

**Comprehensive Annual
Financial Report**

of the

City of Linden Board of Education

County of Union

Linden, New Jersey

For the Fiscal Year Ended June 30, 2011

Prepared by

**City of Linden, Board of Education
Finance Department**



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INTRODUCTORY SECTION

Linden Public Schools

Administration Building

2 East Gibbons Street

Linden, New Jersey 07036-2951

Phone 908.486.2341 Fax 908.486.8891

Rocco G. Tomazic, Ed.D.

Superintendent of Schools

Kathleen A. Gaylord

Business Administrator/
Board Secretary

November 22, 2011

Honorable President and
Members of the Board of Education
Linden School District
County of Union, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Linden School District for the fiscal year ended June 30, 2011 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation including all disclosures rests with the management of the Linden Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

- 1) **REPORTING ENTITY AND ITS SERVICES:** Linden School District is an independent reporting entity with the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Linden Board of Education and all its schools constitute the District's reporting entity.

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

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

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

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

- 3) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. The voters of the municipality adopt annual appropriated budgets. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2011.
- 4) **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.
- 5) **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.
- 6) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute and detailed in "Notes to the financial statements", Note 2. The District requires that all public 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. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

- 7) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The SBA/BS has established a Risk Management Committee made up of the SBA, Principal, School Nurse, Supervisor of Building and Grounds and the SAIF Insurance Agent.
- 8) **OTHER INFORMATION:**
- A) Independent Audit – State statutes requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney, and Company, CPA's, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual funds statement and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit and included in the single audit section of this report.
 - B) It must also be noted that the district was awarded full certification for a seven-year period as a result of monitoring activities conducted by the New Jersey Department of Education.
- 9) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Linden Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,



Rocco G. Tomazic, Ed.D.
Superintendent



Kathleen A. Gaylord
Business Administrator/Board Secretary

CITY OF LINDEN SCHOOL DISTRICT
BOARD OF EDUCATION
LINDEN, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2011

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Susan Hudak, President	2013
Bryan Russell, Vice President	2014
Dawn Beviano	2013
Manuel Donelson	2012
Dylan Frank	2014
Lisa Ormon	2013
Louis Scaldino	2014
Raymond Topoleski	2012
Jacqueline D. Williams	2012

Other Officials

Rocco G. Tomazic, Ed.D. Superintendent

Kathleen A. Gaylord, Business Administrator/Board Secretary

Alexis Zack, Treasurer

City of Linden Board of Education
Linden, New Jersey

Consultants and Advisors
June 30, 2011

Architect

The Musial Group
191 Mill Lane
Mountainside, New Jersey 07092

Audit Firm

Suplee, Clooney & Company
308 East Broad Street
Westfield, New Jersey 07090

Attorney

Schwartz, Simon, Edelstein, & Celso
44 Whippany Road – Suite 210
Morristown, New Jersey 07962

Weiner Lesniak

629 Parsippany Road
Parsippany, New Jersey 07054

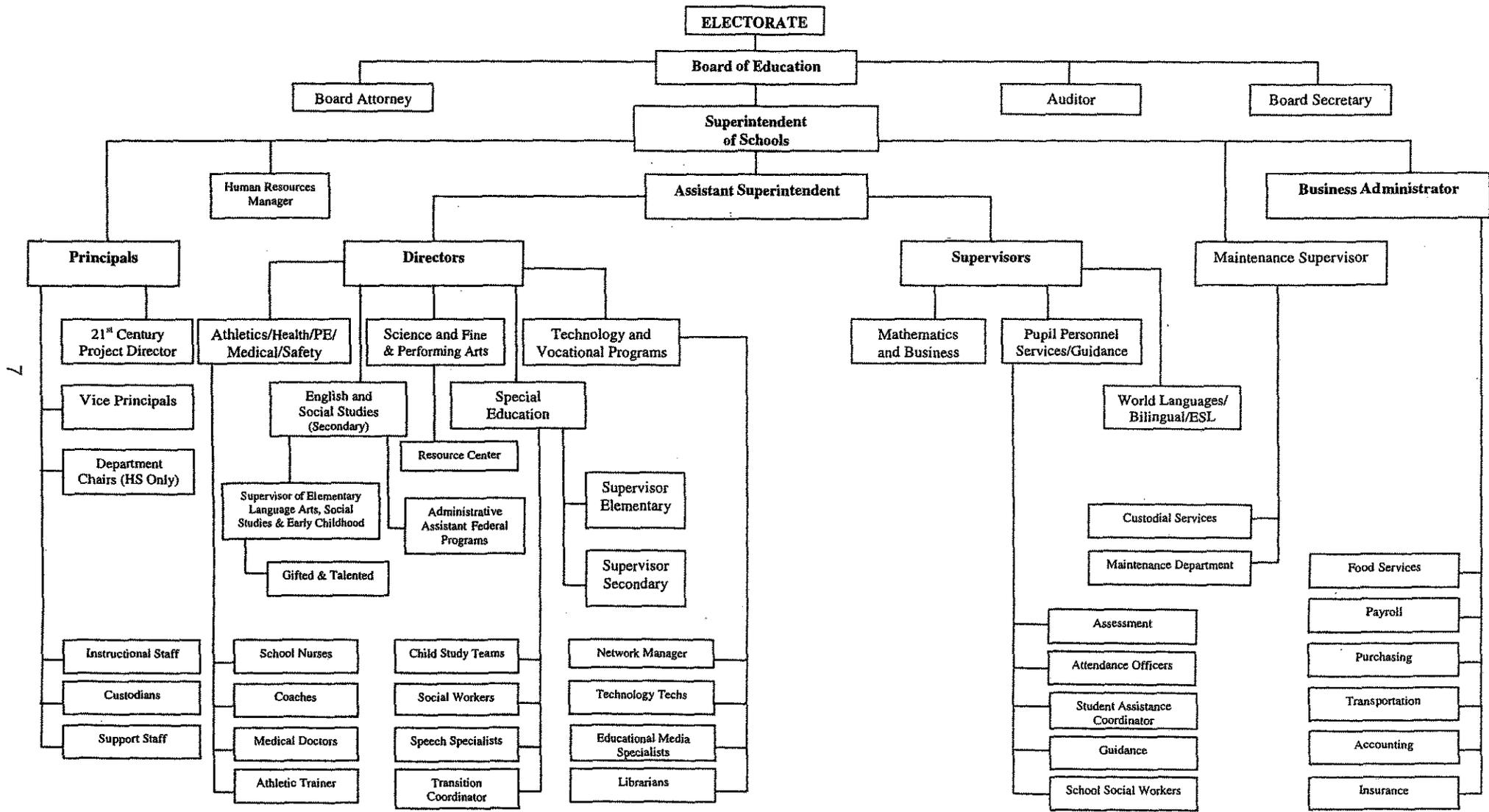
Official Depositories

Unity Bank
628 N. Wood Avenue
Linden, NJ 07036

Wachovia/Wells Fargo Bank
201 N. Wood Avenue
Linden, NJ 07036

TD Bank
1701 Rt. 70 East
Cherry Hill, NJ 08034

New Jersey Class
(Cutwater Asset Management)
113 King Street
Armonk, NY 10504



FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
City of Linden School District
County of Union
Linden, New Jersey 07036

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Linden School District, County of Union, New Jersey as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the provisions of U. S. Office of Management and Budget (OMB) Circular A-133 "Audits of State, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Linden School District, County of Union, New Jersey as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

SUPLEE, CLOONEY & COMPANY

In accordance with Government Auditing Standards, we have also issued our report dated November 22, 2011 on our consideration of the City of Linden School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the required supplementary information, as listed in the foregoing table of contents, respectively, are not a required part of the basic financial statements but are supplementary information required by the U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Linden School District's basic financial statements. The introductory section, combining and individual fund schedules and statements, other schedules, statistical tables and the schedules of expenditures of federal awards and state financial assistance as listed in the table of contents are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; New Jersey OMB's Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and State of New Jersey, Department of Education, Division of Finance and are not a required part of the basic financial statements of the City of Linden School District, County of Union, New Jersey. Such information, except for the introductory section and that portion marked unaudited on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

November 22, 2011

REQUIRED SUPPLEMENTARY INFORMATION – Part I

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

CITY OF LINDEN BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2011

This section of the City of Linden's Board Of Education's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

Management's Discussion and Analysis (MD&A) is a required element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments issued in June 1999 that is now being required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year (2010-2011) and the prior fiscal year (2009-2010) is required to be presented in the MD&A.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statement is comprised of three components:

- 1) District-wide financial statements,
- 2) Fund financial statements,
- 3) Notes to the financial statements.

This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets (A-1) presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities (A-2) presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, (e.g. earned but unused vacation leave).

CITY OF LINDEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2011

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund and the capital projects fund, all of which are considered to be major funds.

These funds, with the exception of the capital projects fund, utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

Proprietary Funds

The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the District. The proprietary fund has been included within business-type activities in the district-wide financial statements.

CITY OF LINDEN BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2011

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs.

The District used trust and agency funds to account for resources held for student activities and groups and for payroll transactions.

Notes to the financial statements

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

Other information

The combining statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2010-2011 fiscal years include the following:

Net assets increased \$8,899,112.46 from 2009-2010.

The local tax levy of \$77,779,082 was increased from \$74,190,234 for 2009-2010, or \$3,588,848.

The Food Services Enterprise Fund's net assets were \$722,042.44 as compared to \$673,543.51 for 2009-2010.

CITY OF LINDEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2011

District-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net assets relating to the District's governmental and business-type activities:

	<u>FY 2011</u>	<u>FY 2010</u>
Assets		
Current and Other Assets	\$ 23,626,151.95	\$ 20,017,293.95
Capital Assets	<u>36,788,272.48</u>	<u>32,218,643.15</u>
Total Assets	\$ 60,414,424.43	\$ 52,235,937.10
Liabilities		
Long-Term Liabilities	\$ 8,373,438.33	\$ 10,017,342.98
Other Liabilities	<u>2,152,084.14</u>	<u>2,155,967.75</u>
Total Liabilities	\$ 10,525,522.47	\$ 12,173,310.73
Net Assets		
Investment in Capital Assets, Net of Debt	\$ 28,500,460.13	\$ 22,227,048.54
Restricted	22,473,204.82	20,296,352.94
Unrestricted (Deficit)	<u>(1,084,762.99)</u>	<u>(2,460,775.11)</u>
	<u>\$ 49,888,901.96</u>	<u>\$ 40,062,626.37</u>

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

An additional portion of the District's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the District's ongoing obligations to students, employees, and creditors. The unrestricted net assets include the amount of long-term obligations that are not invested in capital assets, such as compensated absences.

At the end of the current fiscal year, the District is able to report a positive balance in total net assets. The same situation held true for the prior fiscal year.

CITY OF LINDEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2011

	<u>FY 2011</u>	<u>FY 2010</u>
Revenues		
Program Revenues:		
Charges for Services	\$927,052.90	\$918,860.85
Operating Grants and Contributions	14,862,725.20	14,516,181.70
General Revenues:		
Property Taxes	77,779,082.00	74,190,234.00
Grants and Entitlements	19,362,646.09	25,032,634.41
Other	686,048.29	551,066.28
Total Revenues	<u>113,617,554.48</u>	<u>115,208,977.24</u>
Program Expenses		
Instruction	55,928,124.56	59,553,078.12
Support Services:		
Tuition	9,483,963.51	9,445,718.28
Student and Instruction Related	13,331,568.41	13,353,312.77
School Administration	2,734,388.44	2,566,445.67
General Administration	4,030,020.41	3,884,239.45
Central Services/Adm. of Technology	2,178,153.58	2,219,141.32
Business and Other Support		
Plant Operations and Maintenance	10,829,430.15	10,808,967.29
Student Transportation	3,612,376.91	3,930,625.12
Debt Service Assessment	42,388.00	
Other	95,126.98	138,489.12
Business Type Activities	2,452,901.07	2,465,779.76
Total Expenses	<u>104,718,442.02</u>	<u>108,365,796.90</u>
Increase/(Decrease) in Net Assets	<u>\$8,899,112.46</u>	<u>\$6,843,180.34</u>

Financial Analysis of the District's Funds

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

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unreserved fund balance is divided between designated balances and undesignated balances. The District has designated portions of the unreserved fund balance to earmark resources for certain district-wide liabilities and post employment obligations that are not recognized in the governmental funds. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the District's discretion.

Proprietary Funds. The District's proprietary fund provides the sum type of information found in the district-wide financial statements, but in more detail.

CITY OF LINDEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2011

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund and special revenue fund revenues for the fiscal year ended June 30, 2011 and the amount and percentage of increases and (decreases) in relation to prior year revenues. The Capital Projects Fund has been excluded as amounts vary substantially from year to year.

	2010-2011				2009-2010			
	Revenue	Percent of Total	Increase (Decrease) from 2010	Percent of Increase (Decrease)	Revenue	Percent of Total	Increase (Decrease) from 2009	Percent of Increase (Decrease)
Local Sources	\$ 78,464,538.49	70.62%	\$ 3,699,233.36	4.95%	\$ 74,765,305.13	67.83%	\$ 2,305,593.53	0.03181897
State Sources	27,389,835.79	24.65%	595,570.79	2.22%	26,794,265.00	24.31%	(2,946,972.87)	-9.91%
Federal Sources	<u>5,261,236.45</u>	<u>4.73%</u>	<u>(3,404,106.58)</u>	<u>-39.28%</u>	<u>8,665,343.03</u>	<u>7.86%</u>	<u>4,328,673.98</u>	<u>0.9981564</u>
	<u>\$ 111,115,610.73</u>	<u>100.00%</u>	<u>\$ 890,697.57</u>	<u>0.81%</u>	<u>\$ 110,224,913.16</u>	<u>100.00%</u>	<u>\$ 3,687,294.64</u>	<u>0.03461026</u>

CITY OF LINDEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2011

The following schedule presents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2011 and the percentage of increases and (decreases) in relation to prior year amounts. The Capital Projects Fund has been excluded as amounts vary substantially from year to year.

