,000	-	31,000	31,000	-	-	-
	\$ 61,000	\$ -	\$ 61,000	\$ 46,415	\$ 14,585	\$ -	\$ -

TOWNSHIP OF LYNDHURST
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2016

	Appropriated			Paid or Charged	Reserved	Unexpended	
	CY2016 Budget	Emergency Appropriation	Budget After Modification			Balance Canceled	Overexpended
<u>Operations - Excluded from "CAPS" (Continued):</u>							
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>							
Clean Communities Program	37,221	-	37,221	37,221	-	-	-
Recycling Tonnage Grant	-	-	-	-	-	-	-
Drunk Driving Enforcement Fund	20,518	-	20,518	20,518	-	-	-
Body Armor Replacement Program	4,794	-	4,794	4,794	-	-	-
Recreation Opportunities for Individuals with Disabilities (ROID)	7,500	-	7,500	7,500	-	-	-
Alcohol Education & Rehabilitation Program	2,534	-	2,534	2,534	-	-	-
NJ State Cultural Affairs Grant (NJSCA)	187	-	187	187	-	-	-
Bergen County Arts Grant	1,013	-	1,013	1,013	-	-	-
	<u>\$ 73,767</u>	<u>\$ -</u>	<u>\$ 73,767</u>	<u>\$ 73,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Operations Excluded From "CAPS"	<u>\$ 3,073,904</u>	<u>\$ -</u>	<u>\$ 3,073,904</u>	<u>\$ 2,805,845</u>	<u>\$ 268,059</u>	<u>\$ -</u>	<u>\$ -</u>
Detail:							
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Expenses	\$ 3,073,904	\$ -	\$ 3,073,904	\$ 2,805,845	\$ 268,059	\$ -	\$ -
<u>Capital Improvements - Excluded From "CAPS"</u>							
Capital Improvement Fund	\$ 300,000	\$ -	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ -
Down Payment on Improvements	2,500,000	-	2,500,000	2,500,000	-	-	-
Acquisition of Heavy Truck & Related Equipment	85,000	-	85,000	79,132	5,868	-	-
Reconstruction of Municipal Building Parking Lot (UST Project)	94,000	-	94,000	18,062	75,938	-	-
Reconstruction of Municipal Complex	100,000	-	100,000	100,000	-	-	-
Acquisition of Recreation Mobile Van	80,000	-	80,000	64,250	15,750	-	-
Acquisition of Park Maintenance Vehicle	45,000	-	45,000	39,877	5,123	-	-
	<u>\$ 3,204,000</u>	<u>\$ -</u>	<u>\$ 3,204,000</u>	<u>\$ 3,101,321</u>	<u>\$ 102,679</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Municipal Debt Service - Excluded From "CAPS"</u>							
Bond Principal	\$ 2,510,000	\$ -	\$ 2,510,000	\$ 2,510,000	\$ -	\$ -	\$ -
Bond Interest	1,255,387	-	1,255,387	1,255,387	-	-	-
Bond Anticipation Note Principal	1,869,999	-	1,869,999	1,869,999	-	-	-
Bond Anticipation Note Interest	115,891	-	115,891	115,716	-	175	-
NJEIT Loans - Principal (CW - Trust)	60,000	-	60,000	44,482	-	15,518	-
NJEIT Loans - Interest (CW - Trust)	65,750	-	65,750	65,750	-	-	-
NJEIT Loans - Principal (CW - Fund)	83,947	-	83,947	83,947	-	-	-
	<u>\$ 5,960,974</u>	<u>\$ -</u>	<u>\$ 5,960,974</u>	<u>\$ 5,945,281</u>	<u>\$ -</u>	<u>\$ 15,693</u>	<u>\$ -</u>
<u>Deferred Charges - Excluded From "CAPS"</u>							
Emergency Authorizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Emergency Authorizations - 3 Years	-	-	-	-	-	-	-
Special Emergency Authorizations - 5 Years	30,000	-	30,000	30,000	-	-	-
Deferred Charges - Unfunded #2814-11	14,250	-	14,250	14,250	-	-	-
Deficit in Operations	-	-	-	-	-	-	-
	<u>\$ 44,250</u>	<u>\$ -</u>	<u>\$ 44,250</u>	<u>\$ 44,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Judgements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Appropriations - Excluded From "CAPS"	<u>\$ 12,283,128</u>	<u>\$ -</u>	<u>\$ 12,283,128</u>	<u>\$ 11,896,697</u>	<u>\$ 370,738</u>	<u>\$ 15,693</u>	<u>\$ -</u>

TOWNSHIP OF LYNDHURST
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2016

	Appropriated			Paid or Charged	Reserved	Unexpended	
	CY2016 Budget	Emergency Appropriation	Budget After Modification			Balance Canceled	Overexpended
Subtotal General Appropriations	\$ 38,383,511	\$ -	\$ 38,383,511	\$ 36,186,370	2,181,448	\$ 15,693	\$ -
Reserve for Uncollected Taxes	3,606,165	-	3,606,165	3,606,165	-	-	-
Total General Appropriations	<u>\$ 41,989,676</u>	<u>\$ -</u>	<u>\$ 41,989,676</u>	<u>\$ 39,792,535</u>	<u>\$ 2,181,448</u>	<u>\$ 15,693</u>	<u>\$ -</u>
Adopted Budget	\$ 41,989,676	\$ -	\$ 41,989,676				
Budget Appropriations Added by N.J.S. 40A:4-87	-	-	-				
Emergency Appropriations	-	-	-				
	<u>\$ 41,989,676</u>	<u>\$ -</u>	<u>\$ 41,989,676</u>				
Other Expenses and Charges to Income:							
Interfund Loans Originating			\$ -	\$ -			
Refund of Prior Year's Revenue			-	2,554,912			
Revenue Accounts Receivable			-	-			
Vets & Senior Citizen Adjustments			-	-			
Federal & State Grant Fund Shortfalls			-	-			
Taxes Allocated to School and County:							
Local District School Taxes			\$ 36,019,490	\$ 36,019,490			
County Taxes			6,425,350	6,425,350			
County Open Space Taxes			70,168	70,168			
Added and Omitted County/Open Space Taxes			33,275	33,275			
			<u>\$ 42,548,283</u>	<u>\$ 45,103,195</u>			

**TOWNSHIP OF LYNDHURST
GRANT FUND
BALANCE SHEET (REGULATORY BASIS)**

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Cash:		
Operating Account	\$ 277,562	\$ 371,812
DEA/Equitable Sharing Account	369,514	334,912
	<u>\$ 647,076</u>	<u>\$ 706,724</u>
Interfund Receivable:		
Current Fund	\$ -	\$ 73,767
	<u>\$ -</u>	<u>\$ 73,767</u>
Total Assets	<u>\$ 647,076</u>	<u>\$ 780,491</u>
<u>LIABILITIES AND RESERVES</u>		
Other Liabilities and Reserves:		
Reserve for Encumbrances	\$ 6,066	\$ 6,065
Appropriated Reserves	324,036	513,266
Reserve for DEA/Equitable Sharing	176,234	141,632
Unappropriated Reserves	94,979	73,767
Reserve for FEMA Reimbursements - 2011 Storms	45,761	45,761
	<u>\$ 647,076</u>	<u>\$ 780,491</u>
Total Liabilities and Reserves	<u>\$ 647,076</u>	<u>\$ 780,491</u>

TOWNSHIP OF LYNDHURST
 GRANT FUND
 SCHEDULE OF GRANTS RECEIVABLE
 YEAR ENDED DECEMBER 31, 2016

Program	Balance December 31, 2015	Revenue Realized	Received	Transfer from Unappropriated Reserves	Adjustments	Balance December 31, 2016
Federal:						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State:						
Clean Communities Program	\$ -	\$ 37,221	\$ -	\$ 37,221	\$ -	\$ -
Drunk Driving Enforcement Fund	-	20,518	-	20,518	-	-
Body Armor Replacement Program	-	4,794	-	4,794	-	-
Recreation Opportunities For Ind. With Disabilities (ROID)	-	7,500	-	7,500	-	-
Alcohol Education & Rehabilitation Program	-	2,534	-	2,534	-	-
NJ State Cultural Affairs Grant (NJSCA)	-	187	-	187	-	-
	\$ -	\$ 72,754	\$ -	\$ 72,754	\$ -	\$ -
Other:						
Bergen County Arts Grant	\$ -	\$ 1,013	\$ -	\$ 1,013	\$ -	\$ -
	\$ -	\$ 1,013	\$ -	\$ 1,013	\$ -	\$ -
	\$ -	\$ 73,767	\$ -	\$ 73,767	\$ -	\$ -

TOWNSHIP OF LYNDHURST
 GRANT FUND
 SCHEDULE OF APPROPRIATED RESERVES
 YEAR ENDED DECEMBER 31, 2016

Program	Balance December 31, 2015	Amount Budgeted	Paid or Charged	Adjustments	Balance December 31, 2016
Federal:					
Fire Department FEMA Grant					
Federal	\$ 4,448	\$ -	\$ 4,448	\$ -	\$ -
Local	1,872	-	1,872	-	-
Veterans	6,412	-	-	-	6,412
DEA/Equitable Sharing	5,549	-	-	-	5,549
	<u>\$ 18,281</u>	<u>\$ -</u>	<u>\$ 6,320</u>	<u>\$ -</u>	<u>\$ 11,961</u>
State:					
Recreation Opportunities for Individuals with Disabilities (ROID)	\$ 5,364	\$ 7,500	\$ 8,702	\$ -	\$ 4,162
Special Legislative Grant - Street Scaping	14	-	-	-	14
Special Legislative Grant - Furniture	4,000	-	-	-	4,000
Special Legislative Grant - Communications Tower	32,028	-	-	-	32,028
Body Armor Replacement Program	6,054	4,794	-	-	10,848
Recycling Tonnage Grant	101,660	-	50,000	-	51,660
Clean Communities Program	30,754	37,221	40,511	-	27,464
Alcohol Education Rehabilitation Program	14,622	2,534	2,374	-	14,782
Drunk Driving Enforcement Fund	11,462	20,518	10,550	-	21,430
Statewide Livable Communities Grant	100,005	-	100,005	-	-
NJ State Cultural Affairs Grant (NJSCA)	985	187	-	-	1,172
State Police OEM Management Update	2,406	-	2,406	-	-
NJ Div. of Law & Public Safety - CERT Trailer & Equip.	851	-	851	-	-
	<u>\$ 310,205</u>	<u>\$ 72,754</u>	<u>\$ 215,399</u>	<u>\$ -</u>	<u>\$ 167,560</u>
Other:					
B.C. Prosecutor Police Confiscated Funds	\$ 93,112	\$ -	\$ -	\$ -	\$ 93,112
N.J.M.C. Grant - Townhall Park Renovations	26,300	-	26,300	-	-
N.J.M.C. Grant - Municipal Assistance Program	8,738	-	8,738	-	-
N.J.M.C. Grant - Police Cars With Accessories	6,240	-	6,240	-	-
Barringer Walker Defibrulators	3,472	-	-	-	3,472
BCUA Recycling Assistance Program (MRAP)	13,568	-	-	-	13,568
Comcast Grant	25,500	-	-	-	25,500
Bergen County Arts Grant	-	1,013	-	-	1,013
Private Donations	7,750	-	-	-	7,750
Private Donation - Lower Passaic River (CPG)	100	-	-	-	100
	<u>\$ 184,780</u>	<u>\$ 1,013</u>	<u>\$ 41,278</u>	<u>\$ -</u>	<u>\$ 144,515</u>
	<u>\$ 513,266</u>	<u>\$ 73,767</u>	<u>\$ 262,997</u>	<u>\$ -</u>	<u>\$ 324,036</u>

TOWNSHIP OF LYNDHURST
 GRANT FUND
 SCHEDULE OF UNAPPROPRIATED RESERVES
 YEAR ENDED DECEMBER 31, 2016

Program	Balance December 31, 2015	Amount Appropriated	Received	Adjustments	Balance December 31, 2016
Alcohol Education Rehabilitation Program	\$ 2,534	\$ 2,534	\$ 3,142	\$ -	\$ 3,142
Drunk Driving Enforcement Fund	20,518	20,518	10,500	-	10,500
Recycling Tonnage Grant	-	-	24,975	-	24,975
Body Armor Replacement Program	4,794	4,794	4,189	-	4,189
Clean Communities Program	37,221	37,221	42,985	-	42,985
Recreation Opportunities For Ind. With Disabilities (ROID)	7,500	7,500	7,500	-	7,500
NJSCA Grant	187	187	-	-	-
Bergen County Arts Grant	1,013	1,013	1,688	-	1,688
	<u>\$ 73,767</u>	<u>\$ 73,767</u>	<u>\$ 94,979</u>	<u>\$ -</u>	<u>\$ 94,979</u>

**TOWNSHIP OF LYNDHURST
TRUST FUND
BALANCE SHEET (REGULATORY BASIS)**

	Dog License	Trusts & Escrow	Municipal Alliance	Off Duty Police Employment
<u>ASSETS</u>				
Cash	\$ 65,995	\$ 533,752	\$ 7,691	\$ 83,718
Deferred Compensation Assets	\$ -	\$ -	\$ -	\$ -
Interfund Receivable: Current Fund	\$ -	\$ 573,972	\$ -	\$ -
Total Assets	\$ 65,995	\$ 1,107,724	\$ 7,691	\$ 83,718
<u>LIABILITIES AND RESERVES</u>				
Interfunds Payable: Current Fund	\$ -	\$ -	\$ -	\$ -
Other Liabilities and Reserves:				
Reserve for Dog License Expenditures	\$ 65,995	\$ -	\$ -	\$ -
Reserve for Trust & Escrow Deposits	-	994,221	-	-
Reserve for Municipal Alliance Expenditures	-	-	7,691	-
Reserve for Off Duty Police Employment Expenditures	-	-	-	83,718
Reserve for P.O.A.A. Expenditures	-	-	-	-
Reserve for Unemployment Expenditures	-	-	-	-
Reserve for Employee Health Care Expenditures	-	-	-	-
Reserve for EMS Expenditures	-	-	-	-
Reserve for COAH Expenditures	-	-	-	-
Net Payroll/Deductions Payable	-	-	-	-
Reserve for Tax Sale Premiums	-	84,900	-	-
Reserve for Chemical Control Expenditures	-	107	-	-
Reserve for Construction Code Expenditures	-	24,496	-	-
Reserve for Marriage Fees	-	4,000	-	-
Reserve for Community Development Expenditures	-	-	-	-
Reserve for Recreation Commission Expenditures	-	-	-	-
Reserve for BOE Gasoline Expenditures	-	-	-	-
Reserve for Deferred Compensation Assets	-	-	-	-
Total Other Reserves	\$ 65,995	\$ 1,107,724	\$ 7,691	\$ 83,718
Total Liabilities and Reserves	\$ 65,995	\$ 1,107,724	\$ 7,691	\$ 83,718

**TOWNSHIP OF LYNDHURST
TRUST FUND
BALANCE SHEET (REGULATORY BASIS)**

	P.O.A.A.	Unemployment Insurance	Employee Health Care	COAH
<u>ASSETS</u>				
Cash	\$ 16,344	\$ 6,076	\$ 144,476	\$ 103,009
Deferred Compensation Assets	\$ -	\$ -	\$ -	\$ -
Interfund Receivable: Current Fund	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ 16,344	\$ 6,076	\$ 144,476	\$ 103,009
<u>LIABILITIES AND RESERVES</u>				
Interfunds Payable: Current Fund	\$ -	\$ -	\$ -	\$ -
Other Liabilities and Reserves:				
Reserve for Dog License Expenditures	\$ -	\$ -	\$ -	\$ -
Reserve for Trust & Escrow Deposits	-	-	-	-
Reserve for Municipal Alliance Expenditures	-	-	-	-
Reserve for Off Duty Police Employment Expenditures	-	-	-	-
Reserve for P.O.A.A. Expenditures	16,344	-	-	-
Reserve for Unemployment Expenditures	-	6,076	-	-
Reserve for Employee Health Care Expenditures	-	-	144,476	-
Reserve for EMS Expenditures	-	-	-	-
Reserve for COAH Expenditures	-	-	-	103,009
Net Payroll/Deductions Payable	-	-	-	-
Reserve for Tax Sale Premiums	-	-	-	-
Reserve for Chemical Control Expenditures	-	-	-	-
Reserve for Construction Code Expenditures	-	-	-	-
Reserve for Marriage Fees	-	-	-	-
Reserve for Community Development Expenditures	-	-	-	-
Reserve for Recreation Commission Expenditures	-	-	-	-
Reserve for BOE Gasoline Expenditures	-	-	-	-
Reserve for Deferred Compensation Assets	-	-	-	-
Total Other Reserves	\$ 16,344	\$ 6,076	\$ 144,476	\$ 103,009
Total Liabilities and Reserves	\$ 16,344	\$ 6,076	\$ 144,476	\$ 103,009

**TOWNSHIP OF LYNDHURST
TRUST FUND
BALANCE SHEET (REGULATORY BASIS)**

	Master Payroll	Recreation Commission	BOE Trust - Gasoline	EMS Fees
<u>ASSETS</u>				
Cash	\$ 131,861	\$ 332,753	\$ 92,642	\$ 1,097
Deferred Compensation Assets	\$ -	\$ -	\$ -	\$ -
Interfund Receivable: Current Fund	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ 131,861	\$ 332,753	\$ 92,642	\$ 1,097
<u>LIABILITIES AND RESERVES</u>				
Interfunds Payable: Current Fund	\$ -	\$ -	\$ -	\$ -
Other Liabilities and Reserves:				
Reserve for Dog License Expenditures	\$ -	\$ -	\$ -	\$ -
Reserve for Trust & Escrow Deposits	-	-	-	-
Reserve for Municipal Alliance Expenditures	-	-	-	-
Reserve for Off Duty Police Employment Expenditures	-	-	-	-
Reserve for P.O.A.A. Expenditures	-	-	-	-
Reserve for Unemployment Expenditures	-	-	-	-
Reserve for Employee Health Care Expenditures	-	-	-	-
Reserve for EMS Expenditures	-	-	-	1,097
Reserve for COAH Expenditures	-	-	-	-
Net Payroll/Deductions Payable	131,861	-	-	-
Reserve for Tax Sale Premiums	-	-	-	-
Reserve for Chemical Control Expenditures	-	-	-	-
Reserve for Construction Code Expenditures	-	-	-	-
Reserve for Marriage Fees	-	-	-	-
Reserve for Community Development Expenditures	-	-	-	-
Reserve for Recreation Commission Expenditures	-	332,753	-	-
Reserve for BOE Gasoline Expenditures	-	-	92,642	-
Reserve for Deferred Compensation Assets	-	-	-	-
Total Other Reserves	\$ 131,861	\$ 332,753	\$ 92,642	\$ 1,097
Total Liabilities and Reserves	\$ 131,861	\$ 332,753	\$ 92,642	\$ 1,097

**TOWNSHIP OF LYNDHURST
TRUST FUND
BALANCE SHEET (REGULATORY BASIS)**

	Deferred Compensation Plans	Total 2016	Total 2015
<u>ASSETS</u>			
Cash	\$ -	\$ 1,519,414	\$ 1,963,784
Deferred Compensation Assets	\$ 992,665	\$ 992,665	896,311
Interfund Receivable:			
Current Fund	\$ -	\$ 573,972	\$ 557,993
Total Assets	<u>\$ 992,665</u>	<u>\$ 3,086,051</u>	<u>\$ 3,418,088</u>
<u>LIABILITIES AND RESERVES</u>			
Interfunds Payable:			
Current Fund	\$ -	\$ -	\$ -
Other Liabilities and Reserves:			
Reserve for Dog License Expenditures	\$ -	\$ 65,995	\$ 58,611
Reserve for Trust & Escrow Deposits	-	994,221	1,067,523
Reserve for Municipal Alliance Expenditures	-	7,691	8,641
Reserve for Off Duty Police Employment Expenditures	-	83,718	138,617
Reserve for P.O.A.A. Expenditures	-	16,344	12,131
Reserve for Unemployment Expenditures	-	6,076	6,076
Reserve for Employee Health Care Expenditures	-	144,476	131,494
Reserve for EMS Expenditures	-	1,097	346
Reserve for COAH Expenditures	-	103,009	102,189
Net Payroll/Deductions Payable	-	131,861	119,997
Reserve for Tax Sale Premiums	-	84,900	557,993
Reserve for Chemical Control Expenditures	-	107	140
Reserve for Construction Code Expenditures	-	24,496	28,622
Reserve for Marriage Fees	-	4,000	-
Reserve for Community Development Expenditures	-	-	-
Reserve for Recreation Commission Expenditures	-	332,753	212,795
Reserve for BOE Gasoline Expenditures	-	92,642	76,602
Reserve for Deferred Compensation Assets	992,665	992,665	896,311
Total Other Reserves	<u>\$ 992,665</u>	<u>\$ 3,086,051</u>	<u>\$ 3,418,088</u>
Total Liabilities and Reserves	<u>\$ 992,665</u>	<u>\$ 3,086,051</u>	<u>\$ 3,418,088</u>

**TOWNSHIP OF LYNDHURST
GENERAL CAPITAL FUND
BALANCE SHEET (REGULATORY BASIS)**

	2016	2015
<u>ASSETS</u>		
Cash - Operating Account	\$ 1,820,335	\$ 1,396,690
Interfunds Receivable:		
Current Fund	2,797,241	105,086
Water Utility Capital Fund	-	601,628
	<u>2,797,241</u>	<u>706,714</u>
Intergovernmental Receivable:		
NJEIT Loan Drawdowns (CW)	\$ -	\$ 53,965
	<u>\$ -</u>	<u>\$ 53,965</u>
Deferred Charges:		
Unfunded	63,682,000	15,851,250
Funded	32,461,281	35,142,211
	<u>96,143,281</u>	<u>50,993,461</u>
Total Assets	<u>100,760,857</u>	<u>53,150,830</u>
<u>LIABILITIES AND RESERVES</u>		
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 157,841	\$ 14,850
Reserve for Payment of Debt Service	145,357	-
Reserve for New Jersey Avenue	-	105,086
	<u>303,198</u>	<u>119,936</u>
Improvement Authorizations:		
Funded	2,582,694	172,584
Unfunded	51,220,269	3,097,684
	<u>53,802,963</u>	<u>3,270,268</u>
Serial Bonds Payable	<u>30,058,000</u>	<u>32,568,000</u>
NJEIT Loans Payable (CW)	<u>2,403,281</u>	<u>2,574,211</u>
Bond Anticipation Notes Payable	<u>13,967,000</u>	<u>14,392,000</u>
Fund Balance	<u>226,415</u>	<u>226,415</u>
Total Liabilities and Reserves	<u>\$ 100,760,857</u>	<u>\$ 53,150,830</u>

TOWNSHIP OF LYNDHURST
 GENERAL CAPITAL FUND
 SCHEDULE OF INTERFUNDS RECEIVABLE
 YEAR ENDED DECEMBER 31, 2016

Description	Balance December 31, 2015	Interfunds Advanced	Interfunds Returned	Balance December 31, 2016
Due From Water Utility Capital Fund	\$ 601,628	\$ -	\$ (601,628)	\$ -
Due From Current Fund	105,086	2,797,241	(105,086)	2,797,241
	<u>\$ 706,714</u>	<u>\$ 2,797,241</u>	<u>\$ (706,714)</u>	<u>\$ 2,797,241</u>
	-	\$ 2,500,000	Down Payment on Improvements	-
		300,000	Capital Improvement Fund	
		14,250	Deferred Charges Unfunded # 2814-11	
		(17,009)	Preliminary Plan Expenses	
		<u>\$ 2,797,241</u>		

TOWNSHIP OF LYNDHURST
 GENERAL CAPITAL FUND
 SCHEDULE OF INTERGOVERNMENTAL RECEIVABLE
 YEAR ENDED DECEMBER 31, 2016

Improvement Description	Balance December 31, 2015	Improvement Authorized	Cash Received	Cancelled/ Other	Balance December 31, 2016
<u>Federal:</u>					
None					
<u>State:</u>					
NJEIT Loan Drawdowns	\$ 53,965	\$ -		\$ (53,965)	\$ -
Total State	\$ 53,965	\$ -	\$ -	\$ (53,965)	\$ -
Total Grants Receivable	\$ 53,965	\$ -	\$ -	\$ (53,965)	\$ -