	2010-2011				2009-2010			
	Expenditure	Percent of Total	Increase (Decrease) from 2010	Percent of Increase (Decrease)	Expenditure	Percent of Total	Increase (Decrease) from 2009	Percent of Increase (Decrease)
Instruction	\$ 38,993,166.44	37.21%	\$ (3,774,345.30)	(8.83%)	\$ 42,767,511.74	39.99%	\$ 1,632,144.26	3.97%
Support Services and Undistributed Expenses	61,783,917.68	58.96%	178,119.49	0.29%	61,605,798.19	57.60%	(2,253,481.55)	(3.53%)
Capital Outlay	3,916,887.84	3.74%	1,471,746.48	60.19%	2,445,141.36	2.29%	192,804.63	8.56%
Special Schools	<u>95,126.98</u>	<u>0.09%</u>	<u>(43,362.14)</u>	<u>(31.31%)</u>	<u>138,489.12</u>	<u>0.13%</u>	<u>(289,152.51)</u>	<u>(67.62%)</u>
	<u>\$104,789,098.94</u>	<u>100.00%</u>	<u>\$ (2,167,841.47)</u>	<u>(2.03%)</u>	<u>\$ 106,956,940.41</u>	<u>100.00%</u>	<u>\$ (717,685.17)</u>	<u>(0.67%)</u>

Program revenues are budgeted to spend all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenues received but not spent is restricted and deferred to the subsequent year. As a result, overall fund revenues variances will be negative and overall fund expenditures variances will be positive.

CITY OF LINDEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2011

Capital Asset and Debt Administration

Capital Assets

At June 30, 2011, the District has capital assets in excess of \$36 million, net of depreciation, which includes school facilities, land, construction in progress, site improvements, buildings, equipment and vehicles.

The following provides a summary of the capital assets, net of depreciation held by the District:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Land	\$ 861,422.00	\$
Construction in Progress	7,847,714.24	
Site Improvements	228,762.63	
Building and Building Improvements	26,429,172.18	
Machinery, Equipment and Vehicles	<u>1,295,598.92</u>	<u>126,455.54</u>
Total	<u>\$ 36,662,669.97</u>	<u>\$ 126,455.54</u>

Additional information on the District's capital assets can be found in Note 4 to the basic financial statements.

Debt Administration and Other Obligations

The District does not have any outstanding bond issues.

However, the District has long-term obligations at June 30, 2011 as follows:

Lease Purchase Payable	\$ 8,288,665.38
Compensated Absences	<u>1,839,379.84</u>
Total	<u>\$ 10,128,045.22</u>

Economic Factors and Next Year's Budget

The tax levy has increased due to the increase in student population and the reduction in State Aid over the past three years.

Requests for Information

This financial report is designed to provide a general overview of the City of Linden District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, City of Linden Board of Education, 2 East Gibbons Street, Linden, N.J. 07036.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2011.

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

CITY OF LINDEN SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$9,905,141.36	\$590,338.32	\$10,495,479.68
Receivables, net	4,897,977.62	89,485.38	4,987,463.00
Inventory		19,458.48	19,458.48
Restricted assets:			
Restricted cash and cash equivalents	8,122,897.76		8,122,897.76
Capital assets:			
Not being depreciated	8,709,136.24		8,709,136.24
Other capital assets, net of depreciation	27,953,533.73	126,455.54	28,079,989.27
Total Assets	<u>59,588,686.71</u>	<u>825,737.72</u>	<u>60,414,424.43</u>
LIABILITIES:			
Accounts payable	50,917.94	96,778.20	147,696.14
Payable to state government	183.52		183.52
Payable to federal governments	233.15		233.15
Deferred revenue	242,447.36	6,917.08	249,364.44
Noncurrent liabilities:			
Due within one year:			
Capital leases payable	1,754,606.89		1,754,606.89
Due beyond one year:			
Capital leases payable	6,534,058.49		6,534,058.49
Compensated absences payable	1,839,379.84		1,839,379.84
Total liabilities	<u>10,421,827.19</u>	<u>103,695.28</u>	<u>10,525,522.47</u>
NET ASSETS:			
Investment in capital assets, net of related debt	28,374,004.59	126,455.54	28,500,460.13
Restricted for:			
Special revenue fund (deficit)	(122,889.21)		(122,889.21)
Capital projects fund	2,316,841.16		2,316,841.16
Other purposes	20,279,252.87		20,279,252.87
Unrestricted (deficit)	<u>(1,680,349.89)</u>	<u>595,586.90</u>	<u>(1,084,762.99)</u>
Total net assets	<u>\$49,166,859.52</u>	<u>\$722,042.44</u>	<u>\$49,888,901.96</u>

CITY OF LINDEN SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2011

Functions/Programs	Expenses	Programs Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$39,456,925.84		\$6,401,568.77		(\$33,055,357.07)		(\$33,055,357.07)
Special	11,763,249.65		1,180,363.47		(10,582,886.18)		(10,582,886.18)
Other Instruction	4,707,949.07		382,203.14		(4,325,745.93)		(4,325,745.93)
Support services:							
Tuition	9,483,963.51				(9,483,963.51)		(9,483,963.51)
Student & instruction related services	13,331,568.41		4,271,058.14		(9,060,510.27)		(9,060,510.27)
School administrative services	2,734,388.44		330,148.98		(2,404,239.46)		(2,404,239.46)
General administrative services	4,030,020.41		151,128.82		(3,878,891.59)		(3,878,891.59)
Central services	1,590,261.43		124,634.86		(1,465,626.57)		(1,465,626.57)
Administrative technology information	587,892.15				(587,892.15)		(587,892.15)
Plant operations and maintenance	10,829,430.15		440,650.97		(10,388,779.18)		(10,388,779.18)
Student transportation	3,612,376.91		6,668.99		(3,605,707.92)		(3,605,707.92)
Debt service Assessment	42,388.00				(42,388.00)		(42,388.00)
Special Schools	95,126.98				(95,126.98)		(95,126.98)
Total governmental activities	<u>102,265,540.95</u>		<u>13,288,426.14</u>		<u>(88,977,114.81)</u>		<u>(88,977,114.81)</u>
Business-type activities							
Food Service	\$2,452,901.07	\$927,052.90	1,574,299.06			\$48,450.89	48,450.89
Total business-type activities	<u>2,452,901.07</u>	<u>927,052.90</u>	<u>1,574,299.06</u>			<u>48,450.89</u>	<u>48,450.89</u>
Total primary government	<u>\$104,718,442.02</u>	<u>\$927,052.90</u>	<u>\$14,862,725.20</u>		<u>(\$88,977,114.81)</u>	<u>\$48,450.89</u>	<u>(\$88,928,663.92)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$77,779,082.00		\$77,779,082.00
Federal and state aid not restricted					19,362,646.09		19,362,646.09
Tuition					46,702.10		46,702.10
Miscellaneous income					639,298.15	\$48.04	639,346.19
Total general revenues and other items					<u>97,827,728.34</u>	<u>48.04</u>	<u>97,827,776.38</u>
Change in net assets					8,850,613.53	48,498.93	8,899,112.46
Net assets - beginning (restated)							
					40,316,245.99	673,543.51	40,989,789.50
Net Assets - ending							
					<u>\$49,166,859.52</u>	<u>\$722,042.44</u>	<u>\$49,888,901.96</u>

MAJOR FUND FINANCIAL STATEMENTS

The Individual Fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

CITY OF LINDEN SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
Cash and cash equivalents	\$5,565,545.68	\$41,193.49	\$1,144,491.06	\$6,751,230.23
Cash, capital reserve	8,122,897.76			8,122,897.76
Cash, maintenance reserve	26,841.98			26,841.98
Cash, emergency reserve	923,273.79			923,273.79
Cash with fiscal agents			2,203,795.36	2,203,795.36
Accounts receivable:				
Federal		\$1,554,037.92		1,554,037.92
State	880,256.74		2,406,065.00	3,286,321.74
Other	49,617.96	8,000.00		57,617.96
Interfunds	1,481,756.59		103,603.14	1,585,359.73
Total assets	\$17,050,190.50	\$1,603,231.41	\$5,857,954.56	\$24,511,376.47
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$49,417.94	\$1,500.00		\$50,917.94
Interfund payable	103,603.14	1,481,756.59		1,585,359.73
Intergovernmental payables:				
State		183.52		183.52
Federal		233.15		233.15
Deferred revenue		242,447.36		242,447.36
Total liabilities	153,021.08	1,726,120.62		1,879,141.70
Fund balances:				
Restricted for:				
Excess surplus-current year	2,399,071.24			2,399,071.24
Capital reserve account	8,122,897.76			8,122,897.76
Maintenance reserve account	26,841.98			26,841.98
Emergency reserve account	923,273.79			923,273.79
Capital projects fund			\$2,316,841.16	2,316,841.16
Committed to:				
Designated for subsequent years expenditures	3,000,000.00			3,000,000.00
Year end encumbrances	2,266,054.70		3,541,113.40	5,807,168.10
Unassigned to:				
General Fund	159,029.95			159,029.95
Special Revenue Fund (Deficit)		(122,889.21)		(122,889.21)
Total fund balances	16,897,169.42	(122,889.21)	5,857,954.56	22,632,234.77
Total liabilities and fund balances	\$17,050,190.50	\$1,603,231.41	\$5,857,954.56	\$24,511,376.47

See accompanying notes to financial statements.

CITY OF LINDEN SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

Total Fund Balances (Brought Forward)		\$22,632,234.77
Amounts Reported for Governmental Activities in the Statement of Net Assets (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	\$59,153,947.26	
Accumulated Depreciation	<u>(22,491,277.29)</u>	
		36,662,669.97
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		<u>(10,128,045.22)</u>
Net Assets of Governmental Activities		<u><u>\$49,166,859.52</u></u>

See accompanying notes to financial statements.

CITY OF LINDEN SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Local sources:				
Local tax levy	\$77,779,082.00			\$77,779,082.00
Tuition	46,702.10			46,702.10
Interest earned on capital reserve funds	2,935.37			2,935.37
Interest earned on emergency reserve funds	783.74			783.74
Interest earned on maintenance reserve funds	972.12			972.12
Miscellaneous	596,109.29	\$38,007.87	\$489.76	634,606.92
Total - local sources	78,426,584.62	38,007.87	489.76	78,465,082.25
State sources	25,281,777.59	2,108,058.19		27,389,835.78
Federal sources	171,665.44	5,089,571.01		5,261,236.45
Total revenues	103,880,027.65	7,235,637.07	489.76	111,116,154.48
EXPENDITURES:				
Current expense:				
Regular instruction	24,940,600.82	3,471,657.56		28,412,258.38
Special instruction	7,313,721.63			7,313,721.63
Other instruction	3,267,186.43			3,267,186.43
Support services:				
Tuition	9,483,963.51			9,483,963.51
Student & instruction related services	7,730,300.76	3,546,495.76		11,276,796.52
General administrative services	1,489,850.48			1,489,850.48
School administrative services	3,460,321.37			3,460,321.37
Central services	1,120,434.69			1,120,434.69
Administrative information technology	587,892.15			587,892.15
Plant operations and maintenance	9,168,341.11			9,168,341.11
Student transportation	3,587,237.32			3,587,237.32
Unallocated benefits	21,609,080.53			21,609,080.53
Special schools	95,126.98			95,126.98
Capital outlay	1,945,281.75	226,288.86	2,710,334.63	4,881,905.24
Capital outlay - Debt Service Assessment	42,388.00			42,388.00
Capital outlay - lease principal	1,702,929.23			1,702,929.23
Total expenditures	97,544,656.76	7,244,442.18	2,710,334.63	107,499,433.57
Excess (deficiency) of revenues over (under) expenditures	6,335,370.89	(8,805.11)	(2,709,844.87)	3,616,720.91
Other financing sources (uses):				
Transfers from capital outlay to capital projects	(1,000,000.00)		1,000,000.00	
Transfers from capital projects to general fund	275,598.32		(275,598.32)	
Total other financing sources (uses)	(724,401.68)		724,401.68	
Net change in fund balances	5,610,969.21	(8,805.11)	(1,985,443.19)	3,616,720.91
Fund balances/(deficit) June 30, 2010	11,286,200.21	(114,084.10)	7,843,397.75	19,015,513.86
Fund balances/(deficit) June 30, 2011	\$16,897,169.42	(\$122,889.21)	\$5,857,954.56	\$22,632,234.77

See accompanying notes to financial statements.

CITY OF LINDEN SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Total net change in fund balances - governmental funds (from B-2)		\$3,616,720.91
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period</p>		
Depreciation expense	(\$1,240,239.61)	
Capital outlays	<u>4,881,905.24</u>	3,641,665.63
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Payment of capital lease payable		1,702,929.23
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>(110,702.24)</u>
Change in net assets of governmental activities		<u>\$8,850,613.53</u>

See accompanying notes to financial statements.

OTHER FUNDS

CITY OF LINDEN SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$590,338.32
Accounts receivable:	
Federal	87,594.19
State	1,891.19
Inventories	<u>19,458.48</u>
Total current assets	<u>699,282.18</u>
Noncurrent assets:	
Furniture, machinery & equipment	819,808.44
Less accumulated depreciation	<u>(693,352.90)</u>
Total noncurrent assets	<u>126,455.54</u>
Total assets	<u><u>\$825,737.72</u></u>
LIABILITIES:	
Current liabilities:	
Accounts payable	\$96,778.20
Deferred revenue	<u>6,917.08</u>
Total current liabilities	<u>103,695.28</u>
Total liabilities	<u>103,695.28</u>
NET ASSETS:	
Restricted for:	
Invested in capital asset net of related debt	126,455.54
Unrestricted	<u>595,586.90</u>
Total net assets	<u><u>\$722,042.44</u></u>

See accompanying notes to financial statements.

CITY OF LINDEN SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
OPERATING REVENUES:	
Charges for services:	
Daily sales	\$927,052.90
Total operating revenues	<u>927,052.90</u>
OPERATING EXPENSES:	
Cost of sales	1,123,580.46
Salaries and employee benefits	1,030,539.29
Other Purchased Service	68,088.44
Supplies and materials	83,422.02
Insurance	9,023.61
Administrative Expense	126,465.85
Depreciation	11,781.40
Total operating expenses	<u>2,452,901.07</u>
Operating (loss)	<u>(1,525,848.17)</u>
NONOPERATING REVENUE (EXPENSE):	
State Sources	
State School Lunch Program	30,837.58
Federal Sources	
National School Lunch Program	1,182,199.50
National School Breakfast Program	198,480.56
National School Snack Program	20,157.60
National food distribution commodities	127,122.72
Fresh Foods and Vegetable Program	15,501.10
Interest and investment revenue	48.04
Total nonoperating revenue (expense)	<u>1,574,347.10</u>
Net income	48,498.93
Net assets - beginning	<u>673,543.51</u>
Net assets - ending	<u><u>\$722,042.44</u></u>

See accompanying notes to financial statements.

CITY OF LINDEN SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
Cash flows from operating activities:	
Receipts from customers	\$927,052.90
Payments to employees and employee benefits	(987,446.29)
Payments to suppliers	(1,333,870.27)
	<hr/>
Net cash provided by (used for) operating activities:	(1,394,263.66)
	<hr/>
Cash flows from noncapital financing activities:	
State Sources	34,039.23
Federal Sources	1,437,354.53
	<hr/>
Net cash provided by noncapital financing activities:	1,471,393.76
	<hr/>
Cash flows from investing activities:	
Interest on investments	48.04
	<hr/>
Net cash provided by (used for) investing activities:	48.04
	<hr/>
Cash flows from capital and related financing activities:	
Purchase of capital assets	(13,435.00)
	<hr/>
Net cash provided by (used for) capital and related financing activities:	(13,435.00)
	<hr/>
Net increase in cash and cash equivalents	63,743.14
Cash and cash equivalents, June 30, 2010	526,595.18
	<hr/>
Cash and cash equivalents, June 30, 2011	<u>\$590,338.32</u>
	<hr/>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating (loss)	(\$1,525,848.17)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation and net amortization	11,781.40
Federal commodities	127,122.72
Change in assets and liabilities:	
(Increase) decrease in inventories	(8,821.86)
Increase (decrease) in deferred revenue	5,488.03
Increase (Decrease) in accounts payable	(3,985.78)
	<hr/>
Net cash provided by (used for) operating activities:	<u>(\$1,394,263.66)</u>

See accompanying notes to financial statements.

CITY OF LINDEN SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>AGENCY FUNDS</u>	<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>
ASSETS:			
Cash and cash equivalents	<u>\$75,135.90</u>	<u>\$151,264.45</u>	<u>\$22,741.15</u>
Total assets	<u><u>\$75,135.90</u></u>	<u><u>\$151,264.45</u></u>	<u><u>\$22,741.15</u></u>
LIABILITIES:			
Payroll deductions and withholdings		\$3,311.09	
Due to student groups		<u>147,953.36</u>	
Total liabilities		<u>151,264.45</u>	
NET ASSETS:			
Held in trust for unemployment claims and other purposes	<u>\$75,135.90</u>		<u>\$22,741.15</u>
Total net assets	<u><u>\$75,135.90</u></u>		<u><u>\$22,741.15</u></u>

See accompanying notes to financial statements.

CITY OF LINDEN SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>
ADDITIONS:		
Contributions:		
Employee	\$111,059.93	
District	<u>500,760.77</u>	<u>\$1,760.96</u>
Total contributions	<u>611,820.70</u>	<u>1,760.96</u>
Total additions	<u>611,820.70</u>	<u>1,760.96</u>
DEDUCTIONS:		
Other purposes	32,665.24	1,000.00
Unemployment claims	<u>756,861.19</u>	<u> </u>
Total deductions	<u>789,526.43</u>	<u>1,000.00</u>
Change in net assets	(177,705.73)	760.96
Net assets beginning of year	<u>252,841.53</u>	<u>21,980.19</u>
Net assets end of year	<u><u>\$75,135.80</u></u>	<u><u>\$22,741.15</u></u>

See accompanying notes to financial statements.

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The City of Linden School District is a Type II District located in Union County, New Jersey. The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a nine (9) member board elected to three-year staggered terms and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include two elementary schools, two middle schools and a high school. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting

The District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Basis of Presentation

District-wide Statements: The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Assets presents the financial condition of the governmental and business-type activity of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as generally revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

General Fund - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution, subject to approval from the County Superintendent of Schools.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Governments (other than major capital projects or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

Enterprise Fund - The enterprise fund accounts for all revenues and expenses pertaining to the District's Food Service operations, community education and the summer enrichment program. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Fund Types

Agency Funds – The agency funds are used to account for assets held by the district on behalf of others and are custodial in nature. The agency funds included in this category are as follows:

Payroll and Student Activities Funds (Agency) - These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Unemployment Compensation Insurance Trust Fund - A trust fund used to account for assets used to finance the costs of unemployment benefits. Since the Board has adopted the direct reimbursement method, the District is under obligation to appropriate, if necessary, sufficient funds out of its general fund and hold them in trust for this purpose.

Private Purpose Scholarship Funds - A trust fund used to account for assets donated by individuals that will provide for the payment of awards to district students.

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting – Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The Districtwide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Account Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments and transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

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

Open encumbrances in the special revenue fund and capital projects fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The Interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future period, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994 are recorded at actual cost. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Interest is not capitalized on Capital Assets

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method and the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	50
Electrical/Plumbing	30
Vehicles	10
Office & Computer Equipment	10
Instructional Equipment	10
Grounds Equipment	15

Compensated Absences

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

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

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

The liability compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave and vacation days that are expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the District-Wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the governmental fund level and District-wide presentations.

Fund Equity

Fund balance reserves are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances, are established to indicate tentative plans for financial utilization in a future period. The unreserved fund balances represent the amount available for future budgetary operations.

Unrestricted Retained Earnings represents the remains of the District's equity in the cumulative earnings of the proprietary funds.

Deferred /Unearned Revenue

Deferred revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is allowable under generally accepted accounting principles.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves

In fiscal year 2011, the District implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement modifies fund balance reporting and clarifies fund type definitions. This new Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

The restricted fund balance classification includes amounts that are subject to externally enforceable legal restriction such as by constitutional provision, enabling legislation or other government imposed restrictions. The committed fund balance classification includes amounts constrained for a specific purpose by a government using its highest decision-making authority. The assigned fund balance classification includes amounts for all funds, other than the general fund with any remaining positive balances not already classified as restricted or committed. For the general fund, amounts constrained with the intent to be used for a specific purpose by the governing board or an official delegated authority by the board. The unassigned fund balance classification includes for the general fund, amounts not classified as restricted, committed or assigned. The general fund is the only fund that will report a positive unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned. Fund balance restrictions have been established for excess surplus, excess surplus-designated for subsequent year's expenditures, capital reserve, maintenance and emergency reserve.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-Exchange Transactions (Continued)

Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise funds are charges to customers for sales of food service and charges for the summer enrichment program. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities.

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make assumptions that affect the amounts reported as revenue and expenditures/expenses during the reporting period. These estimates may differ from actual results.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The District considers petty cash, change funds, cash in banks, deposits in the government money market account, and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

As of June 30, 2011 cash and cash equivalents of the District consisted of the following:

<u>Fund</u>	Cash in <u>Bank</u>	Reconciling <u>Items</u>	Reported <u>total</u>
General	\$ 17,584,897.57	\$ (2,946,338.36)	\$ 14,638,559.21
Special Revenue	40,912.27	281.22	41,193.49
Capital Projects	3,749,355.92	(401,069.50)	3,348,286.42
Enterprise	601,672.02	(11,333.70)	590,338.32
Fiduciary	22,741.15		22,741.15
	<u>\$ 21,999,578.93</u>	<u>\$ (3,358,460.34)</u>	<u>\$ 18,641,118.59</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2011 based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$21,999,578.93 \$500,000.60 was covered by Federal Depository Insurance, \$11,285,024.25 was covered by Governmental Unit Deposit Protection Act (GUDPA) and \$10,214,554.68 was on deposit with the Municipal Investors Service Corporation Assets Management Program (MBIA Class).

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts.
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and;
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2011, the District had no investments outstanding. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the District is not generally exposed to credit interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 3: CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Audit Adjustment</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets that are not depreciated:					
Land	\$ 861,422.00				\$ 861,422.00
Construction In Progress	2,850,381.47	4,459,868.38	537,464.39		7,847,714.24
Total capital assets that are not depreciated	<u>3,711,803.47</u>	<u>4,459,868.38</u>	<u>537,464.39</u>		<u>8,709,136.24</u>
Capital assets being depreciated:					
Land improvements	1,107,042.90				1,107,042.90
Building and building improvements	44,865,966.02	47,760.00	391,867.52		45,305,593.54
Machinery and equipment	3,467,644.19	374,276.86	224,209.09	(33,955.56)	4,032,174.58
Total capital assets being depreciated	<u>52,291,034.58</u>	<u>422,036.86</u>	<u>616,076.61</u>	<u>(33,955.56)</u>	<u>50,444,811.02</u>
Total gross assets	53,152,456.58	4,881,905.24	1,153,541.00	(33,955.56)	59,153,947.26
Less: accumulated depreciation for:					
Land improvements	(857,500.83)	(20,779.44)			(878,280.27)
Building and Building Improvements	(17,934,836.52)	(941,584.84)			(18,876,421.36)
Machinery and Equipment	(2,266,278.02)	(277,875.33)	(226,377.87)	33,955.56	(2,736,575.66)
Governmental activities capital assets, net	<u>(21,058,615.37)</u>	<u>(1,240,239.61)</u>	<u>(226,377.87)</u>	<u>33,955.56</u>	<u>(22,491,277.29)</u>
Total Capital Assets being depreciated, net of accumulated depreciation	<u>\$ 32,093,841.21</u>	<u>\$ 3,641,665.63</u>	<u>\$ 927,163.13</u>		<u>\$ 36,662,669.97</u>
Business type activities:					
Machinery and equipment	\$ 806,373.44	\$ 13,435.00			\$ 819,808.44
Less: accumulated depreciation	(681,571.50)	(11,781.40)			(693,352.90)
Proprietary fund capital assets, net	<u>\$ 124,801.94</u>	<u>\$ 1,653.60</u>			<u>\$ 126,455.54</u>

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 3: CHANGE IN CAPITAL ASSETS (CONTINUED)

Depreciation Expense was charged to governmental expenses as follows:

Instruction:	
Regular	\$596,603.70
Special	240,351.72
Other Instruction	77,826.18
Support services:	
Student & instruction related services	110,993.34
School administrative services	67,226.64
General administrative services	30,773.63
Central services	25,378.80
Plant operations and maintenance	89,727.63
Student transportation	1,357.97
	<hr/>
	\$1,240,239.61
	<hr/>

NOTE 4: LONG-TERM DEBT

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

At June 30, 2011, the District had no bonds issued or no bonds or notes authorized but not issued.

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 4: LONG-TERM DEBT (CONTINUED)

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2011.