TOWNSHIP OF LYNDHURST
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2016

E-4

Improvement Description	Balance	CY2016 Authorizations	CY2016	Transferred	Budget Appropriation	Balance	Analysis		
	December 31, 2015		BAN Paydowns	to Deferred Charges Funded		December 31, 2016	Outstanding BANs	Bonds & Notes Authorized	Capital Cash
#2714 Various Capital Improvements	58,000	-	58,000	-	-	-	-	-	-
#2741 Various Capital Improvements	380,000	-	50,000	-	-	330,000	330,000	-	-
#2745 Computer Equipment	25,000	-	25,000	-	-	-	-	-	-
#2772 Tax Appeals Refunding Bonds	2,000,000	-	1,000,000	-	-	1,000,000	1,000,000	-	-
#2802-11 Acquisition of Real Property	380,000	-	40,000	-	-	340,000	340,000	-	-
#2812-11 Reconstruction of Jay Avenue	112,500	-	12,500	-	-	100,000	100,000	-	-
#2814-11 Reconstruction of Court Avenue	239,250	-	25,000	-	14,250	200,000	200,000	-	-
#2832-12 NJMC Third Party Tax Lien Refunding	11,211,500	-	659,500	-	-	10,552,000	10,552,000	-	-
#2916-15 2015 Road Program/Acq. of Dump Truck	1,445,000	-	-	-	-	1,445,000	1,445,000	-	-
#2936-16 2016 Road Resurfacing Program	-	2,215,000	-	-	-	2,215,000	-	2,215,000	-
#2941-16 Acquisition of Lincoln School	-	47,500,000	-	-	-	47,500,000	-	47,500,000	-
	<u>\$ 15,851,250</u>	<u>\$ 49,715,000</u>	<u>\$ 1,870,000</u>	<u>\$ -</u>	<u>\$ 14,250</u>	<u>\$ 63,682,000</u>	<u>\$ 13,967,000</u>	<u>\$ 49,715,000</u>	<u>\$ -</u>

TOWNSHIP OF LYNDHURST
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2016

Improvement	Balance	Paid By Budget	Serial Bonds Issued	De-Obligated by NJEIT	Balance	Analysis of Balance	
	December 31, 2015				December 31, 2016	Outstanding Bonds	Outstanding Loans
05/01/01 General Improvement Bonds	\$ 1,053,000	\$ (535,000)	\$ -	\$ -	\$ 518,000	\$ 518,000	\$ -
03/01/05 General Improvement Bonds	1,695,000	(425,000)	-	-	1,270,000	1,270,000	-
05/01/05 General Improvement Bonds	2,170,000	(100,000)	-	-	2,070,000	2,070,000	-
08/15/13 General Improvement Bonds	27,650,000	(1,450,000)	-	-	26,200,000	26,200,000	-
12/2/2010 NJEIT Trust Loan - CW	1,315,000	(60,000)	-	-	1,255,000	-	1,255,000
12/2/2010 NJEIT Fund Loan - CW	1,259,211	(83,947)	-	(26,983)	1,148,281	-	1,148,281
	<u>\$ 35,142,211</u>	<u>\$ (2,653,947)</u>	<u>\$ -</u>	<u>\$ (26,983)</u>	<u>\$ 32,461,281</u>	<u>\$ 30,058,000</u>	<u>\$ 2,403,281</u>

TOWNSHIP OF LYNDHURST
 GENERAL CAPITAL FUND
 SCHEDULE OF CAPITAL IMPROVEMENT FUND
 YEAR ENDED DECEMBER 31, 2016

Description	Balance December 31, 2015	Current Fund Appropriation	Used to Finance Authorizations	Used to Finance Preliminary Plan Expenses	Cancelled Funded Authorizations	Balance December 31, 2016
Capital Improvement Fund	\$ 14,850	\$ 300,000	\$ (140,000)	\$ (17,009)	-	\$ 157,841

TOWNSHIP OF LYNDHURST
 GENERAL CAPITAL FUND
 SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE
 YEAR ENDED DECEMBER 31, 2016

Ordinance	Balance December 31, 2015	Transfer to Current Fund Revenue	Increased by			Balance December 31, 2016
			Cash Receipts	Cancelled Funded Authorizations	Mispostings/ Adjustments	
#2936-16 - Sanford Avenue Improvements - Phase II	-	-	145,357	-	-	145,357
	\$ -	\$ -	\$ 145,357	\$ -	\$ -	\$ 145,357

TOWNSHIP OF LYNDHURST
 GENERAL CAPITAL FUND
 SCHEDULE OF RESERVE FOR NEW JERSEY AVENUE
 YEAR ENDED DECEMBER 31, 2016

Description	Balance December 31, 2015	Cash Receipts	Cash Disbursements	Other Adjustments	Balance December 31, 2016
Municipal Aid for New Jersey Avenue	\$ 105,086	\$ -	\$ (105,086)	\$ -	\$ -

TOWNSHIP OF LYNDHURST
 GENERAL CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 YEAR ENDED DECEMBER 31, 2016

Improvement Description	Ordinance Date	Amount	Balance December 31, 2015		Authorized in CY2016			Paid or Charged	Refunded	Cancellations/ Adjustments	Balance December 31, 2016	
			Funded	Unfunded	Down Payment	Obligations	Grants/ Other				Funded	Unfunded
#2472 Acquisition of Real Property	08/13/02	\$ 3,500,000	\$ -	\$ 3,205	\$ -	\$ -	\$ -	\$ 1,911	\$ -	\$ -	\$ -	\$ 1,294
#2561 Construction of Shared Services Building	04/13/06	2,900,000	10	-	-	-	-	-	-	-	10	-
#2566 Acquisition of Real Property	05/09/06	650,000	722	-	-	-	-	-	-	-	722	-
#2714 Various Capital Improvements	09/08/09	100,000	-	3,825	-	-	-	-	-	-	-	3,825
#2716 Various Capital Improvements	09/08/09	350,000	-	-	-	-	-	-	-	-	-	-
#2741 Various Capital Improvements	02/09/10	2,750,000	-	1,936,061	-	-	-	-	-	-	-	1,936,061
#2742 Various Capital Improvements	02/16/10	770,000	146,589	-	-	-	-	118,325	28,435	-	56,699	-
#2744 GPS in DPW Vehicles	02/16/10	15,000	-	7,787	-	-	-	6,583	-	-	-	1,204
#2769 Pump Station Outfalls	08/17/10	3,350,000	-	57,753	-	-	-	23,190	-	-	-	34,563
#2782 Equipment for Band/Music Program	12/14/10	100,000	2,580	-	-	-	-	-	-	-	2,580	-
#2802-11 Acquisition of Real Property	05/10/11	435,000	-	898	-	-	-	-	-	-	-	898
#2812-11 Reconstruction of Jay Avenue	08/09/11	325,000	-	24,453	-	-	-	24,453	-	-	-	-
#2814-11 Reconstruction of Court Avenue	08/09/11	375,000	-	73,259	-	-	-	-	52,353	-	-	125,612
#2854-12 JCMUA Tax Appeal Refunding	10/09/12	1,143,000	-	8,177	-	-	-	-	-	-	-	8,177
#2864-12 Various Public Improvements	10/09/12	1,249,100	11,720	-	-	-	-	-	-	-	11,720	-
#2868-12 Acquisition of Ambulance	10/09/12	50,000	10,963	-	-	-	-	-	-	-	10,963	-
#2916-15 2015 Road Program/Acq. of Dump Truck	06/09/15	1,540,000	-	982,266	-	-	-	932,012	-	-	-	50,254
#2936-16 2016 Road Resurfacing Program	06/14/16	2,355,000	-	-	140,000	2,215,000	-	796,619	-	-	-	1,558,381
#2941-16 Acquisition of Lincoln School	06/14/16	50,000,000	-	-	2,500,000	47,500,000	-	-	-	-	2,500,000	47,500,000
			\$ 172,584	\$ 3,097,684	\$ 2,640,000	\$ 49,715,000	\$ -	\$ 1,903,093	\$ 80,788	\$ -	\$ 2,582,694	\$ 51,220,269

**TOWNSHIP OF LYNDHURST
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2016**

<u>Date of Issue - Purpose</u>	<u>Amount of Issue</u>	<u>Balance December 31, 2015</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2016</u>
05/01/01 General Improvement Bonds	\$ 8,523,000	\$ 1,053,000	\$ -	\$ (535,000)	\$ 518,000
03/01/05 General Improvement Bonds	5,795,000	1,695,000	-	(425,000)	1,270,000
05/01/05 General Improvement Bonds	2,900,000	2,170,000	-	(100,000)	2,070,000
08/15/13 General Improvement Bonds	30,500,000	27,650,000	-	(1,450,000)	26,200,000
		<u>\$ 32,568,000</u>	<u>\$ -</u>	<u>\$ (2,510,000)</u>	<u>\$ 30,058,000</u>

TOWNSHIP OF LYNDHURST
GENERAL CAPITAL FUND
SCHEDULE OF LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2016

Date of Issue - Purpose	Amount of Issue	Balance December 31, 2015	Issued	Paid by Budget Appropriation	De-Obligated by NJEIT	Balance December 31, 2016
12/2/2010 NJEIT Trust Loan - CW	\$ 1,535,000	\$ 1,315,000	\$ -	\$ (60,000)	\$ -	\$ 1,255,000
12/2/2010 NJEIT Fund Loan - CW*	1,568,018	1,259,211	-	(83,948)	(26,982)	1,148,281
		<u>\$ 2,574,211</u>	<u>\$ -</u>	<u>\$ (143,948)</u>	<u>\$ (26,982)</u>	<u>\$ 2,403,281</u>
			-			-
	Original Issue	\$ 1,595,000				
	De-Obligated	(26,982)				
		<u>\$ 1,568,018</u>				

TOWNSHIP OF LYNDHURST
 GENERAL CAPITAL FUND
 SCHEDULE OF FUND BALANCE
 YEAR ENDED DECEMBER 31, 2016

Description	Balance December 31, 2015	Increased by			Decreased by Fund Balance Anticipated	Balance December 31, 2016
		Bond/BAN Premiums	Cancelled Funded Authorizations	Other Cash Receipts		
Fund Balance	\$ 226,415	\$ -	\$ -	\$ -	\$ -	\$ 226,415

**TOWNSHIP OF LYNDHURST
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2016**

Improvement Description	Balance December 31, 2015	Authorized	Bonds/Notes Issued	Budget Appropriation	Balance December 31, 2016
#2814-11 Reconstruction of Court Avenue	\$ 14,250	\$ -	\$ -	\$ (14,250)	\$ -
#2916-15 2015 Road Program/Acq. of Dump Truck	1,445,000	-	(1,445,000)	-	-
#2936-16 2016 Road Resurfacing Program	-	2,215,000	-	-	2,215,000
#2941-16 Acquisition of Lincoln School	-	47,500,000	-	-	47,500,000
	\$ 1,459,250	\$ 49,715,000	\$ (1,445,000)	\$ (14,250)	\$ 49,715,000

**TOWNSHIP OF LYNDHURST
GENERAL FIXED ASSET ACCOUNT GROUP
BALANCE SHEET (REGULATORY BASIS)**

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Land	\$ 133,198,900	\$ 35,786,800
Buildings and Improvements	7,621,800	5,681,100
Machinery and Equipment	10,228,141	6,579,194
	<u>\$ 151,048,841</u>	<u>\$ 48,047,094</u>
 <u>FUND BALANCE</u>		
Investment in General Fixed Assets	<u>\$ 151,048,841</u>	<u>\$ 48,047,094</u>

**TOWNSHIP OF LYNDHURST
GENERAL FIXED ASSET ACCOUNT GROUP
SCHEDULE OF CHANGES IN RESERVE FOR GENERAL FIXED ASSETS
YEAR ENDED DECEMBER 31, 2016**

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Land	\$ 35,786,800	\$ -	\$ -	\$ 97,412,100	\$ 133,198,900
Buildings and Improvements	5,681,100	-	-	1,940,700	7,621,800
Machinery and Equipment	6,579,194	-	-	3,648,947	10,228,141
	<u>\$ 48,047,094</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,001,747</u>	<u>\$ 151,048,841</u>

**TOWNSHIP OF LYNDHURST
WATER UTILITY OPERATING FUND
BALANCE SHEET (REGULATORY BASIS)**

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Cash:		
Operating Account	\$ 1,855,024	\$ 1,846,289
Change Fund	100	100
	<u>\$ 1,855,124</u>	<u>\$ 1,846,389</u>
Accounts Receivable:		
Consumer Accounts Receivable	\$ 503,681	\$ 382,757
Consumer Utility Liens	198	198
	<u>\$ 503,879</u>	<u>\$ 382,955</u>
Total Assets	<u>\$ 2,359,003</u>	<u>\$ 2,229,344</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Other Liabilities and Reserves:		
Appropriation Reserves	\$ 562,557	\$ 479,111
Reserve for Encumbrances	365,584	-
Accrued Interest on Bonds	32,502	28,836
Accrued Interest on Loans	71,833	75,333
Tax Sale Premiums	104,833	104,833
Water Overpayments	1,704	1,704
	<u>\$ 1,139,013</u>	<u>\$ 689,817</u>
Reserve for Receivables and Other Assets	<u>\$ 503,879</u>	<u>\$ 382,955</u>
Fund Balance	<u>\$ 716,111</u>	<u>\$ 1,156,572</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 2,359,003</u>	<u>\$ 2,229,344</u>

**TOWNSHIP OF LYNDHURST
 WATER UTILITY OPERATING FUND
 SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2016**

	Anticipated Budget	Realized	Excess/ (Deficit)
Revenues:			
Operating Surplus Anticipated	\$ 1,036,343	\$ 1,036,343	
Rents	3,950,000	4,085,670	135,670
Miscellaneous	160,000	182,056	22,056
Fines	35,000	44,283	9,283
Deficit (General Budget)	-	-	-
Total Budget Revenues	<u>\$ 5,181,343</u>	<u>\$ 5,348,352</u>	<u>\$ 167,009</u>
Other Credits to Income:			
Deficit in Operations	\$ -	\$ -	\$ -
Miscellaneous Revenues Not Anticipated	-	121,635	121,635
Unexpended Balances Cancelled	-	109,829	109,829
Unexpended Balance of Appropriated Reserves	-	197,576	197,576
Change in NJEIT Accrued Interest	-	-	-
	<u>\$ -</u>	<u>\$ 429,040</u>	<u>\$ 429,040</u>
Total Revenues and Credits to Income	<u>\$ 5,181,343</u>	<u>\$ 5,777,392</u>	<u>\$ 596,049</u>

**TOWNSHIP OF LYNDHURST
 WATER UTILITY OPERATING FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2016**

	Appropriations			Expended		Unexpended		
	Adopted Budget	Emergency Appropriation	Transfers	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
Operating:								
Salaries and Wages	\$ 263,373	\$ -	\$ -	\$ 263,373	\$ 196,065	\$ 67,308	\$ -	\$ -
Other Expenses	260,000	-	-	260,000	229,483	30,517	-	-
Water Purchase	2,585,000	-	-	2,585,000	2,247,805	337,195	-	-
Group Insurance	100,000	-	-	100,000	86,655	13,345	-	-
Other Insurance	35,000	-	-	35,000	-	35,000	-	-
Audit	10,000	-	-	10,000	-	10,000	-	-
Legal Services	20,000	-	-	20,000	-	20,000	-	-
DEP Fees - Trust Loan (DW)	25,239	-	-	25,239	-	25,239	-	-
NJEIT Fees - Trust Loan (DW)	15,270	-	-	15,270	15,270	-	-	-
Total Operating	\$ 3,313,882	\$ -	\$ -	\$ 3,313,882	\$ 2,775,278	\$ 538,604	\$ -	\$ -
Prior Year Bills:								
Passaic Valley Water Commission	\$ 94,270	\$ -	\$ -	\$ 94,270	\$ 94,270	\$ -	\$ -	\$ -
Capital Improvements:								
Capital Outlay	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ 33,263	\$ 16,737	\$ -	\$ -
Debt Service:								
Payment of Bonds	\$ 415,000	\$ -	\$ -	\$ 415,000	\$ 415,000	\$ -	\$ -	\$ -
Payment of Bond Anticipation Notes	-	-	-	-	-	-	-	-
Interest on Bonds	214,497	-	-	214,497	185,742	-	28,755	-
Interest on Notes	-	-	-	-	-	-	-	-
Payment of NJEIT Loans (DW Trust)	210,000	-	-	210,000	165,335	-	44,665	-
Interest on NJEIT Loans (DW Trust)	226,000	-	-	226,000	189,591	-	36,409	-
Payment of NJEIT Loans (DW Fund)	280,432	-	-	280,432	280,432	-	-	-
Total Debt Service	\$ 1,345,929	\$ -	\$ -	\$ 1,345,929	\$ 1,236,100	\$ -	\$ 109,829	\$ -
Deferred Charges:								
Deficit in Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disallowed Costs - NJEIT	310,361	-	-	310,361	310,361	-	-	-
Total Deferred Charges	\$ 310,361	\$ -	\$ -	\$ 310,361	\$ 310,361	\$ -	\$ -	\$ -
Statutory Expenditures:								
Public Employees' Retirement System	\$ 45,401	\$ -	\$ -	\$ 45,401	\$ 45,401	\$ -	\$ -	\$ -
Social Security System	21,500	-	-	21,500	14,284	7,216	-	-
Unemployment Insurance	-	-	-	-	-	-	-	-
Total Statutory Expenditures	\$ 66,901	\$ -	\$ -	\$ 66,901	\$ 59,685	\$ 7,216	\$ -	\$ -
Judgements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus (General Budget)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Appropriations	\$ 5,181,343	\$ -	\$ -	\$ 5,181,343	\$ 4,508,957	\$ 562,557	\$ 109,829	\$ -

Other Charges to Income:
 Refund of Prior Year's Revenue

\$ 167

**TOWNSHIP OF LYNDHURST
WATER UTILITY CAPITAL FUND
BALANCE SHEET (REGULATORY BASIS)**

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Cash:		
Checking Account	\$ 7,134	\$ 298,401
Deferred Charges:		
Disallowed Costs - NJEIT (DW)	\$ -	\$ 310,361
Fixed Capital	\$ 21,492,654	\$ 21,459,391
Total Assets	<u>\$ 21,499,788</u>	<u>\$ 22,068,153</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Interfund Payable:		
General Capital Fund	\$ -	\$ 601,628
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 600	\$ 600
Reserve for Amortization	10,535,907	8,087,911
	<u>\$ 10,536,507</u>	<u>\$ 8,088,511</u>
Improvement Authorizations:		
Funded	\$ 5,709	\$ 5,709
Unfunded	-	-
	<u>\$ 5,709</u>	<u>\$ 5,709</u>
Serial Bonds Payable	\$ 4,230,000	\$ 4,645,000
NJEIT Loans Payable (DW)	\$ 6,726,747	\$ 8,726,480
Fund Balance	\$ 825	\$ 825
Total Liabilities, Reserves and Fund Balance	<u>\$ 21,499,788</u>	<u>\$ 22,068,153</u>

TOWNSHIP OF LYNDHURST
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES - DISALLOWED COSTS
YEAR ENDED DECEMBER 31, 2016

Description	Balance December 31, 2015	Costs Disallowed	Budget Appropriation	Other Adjustments	Balance December 31, 2016
NJEIT Drawdowns (DW)	\$ 310,361	\$ -	\$ (310,361)	\$ -	\$ -
	<u>\$ 310,361</u>	<u>\$ -</u>	<u>\$ (310,361)</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF LYNDHURST
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2016

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Description	Balance December 31, 2015	Transferred From Fixed Capital Authorized & Uncompleted	Transferred From Water Utility Operating Fund Capital Outlay	Cancellations	Balance December 31, 2016
Unallocated	\$ 21,459,391	\$ -	\$ 33,263	\$ -	\$ 21,492,654
				Reserve for Amortization	\$ 10,535,907
				Serial Bonds Payable	4,230,000
				NJEIT Loans Payable (DW)	6,726,747
					<u>\$ 21,492,654</u>

**TOWNSHIP OF LYNDHURST
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF INTERFUND PAYABLE
 YEAR ENDED DECEMBER 31, 2016**

Description	Balance December 31, 2015	Interfunds Advanced	Interfunds Returned	Balance December 31, 2016
Due To - General Capital Fund	\$ 601,628	\$ -	\$ (601,628)	\$ -
	<u>\$ 601,628</u>	<u>\$ -</u>	<u>\$ (601,628)</u>	<u>\$ -</u>

**TOWNSHIP OF LYNDHURST
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF CAPITAL IMPROVEMENT FUND
 YEAR ENDED DECEMBER 31, 2016**

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Description	Balance December 31, 2015	Water Operating Fund Appropriation	Used to Finance Authorizations	Cancelled Funded Authorizations	Balance December 31, 2016
Capital Improvement Fund	\$ 600	\$ -	\$ -	\$ -	\$ 600

TOWNSHIP OF LYNDHURST
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF RESERVE FOR AMORTIZATION
 YEAR ENDED DECEMBER 31, 2016

Description	Balance December 31, 2015	Transferred From Fixed Capital Authorized & Uncompleted	Transferred From Water Utility Operating Fund Capital Outlay	Serial Bond & Loan Principal Payments	Refunding Savings Credit	Cancellations	Previously De-Obligated by NJEIT	Balance December 31, 2016
Unallocated	\$ 8,087,911	\$ -	\$ 33,263	\$ 860,767	\$ 1,165	\$ 43,500	\$ 1,509,301	\$ 10,535,907

TOWNSHIP OF LYNDHURST
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 YEAR ENDED DECEMBER 31, 2016

Improvement Description	Ordinance		Balance December 31, 2015		Authorized	Cancellations	Paid or Charged	Refunded	Balance December 31, 2016	
	Date	Amount	Funded	Unfunded					Funded	Unfunded
#2377 Installation of Water Mains - Ridge Road and Second Avenue	04/13/99	\$ 1,710,000	\$ 4,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,883	\$ -
#2378 Acquisition and Installation of Water Meter Reading System Including Pit Upgrades	04/13/99	1,400,000	640	-	-	-	-	-	640	-
#2747 Water Utility Renewal	02/16/10	700,000	186	-	-	-	-	-	186	-
			<u>\$ 5,709</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,709</u>	<u>\$ -</u>

**TOWNSHIP OF LYNDHURST
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF SERIAL BONDS PAYABLE
 YEAR ENDED DECEMBER 31, 2016**

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Date of Issue - Purpose	Interest Rate	Amount of Issue	Balance December 31, 2015	Issued	Paid by Budget Appropriation	Balance December 31, 2016
05/01/01 Water System Improvements	5.10%	\$ 3,105,000	\$ 1,725,000	\$ -	\$ (115,000)	\$ 1,610,000
08/15/13 Water System Improvements	3% - 3.5%	3,390,000	2,920,000	-	(300,000)	2,620,000
			<u>\$ 4,645,000</u>	<u>\$ -</u>	<u>\$ (415,000)</u>	<u>\$ 4,230,000</u>

**TOWNSHIP OF LYNDHURST
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF LOANS PAYABLE
 YEAR ENDED DECEMBER 31, 2016**

Date of Issue - Purpose	Amount of Issue	Balance December 31, 2015	Issued	Paid by Budget Appropriation	Refunding Savings Credit	Cancelled	Previously De-Obligated by NJEIT	Balance December 31, 2016
12/2/2010 NJEIT Trust Loan - DW*	\$ 4,220,000	\$ 4,520,000	\$ -	\$ (165,335)	\$ (1,165)	\$ (43,500)	\$ (870,000)	\$ 3,440,000
12/2/2010 NJEIT Fund Loan - DW**	4,408,475	4,206,480	-	(280,432)	-	-	(639,301)	3,286,747
		<u>\$ 8,726,480</u>	<u>\$ -</u>	<u>\$ (445,767)</u>	<u>\$ (1,165)</u>	<u>\$ (43,500)</u>	<u>\$ (1,509,301)</u>	<u>\$ 6,726,747</u>
			-					-
Original Issue		\$ 5,090,000						
De-Obligated		(870,000)						
		<u>\$ 4,220,000</u>						*
Original Issue		\$ 5,047,776						
De-Obligated		(639,301)						
		<u>\$ 4,408,475</u>						**