	<u>Capital Leases Payable</u>	<u>Compensated Absences Payable</u>	<u>Total</u>
Balance June 30, 2010	\$9,991,594.61	\$1,728,677.60	\$11,720,272.21
Additions/ Issued		110,702.24	110,702.24
Reductions	<u>1,702,929.23</u>	<u> </u>	<u>1,702,929.23</u>
Balance June 30, 2011	<u>\$8,288,665.38</u>	<u>\$1,839,379.84</u>	<u>\$10,128,045.22</u>
Amounts Due within one year	<u>\$1,754,606.89</u>		

Under New Jersey Statutes the District may incur debt in an amount not to exceed 4% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2011, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2008	\$6,571,704,826.00
2009	6,123,110,724.00
2010	<u>5,770,362,715.00</u>
	<u>\$18,465,178,265.00</u>
Average equalized valuation of property	\$6,155,059,421.67
School borrowing margin (4% of \$6,155,059,421.67)	246,202,376.87
Net bonded school debt as of June 3, 2011	<u>-0-</u>
School borrowing power available	<u>\$246,202,376.87</u>

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 4: LONG-TERM DEBT (CONTINUED)

Capital Leases Payable

The District entered into a five year lease purchase for the construction of an addition to the School # 2 in the amount of \$5,000,000.00. The lease was issued on November 1, 2009 and matures semiannually through July 1 2014, bearing interest 2.8745% additionally, the District also entered into a sale and lease back agreement in the amount of \$4,440,000.00 with the City of Linden for the athletic fields. The City then entered into a lease purchase agreement with the Union County Improvement Authority. The City then renovated the fields and has leased them back to the District. The lease was issued on January 1, 2006 and matures annually through January 1, 2030, bearing interest rates of between 3.0% and 4.5%. The District entered into a five year lease program agreement for the renovation and the addition of an elevator at School # 6 in the amount of \$2,500,000.00. The lease was issued on April 15, 2009 and matures semiannually through June 30, 2013 bearing interest at 3.10%. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2011:

<u>Year</u>	<u>Amount</u>
2012	\$2,041,168
2013	2,040,093
2014	1,497,213
2015-2019	1,514,050
2020-2024	1,507,019
2025-2029	1,505,913
2030	<u>303,050</u>
Total minimum lease payments	10,408,506
Less: Amount representing interest	<u>(2,119,841)</u>
Present value of net minimum lease payment	<u><u>\$8,288,665</u></u>

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 5: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF) which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 5: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

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

Significant Legislation

Chapter 89- P.L. 2008- Members of either system who became members before July 1, 2007 may retire at age 55 years with 25 years of service or at age 60 with any number of years of service without a reduction in the amount of retirement allowance the members' receive. There is a reduction in such an allowance if the member is under 55 with 25 years of service. There is also a reduction in an allowance for members of either system who became members on or after July 1, 2007 and who retire between age 55 and 60 years with 25 or more years of service.

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A, and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e. the State of New Jersey makes the Employer contribution on behalf of public school districts).

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements (Continued)

Three-Year Trend Information for PERS (Paid On-Behalf of the District)

<u>Year</u> <u>Funding</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
6/30/2011	\$1,196,328	100%	\$1,196,328
6/30/2010	936,220	100%	936,220
6/30/2009	778,663	100%	778,663

During the fiscal years ended June 30, 2011 and 2010, the State of New Jersey did not contribute to the TPAF pension system on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,950,592.00 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 6: OTHER POST-RETIREMENT BENEFITS

For eligible retired employees, the School District participates in the State Health Benefits Program (SHBP), 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 9 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.

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 supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 6: OTHER POST-RETIREMENT BENEFITS (CONTINUED)

P.L. 1987, c. 384 and P.L.1990, c.6 required Teachers Pension and Annuity Fund (TPAF) and Public Employees Retirement System (PERS), respectively, to fund Post Retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on state disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The state is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2011, 2010 and 2009 were, \$2,817,922.00, \$2,689,541.00 and \$2,589,085.00 respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 7: LITIGATION

The Board's attorney has indicated that there are matters concerning the Board's financial position involving ongoing litigation regarding personnel and labor practices and it would be reasonable to assume that some of these matters present substantial, though not as yet quantified, exposure.

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 8: INVENTORY

Inventory in the Food Service Fund at June 30, 2011 consisted of the following:

Food and Supplies	<u>\$19,458.48</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 9: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2010-2011 fiscal year were subject to the U.S. OMB A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit.

Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

NOTE 10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds.

A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 10: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table below is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$500,760.87	\$111,059.93	\$789,526.43	\$75,135.90
2009-2010	503.68	122,018.18	203,054.83	252,841.53
2008-2009	1,853.75	120,051.78	33,959.87	333,374.50

NOTE 11: INTERFUND RECEIVABLES AND PAYABLES

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made. The following interfund balances remained on the balance sheet at June 30, 2011:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$1,481,756.59	\$103,603.14
Special Revenue Fund		1,481,756.59
Capital Projects Fund	103,603.14	
	<u>\$1,585,359.73</u>	<u>\$1,585,359.73</u>

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 12: COMPENSATED ABSENCES

District employees earn sick leave at the rate of one day for each month of service. Upon retirement for service and age or disability from TPAF or PERS, an employee is entitled to receive payment for accumulated sick days, at various rates for unused accumulated sick leave, subject to a 95% or better attendance clause, for all employees covered by the agreement between the Board of Education of the City of Linden and the City of Linden Education Association and for unaffiliated support staff. Members of the Association of Principals and Supervisors of the City of Linden are entitled to a maximum payment of \$18,000.00. Sick days for the School Business Administrator/Board Secretary and the superintendent of schools shall accumulate from year to year.

Twelve month District employees are entitled to vacation time.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group. The current portion of the compensated absence balance is not considered material to the applicable fund total liabilities, and is therefore not shown separately for the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, no liability existed for compensated absences in the proprietary fund types.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

NOTE 13: DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The district offers a variety of plan administrators as follows:

AXA Equitable
Met Life
Lincoln Investments

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 14: FUND BALANCE APPROPRIATED

General Fund – Of the \$16,897,169.42 General Fund fund balance at June 30, 2011, \$2,266,05.70 is committed to year end encumbrances, \$8,122,897.76 has been restricted for the Capital Reserve Account; \$26,841.98 is restricted for maintenance, \$923,273.29 is restricted for emergencies, \$2,399,071.24 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7; \$3,000,000.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2011; and \$159,029.95 unreserved and undesignated.

NOTE 15: CALCULATION OF EXCESS SURPLUS- BUDGETARY BASIS

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004,c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is \$ 2,399,071.24.

FY 2011 Total General Fund Expenditures	\$ 97,544,656.74
Transfer from Capital reserve to Capital Projects	1,000,000.00
Decrease by 10/1/2009	
On-Behalf TPAF Pensior \$ 2,950,592.00	
On-Behalf of Social Security <u>3,140,204.94</u>	
	<u>6,090,796.94</u>
Adjusted General Fund Expenditures	\$ 92,453,859.80
Applicable Excess Surplus Percentage	<u>0.02</u>
2% of Adjusted 2010-2011 General Fund Expenditures	\$ <u>1,849,077.20</u>
Higher of line above or \$250,000.00	\$ 1,849,077.20
Increased by:	
Allowable Adjustment- Unappropriated State Aid	<u>31,822.25</u>
Maximum Unreserved/ Undesignated Fund Balance	\$ 1,880,899.45
Actual Unreserved/ Undesignated Fund Balance	<u>4,279,970.69</u>
Excess Surplus-Budgetary Basis	<u>\$ 2,399,071.24</u>

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 16: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the City of Linden Board of Education in the amount of \$479,007.00 in the 2002-2003 school year for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g) 7, the balance in the account cannot at any time exceed the local costs of uncompleted capital projects in its approved LRFP.

Balance June 30, 2010		\$5,144,364.07
Increased by:		
Transfer In	\$3,700,000.00	
Transfer In-Fund 30	275,598.32	
Interest Earnings	2,935.37	
		3,978,533.69
		\$9,122,897.76
Decreased by:		
Budget Withdrawals-FY 2011		1,000,000.00
Ending balance June 30, 2011		\$8,122,897.76

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects at June 30, 2011 is \$14,072,374.00. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 17: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the City of Linden Board of Education in the amount of \$500,000.00 in the 2003-2004 school year for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with EFCFA (N.J.S.A. 18A:7G-9). The passage of S1701 also impacts deposits into maintenance reserve. EFCFA requires that upon the district completion of school facilities project, the district must submit a plan for the maintenance of that facility. The activity of the maintenance reserve for the July 1, 2010 to June 30, 2011 year is as follows:

The activity of the Maintenance reserve for the year ending June 30, 2011 year is as follows:

Beginning balance, July 1, 2010	\$426,669.33
Increased by:	
Interest earnings	172.65
Decreased by:	
Budgeted withdrawals	<u>400,000.00</u>
Ending balance, June 30, 2011	<u><u>\$26,841.98</u></u>

NOTE 18: EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the City of Linden Board of Education in the amount of \$1,000,000.00 in the 2007-2008 school year for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve account was created to fund medical expenses in excess of 4%. The emergency reserve account is used to fund unanticipated general fund current expense costs and may be established to supplement the reserve in the district's annual budget or through a transfer by board resolution at year end of any unanticipated revenue and unexpended line item appropriation amounts in accordance with N.J.S.A. 18A:7F-41.

City of Linden School District
Notes to the Financial Statements
June 30, 2011

NOTE 18: EMERGENCY RESERVE ACCOUNT (CONTINUED)

The activity of the emergency reserve for the year ending June 30, 2011 is as follows:

Beginning Balance July 1, 2010	\$922,489.95
Increased by:	
Interest earnings	<u>783.84</u>
Ending balance, June 30, 2011	<u><u>\$923,273.79</u></u>

NOTE 19: DEFICIT FUND BALANCES

Pursuant to N.J.S.A. 18A:22-44.2 any negative, unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$122,889.21 (is equal to or is less than) the last state aid payment.

REQUIRED SUPPLEMENTARY INFORMATION – Part II

BUDGETARY COMPARISON SCHEDULES

LINDEN BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local sources:					
Local tax levy	\$77,779,082.00		\$77,779,082.00	\$77,779,082.00	
Tuition				46,702.10	\$46,702.10
Interest earned on capital reserve funds	6,570.00		6,570.00	2,935.37	(3,634.63)
Interest earned on emergency reserve funds	1,275.00		1,275.00	783.74	(491.26)
Interest earned on maintenance reserve funds	590.00		590.00	972.12	382.12
Miscellaneous	500,000.00		500,000.00	596,109.29	\$96,109.29
Total-local sources	<u>78,287,517.00</u>		<u>78,287,517.00</u>	<u>78,426,584.62</u>	<u>139,067.62</u>
State sources:					
Extraordinary Aid	750,000.00		750,000.00	693,937.00	(56,063.00)
Categorical Special Education Aid	1,023,816.00		3,398,099.00	3,398,099.00	
Equalization Aid	16,925,156.00		14,550,873.00	14,550,873.00	
Non-Public School Transportation Aid (non-budgeted)				31,822.25	31,822.25
On-behalf TPAF Contributions (non-budgeted)				2,950,592.00	2,950,592.00
Reimbursed TPAF social security contributions (non-budgeted)				3,140,204.94	3,140,204.94
Total - state sources	<u>18,698,972.00</u>		<u>18,698,972.00</u>	<u>24,765,528.19</u>	<u>6,066,556.19</u>
Federal sources:					
Medicaid Reimbursement	116,903.00		116,903.00	171,665.44	54,762.44
Total revenues	<u>97,103,392.00</u>		<u>97,103,392.00</u>	<u>103,363,778.25</u>	<u>6,260,386.25</u>

LINDEN BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

	<u>ADOPTED</u> <u>BUDGET</u>	<u>BUDGET</u> <u>TRANSFERS AND</u> <u>AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE/</u> <u>(UNFAVORABLE)</u>
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
CG Kindergarten	\$1,423,409.00	(\$197,168.55)	\$1,226,240.45	\$1,209,476.60	\$16,763.85
Grades 1-5	9,998,497.00	(695,156.57)	9,303,340.43	8,817,512.52	485,827.91
Grades 6-8	6,120,741.00	(20,000.00)	6,100,741.00	5,610,468.64	490,272.36
Grades 9-12	7,155,121.00	(72,509.00)	7,082,612.00	6,758,151.43	324,460.57
Regular programs - home instruction:					
Salaries of teachers	112,683.00	(29,255.00)	83,428.00	81,273.00	2,155.00
Purchased professional educational services	31,000.00	25,000.00	56,000.00	50,058.39	5,941.61
Regular programs - undistributed instruction:					
Other salaries for instruction	580,798.00	481,876.92	1,062,674.92	921,435.35	141,239.57
Purchased professional - educational services	16,450.00	(6,427.00)	10,023.00	7,590.00	2,433.00
Other purchased services (400 - 500 series)	600,245.00	57,995.60	658,240.60	469,911.95	188,328.65
General supplies	905,205.00	122,284.31	1,027,489.31	805,253.25	222,236.06
Textbooks	135,800.00	38,146.35	173,946.35	145,038.84	28,907.51
Other objects	87,045.00	(10,319.00)	76,726.00	64,430.85	12,295.15
Total regular programs	<u>27,166,994.00</u>	<u>(305,531.94)</u>	<u>26,861,462.06</u>	<u>24,940,600.82</u>	<u>1,920,861.24</u>
Learning and/or language disabilities:					
Salaries of teachers	925,076.00	(37,840.00)	887,236.00	872,658.48	14,577.52
Other salaries for instruction	315,740.00	(53,300.00)	262,440.00	253,925.84	8,514.16
General supplies	40,000.00	(20,000.00)	20,000.00	3,134.32	16,865.68
Textbooks	11,000.00		11,000.00	11,000.00	
Other objects	250.00		250.00		250.00
Total learning and/or language disabilities	<u>1,292,066.00</u>	<u>(111,140.00)</u>	<u>1,180,926.00</u>	<u>1,140,718.64</u>	<u>40,207.36</u>