**TOWNSHIP OF LYNDHURST
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF FUND BALANCE
 YEAR ENDED DECEMBER 31, 2016**

Description	Balance December 31, 2015	Increased by			Decreased by Fund Balance Anticipated	Balance December 31, 2016
		Bond/BAN Premiums	Cancelled Funded Authorizations	Other Cash Receipts		
Fund Balance	\$ 825	\$ -	\$ -	\$ -	\$ -	\$ 825

**TOWNSHIP OF LYNDHURST
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
 YEAR ENDED DECEMBER 31, 2016**

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Improvement Description	Balance December 31, 2015	Authorized	Issued	Cancelled	Balance December 31, 2016
None	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWNSHIP OF LYNDHURST
SWIMMING POOL UTILITY OPERATING FUND
BALANCE SHEET (REGULATORY BASIS)**

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Cash:		
Operating Account	\$ 199,739	\$ 227,389
Total Assets	<u>\$ 199,739</u>	<u>\$ 227,389</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Other Liabilities and Reserves:		
Appropriation Reserves	\$ 6,514	\$ 3,170
Fund Balance	<u>\$ 193,225</u>	<u>\$ 224,219</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 199,739</u>	<u>\$ 227,389</u>

**TOWNSHIP OF LYNDHURST
 SWIMMING POOL UTILITY OPERATING FUND
 SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2016**

	Anticipated Budget	Realized	Excess/ (Deficit)
Revenues:			
Operating Surplus Anticipated	\$ 31,001	\$ 31,001	\$ -
Rents	190,000	150,181	(39,819)
Shared Service Agreement - Lyndhurst BOE	60,000	60,000	-
Water Park Concession	10,000	20,402	10,402
Deficit (General Budget)	-	-	-
Total Budget Revenues	\$ 291,001	\$ 261,584	\$ (29,417)
Other Credits to Income:			
Deficit in Operations	\$ -	\$ -	\$ -
Miscellaneous Revenues Not Anticipated	-	23,250	23,250
Unexpended Balances Cancelled	-	3,004	3,004
Unexpended Balance of Appropriated Reserves	-	3,170	3,170
	\$ -	\$ 29,424	\$ 29,424
Total Revenues and Credits to Income	\$ 291,001	\$ 291,008	\$ 7

TOWNSHIP OF LYNDHURST
SWIMMING POOL UTILITY OPERATING FUND
SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)
YEAR ENDED DECEMBER 31, 2016

	Appropriations			Budget After Modification	Expended		Unexpended Balance Canceled		Overexpended
	Adopted Budget	Emergency Appropriation	Transfers		Paid or Charged	Reserved			
Operating:									
Salaries and Wages	\$ 125,161	\$ -	\$ 6,200	131,361	\$ 131,361	\$ -	\$ -	\$ -	-
Other Expenses	54,000	-	-	54,000	53,775	225	-	-	-
Group Insurance	5,000	-	(5,000)	-	-	-	-	-	-
Audit	-	-	-	-	-	-	-	-	-
Utilities	70,000	-	(1,200)	68,800	59,992	5,804	3,004	-	-
Water Park Concession - Other Expenses	8,000	-	-	8,000	7,949	51	-	-	-
Total Operating	\$ 262,161	\$ -	\$ -	\$ 262,161	\$ 253,077	\$ 6,080	\$ 3,004	\$ -	-
Capital Improvements:									
Capital Outlay	\$ 15,000	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	-
Debt Service:									
Payment of Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Payment of Bond Anticipation Notes	-	-	-	-	-	-	-	-	-
Interest on Bonds	-	-	-	-	-	-	-	-	-
Interest on Notes	-	-	-	-	-	-	-	-	-
Total Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Deferred Charges:									
Deficit in Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Overexpenditures	-	-	-	-	-	-	-	-	-
Prior Year Bills	-	-	-	-	-	-	-	-	-
Total Deferred Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Statutory Expenditures:									
Public Employees' Retirement System	\$ 5,240	\$ -	\$ -	\$ 5,240	\$ 5,240	\$ -	\$ -	\$ -	-
Social Security System	8,600	-	-	8,600	8,166	434	-	-	-
Total Statutory Expenditures	\$ 13,840	\$ -	\$ -	\$ 13,840	\$ 13,406	\$ 434	\$ -	\$ -	-
Judgements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Appropriations	\$ 291,001	\$ -	\$ -	\$ 291,001	\$ 281,483	\$ 6,514	\$ 3,004	\$ -	-
Other Charges to Income:									
Refund of Prior Year's Revenue					\$ -				-

TOWNSHIP OF LYNDHURST

NJ Comprehensive Annual Financial Report

Annual Financial Information and Operating Data Section

TOWNSHIP OF LYNDHURST
 ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
 ADOPTED BUDGETS
 (UNAUDITED)

	2016	2015	2014	2013	2012	2011	2010	TY2009	SFY2009	SFY2008
CURRENT FUND										
REVENUES										
Fund Balance	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,035,251	\$ 2,800,000	\$ 2,400,000
Miscellaneous Revenues	4,695,433	4,722,687	6,023,268	5,681,188	6,004,048	6,075,191	8,260,769	2,899,136	4,617,826	4,755,747
Receipts From Delinquent Taxes	1,183,000	1,350,000	1,500,000	1,900,000	1,200,000	980,000	1,300,000	287,659	150,000	800,000
Amount to be Raised by Taxation - Local	32,689,464	31,720,723	30,900,711	29,254,885	27,421,715	25,836,662	-	-	-	-
Amount to be Raised by Taxation - Minimum Library Tax	921,779	874,347	911,141	935,645	1,064,450	1,125,855	-	-	-	-
Amount to be Raised by Taxation - All Inclusive	-	-	-	-	-	-	25,997,381	12,333,586	23,496,308	22,682,696
Total Revenues	\$ 41,989,676	\$ 38,667,757	\$ 39,335,120	\$ 37,771,718	\$ 35,690,213	\$ 34,017,708	\$ 35,558,150	\$ 16,555,632	\$ 31,064,134	\$ 30,638,443
APPROPRIATIONS										
Within "CAPS":										
Operations:										
Salaries and Wages	\$ 12,243,603	\$ 12,201,976	\$ 11,316,150	\$ 11,367,361	\$ 11,642,800	\$ 11,202,693	\$ 12,454,300	\$ 6,375,250	\$ 11,822,548	\$ 10,808,200
Other Expenses	10,815,497	10,437,075	10,530,945	9,958,463	9,647,730	9,537,258	9,275,726	5,046,151	8,768,300	7,802,650
Deferred Charges and Statutory Expenditures	3,041,283	2,993,870	3,024,201	3,180,676	2,811,817	2,781,894	1,426,753	275,000	1,379,455	519,895
Excluded From "CAPS":										
Operations:										
Salaries and Wages	-	-	-	-	-	-	-	-	391,052	612,100
Other Expenses	3,073,904	3,054,255	3,868,034	3,643,354	3,904,836	4,211,170	5,153,190	1,924,364	3,766,706	6,180,299
Capital Improvements	3,204,000	780,000	987,000	275,000	50,000	50,000	100,000	87,000	-	600,000
Debt Service	5,960,974	6,389,416	6,483,790	5,916,864	4,374,951	3,450,851	3,349,938	1,332,959	2,695,167	2,465,226
Deferred Charges	44,250	30,000	400,000	880,000	758,079	783,842	2,063,243	599,974	479,650	158,743
Judgments	-	-	-	-	-	-	-	12,500	25,000	25,000
Reserve for Uncollected Taxes	3,606,165	2,781,165	2,725,000	2,550,000	2,500,000	2,000,000	1,735,000	902,434	1,736,256	1,466,330
Total Appropriations	\$ 41,989,676	\$ 38,667,757	\$ 39,335,120	\$ 37,771,718	\$ 35,690,213	\$ 34,017,708	\$ 35,558,150	\$ 16,555,632	\$ 31,064,134	\$ 30,638,443

TOWNSHIP OF LYNDHURST
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
ADOPTED BUDGETS
(UNAUDITED)

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	2016	2015	2014	2013	2012	2011	2010	TY2009	SFY2009	SFY2008
WATER UTILITY OPERATING FUND										
<u>REVENUES</u>										
Operating Surplus Anticipated	\$ 1,036,343	\$ 1,019,568	\$ 363,643	\$ 685,212	\$ -	\$ 400,000	\$ 400,000	\$ 497,000	\$ 175,000	\$ -
Rents	3,950,000	3,850,000	3,900,000	3,250,000	3,500,000	3,226,545	3,000,000	1,650,000	2,501,000	2,370,000
Fines	35,000	34,000	34,000	40,000	50,000	51,000	10,000	10,000	25,000	30,000
Miscellaneous	160,000	200,000	115,000	180,000	265,000	190,000	75,000	75,000	169,000	200,000
Deficit (General Budget)	-	-	-	-	-	-	-	-	-	555,000
Total Revenues	\$ 5,181,343	\$ 5,103,568	\$ 4,412,643	\$ 4,155,212	\$ 3,815,000	\$ 3,867,545	\$ 3,485,000	\$ 2,232,000	\$ 2,870,000	\$ 3,155,000
<u>APPROPRIATIONS</u>										
Operating	\$ 3,313,882	\$ 2,945,509	\$ 2,628,237	\$ 2,528,066	\$ 2,532,998	\$ 3,429,880	\$ 2,847,697	\$ 1,438,116	\$ 2,126,543	\$ 1,982,962
Prior Year Bills	94,270	771,204	-	-	-	-	-	-	-	-
Capital Improvements	50,000	50,000	50,000	20,000	3,798	-	-	-	60,000	90,000
Debt Service	1,345,929	1,269,854	1,267,505	1,192,570	472,354	367,665	349,888	123,534	333,813	339,713
Deferred Charges	310,361	-	-	47,675	-	-	254,834	655,350	319,644	160,325
Statutory Expenditures	66,901	67,001	66,901	66,901	72,511	70,000	32,581	15,000	30,000	27,000
Judgements	-	-	-	-	-	-	-	-	-	555,000
Deficit in Operations - Prior Year	-	-	-	-	-	-	-	-	-	-
Surplus - General Budget	-	-	400,000	300,000	733,339	-	-	-	-	-
Total Appropriations	\$ 5,181,343	\$ 5,103,568	\$ 4,412,643	\$ 4,155,212	\$ 3,815,000	\$ 3,867,545	\$ 3,485,000	\$ 2,232,000	\$ 2,870,000	\$ 3,155,000
SWIMMING POOL UTILITY OPERATING FUND										
<u>REVENUES</u>										
Operating Surplus Anticipated	\$ 31,001	\$ 76,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rents	190,000	130,000	154,000	150,000	190,000	117,000	200,000	-	-	-
Miscellaneous/Shared Service Agreement - Lyndhurst BOE	60,000	60,000	60,000	60,000	60,000	25	-	-	-	-
Water Park Concession	10,000	-	-	-	-	-	-	-	-	-
Deficit (General Budget)	-	-	61,907	77,950	113,339	-	-	-	-	-
Total Revenues	\$ 291,001	\$ 266,948	\$ 275,907	\$ 287,950	\$ 363,339	\$ 117,025	\$ 200,000	\$ -	\$ -	\$ -
<u>APPROPRIATIONS</u>										
Operating	\$ 262,161	\$ 241,000	\$ 229,000	\$ 230,098	\$ 230,093	\$ 108,037	\$ 185,500	\$ -	\$ -	\$ -
Capital Improvements	15,000	-	33,000	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Deferred Charges	-	-	-	43,945	118,339	2,788	-	-	-	-
Statutory Expenditures	13,840	13,840	13,907	13,907	14,907	6,200	14,500	-	-	-
Judgements	-	-	-	-	-	-	-	-	-	-
Deficit in Operations - Prior Year	-	12,108	-	-	-	-	-	-	-	-
Surplus - General Budget	-	-	-	-	-	-	-	-	-	-
Total Appropriations	\$ 291,001	\$ 266,948	\$ 275,907	\$ 287,950	\$ 363,339	\$ 117,025	\$ 200,000	\$ -	\$ -	\$ -