LINDEN BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Behavioral disabilities:					
Salaries of teachers	\$308,240.00	\$37,840.00	\$346,080.00	\$344,878.80	\$1,201.20
Other salaries for instruction	121,815.00	(27,107.90)	94,707.10	90,411.95	4,295.15
General supplies	23,000.00		23,000.00	16,911.05	6,088.95
Textbooks	2,500.00		2,500.00	2,500.00	
Other objects	4,500.00		4,500.00	544.50	3,955.50
Total behavioral disabilities	<u>460,055.00</u>	<u>10,732.10</u>	<u>470,787.10</u>	<u>455,246.30</u>	<u>15,540.80</u>
Multiple disabilities:					
Salaries of teachers	334,712.00	145,223.40	479,935.40	479,893.97	41.43
Other salaries for instruction	193,977.00	(43,087.40)	150,889.60	147,366.40	3,523.20
General supplies	11,700.00	(1,210.00)	10,490.00	4,781.34	5,708.66
Textbooks	2,500.00		2,500.00	2,064.75	435.25
Total multiple disabilities	<u>542,889.00</u>	<u>100,926.00</u>	<u>643,815.00</u>	<u>634,106.46</u>	<u>9,708.54</u>
Resource room:					
Salaries of teachers	3,886,387.00	(219,638.10)	3,666,748.90	3,647,784.62	18,964.28
Other salaries for instruction	447,477.00	38,500.90	485,977.90	479,295.00	6,682.90
General supplies	51,000.00	(31,500.00)	19,500.00	10,498.70	9,001.30
Textbooks	10,000.00		10,000.00	8,729.98	1,270.02
Total resource room	<u>4,394,864.00</u>	<u>(212,637.20)</u>	<u>4,182,226.80</u>	<u>4,146,308.30</u>	<u>35,918.50</u>
Autism:					
Salaries of teachers	286,315.00	35,200.00	321,515.00	298,064.46	23,450.54
Other salaries for instruction	69,111.00	118,199.70	187,310.70	187,310.70	
Other purchased services (300 - 500 series)	25,000.00	(13,326.00)	11,674.00		11,674.00
General supplies	20,000.00		20,000.00	10,160.94	9,839.06
Textbooks	500.00		500.00		500.00
Other objects	1,500.00		1,500.00		1,500.00
Total autism	<u>402,426.00</u>	<u>140,073.70</u>	<u>542,499.70</u>	<u>495,536.10</u>	<u>46,963.60</u>

LINDEN BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Preschool handicapped - full-time:					
Salaries of teachers	\$127,233.00	\$192,048.40	\$319,281.40	\$319,281.25	\$0.15
Other salaries for instruction	110,953.00	7,717.20	118,670.20	118,665.95	4.25
General supplies	4,000.00		4,000.00	3,858.63	141.37
Total preschool handicapped - full time	<u>242,186.00</u>	<u>199,765.60</u>	<u>441,951.60</u>	<u>441,805.83</u>	<u>145.77</u>
Total special education	<u>7,334,486.00</u>	<u>127,720.20</u>	<u>7,462,206.20</u>	<u>7,313,721.63</u>	<u>148,484.57</u>
Basic skills/remedial:					
Salaries of teachers	333,759.00	102,318.50	436,077.50	332,829.00	103,248.50
General supplies	2,000.00		2,000.00	549.98	1,450.02
Textbooks					
Total basic skills/remedial	<u>335,759.00</u>	<u>102,318.50</u>	<u>438,077.50</u>	<u>333,378.98</u>	<u>104,698.52</u>
Salaries of teachers	1,250,589.00		1,250,589.00	1,141,197.31	109,391.69
Other salaries for instruction	126,469.00		126,469.00	81,366.00	45,103.00
Total bilingual education	<u>1,377,058.00</u>		<u>1,377,058.00</u>	<u>1,222,563.31</u>	<u>154,494.69</u>
Vocational programs - local - instruction:					
Salaries of teachers	734,988.00		734,988.00	644,174.17	90,813.83
General supplies	49,000.00		49,000.00	43,942.80	5,057.20
Textbooks	10,000.00		10,000.00	9,946.98	53.02
Other objects	11,000.00	1,113.27	12,113.27	25.00	12,088.27
Total vocational programs - local - instruction	<u>804,988.00</u>	<u>1,113.27</u>	<u>806,101.27</u>	<u>698,088.95</u>	<u>108,012.32</u>
School sponsored cocurricular activities - instruction:					
Salaries of teachers	262,826.00	(52,124.00)	210,702.00	130,856.75	79,845.25
Purchased services (300 - 500 series)	16,500.00	(1,180.00)	15,320.00	15,319.93	0.07
Supplies and materials	26,400.00	(10,900.00)	15,500.00	15,388.57	111.43
Other objects	500.00	(60.00)	440.00	250.00	190.00
Total school sponsored cocurricular activities instruction	<u>306,226.00</u>	<u>(64,264.00)</u>	<u>241,962.00</u>	<u>161,815.25</u>	<u>80,146.75</u>

LINDEN BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
School sponsored athletics:					
Salaries	\$411,880.00	\$71,000.00	\$482,880.00	\$482,519.50	\$360.50
Purchased services (300 - 500 series)	105,290.00	10,405.50	115,695.50	48,920.79	66,774.71
Supplies and materials	129,300.00		129,300.00	115,469.15	13,830.85
Other objects	24,250.00	(913.00)	23,337.00	20,303.50	3,033.50
Transfer to Cover Deficit (Agency Funds)	35,000.00		35,000.00	24,000.00	11,000.00
Total school sponsored athletics	<u>705,720.00</u>	<u>80,492.50</u>	<u>786,212.50</u>	<u>691,212.94</u>	<u>94,999.56</u>
Alternative Education Program - Instruction					
Salaries	<u>160,000.00</u>	<u>127.00</u>	<u>160,127.00</u>	<u>160,127.00</u>	
Total other instructional programs	<u>3,689,751.00</u>	<u>119,787.27</u>	<u>3,809,538.27</u>	<u>3,267,186.43</u>	<u>542,351.84</u>
Total - instruction	<u>38,191,231.00</u>	<u>(58,024.47)</u>	<u>38,133,206.53</u>	<u>35,521,508.88</u>	<u>2,611,697.65</u>
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular		33,337.20	33,337.20	31,169.18	2,168.02
Tuition to other LEA's within the state-special	2,124,412.00	(10,500.00)	2,113,912.00	1,775,855.88	338,056.12
Tuition to county vocational school district-regular	785,500.00		785,500.00	709,600.00	75,900.00
Tuition to county vocational school district-special	171,440.00	8,560.00	180,000.00	167,200.00	12,800.00
Tuition to CSSD & reg. day schools	377,814.00		377,814.00	337,886.00	39,928.00
Tuition to private schools for the disabled w/in state	7,519,617.00	(1,203,459.20)	6,316,157.80	5,893,855.79	422,302.01
Tuition to private schools for the disabled & other LEA's	56,249.00	(6,300.00)	49,949.00		49,949.00
Tuition-state facilities	326,868.00	58,770.00	385,638.00	385,559.66	78.34
Tuition-other	<u>123,508.00</u>	<u>59,329.00</u>	<u>182,837.00</u>	<u>182,837.00</u>	
Total undistributed expenditures - instruction	<u>11,485,408.00</u>	<u>(1,060,263.00)</u>	<u>10,425,145.00</u>	<u>9,483,963.51</u>	<u>941,181.49</u>

LINDEN BOARD OF EDUCATION
GENERAL FUND
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Attendance and social work services:					
Salaries	\$77,875.00	\$23,510.00	\$101,385.00	\$101,349.40	\$35.60
Other Purchased services (400 - 500 series)	4,000.00	(2,925.61)	1,074.39	1,013.53	60.86
Supplies and materials	600.00	(78.69)	521.31	396.56	124.75
Total attendance and social work services	82,475.00	20,505.70	102,980.70	102,759.49	221.21
Health services:					
Salaries	1,126,341.00		1,126,341.00	1,123,331.71	3,009.29
Purchased professional and technical services	31,010.00	(32.00)	30,978.00	24,200.00	6,778.00
Other Purchased services (400 - 500 series)	700.00		700.00	695.00	5.00
Supplies and materials	18,150.00	(12.75)	18,137.25	11,123.23	7,014.02
Other objects	3,600.00		3,600.00	1,273.07	2,326.93
Total health services	1,179,801.00	(44.75)	1,179,756.25	1,160,623.01	19,133.24
Other support services - student related services:					
Salaries	690,000.00	5,993.00	695,993.00	639,679.48	56,313.52
Purchased professional - educational services	103,000.00	10,710.00	113,710.00	70,539.90	43,170.10
Supplies and materials	10,000.00		10,000.00	8,194.96	1,805.04
Total other support services - students related services	803,000.00	16,703.00	819,703.00	718,414.34	101,288.66
Other support services - students - regular:					
Salaries of other professional staff	814,551.00	815.00	815,366.00	748,189.30	67,176.70
Salaries of secretarial and clerical assistants	192,266.00		192,266.00	157,413.96	34,852.04
Other Purchased services (400 - 500 series)	4,100.00	180.00	4,280.00	1,182.40	3,097.60
Supplies and materials	25,410.00	318.84	25,728.84	12,399.58	13,329.26
Total other support services - students - regular	1,036,327.00	1,313.84	1,037,640.84	919,185.24	118,455.60

LINDEN BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

(Continued from prior page)	<u>ADOPTED BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Other support services - students - special services:					
Salaries of other professional staff	\$1,283,880.00		\$1,283,880.00	\$1,230,430.26	\$53,449.74
Salaries of secretarial and clerical assistants	378,343.00		378,343.00	371,305.88	7,037.12
Purchased professional - educational services	637,000.00		637,000.00	534,215.83	102,784.17
Misc pur serv (400-500 series O/than resid costs)	152,175.00	\$1,617.76	153,792.76	83,800.58	69,992.18
Supplies and materials	40,000.00	2,368.19	42,368.19	21,929.74	20,438.45
Other objects	2,500.00		2,500.00	304.00	2,196.00
Total other support services - students - special services	<u>2,493,898.00</u>	<u>3,985.95</u>	<u>2,497,883.95</u>	<u>2,241,986.29</u>	<u>255,897.66</u>
Improvement of instruction services/ other support services-instructional staff:					
Salaries of supervisors of instruction	1,356,286.00	(86,971.87)	1,269,314.13	1,200,290.62	69,023.51
Salaries of other professional staff	111,307.00	39,217.88	150,524.88	150,524.88	
Salaries of secretarial and clerical assistants	613,125.00	(28,541.01)	584,583.99	555,060.03	29,523.96
Other Salaries		1,265.00	1,265.00	1,265.00	
Purchased professional - educational services	7,600.00	(5,100.00)	2,500.00	750.00	1,750.00
Other Purchased services (400 - 500 series)	87,150.00	30,820.00	117,970.00	16,040.55	101,929.45
Supplies and materials	39,584.00	25,389.54	64,973.54	35,751.63	29,221.91
Other objects	11,550.00	(1,634.00)	9,916.00	3,572.98	6,343.02
Total improvement of instruction services/ other support services-instructional staff	<u>2,226,602.00</u>	<u>(25,554.46)</u>	<u>2,201,047.54</u>	<u>1,963,255.69</u>	<u>237,791.85</u>
Educational media services/school library:					
Salaries	505,431.00		505,431.00	362,291.48	143,139.52
Salaries of Technology Coordinators	125,690.00		125,690.00	113,844.54	11,845.46
Purchased professional and Technical Services	2,500.00	(2,500.00)			
Other purchased services (400 - 500 series)	44,365.00	(1,737.16)	42,627.84	40,152.88	2,474.96
Supplies and materials	114,100.00	3,110.16	117,210.16	88,716.48	28,493.68
Other objects	1,000.00	(901.00)	99.00	99.00	
Total educational media services/school library	<u>793,086.00</u>	<u>(2,028.00)</u>	<u>791,058.00</u>	<u>605,104.38</u>	<u>185,953.62</u>

LINDEN BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
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FOR THE FISCAL YEARS ENDED JUNE 30, 2011

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Instructional staff training services:					
Other salaries	\$13,940.00	(\$12,500.00)	\$1,440.00		\$1,440.00
Purchased professional - educational services	22,500.00	(13,653.00)	8,847.00	\$347.00	8,500.00
Other purchased services (400 - 500 series)	56,650.00	(2,421.85)	54,228.15	17,055.61	37,172.54
Supplies and materials	8,700.00		8,700.00	1,569.71	7,130.29
Total instructional staff training services	101,790.00	(28,574.85)	73,215.15	18,972.32	54,242.83
Support services general administration:					
Salaries	461,614.00	45,000.00	506,614.00	414,044.16	92,569.84
Legal services	300,000.00	(50,000.00)	250,000.00	179,948.81	70,051.19
Audit fees	45,000.00		45,000.00	39,450.00	5,550.00
Architectural/Engineering Services	100,000.00	(100,000.00)			
Other purchased professional services	50,000.00	78,625.00	128,625.00	128,625.00	
Purchased technical services	75,000.00	18,125.00	93,125.00		93,125.00
Communications / telephone	500,000.00	254,500.00	754,500.00	465,743.90	288,756.10
BOE other purchased services	7,000.00		7,000.00	50.00	6,950.00
Other purchased services	90,000.00	(9,066.00)	80,934.00	60,614.55	20,319.45
Supplies and materials	56,000.00		56,000.00	31,425.92	24,574.08
BOE in-house training/meeting supplies	7,000.00		7,000.00	2,208.00	4,792.00
Judgments against the school district	50,000.00	150,000.00	200,000.00	136,460.19	63,539.81
Miscellaneous expenditures	50,000.00		50,000.00	4,617.25	45,382.75
BOE membership dues and fees	28,341.00		28,341.00	26,662.70	1,678.30
Total support services general administration	1,819,955.00	387,184.00	2,207,139.00	1,489,850.48	717,288.52
Support services school administration:					
Salaries of principals/asst. principals	2,369,861.00	94,285.63	2,464,146.63	2,456,238.72	7,907.91
Salaries of secretarial and clerical assistants	847,890.00	106,603.37	954,493.37	942,701.38	11,791.99
Other purchased services (400 - 500 series)	10,900.00	5,755.00	16,655.00	14,615.37	2,039.63

LINDEN BOARD OF EDUCATION
GENERAL FUND
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FOR THE FISCAL YEARS ENDED JUNE 30, 2011

(Continued from prior page)	<u>ADOPTED BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Supplies and materials	\$46,583.00	\$900.00	\$47,483.00	\$37,375.46	\$10,107.54
Other objects	16,550.00	(1,000.00)	15,550.00	9,390.44	6,159.56
Total support services school administration	3,291,784.00	206,544.00	3,498,328.00	3,460,321.37	38,006.63
Central service:					
Salaries	716,700.00		716,700.00	645,067.30	71,632.70
Purchased professional services	62,400.00		62,400.00	26,084.00	36,316.00
Purchased technical services	25,000.00		25,000.00		25,000.00
Miscellaneous purchased services (400-500 series)	180,000.00		180,000.00	60,887.58	119,112.42
Supplies and materials	60,300.00		60,300.00	42,945.44	17,354.56
Interest on lease purchase agreements	370,575.00		370,575.00	337,626.31	32,948.69
Other Objects	25,000.00		25,000.00	7,824.06	17,175.94
Total central services	1,439,975.00		1,439,975.00	1,120,434.69	319,540.31
Administrative information technology:					
Salaries	490,022.00	(4,000.00)	486,022.00	460,373.67	25,648.33
Purchased technical services	40,000.00	11,591.80	51,591.80	51,591.80	
Other purchased services (400 - 500 series)	20,025.00	83,809.52	103,834.52	15,676.50	88,158.02
Supplies and materials	65,000.00	(2,072.32)	62,927.68	59,579.18	3,348.50
Other objects	2,000.00	(1,329.00)	671.00	671.00	
Total administrative information technology	617,047.00	88,000.00	705,047.00	587,892.15	117,154.85
Interest earned on maintenance reserve	590.00		590.00		590.00

LINDEN BOARD OF EDUCATION
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(Continued from prior page)	<u>ADOPTED BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Required maintenance for school facilities:					
Salaries	\$111,252.00	\$79,655.82	\$190,907.82	\$164,756.33	\$26,151.49
Cleaning, repair and maintenance services	775,660.00	1,597,519.36	2,373,179.36	1,410,865.77	962,313.59
General supplies	456,000.00	(194,468.00)	261,532.00	173,074.05	88,457.95
Other objects	17,600.00	10,908.76	28,508.76	16,603.95	11,904.81
	<u>1,360,512.00</u>	<u>1,493,615.94</u>	<u>2,854,127.94</u>	<u>1,765,300.10</u>	<u>1,088,827.84</u>
Total allowable maintenance for school facilities					
Other operation and maint. of plant :					
Salaries	3,909,075.00	(13,512.32)	3,895,562.68	3,786,655.10	108,907.58
Purchased professional and technical services	72,000.00	(71,227.00)	773.00		773.00
Cleaning, repair and maint. services	396,650.00	(199,662.00)	196,988.00	72,641.67	124,346.33
Rental of land & building other than lease purchase agreement	363,915.00	(34,392.00)	329,523.00	196,056.66	133,466.34
Other purchased property services	187,160.00	29,682.00	216,842.00	216,711.69	130.31
Insurance	493,370.00	(8,000.00)	485,370.00	457,391.00	27,979.00
Miscellaneous purchased services	147,000.00	14,800.00	161,800.00	132,173.50	29,626.50
General supplies	170,110.00	7,250.00	177,360.00	173,939.73	3,420.27
Energy (natural gas)	952,000.00	(106,217.00)	845,783.00	446,679.81	399,103.19
Energy (heat and electricity)	1,350,000.00		1,350,000.00	1,084,805.22	265,194.78
Energy (Gasoline)	15,000.00	970.00	15,970.00	15,969.61	0.39
Other objects	25,000.00	7,226.00	32,226.00	9,502.00	22,724.00
	<u>8,081,280.00</u>	<u>(373,082.32)</u>	<u>7,708,197.68</u>	<u>6,592,525.99</u>	<u>1,115,671.69</u>
Total other operation and maint. of plant					
Other care and upkeep of grounds					
Salaries	164,375.00		164,375.00	164,374.80	0.20
Cleaning, repair and maint. services	16,000.00	19,000.00	35,000.00	33,452.32	1,547.68
General supplies	10,000.00		10,000.00	8,596.08	1,403.92
	<u>190,375.00</u>	<u>19,000.00</u>	<u>209,375.00</u>	<u>206,423.20</u>	<u>2,951.80</u>
Total other care and upkeep of grounds					

LINDEN BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

(Continued from prior page)	<u>ADOPTED BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Other Security					
Salaries	\$667,795.00	\$10,350.00	\$678,145.00	\$604,091.82	\$74,053.18
Total other security	<u>667,795.00</u>	<u>10,350.00</u>	<u>678,145.00</u>	<u>604,091.82</u>	<u>74,053.18</u>
Student transportation services:					
Salaries for pupil transportation (between home and school) - regular	62,584.00	17,515.00	\$80,099.00	\$73,409.82	6,689.18
Management Fee - ESC & CTSA trans. Program	93,600.00		93,600.00	68,882.77	24,717.23
Contracted services (between home & school) - vendors	1,122,870.00	(1,415.00)	1,121,455.00	860,557.63	260,897.37
Contracted services (other than between home and school) - vendors	373,418.00	(12,800.00)	360,618.00	206,606.28	154,011.72
Contracted services (spec ed students) - vendors	950,000.00	10,800.00	960,800.00	526,690.78	434,109.22
Contracted services (spec ed students) - joint agreements	2,173,600.00	(200,000.00)	1,973,600.00	1,736,518.89	237,081.11
Contracted services - aid in lieu pymts-non public sch	211,120.00		211,120.00	114,517.08	96,602.92
Supplies and materials	1,000.00		1,000.00	4.07	995.93
Transportation supplies	10,000.00		10,000.00		10,000.00
Other objects	500.00		500.00	50.00	450.00
Total student transportation services	<u>4,998,692.00</u>	<u>(185,900.00)</u>	<u>4,812,792.00</u>	<u>3,587,237.32</u>	<u>1,225,554.68</u>
Interest earned on current expense emergency reserve	<u>1,275.00</u>	<u>(1,069.00)</u>	<u>206.00</u>		<u>206.00</u>
Unallocated benefits - employee benefits:					
Group insurance	25,000.00		25,000.00	1,025.59	23,974.41
Social security contributions	1,335,000.00		1,335,000.00	1,044,424.48	290,575.52
Other retirement contributions - PERS	798,250.00	420,000.00	1,218,250.00	1,199,853.70	18,396.30
Unemployment compensation	240,000.00	260,803.00	500,803.00	500,802.31	0.69
Workmen's compensation	715,850.00	(25,500.00)	690,350.00	540,157.00	150,193.00
Health benefits	13,893,957.00	(341,455.00)	13,552,502.00	11,893,945.94	1,658,556.06

LINDEN BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Tuition reimbursements	\$100,000.00	\$16,775.00	\$116,775.00	\$116,771.04	\$3.96
Other employee benefits	138,064.00	89,152.00	227,216.00	221,303.53	5,912.47
Total unallocated benefits - employee benefits:	<u>17,246,121.00</u>	<u>419,775.00</u>	<u>17,665,896.00</u>	<u>15,518,283.59</u>	<u>2,147,612.41</u>
On-behalf TPAF pension contributions (non-budgeted)				2,950,592.00	(2,950,592.00)
Reimbursed TPAF social security contributions (non-budgeted)				3,140,204.94	(3,140,204.94)
Total undistributed expenditures	<u>59,915,923.00</u>	<u>991,530.05</u>	<u>60,907,453.05</u>	<u>58,237,421.92</u>	<u>2,670,031.13</u>
TOTAL EXPENDITURES - CURRENT EXPENSE	<u>98,109,019.00</u>	<u>932,436.58</u>	<u>99,041,455.58</u>	<u>93,758,930.80</u>	<u>5,282,524.78</u>
CAPITAL OUTLAY:					
Interest deposit to capital reserve	<u>6,570.00</u>		<u>6,570.00</u>		<u>6,570.00</u>
Equipment:					
Grades 1 - 5	3,620.00	38,500.00	42,120.00		42,120.00
Grades 9 - 12	15,600.00		15,600.00	15,098.47	501.53
School Sponsored and Other Instructional program	25,000.00	(5,500.00)	19,500.00	19,499.00	1.00
Support serv. - inst. staff	11,700.00	17,193.00	28,893.00	28,893.00	
Admin info technology	60,000.00	2,171.00	62,171.00	61,258.49	912.51
UE rm for sch fac eqpmt	30,000.00	(9,614.00)	20,386.00	20,385.68	0.32
UE oo&mps equipment	30,000.00	(27,146.64)	2,853.36	2,853.36	
Total equipment	<u>175,920.00</u>	<u>15,603.36</u>	<u>191,523.36</u>	<u>147,988.00</u>	<u>43,535.36</u>
Facilities acquisition and construction services:					
Architectural/Engineering Services		17,793.00	17,793.00	17,792.36	0.64
Other purchased prof. and tech. services	100,000.00	(76,400.00)	23,600.00	23,600.00	
Construction services	700,000.00	1,680,014.00	2,380,014.00	1,755,901.39	624,112.61

LINDEN BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Lease purchase agreements - principal	\$1,700,000.00	\$3,000.00	\$1,703,000.00	\$1,702,929.23	\$70.77
Other Objects	42,388.00		42,388.00	42,388.00	
Total facilities acquis. and const. services	2,542,388.00	1,624,407.00	4,166,795.00	3,542,610.98	624,184.02
Capital Reserve - Transfer to Capital Projects	1,000,000.00		1,000,000.00	1,000,000.00	
TOTAL CAPITAL OUTLAY	3,724,878.00	1,640,010.36	5,364,888.36	4,690,598.98	674,289.38
SPECIAL SCHOOLS:					
Summer school - instruction					
Salaries of teachers	87,080.00		87,080.00	64,782.88	22,297.12
Other salaries for instruction	46,800.00		46,800.00	10,860.10	35,939.90
Purchased professional and technical services	13,200.00		13,200.00		13,200.00
General supplies	3,500.00		3,500.00		3,500.00
Project Open Door	500.00		500.00		500.00
Total Summer School	151,080.00		151,080.00	75,642.98	75,437.02
TOTAL SPECIAL SCHOOLS	151,080.00		151,080.00	75,642.98	75,437.02
TRANSFER OF FUNDS TO CHARTER SCHOOLS	18,415.00	1,069.00	19,484.00	19,484.00	
TOTAL EXPENDITURES	102,003,392.00	2,573,515.94	104,576,907.94	98,544,656.76	6,032,251.18

LINDEN BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

(Continued from prior page)	<u>ADOPTED BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(\$4,900,000.00)</u>	<u>(\$2,573,515.94)</u>	<u>(\$7,473,515.94)</u>	<u>\$4,819,121.49</u>	<u>\$12,292,637.43</u>
Other financing sources (uses)					
Transfers from Capital Projects Fund				<u>275,598.32</u>	<u>275,598.32</u>
Total other financing sources				<u>275,598.32</u>	<u>275,598.32</u>
08 Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	<u>(4,900,000.00)</u>	<u>(2,573,515.94)</u>	<u>(7,473,515.94)</u>	<u>5,094,719.81</u>	<u>\$12,568,235.75</u>
Fund balances, July 1	<u>13,524,319.11</u>		<u>13,524,319.11</u>	<u>13,524,319.11</u>	
Fund balances, June 30	<u>\$8,624,319.11</u>	<u>(\$2,573,515.94)</u>	<u>\$6,050,803.17</u>	<u>\$18,619,038.92</u>	<u>\$12,568,235.75</u>
Recapitulation:					
Restricted Fund Balance:					
Maintenance Reserve				\$26,841.98	
Emergency Reserve				923,273.79	
Capital reserve				8,122,897.76	
Excess Surplus Current Year				2,399,071.24	
Committed Fund Balance:					
Year-end encumbrances				2,266,054.70	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				3,000,000.00	
Unassigned fund balance				<u>1,880,899.45</u>	
				18,619,038.92	
Reconciliation to governmental funds statements (GAAP):					
Last state aid payment not recognized on GAAP basis				<u>(1,721,869.50)</u>	
Fund balance per governmental funds (GAAP)				<u>\$16,897,169.42</u>	