**TOWNSHIP OF LYNDHURST
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
FUND BALANCE SUMMARY
(UNAUDITED)**

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	2016	2015	2014	2013	2012	2011	2010	TY2009	SFY2009	SFY2008
CURRENT FUND										
Current Fund Balance Year End	\$ 7,962,665	\$ 9,887,110	\$ 9,119,253	\$ 7,891,571	\$ 3,169,322	\$ 1,814,340	\$ 929,590	\$ -	\$ 1,018,049	\$ 3,812,337
Utilized in Budget of Succeeding Year	\$ -	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,035,251	\$ 2,800,000
Percentage Utilized	0.00%	25.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	101.69%	73.45%
WATER UTILITY FUND										
Current Fund Balance Year End	\$ 716,111	\$ 1,156,572	\$ 1,732,381	\$ 1,338,387	\$ 983,720	\$ 971,698	\$ 688,717	\$ 655,897	\$ 1,152,897	\$ 494,903
Utilized in Budget of Succeeding Year	\$ 313,774	\$ 1,036,343	\$ 1,019,568	\$ 363,643	\$ 685,212	\$ -	\$ 400,000	\$ 400,000	\$ 497,000	\$ 175,000
Percentage Utilized	43.82%	89.60%	58.85%	27.17%	69.66%	0.00%	58.08%	60.99%	43.11%	35.36%
SWIMMING POOL UTILITY FUND										
Current Fund Balance Year End	\$ 193,225	\$ 224,219	\$ 167,011	\$ 167,011	\$ 99,755	\$ 99,755	\$ -	\$ -	\$ -	\$ -
Utilized in Budget of Succeeding Year	\$ 51,180	\$ 31,001	\$ 76,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Percentage Utilized	26.49%	13.83%	46.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**TOWNSHIP OF LYNDHURST
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
TAX LEVY AND COLLECTION DATA
(UNAUDITED)**

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	2016	2015	2014	2013	2012	2011	2010	TY2009	SFY2009	SFY2008
Net Taxes Levied	\$ 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
Collections	\$ 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
Percent of Tax Levy Collected	97.14%	95.40%	97.28%	97.48%	96.69%	90.65%	92.16%	88.71%	95.75%	97.04%
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
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
Total Delinquencies	\$ 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
% of Tax Levy	12.33%	10.88%	8.44%	7.63%	9.95%	10.12%	20.09%	30.12%	11.01%	7.83%
Property Acquired for Taxes at 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

TOWNSHIP OF LYNDHURST
 ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
 ASSESSED AND COUNTY EQUALIZED VALUATION DATA
 (UNAUDITED)

Description	2016		2015		2014		2013		2012**	
	# of 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		<u>96.47%</u>		<u>101.55%</u>		<u>97.14%</u>		<u>94.59%</u>		<u>91.27%</u>
Average Residential Assessment		<u>\$ 307,404</u>		<u>\$ 306,927</u>		<u>\$ 306,144</u>		<u>\$ 305,993</u>		<u>\$ 305,686</u>
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

**TOWNSHIP OF LYNDHURST
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
ASSESSED AND COUNTY EQUALIZED VALUATION DATA
(UNAUDITED)**

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

**Revaluation Year

TOWNSHIP OF LYNDHURST
 ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
 TAX REQUIREMENT AND RATE DATA
 (UNAUDITED)

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	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
TAX REQUIREMENTS										
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	30,759,745	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	\$ 63,508,386	\$ 59,683,572	\$ 57,793,851	\$ 55,238,412
TAX RATES										
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	1.64	1.60

**Revaluation Year

TOWNSHIP OF LYNDHURST
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
RATIO OF GROSS AND NET DEBT TO COUNTY EQUALIZED VALUE AND DEBT PER CAPITA
(UNAUDITED)

	2016	2015	2014	2013	2012	2011	2010	TY2009	SFY2009	SFY2008
Population (Estimated)	22,286	22,286	21,707	20,954	20,855	20,755	20,587	19,290	19,290	19,234
County 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
Gross Debt	\$ 129,713,835	\$ 67,599,941	\$ 72,295,823	\$ 78,252,200	\$ 83,698,303	\$ 86,183,750	\$ 80,029,178	\$ 52,122,238	\$ 50,682,238	\$ 52,832,238
Gross Debt Per Capita	\$ 5,820	\$ 3,033	\$ 3,331	\$ 3,734	\$ 4,013	\$ 4,152	\$ 3,887	\$ 2,702	\$ 2,627	\$ 2,747
Ratio of Gross Debt to County Equalized Valuations	4.62%	2.55%	2.61%	2.76%	2.85%	2.55%	2.28%	1.51%	1.47%	1.69%
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
Ratio of Net Debt to County Equalized Valuations	3.01%	1.43%	1.43%	1.51%	1.62%	1.43%	1.51%	1.15%	1.09%	1.34%
Net Debt per Capita	\$ 3,796	\$ 1,695	\$ 1,826	\$ 2,045	\$ 2,279	\$ 2,324	\$ 2,575	\$ 2,050	\$ 1,945	\$ 2,178

TOWNSHIP OF LYNDHURST
 ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
 LEGAL DEBT MARGIN
 (UNAUDITED)

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	2016	2015	2014	2013	2012	2011	2010	TY2009	SFY2009	SFY2008
Equalized Valuation Basis (as of 12/31)	\$ 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
Gross 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

**TOWNSHIP OF LYNDHURST
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
DIRECT AND OVERLAPPING DEBT
(UNAUDITED)**

	2015	2015	2014	2013	2012	2011	2010	TY2009	SFY2009	SFY2008
DIRECT DEBT										
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
NJEIT 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
	<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	-	-	-	-	-	-	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>
Sub-Total	<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>
Statutory Deductions:										
General Purposes	\$ 11,552,000	\$ 13,211,500	\$ 14,702,000	\$ 16,142,500	\$ 15,753,000	\$ 16,911,087	\$ 2,771,087	\$ 3,421,087	\$ 3,950,000	\$ 4,605,000
Water Utility	10,956,747	13,371,480	14,211,915	15,022,344	15,737,000	15,925,000	18,713,670	3,200,000	3,250,000	-
Local School	22,613,807	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
	<u>\$ 45,122,554</u>	<u>\$ 29,817,980</u>	<u>\$ 32,653,915</u>	<u>\$ 35,399,844</u>	<u>\$ 36,165,000</u>	<u>\$ 37,946,087</u>	<u>\$ 27,024,757</u>	<u>\$ 12,586,087</u>	<u>\$ 13,165,000</u>	<u>\$ 10,940,000</u>
Net Direct Debt	<u>\$ 84,591,281</u>	<u>\$ 37,781,961</u>	<u>\$ 39,641,905</u>	<u>\$ 42,852,356</u>	<u>\$ 47,533,303</u>	<u>\$ 48,237,663</u>	<u>\$ 53,004,421</u>	<u>\$ 39,536,151</u>	<u>\$ 37,517,238</u>	<u>\$ 41,892,238</u>
OVERLAPPING DEBT (as of 12/31)										
	12/31/16	12/31/15	12/31/14	12/31/13	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08	12/31/07
County of Bergen (1)	\$ 27,992,963	\$ 25,414,374	\$ 25,167,723	\$ 23,113,149	\$ 21,706,126	\$ 23,589,751	\$ 23,842,024	\$ 20,948,500	\$ 20,838,640	\$ 19,579,631
Passaic Valley Sewerage Commission (2)	3,770,543	3,593,628	3,739,141	3,678,486	4,019,752	4,112,552	4,369,384	3,758,062	3,576,257	3,634,325
	<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>
Overall Debt	<u>\$ 116,354,787</u>	<u>\$ 66,789,963</u>	<u>\$ 68,548,769</u>	<u>\$ 69,643,991</u>	<u>\$ 73,259,181</u>	<u>\$ 75,939,966</u>	<u>\$ 81,215,829</u>	<u>\$ 64,242,713</u>	<u>\$ 61,932,135</u>	<u>\$ 65,106,194</u>
(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 Gross 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 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>

**TOWNSHIP OF LYNDHURST
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
RATIO OF ANNUAL DEBT SERVICE APPROPRIATIONS TO TOTAL ADOPTED CURRENT FUND APPROPRIATIONS
(UNAUDITED)**

	2016	2015	2014	2013	2012	2011	2010	TY2009	SFY2009	SFY2008
CURRENT FUND										
DEBT SERVICE										
Bond Principal	\$ 2,510,000	\$ 2,975,000	\$ 2,920,000	\$ 1,510,000	\$ 1,450,000	\$ 1,640,000	\$ 1,700,000	\$ 1,035,000	\$ 1,615,000	\$ 1,590,000
Bond Interest	1,255,387	1,359,763	1,461,451	383,685	423,035	485,843	549,938	297,959	639,167	695,226
Note Principal	1,869,999	1,676,500	1,592,000	2,623,500	1,254,000	825,008	180,000	-	-	-
Note Interest	115,891	165,456	299,889	1,186,481	1,037,219	500,000	920,000	-	441,000	180,000
Loan Principal	143,947	143,947	138,950	138,948	133,947	-	-	-	-	-
Loan Interest	65,750	68,750	71,500	74,250	76,750	-	-	-	-	-
Less: Reimbursements	-	-	-	-	-	-	-	-	-	-
Net Debt Service	\$ 5,960,974	\$ 6,389,416	\$ 6,483,790	\$ 5,916,864	\$ 4,374,951	\$ 3,450,851	\$ 3,349,938	\$ 1,332,959	\$ 2,695,167	\$ 2,465,226
Total Current Fund Budget Appropriations	\$ 41,989,675	\$ 38,667,757	\$ 39,335,120	\$ 37,771,718	\$ 35,690,213	\$ 34,017,708	\$ 35,558,150	\$ 16,555,632	\$ 31,064,134	\$ 30,638,443
Ratio of Debt Service to Current Fund Budget Appropriations	14.20%	16.52%	16.48%	15.66%	12.26%	10.14%	9.42%	8.05%	8.68%	8.05%
WATER UTILITY FUND										
DEBT SERVICE										
Bond Principal	\$ 415,000	\$ 360,000	\$ 340,000	\$ 115,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 50,000	\$ 165,000	\$ 165,000
Bond Interest	214,497	196,755	211,573	102,638	120,885	132,744	142,154	73,533	152,938	147,713
Note Principal	-	-	-	140,000	22,000	23,670	22,000	-	-	-
Note Interest	-	-	-	120,000	58,427	19,705	20,734	-	15,875	27,000
Loan Principal	490,432	480,432	470,432	460,432	-	-	-	-	-	-
Loan Interest	226,000	232,667	245,500	254,500	106,042	26,544	-	-	-	-
Total Debt Service	\$ 1,345,929	\$ 1,269,854	\$ 1,267,505	\$ 1,192,570	\$ 472,354	\$ 367,663	\$ 349,888	\$ 123,533	\$ 333,813	\$ 339,713
Total Water Utility Fund Budget Appropriations	\$ 5,181,343	\$ 5,103,568	\$ 4,412,643	\$ 4,155,212	\$ 3,815,000	\$ 3,867,545	\$ 3,485,000	\$ 2,232,000	\$ 2,870,000	\$ 3,155,000
Ratio of Debt Service to Water Utility Fund Budget Appropriations	25.98%	24.88%	28.72%	28.70%	12.38%	9.51%	10.04%	5.53%	11.63%	10.77%
SWIMMING POOL UTILITY FUND										
DEBT SERVICE										
Bond Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Interest	-	-	-	-	-	-	-	-	-	-
Note Principal	-	-	-	-	-	-	-	-	-	-
Note Interest	-	-	-	-	-	-	-	-	-	-
Total Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Swimming Pool Utility Fund Budget Appropriations	\$ 291,001	\$ 266,948	\$ 275,907	\$ 287,950	\$ 363,339	\$ 117,025	\$ 200,000	\$ -	\$ -	\$ -
Ratio of Debt Service to Swimming Pool Utility Fund Budget Appropriations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**TOWNSHIP OF LYNDHURST
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
DEMOGRAPHIC STATISTICS
(UNAUDITED)**