LINDEN BOARD OF EDUCATION
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	BUDGET		FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	TRANSFERS/ AMENDMENTS			
REVENUES:					
Federal sources	\$ 3,086,205.00	\$ 2,874,048.54	\$ 5,960,253.54	\$ 4,926,666.79	\$ 1,033,586.75
State sources	2,280,741.00	67,760.00	2,348,501.00	2,150,936.69	197,564.31
Local sources	50,000.00	128,596.74	178,596.74	74,275.12	104,321.62
Total revenues	\$ 5,416,946.00	\$ 3,070,405.28	\$ 8,487,351.28	\$ 7,151,878.60	\$ 1,335,472.68
EXPENDITURES:					
<u>Instruction:</u>					
Salaries	\$ 841,987.00	\$ 165,479.24	\$ 1,007,466.24	\$ 890,164.61	\$ 117,301.63
Salaries of teachers	1,633,743.00	(165,395.00)	1,468,348.00	1,416,593.40	51,754.60
Other salaries	499,919.00		499,919.00	499,919.00	
Purchased professional & technical services		329,019.22	329,019.22	183,009.55	146,009.67
Purchased professional & Educational services		98,053.00	98,053.00	500.00	97,553.00
Other purchased services		6,829.48	6,829.48	2,339.48	4,490.00
General supplies	195,139.00	422,460.97	617,599.97	471,439.79	146,160.18
Textbooks		12,107.00	12,107.00	11,923.48	183.52
Other objects	4,000.00	37,540.14	41,540.14	31,835.93	9,704.21
Total instruction	\$ 3,174,788.00	\$ 906,094.05	\$ 4,080,882.05	\$ 3,507,725.24	\$ 573,156.81
<u>Support services:</u>					
Salaries	\$ 759,538.00	\$ 398,247.67	\$ 1,157,785.67	\$ 1,070,563.10	\$ 87,222.57
Salaries of program directors	60,000.00		60,000.00	60,000.00	
Salaries of other professional staff	1,071,114.00	170,204.05	1,241,318.05	1,102,690.00	138,628.05
Salaries of master teachers	91,989.00		91,989.00	91,989.00	
Personal services-employee benefits	180,365.00	556,570.80	736,935.80	693,481.82	43,453.98
Purchased professional educational services	59,152.00	474,872.47	534,024.47	252,097.11	281,927.36
Other purchased services		192,721.93	192,721.93	113,596.62	79,125.31
Contracted services-transportation (other than between home and school)	3,000.00		3,000.00	683.82	2,116.18
Travel	7,000.00	12,528.46	19,528.46	4,957.12	14,571.34
General supplies	10,000.00	257,296.79	267,296.79	158,208.51	109,090.28
Total support services	\$ 2,242,158.00	\$ 2,062,442.17	\$ 4,304,600.17	\$ 3,548,465.10	\$ 756,135.07
<u>Facilities acquisition and const. services:</u>					
Instructional equipment	\$	\$ 82,153.08	\$ 82,153.08	\$ 76,130.28	\$ 6,022.80
Non- Instructional equipment		19,715.98	19,715.98	19,557.98	158.00
Total facilities acquisition and const. services	\$	\$ 101,869.06	\$ 101,869.06	\$ 95,688.26	\$ 6,180.80
Total expenditures	\$ 5,416,946.00	\$ 3,070,405.28	\$ 8,487,351.28	\$ 7,151,878.60	\$ 1,335,472.68

CITY OF LINDEN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Note A - Explanation of difference between budgetary inflows and outflows and GAAP revenues and expenditures

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$103,363,778.25	\$7,151,878.60
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in the current year, previously it was recognized for budgetary purposes.	2,238,118.90	114,084.10
The last state aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(1,721,869.50)	(122,889.21)
Adjust for encumbrances:		
Add prior year encumbrances		186,682.06
Less prior year encumbrances canceled		(10,558.50)
Less current year encumbrances		(83,559.98)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$103,880,027.65</u>	<u>\$7,235,637.07</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$98,544,656.76	\$7,151,878.60
Difference - budget to GAAP:		
Adjust for encumbrances:		
Add prior year encumbrances		186,682.06
Less prior year encumbrances canceled		(10,558.50)
Less current year encumbrances		(83,559.98)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$98,544,656.76</u>	<u>\$7,244,442.18</u>

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

City of Linden School District
 Special Revenue Fund
 Combining Schedule Of Revenues And Expenditures - Budgetary Basis
 For The Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex.E-1a)	Title I						Totals 2011	Totals 2010
		2010-2011	2009-2010	ARRA		SIA 2010-2011	SIA 2009-2010		
				2010-2011	ARRA-SIA 2010-2011				
REVENUES:									
Federal Sources	\$ 3,357,937.62	\$ 1,033,739.16	\$ 44,583.22	\$ 446,473.20	\$ 22,510.00	\$ 453.39	\$ 20,970.20	\$ 4,926,666.79	\$ 5,535,790.28
State Sources	2,150,936.69							2,150,936.69	1,445,936.68
Local Sources	74,275.12							74,275.12	118,079.12
Total Revenues	5,583,149.43	1,033,739.16	44,583.22	446,473.20	22,510.00	453.39	20,970.20	7,151,878.60	7,099,806.08
EXPENDITURES:									
Instruction:									
Salaries	341,591.86	526,732.75		2,520.00		300.00	19,020.00	890,164.61	1,423,965.33
Salaries of Teachers	1,416,593.40							1,416,593.40	1,154,308.12
Other Salaries for Instruction	499,919.00							499,919.00	291,131.85
Purchased Professional - Technical Services		132,920.54	41,013.40	9,075.61				183,009.55	222,660.90
Purchased Professional - Educational Services	500.00							500.00	2,112.12
Other Purchased Services (400-500 series)	1,480.00						859.48	2,339.48	802,901.16
General Supplies	426,912.97	41,529.32	2,997.50					471,439.79	402,743.25
Textbooks	11,923.48							11,923.48	12,287.68
Other Objects	31,835.93							31,835.93	31,092.22
Total instruction	2,730,756.64	701,182.61	44,010.90	11,595.61		300.00	19,879.48	3,507,725.24	4,343,222.63
Support services:									
Salaries	541,420.80	152,963.50		376,179.00				1,070,563.10	358,260.88
Salaries of Program Directors	60,000.00							60,000.00	
Salaries of Supervisors of Instruction									154,509.64
Salaries of Other Professional Staff	1,102,690.00							1,102,690.00	1,055,188.13
Salaries of Master Teachers	91,989.00							91,989.00	
Personal Services - Employee Benefits	523,281.19	112,093.09		58,084.59		22.95		693,481.82	569,107.99
Purchased Professional - Educational Services	240,397.11	11,700.00						252,097.11	149,711.28
Other Purchased Professional Services	105,962.39	7,601.38	32.85					113,596.62	156,559.32
Cont'l Services Trans	883.82							883.82	1,167.09
Travel	4,957.12							4,957.12	8,295.41
Supplies & Materials	136,222.83	11,369.05	539.47	614.00	8,210.00	130.44	1,090.72	158,206.51	141,093.67
Total support services	2,807,804.06	295,757.02	572.32	434,877.59	8,210.00	153.39	1,090.72	3,548,465.10	2,593,883.41
Facilities acquisition and const. serv.:									
Instructional Equipment	25,030.75	36,799.53			14,300.00			76,130.28	53,142.04
Noninstructional Equipment	19,557.98							19,557.98	109,558.00
Total facilities acquisition and const. serv.	44,588.73	36,799.53			14,300.00			95,688.26	162,700.04
Total Expenditures	\$ 5,583,149.43	\$ 1,033,739.16	\$ 44,583.22	\$ 446,473.20	\$ 22,510.00	\$ 453.39	\$ 20,970.20	\$ 7,151,878.60	\$ 7,099,806.08
Excess (Deficiency) of Revenues Over (Under) Expenditures									

City of Linden School District
 Special Revenue Fund
 Combining Schedule Of Revenues And Expenditures - Budgetary Basis
 For The Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex.E-1B)	Title I		Title II		Total Carried Forward
		Part D 2010-2011	Part A 2010-2011	2009-2010	Part D 2010-2011	
REVENUES:						
Federal Sources	\$ 3,070,530.26	\$ 90,169.56	\$ 184,327.35	\$ 8,620.78	\$ 4,289.67	\$ 3,357,937.62
State Sources	2,150,936.69					2,150,936.69
Local Sources	74,275.12					74,275.12
Total Revenues	5,295,742.07	90,169.56	184,327.35	8,620.78	4,289.67	5,583,149.43
EXPENDITURES:						
Instruction:						
Salaries	227,017.00	58,074.86	56,500.00			341,591.86
Salaries of Teachers	1,416,593.40					1,416,593.40
Other Salaries for Instruction	499,919.00					499,919.00
Purchased Professional - Technical Services						
Purchased Professional - Educational Services	500.00					500.00
Other Purchased Services (400-500 series)	1,480.00					1,480.00
General Supplies	418,554.97	8,358.00				426,912.97
Textbooks	11,923.48					11,923.48
Other Objects	31,835.93					31,835.93
Total instruction	2,607,823.78	66,432.86	56,500.00			2,730,756.64
Support services:						
Salaries	452,399.60		87,101.00	1,920.00		541,420.60
Salaries of Program Directors	60,000.00					60,000.00
Salaries of Supervisors of Instruction						
Salaries of Other Professional Staff	1,102,690.00					1,102,690.00
Salaries of Master Teachers	91,989.00					91,989.00
Personal Services - Employee Benefits	473,108.78	23,736.70	26,435.71			523,281.19
Purchased Professional - Educational Services	233,462.44		2,645.00		4,289.67	240,397.11
Other Purchased Professional Services	91,071.31		9,128.30	5,762.78		105,962.39
Contr Services Trans	883.82					883.82
Travel	4,957.12					4,957.12
Supplies & Materials	132,767.49		2,517.34	938.00		136,222.83
Total support services	2,643,329.56	23,736.70	127,827.35	8,620.78	4,289.67	2,807,804.06
Facilities acquisition and const. serv.:						
Instructional Equipment	25,030.75					25,030.75
Noninstructional Equipment	19,557.98					19,557.98
Total facilities acquisition and const. serv.	44,588.73					44,588.73
Total Expenditures	\$ 5,295,742.07	\$ 90,169.56	\$ 184,327.35	\$ 8,620.78	\$ 4,289.67	\$ 5,583,149.43
Excess (Deficiency) of Revenues Over (Under) Expenditures						

City of Linden School District
Special Revenue Fund
Combining Schedule Of Revenues And Expenditures - Budgetary Basis
For The Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1c)	Title III		Reading First 2010-2011	Adult Education 2010-2011	Total Carried Forward
		2010-2011	2009-2010			
REVENUES:						
Federal Sources	\$ 2,785,296.59	\$ 73,338.77	\$ 19,371.18	\$ 79,530.47	\$ 112,993.25	\$ 3,070,530.26
State Sources	2,150,936.69					2,150,936.69
Local Sources	74,275.12					74,275.12
Total Revenues	5,010,508.40	73,338.77	19,371.18	79,530.47	112,993.25	5,295,742.07
EXPENDITURES:						
Instruction:						
Salaries	180,532.50	46,484.50				227,017.00
Salaries of Teachers	1,335,485.40				81,108.00	1,416,593.40
Other Salaries for instruction	499,919.00					499,919.00
Purchased Professional - Technical Services	500.00					500.00
Purchased Professional - Educational Services	1,480.00					1,480.00
Other Purchased Services (400-500 series)	305,711.29	5,398.57	15,232.20	75,821.10	16,391.81	418,554.97
General Supplies	11,923.48					11,923.48
Textbooks	29,576.18	2,045.75	214.00			31,835.93
Other Objects						
Total instruction	2,365,127.85	53,928.82	15,446.20	75,821.10	97,499.81	2,607,823.78
Support services:						
Salaries	452,399.60					452,399.60
Salaries of Program Directors	60,000.00					60,000.00
Salaries of Supervisors of Instruction						
Salaries of Other Professional Staff	1,102,690.00					1,102,690.00
Salaries of Master Teachers	91,989.00					91,989.00
Personal Services - Employee Benefits	457,381.89	9,521.10			6,205.79	473,108.78
Purchased Professional - Educational Services	233,462.44					233,462.44
Other Purchased Professional Services	70,276.66	9,888.85	3,924.98		6,980.82	91,071.31
Purchased Technical Services						
Rentals						
Contr Services Trans	883.82					883.82
Contr Services Wrap Around Services						
Contr Services Field Trips						
Tuition						
Travel	1,247.75			3,709.37		4,957.12
Supplies & Materials	130,460.66				2,306.83	132,767.49
Total support services	2,600,791.82	19,409.95	3,924.98	3,709.37	15,493.44	2,643,329.56
Facilities acquisition and const. serv.:						
Instructional Equipment	25,030.75					25,030.75
Noninstructional Equipment	19,557.98					19,557.98
Total facilities acquisition and const. serv.	44,588.73					44,588.73
Total Expenditures	\$ 5,010,508.40	\$ 73,338.77	\$ 19,371.18	\$ 79,530.47	\$ 112,993.25	\$ 5,295,742.07
Excess (Deficiency) of Revenues Over (Under) Expenditures						