J-10

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Average Labor Force Estimates by Municipality:										
Labor Force	11,268	10,892	10,441	11,270	11,179	11,193	11,262	11,048	10,886	10,893
Employment	10,615	10,130	9,605	10,035	9,974	9,967	10,057	10,376	10,375	10,327
Unemployment	653	762	836	1,235	1,205	1,226	1,205	673	511	566
Unemployment Rate	5.8%	7.0%	8.0%	11.0%	10.8%	11.0%	10.7%	6.1%	4.7%	5.2%
Per Capital Personal Income - Bergen County	73,536	73,536	70,498	71,380	68,244	65,275	64,571	68,548	68,147	63,814
Estimates as of July 1,										
Subcounty Population Estimates:										
Lyndhurst TWP	22,286	21,707	20,954	20,855	20,755	20,587	19,290	19,234	19,279	19,330
County of Bergen	938,506	932,836	926,284	920,006	914,018	906,895	895,250	889,915	885,664	884,581

**TOWNSHIP OF LYNDHURST
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
TEN LARGEST TAXPAYERS BY ASSESSMENT
(UNAUDITED)**

Taxpayer	2016 Assessed Valuation	As a Percent of Total 2016 Net Valuations \$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%
	<u>\$ 362,471,200</u>	

**TOWNSHIP OF LYNDHURST
 ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
 VALUE OF NEW CONSTRUCTION, IMPROVEMENTS, ALTERATIONS AND DEMOLITIONS
 (UNAUDITED)**

J-12

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
# of New Permits	914	999	981	1,013	1,043	929	916	857	960	968
# of Permit Updates	129	137	161	179	148	132	77	123	106	134
Value of Construction	\$ 48,259,914	\$ 17,680,239	\$ 19,398,998	\$ 47,518,431	\$ 30,138,966	\$ 27,185,305	\$ 12,991,821	\$ 12,085,713	\$ 18,576,458	\$ 16,567,687

TOWNSHIP OF LYNDHURST
NJ Comprehensive Annual Financial Report
Single Audit Section

Di Maria & Di Maria LLP
Accountants and Consultants

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

Independent Auditors' Report

Honorable Mayor and Members of the Board of Commissioners
Township of Lyndhurst, County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements (*regulatory basis*) of the various funds and account group of the Township of Lyndhurst, in the County of Bergen (the "Township") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 22, 2017, which was adverse due to the financial statements being prepared in conformity with the New Jersey regulatory basis of accounting as prescribed by the Division which is a basis of accounting other than accounting principles generally accepted in the United States. In addition, our report on the financial statements (regulatory basis) was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Di Maria & Di Maria LLP

Independent Auditors' Report (Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township'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*.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Township of Lyndhurst in the section of this report of audit entitled; "General Comments and Recommendations Section".

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 result of that testing, and not to provide an opinion on the effectiveness of the Township'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 Township'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
Registered Municipal Accountant
RMA No. CR00463

June 22, 2017

TOWNSHIP OF LYNDHURST
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED DECEMBER 31, 2016

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	State Aid/Grant Program Titles	State Project Number	Award Amount	Grant Period		Balance December 31, 2015	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) December 31, 2016	Deferred Revenue December 31, 2016	Due to Grantor at December 31, 2016	
					From	To										
Grant Fund																
Federal Emergency Management Agency (F.E.M.A.) --																
Fire Department Grant - Local Portion	N/A	N/A	N/A	\$ 21,500	07/01/08	06/30/09	1,872	-	-	(1,872)	-	-	-	-	-	-
Federal Emergency Management Agency (F.E.M.A.) --																
Fire Department Grant - Federal Portion	N/A	N/A	N/A	\$ 272,817	01/01/11	12/31/11	4,448	-	-	(4,448)	-	-	-	-	-	-
DEA/Equitable Sharing	N/A	N/A	N/A	\$ 58,151	01/01/11	12/31/11	5,549	-	-	-	-	-	-	5,549	-	-
Veterans Grant	N/A	N/A	N/A	\$ 6,412	01/01/14	12/31/14	6,412	-	-	-	-	-	-	6,412	-	-
Total Grant Fund							\$ 18,281	\$ -	\$ -	(6,320)	\$ -	\$ -	\$ -	\$ 11,961	\$ -	-
General Capital Fund																
None																
Total Federal Awards							\$ 18,281	\$ -	\$ -	(6,320)	\$ -	\$ -	\$ -	\$ 11,961	\$ -	-

**TOWNSHIP OF LYNDHURST
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2016**

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period From	To	Balance Dec. 31, 2015	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) Dec. 31, 2016	Deferred Revenue Dec. 31, 2016	Due to Grantor Dec. 31, 2016
Current & Grant Funds													
State of New Jersey, Department of Treasury --													
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	082-100-6020	\$ 1,258,800	1/1/2016	12/31/2016	\$ -	\$ -	\$ 1,258,800	\$ (1,258,800)	\$ -	\$ -	\$ -	\$ -	\$ -
Veterans & Senior Citizens (Including 2% Admin. Payment)	082-495-6020	164,452	1/1/2016	12/31/2016	-	-	164,452	(164,452)	-	-	-	-	-
Hotel Fees		332,956	1/1/2016	12/31/2016	-	-	332,956	(332,956)	-	-	-	-	-
State of New Jersey, Department of Community Affairs --													
Consolidated Municipal Property Tax Relief Aid	082-495-6020	150,540	1/1/2016	12/31/2016	-	-	150,540	(150,540)	-	-	-	-	-
Recreation Opportunities For Individuals With Disabilities (ROID) - State	8050-022-035-5157	7,500	1/1/2016	1/6/1900	-	-	7,500	(3,338)	-	-	-	4,162	-
Recreation Opportunities For Individuals With Disabilities (ROID) - State	8050-022-035-5157	7,500	1/1/2015	12/31/2015	5,364	-	-	(5,364)	-	-	-	-	-
Special Legislative Grant - Streetscaping		100,000	7/1/2000	6/30/2001	14	-	-	-	-	-	-	14	-
Special Legislative Grant - Furniture		4,000	7/1/2000	6/30/2001	4,000	-	-	-	-	-	-	4,000	-
SFY2001 - Special Legislative Grant - Communications Tower		250,000	7/1/2000	6/30/2001	32,028	-	-	-	-	-	-	32,028	-
State of New Jersey, Department of Environmental Protection --													
Clean Communities Program	4900-765-042-4900	37,221	Non-Expiring		-	-	37,221	(9,757)	-	-	-	27,464	-
Clean Communities Program	4900-765-042-4900	30,615	Non-Expiring		30,615	-	-	(30,615)	-	-	-	-	-
Clean Communities Program	4900-765-042-4900	33,005	Non-Expiring		139	-	-	(139)	-	-	-	-	-
Recycling Tonnage Grant		27,949	1/1/2015	12/31/2015	27,949	-	-	-	-	-	-	27,949	-
Recycling Tonnage Grant		28,387	1/1/2014	12/31/2014	28,387	-	-	(4,676)	-	-	-	23,711	-
Recycling Tonnage Grant		29,227	1/1/2013	12/31/2013	29,227	-	-	(29,227)	-	-	-	-	-
Recycling Tonnage Grant		28,238	1/1/2012	12/31/2012	16,097	-	-	(16,097)	-	-	-	-	-
State of New Jersey, Department of Justice --													
Alcohol Education Rehabilitation Program	9735-760-098-Y900	2,534	1/1/2016	12/31/2016	-	-	2,534	-	-	-	-	2,534	-
Alcohol Education Rehabilitation Program	9735-760-098-Y900	2,009	1/1/2015	12/31/2015	2,009	-	-	-	-	-	-	2,009	-
Alcohol Education Rehabilitation Program	9735-760-098-Y900	2,111	1/1/2014	12/31/2014	2,111	-	-	-	-	-	-	2,111	-
Alcohol Education Rehabilitation Program	9735-760-098-Y900	1,834	1/1/2012	12/31/2012	1,834	-	-	-	-	-	-	1,834	-
Alcohol Education Rehabilitation Program	9735-760-098-Y900	2,553	1/1/2010	12/31/2010	2,553	-	-	-	-	-	-	2,553	-
Alcohol Education Rehabilitation Program	9735-760-098-Y900	2,891	7/1/2008	6/30/2009	2,891	-	-	-	-	-	-	2,891	-
Alcohol Education Rehabilitation Program	9735-760-098-Y900	3,439	7/1/2007	6/30/2008	1,464	-	-	(614)	-	-	-	850	-
Alcohol Education Rehabilitation Program	9735-760-098-Y900	3,521	7/1/2005	6/30/2006	1,760	-	-	(1,760)	-	-	-	-	-
State of New Jersey, Department of Law & Public Safety --													
Drunk Driving Enforcement Fund	6400-100-078-6400	20,518	Non-Expiring		-	-	20,518	-	-	-	-	20,518	-
Drunk Driving Enforcement Fund	6400-100-078-6400	21,399	Non-Expiring		11,462	-	-	(10,550)	-	-	-	912	-
Body Armor Replacement Program	1020-718-066-1020	4,794	Non-Expiring		-	-	4,794	-	-	-	-	4,794	-
Body Armor Replacement Program	1020-718-066-1020	4,549	Non-Expiring		4,549	-	-	-	-	-	-	4,549	-
Body Armor Replacement Program	1020-718-066-1020	4,703	Non-Expiring		1,505	-	-	-	-	-	-	1,505	-
Statewide Livable Communities Grant		15,000	7/1/2003	6/30/2004	5	-	-	(5)	-	-	-	-	-
Statewide Livable Communities Grant		100,000	7/1/2005	6/30/2006	100,000	-	-	(100,000)	-	-	-	-	-
SFY2004 - State Police OEM Management Update		2,406	7/1/2003	6/30/2004	2,406	-	-	(2,406)	-	-	-	-	-
2010 - CERT Trailer & Equipment Grant		1,500	1/1/2010	12/31/2010	851	-	-	(851)	-	-	-	-	-
State of New Jersey, Department of State -- Cultural Affairs													
NJ State Cultural Affairs Grant (NJSCA)		187	1/1/2016	12/31/2016	-	-	187	-	-	-	-	187	-
NJ State Cultural Affairs Grant (NJSCA)		517	1/1/2014	12/31/2014	517	-	-	-	-	-	-	517	-
NJ State Cultural Affairs Grant (NJSCA)		468	1/1/2013	12/31/2013	468	-	-	-	-	-	-	468	-
Total Grant Fund					\$ 310,205	\$ -	\$ 1,979,502	\$ (2,122,147)	\$ -	\$ -	\$ -	\$ 167,560	\$ -
General Capital Fund													
None													
Total State Financial Assistance					\$ 310,205	\$ -	\$ 1,979,502	\$ (2,122,147)	\$ -	\$ -	\$ -	\$ 167,560	\$ -

**TOWNSHIP OF LYNDHURST
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2016**

Note 1 - General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Township of Lyndhurst, County of Bergen, State of New Jersey. The Township of Lyndhurst is defined in Note 1 to the 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 are 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 using the budgetary basis of accounting. This basis of accounting is further described in Note 2 to the municipality's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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

Organization

The Township of Lyndhurst, New Jersey is the prime sponsor and recipient of various federal and state grant funds. The Township has delegated the general administration of grant programs and the reporting function to the Township Treasurer. Substantially all grant and program cash funds are commingled with the Township's other funds, although each grant is accounted for separately within the Township's financial records. The Township Treasurer's office performs accounting functions for all grants.

Basis of Accounting

The Township's grants are presented on the modified accrual basis of accounting utilizing the following methods:

Current Fund Grants -

In accordance with a directive from the State Department of Community Affairs, Division of Local Government Services, all grant revenues and expenditures are fully realized within the current fund budget and corresponding receivables and spending reserves are recorded to account for grant activity.

Trust Fund and Capital Fund Grants -

In accordance with accounting principles prescribed by the State of New Jersey, grant receivables are offset with grant spending reserves.

Local Contributions

Local matching contributions are raised in the current fund budget. The percentage of matching contributions varies with each program. Local and state shares of grants are reflected in total on the Schedule of Expenditures of State Financial Assistance.

**TOWNSHIP OF LYNDHURST
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2016**

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

Expenditures

Expenditures, as reported on the accompanying schedules of federal and state grants, reflect actual cash disbursements charged directly to a grant program and, in certain instances, do not include allocated expenses or accrued expenses. Differences between budget and actual cash disbursements, as well as differences between budget revenues and actual cash receipts, are transferred to current fund balance when the grant is closed out.

Expenditures per Financial Reports

Expenditures, as reported on the accompanying schedules of federal and state grants, reflect the sum of all expenditures including allocated expenses and accrued expenses reported to the grant funding agency from January 1, 2016 to December 31, 2016. Breakdown by fund is as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ -	\$ 1,906,748	\$ 1,906,748
Grant Fund	6,320	215,399	221,719
General Capital Fund	-	-	-
Total Awards and Financial Assistance	<u>\$ 6,320</u>	<u>\$ 2,122,147</u>	<u>\$ 2,128,467</u>

Note 4 - Relationship to Federal and State Financial Reports

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

Note 5 - Federal and State Loans Outstanding

The Township had the following federal and state loans outstanding as of December 31, 2016:

General Capital Fund:	
NJEIT Loans Payable (CW)	<u>\$ 2,403,281</u>
	<u>\$ 2,403,281</u>
 Water Utility Capital Fund:	
NJEIT Loans Payable (DW)	<u>\$ 6,726,747</u>
	<u>\$ 6,726,747</u>

Note 6 - Contingencies

Each of the grantor agencies reserve the right to conduct additional audits of the Township's grant programs for economy, efficiency and program results.

**TOWNSHIP OF LYNDHURST
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016**

Section I -- Summary of Auditors' Results

Financial Statements

A) Type of auditors' report issued:	<u>Adverse - GAAP; Qualified - Regulatory</u>	
B) Internal control over financial reporting:		
1. Material weakness(es) identified?	_____ yes	_____ X _____ no
2. Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ yes	_____ X _____ no
C) Noncompliance material to general-purpose financial statements noted?	_____ yes	_____ X _____ no

TOWNSHIP OF LYNDHURST
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016

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

****NOT APPLICABLE - EXPENDITURES UNDER \$750,000****

Federal Awards

A) Internal control over major programs:

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

2. Significant deficiency(ies) identified not considered to be material weakness(es)? _____ yes _____ no

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

N/A

C) Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) section .510(a)?

_____ yes _____ no

D) Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>

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

\$ -

F) Auditee qualified as low-risk auditee?

_____ yes _____ no

TOWNSHIP OF LYNDHURST
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016

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

****NOT APPLICABLE - EXPENDITURES UNDER \$750,000****

State Awards

A) Internal control over major programs:

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

2. Significant deficiency(ies) identified not considered
to be material weakness(es)? _____ yes _____ no

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

N/A

C) Any audit findings disclosed that are required
to be reported in accordance with NJ OMB
Circular Letter 15-08?

_____ yes _____ no

D) Identification of major programs:

Program GMIS Number(s)

Name of State Program or Cluster

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

\$ _____ -

F) Auditee qualified as low-risk auditee?

_____ yes _____ no

**TOWNSHIP OF LYNDHURST
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016**

Section II -- Financial Statement Findings

None

**TOWNSHIP OF LYNDHURST
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016**

Section III -- Federal and State Award Findings and Questioned Costs

Current Year

Federal Awards:

None

State Awards:

None

**TOWNSHIP OF LYNDHURST
SUMMARY OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2016**

1. The Chief Financial Officer did not implement and maintain a general fixed asset accounting system as per *N.J.A.C. 5:30-5.6*.

Status - Situation Corrected.

REQUIRED SUPPLEMENTAL INFORMATION - GASB 68

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

**TOWNSHIP OF LYNDHURST
 SCHEDULE OF THE TOWNSHIP'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
Township's proportion of the net pension liability	0.0627440299%	0.0641246488%	0.0672079929%	0.0719767354%						
Township's proportionate share of the net pension liability	\$ 18,582,982	\$ 14,394,699	\$ 12,583,174	\$ 13,756,184						
Township's covered employee payroll (Calendar Year)	\$ 4,391,765	\$ 4,332,922	\$ 4,406,775	\$ 4,487,563						
Township's proportionate share of the net pension liability as a percentage of its calendar year covered employee payroll	423.13%	332.22%	285.54%	306.54%						
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, Townships should present information for those years for which information is available.

**TOWNSHIP OF LYNDHURST
SCHEDULE OF TOWNSHIP CONTRIBUTIONS - PERS
LAST 10 FISCAL YEARS***

	June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 580,224	\$ 582,799	\$ 554,889	\$ 679,475						
Contributions in relation to the contractually required contribution	(580,224)	(582,799)	(554,889)	(679,475)						
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -						
Township's covered employee payroll (Calendar Year)	\$ 4,391,765	\$ 4,332,922	\$ 4,406,775	\$ 4,487,563						
Contributions as a percentage of covered employee payroll	13.21%	13.45%	12.59%	15.14%						

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

**TOWNSHIP OF LYNDHURST
 SCHEDULE OF THE TOWNSHIP'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - PFRS
 LAST 10 FISCAL YEARS***

	June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Township's proportion of the net pension liability	0.1824011968%	0.1718562526%	0.1797428199%	0.1808632469%						
Township's proportionate share of the net pension liability	\$ 34,843,294	\$ 28,625,261	\$ 22,609,980	\$ 24,044,137						
Township's covered employee payroll (Calendar Year)	\$ 5,781,055	\$ 5,833,336	\$ 5,530,823	\$ 5,697,630						
Township's proportionate share of the net pension liability as a percentage of its calendar year covered employee payroll	602.72%	490.72%	408.80%	422.00%						
Plan fiduciary net position as a percentage of the total pension liability (Local)	52.00%	56.31%	62.41%	58.70%						

* 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, Townships should present information for those years for which information is available.

**TOWNSHIP OF LYNDHURST
 SCHEDULE OF TOWNSHIP CONTRIBUTIONS - PFRS
 LAST 10 FISCAL YEARS***

	June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 1,483,705	\$ 1,467,063	\$ 1,404,361	\$ 1,474,159						
Contributions in relation to the contractually required contribution	(1,483,705)	(1,467,063)	(1,404,361)	(1,474,159)						
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>						
Township's covered employee payroll (Calendar Year)	\$ 5,781,055	\$ 5,833,336	\$ 5,530,823	\$ 5,697,630						
Contributions as a percentage of covered employee payroll	25.66%	25.15%	25.39%	25.87%						

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

TOWNSHIP OF LYNDHURST
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 YEAR ENDED DECEMBER 31, 2016

Note 1. **Police and Firemen's Retirement System (PFRS)**

Changes of benefit terms.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A. All benefits vest after ten years of service, except for disability benefits that vest after four years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek early retirement after achieving 25 years of service credit, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members contributions providing no survivor death benefits are payable.

Changes of assumptions.

Mortality rates for male service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected 13 years using Projection Scale BB and then 2 years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

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, 2010 to June 30, 2013.

Public Employees' Retirement System (PERS)

Changes of benefit terms.

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS. Retirement benefits for age and service are available at ages 60, 62 or 65 and are generally determined to be 1/55 or 1/60 of the final average salary for each year of service credit, as defined depending on the employees membership tier. 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). Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

Changes of assumptions.

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members and a 1 year static projection based on mortality improvement Scale AA. 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.

The RP-2000 Disabled Mortality Tables (setback 3 years for males and set forward 1 year for females) are used to value disabled retirees.

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.

Deviation from Assumptions

It is likely that future experience will not exactly conform to any of these assumptions. To the extent that actual experience deviates from these assumptions, the emerging PERS and PFRS liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

TOWNSHIP OF LYNDHURST

NJ Comprehensive Annual Financial Report

General Comments and Recommendations Section

**TOWNSHIP OF LYNDHURST
 GENERAL COMMENTS AND RECOMMENDATIONS
 YEAR ENDED DECEMBER 31, 2016**

<u>General</u>	<u>Ref.</u>
There are a significant amount of outstanding municipal tax title liens.	4.
There are instances whereby the Board of Commissioners waived interest on delinquent tax and utility accounts.	3.
There continues to be uncertainty as to the actual compensatory time payable to police department supervisory personnel. A review has been authorized and initiated.	5.
There are instances whereby certain properties continue to be assessed and taxes levied, yet appear to be erroneous due to various circumstances; i.e., Encap properties, donated properties, NJSEA properties. This is causing significant tax balances on the Township's computer system, yet collectability is not probable. Those properties have been identified as follows:	9.
Block 1 Lot 2	Riverside & River
Block 1 Lot 12.02	Riverside Avenue
Block 1 Lot 13	Riverside Avenue
Block 1 Lot 14.01	Riverside Avenue
Block 1 Lot 15	Riverside Avenue
Block 17 Lot 30.02	Delafield Ave - Rear
Block 39 Lot 22.02	625 A Fifth Avenue
Block 62 Lot 24	Fern Avenue - Rear
Block 144 Lot 23.02	Kingsland Avenue - Rear
Block 195 Lot 10	Park Place - Rear
Block 217 Lot 36	Lewandowski Street - Rear
Block 226 Lot 14	100 Meadow Road
Block 232 Lot 6	Salt Meadows
Block 232 Lot 8	Salt Meadows
Block 237 Lot 8	Salt Meadows
Block 237 Lot 10	Salt Meadows

**TOWNSHIP OF LYNDHURST
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2016**

Revenues/Cash Receipts Cycle

Ref.

Tax Collector/Treasurer

None

Township Clerk

None

Municipal Court

Checks in the General and Bail accounts currently require only one authorizing signature. 6.

There were 26 tickets assigned but not issued over 180 days listed on the monthly management report. 7.

It is suggested that the Township utilize a private collection agency to collect outstanding municipal court debts. N/A

Chemical/Fire Safety Inspector

None

Department of Public Works

None

Construction Code Official

None

Board of Health/Registrar of Vital Statistics

None

Police Department

None

Tax Assessor

None

**TOWNSHIP OF LYNDHURST
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2016**

<u>Expenditures/Cash Disbursements Cycle</u>	<u>Ref.</u>
Purchase order were not utilized in all applicable cases of procuring goods and services within the various departments.	1.
Individual departments did not obtain certification of availability of funds in all required instances.	2.
There are excess trust reserve balances, and purposes for which an approved dedication by rider has not been obtained.	8.

**TOWNSHIP OF LYNDHURST
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2016**

Payroll Cycle

Ref.

None

**TOWNSHIP OF LYNDHURST
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2016**

Swimming Pool Utility	<u>Ref.</u>
None	

**TOWNSHIP OF LYNDHURST
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2016**

Water Utility	<u>Ref.</u>
None	

**TOWNSHIP OF LYNDHURST
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2016**

Recommendations

1. That purchase orders be utilized by the various departments in all applicable instances.
2. That appropriate certification of availability of funds be obtained by the various departments in all applicable instances.
3. That the practice of the governing body waiving interest on delinquent tax and utility accounts be referred to the Township Attorney for allowability.
4. That every effort be made to liquidate municipal tax title liens in order to get such properties back on a tax paying basis. *
5. That the review of police department individual employment contracts be completed, and all compensated absence balances be memorialized in writing.
6. That checks drawn on the municipal court General and Bail accounts require at least two authorizing signatures. *
7. That tickets assigned but not issued over 180 days be recalled and reissued. *
8. That the various Trust Fund reserve balances be reviewed, and reconciled to subsidiary ledgers/records; and dedication by rider approvals be obtained for all eligible reserves.
9. That all title work, cancellations, etc., be executed for all affected properties so that true tax receivable balances can be reflected in the financial statements.

Suggestions

1. That the Township utilize a private collection agency to collect outstanding municipal court debts.

**TOWNSHIP OF LYNDHURST
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2016**

Status of Prior Year's Recommendations

A review was made of all prior year's recommendations, and corrective action was taken on all with the exception of those denoted with an asterisk.

The synopsis of this report, together with the recommendations must be published as required by statute. We wish to express our appreciation for the assistance and courtesies extended by the Township Officials during the course of the audit.

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

Frank Di Maria

**Frank Di Maria
Registered Municipal Accountant
RMA No. CR00463**

June 22, 2017