City of Linden School District
Special Revenue Fund
Combining Schedule Of Revenues And Expenditures - Budgetary Basis
For The Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1d)	21 Century Teach 2010-2011	21 Century Teach 2009-2010	Teaching American History	One Step Beyond	CHIPRA	Total Carried Forward
REVENUES:							
Federal Sources	\$2,170,323.50	\$ 478,857.64	\$ 33,388.45	\$ 102,727.00			\$2,785,296.59
State Sources	2,142,286.19				494.37	8,156.13	2,150,936.69
Local Sources	74,275.12						74,275.12
Total Revenues	4,386,884.81	478,857.64	33,388.45	102,727.00	494.37	8,156.13	5,010,508.40
EXPENDITURES:							
Instruction:							
Salaries	480.00	180,052.50					180,532.50
Salaries of Teachers	1,335,485.40						1,335,485.40
Other Salaries for Instruction	499,919.00						499,919.00
Purchased Professional - Technical Services	500.00						500.00
Purchased Professional - Educational Services	1,480.00						1,480.00
Other Purchased Services (400-500 series)	274,147.92	26,349.52	4,969.48		244.37		305,711.29
General Supplies	11,923.48						11,923.48
Textbooks	8,721.18	20,423.00	432.00				29,576.18
Other Objects							
Total instruction	2,132,656.98	226,825.02	5,401.48		244.37		2,365,127.85
Support services:							
Salaries	277,794.88	149,426.60	17,973.12			7,205.00	452,399.60
Salaries of Program Directors	60,000.00						60,000.00
Salaries of Supervisors of Instruction							
Salaries of Other Professional Staff	1,102,690.00						1,102,690.00
Salaries of Master Teachers	91,989.00						91,989.00
Personal Services - Employee Benefits	398,031.71	53,142.00	5,657.00			551.18	457,381.89
Purchased Professional - Educational Services	118,235.44	12,500.00		102,727.00			233,462.44
Other Purchased Professional Services	45,508.89	24,767.77					70,276.66
Contr Services Trans	883.82						883.82
Travel	50.53	1,170.09	27.13				1,247.75
Supplies & Materials	117,491.83	11,026.16	1,292.72		250.00	399.95	130,460.66
Total support services	2,212,676.10	252,032.62	24,949.97	102,727.00	250.00	8,156.13	2,600,791.82
Facilities acquisition and const. serv.:							
Instructional Equipment	21,993.75		3,037.00				25,030.75
Noninstructional Equipment	19,557.98						19,557.98
Total facilities acquisition and const. serv.	41,551.73		3,037.00				44,588.73
Total Expenditures	\$4,386,884.81	\$ 478,857.64	\$ 33,388.45	\$ 102,727.00	\$ 494.37	\$ 8,156.13	\$5,010,508.40
Excess (Deficiency) of Revenues Over (Under) Expenditures							

City of Linden School District
Special Revenue Fund
Combining Schedule Of Revenues And Expenditures - Budgetary Basis
For The Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex.E-1e)	PSE&G	Rutgers Character Education	Conoco	Target	Exxon Mobile	Conoco	Total Carried Forward
REVENUES:								
Federal Sources	\$2,170,323.50							\$2,170,323.50
State Sources	2,142,286.19							2,142,286.19
Local Sources	62,602.55	\$ 482.34	\$ 169.60	\$ 1,468.77	\$ 1,971.28	\$ 1,781.88	\$ 5,798.70	74,275.12
Total Revenues	4,375,212.24	482.34	169.60	1,468.77	1,971.28	1,781.88	5,798.70	4,386,884.81
EXPENDITURES:								
Instruction:								
Salaries						480.00		480.00
Salaries of Teachers	1,335,485.40							1,335,485.40
Other Salaries for Instruction	499,919.00							499,919.00
Purchased Professional - Technical Services								
Purchased Professional - Educational Services						500.00		500.00
Other Purchased Services (400-500 series)	695.00						785.00	1,480.00
General Supplies	268,101.250	482.34	169.60	1,006.61	1,896.28	157.88	2,333.96	274,147.920
Textbooks	11,923.48							11,923.48
Other Objects	8,077.18					644.00		8,721.18
Total instruction	2,124,201.31	482.34	169.60	1,006.61	1,896.28	1,781.88	3,118.96	2,132,658.98
Support services:								
Salaries	277,794.88							277,794.88
Salaries of Program Directors	60,000.00							60,000.00
Salaries of Supervisors of Instruction								
Salaries of Other Professional Staff	1,102,690.00							1,102,690.00
Salaries of Master Teachers	91,989.00							91,989.00
Personal Services - Employee Benefits	398,031.71							398,031.71
Purchased Professional - Educational Services	118,235.44							118,235.44
Other Purchased Professional Services	44,971.73			462.16	75.00			45,508.89
Contr Services Trans	883.82							883.82
Travel	50.53							50.53
Supplies & Materials	114,812.09						2,679.74	117,491.83
Total support services	2,209,459.20			462.16	75.00		2,679.74	2,212,676.10
Facilities acquisition and const. serv.:								
Instructional Equipment	21,993.75							21,993.75
Noninstructional Equipment	19,557.98							19,557.98
Total facilities acquisition and const. serv.	41,551.73							41,551.73
Total Expenditures	\$4,375,212.24	\$ 482.34	\$ 169.60	\$ 1,468.77	\$ 1,971.28	\$ 1,781.88	\$ 5,798.70	\$4,386,884.81
Excess (Deficiency) of Revenues Over (Under) Expenditures								

City of Linden School District
 Special Revenue Fund
 Combining Schedule Of Revenues And Expenditures - Budgetary Basis
 For The Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1f)	I.D.E. A. Part B					P.L. 101-392 Perkins Voc. Ed.	Total Carried Forward
		Flow - Thru 2010-2011	C/O 2009-2010	ARRA 2010-2011	Pre- School 2010-2011	ARRA Pre- School 2010-2011	2010-2011	
REVENUES:								
Federal Sources		\$1,318,476.70	\$165,819.81	\$ 553,074.08	\$ 42,608.00	\$ 58,704.00	\$ 31,638.91	\$2,170,323.50
State Sources	\$2,142,286.19							2,142,286.19
Local Sources	62,602.55							62,602.55
Total Revenues	2,204,888.74	1,318,478.70	165,819.81	553,074.08	42,608.00	58,704.00	31,638.91	4,375,212.24
EXPENDITURES:								
Instruction:								
Salaries								
Salaries of Teachers	1,226,873.40	108,612.00						1,335,485.40
Other Salaries for Instruction	499,919.00							499,919.00
Purchased Professional - Technical Services							695.00	695.00
Purchased Professional - Educational Services							18,902.00	268,101.25
Other Purchased Services (400-500 series)								11,923.48
General Supplies	66,929.44	17,283.00	3,286.81	111,990.00		49,710.00		8,077.18
Textbooks	11,923.48							
Other Objects	1,132.00						6,945.18	
Total instruction	1,806,777.32	125,895.00	3,286.81	111,990.00		49,710.00	26,542.18	2,124,201.31
Support services:								
Salaries				242,287.88	35,507.00			277,794.88
Salaries of Program Directors	60,000.00							60,000.00
Salaries of Supervisors of Instruction								1,102,690.00
Salaries of Other Professional Staff	31,577.00	932,466.00	138,627.00					91,989.00
Salaries of Master Teachers	91,989.00							398,031.71
Personal Services - Employee Benefits	103,713.00	235,944.00		51,273.71	7,101.00			118,235.44
Purchased Professional - Educational Services	50,421.00	24,153.70	23,906.00	19,754.74				44,971.73
Other Purchased Professional Services	38,494.76			1,380.24			5,096.73	
Purchased Technical Services								
Rentals								
Contr Services Trans	883.82							883.82
Tuition								50.53
Travel	50.53							
Supplies & Materials	11,839.31			102,972.76				114,812.09
Total support services	368,968.42	1,192,583.70	162,533.00	417,669.35	42,608.00		5,096.73	2,209,459.20
Facilities acquisition and const. serv.:								
Instructional Equipment				12,999.75		8,994.00		21,993.75
Noninstructional Equipment	9,143.00			10,414.98				19,557.98
Total facilities acquisition and const. serv.	9,143.00			23,414.73		8,994.00		41,551.73
Total Expenditures	\$2,204,888.74	\$1,318,478.70	\$165,819.81	\$ 553,074.08	\$ 42,608.00	\$ 58,704.00	\$ 31,638.91	\$4,375,212.24
Excess (Deficiency) of Revenues								
Over (Under) Expenditures								

City of Linden School District
 Special Revenue Fund
 Combining Schedule Of Revenues And Expenditures - Budgetary Basis
 For The Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1g)	Wal-Mart Fine Arts	Target	State Farm Youth	Sam's club	Computer Education	Italian American	NSF Merck	Elizabethtown Gas	Total Carried Forward
REVENUES:										
Federal Sources	\$2,142,286.19									\$2,142,286.19
State Sources	47,808.04	\$ 119.00	\$ 368.22	\$ 1,078.97	\$ 502.75	\$ 9.34	\$ 8,000.00	\$ 762.69	\$ 3,953.54	62,802.55
Local Sources										
Total Revenues	2,190,094.23	119.00	368.22	1,078.97	502.75	9.34	8,000.00	762.69	3,953.54	2,204,888.74
EXPENDITURES:										
Instruction:										
Salaries										
Salaries of Teachers	1,218,873.40						8,000.00			1,226,873.40
Other Salaries for Instruction	499,919.00									499,919.00
Purchased Professional - Technical Services										
Purchased Professional - Educational Services										
Other Purchased Services (400-500 series)										
General Supplies	63,339.94		368.22	346.69	502.75	9.34			2,362.50	66,929.44
Textbooks	11,923.48									11,923.48
Other Objects	1,013.00	119.00								1,132.00
Total instruction	1,795,068.82	119.00	368.22	346.69	502.75	9.34	8,000.00		2,362.50	1,806,777.32
Support services:										
Salaries										
Salaries of Program Directors	60,000.00									60,000.00
Salaries of Supervisors of Instruction										
Salaries of Other Professional Staff	31,577.00									31,577.00
Salaries of Master Teachers	91,989.00									91,989.00
Personal Services - Employee Benefits	103,713.00									103,713.00
Purchased Professional - Educational Services	50,421.00									50,421.00
Other Purchased Professional Services	35,408.75			732.28				762.69	1,591.04	36,494.76
Purchased Technical Services										
Contr Services Trans	883.82									883.82
Travel	50.53									50.53
Supplies & Materials	11,839.31									11,839.31
Total support services	385,882.41			732.28				762.69	1,591.04	388,968.42
Facilities acquisition and const. serv.:										
Instructional Equipment										
Noninstructional Equipment	9,143.00									9,143.00
Total facilities acquisition and const. serv.	9,143.00									9,143.00
Total Expenditures	2,190,094.23	119.00	368.22	1,078.97	502.75	9.34	8,000.00	762.69	3,953.54	2,204,888.74
Excess (Deficiency) of Revenues										
Over (Under) Expenditures										

City of Linden School District
 Special Revenue Fund
 Combining Schedule Of Revenues And Expenditures - Budgetary Basis
 For The Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1h)	NJSBAIG Safety Grant	Prevent Child Abuse	Merck CAMS	A.Ferguson	Infineum	Chinese Program	Project Lead The way	ROTC	Total Carried Forward
REVENUES:										
Federal Sources										\$2,142,286.19
State Sources	\$2,142,286.19									
Local Sources	2,957.00	\$ 35,793.00	\$ 493.95	\$ 351.76	\$ 140.00	\$ 4,330.00	\$ 226.66	\$2,500.00	\$ 1,015.67	47,808.04
Total Revenues	2,145,243.19	35,793.00	493.95	351.76	140.00	4,330.00	226.66	2,500.00	1,015.67	2,190,094.23
EXPENDITURES:										
Instruction:										
Salaries										
Salaries of Teachers	1,218,873.40									1,218,873.40
Other Salaries for Instruction	499,919.00									499,919.00
Purchased Professional - Technical Services										
Purchased Professional - Educational Services										
Other Purchased Services (400-500 series)										
General Supplies	59,245.85			351.76			226.66	2,500.00	1,015.67	63,339.94
Textbooks	11,923.48									11,923.48
Other Objects	513.00					500.00				1,013.00
Total instruction	1,790,474.73			351.76		500.00	226.66	2,500.00	1,015.67	1,795,068.82
Support services:										
Salaries										
Salaries of Program Directors	60,000.00									60,000.00
Salaries of Supervisors of Instruction										
Salaries of Other Professional Staff	31,577.00									31,577.00
Salaries of Master Teachers	91,989.00									91,989.00
Personal Services - Employee Benefits	103,713.00									103,713.00
Purchased Professional - Educational Services	47,446.00					2,975.00				50,421.00
Other Purchased Professional Services	11,280.00	22,650.00	483.75		140.00	855.00				35,408.75
Purchased Technical Services										
Contr Services Trans	883.82									883.82
Travel	50.53									50.53
Supplies & Materials	7,829.11	4,000.00	10.20							11,839.31
Total support services	354,768.46	26,650.00	493.95		140.00	3,830.00				385,882.41
Facilities acquisition and const. serv.:										
Instructional Equipment		9,143.00								9,143.00
Noninstructional Equipment										
Total facilities acquisition and const. serv.		9,143.00								9,143.00
Total Expenditures	\$2,145,243.19	\$ 35,793.00	\$ 493.95	\$ 351.76	\$ 140.00	\$ 4,330.00	\$ 226.66	\$2,500.00	\$ 1,015.67	\$2,190,094.23
Excess (Deficiency) of Revenues										
Over (Under) Expenditures										

City of Linden School District
Special Revenue Fund
Combining Schedule Of Revenues And Expenditures - Budgetary Basis
For The Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex.E-1i)	Assessment	BJ's club	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Service	N.J. Nonpublic Tech	Total Carried Forward
REVENUES:							
Federal Sources							
State Sources	\$ 2,116,016.71			\$ 11,923.48	\$ 14,346.00		\$ 2,142,286.19
Local Sources		\$ 2,457.00	\$ 500.00				2,957.00
Total Revenues	2,116,016.71	2,457.00	500.00	11,923.48	14,346.00		2,145,243.19
EXPENDITURES:							
Instruction:							
Salaries							
Salaries of Teachers	1,218,873.40						1,218,873.40
Other Salaries for Instruction	499,919.00						499,919.00
Purchased Professional - Technical Services							
Purchased Professional - Educational Services							
Other Purchased Services (400-500 series)							
General Supplies	56,288.85	2,457.00	500.00				59,245.85
Textbooks				11,923.48			11,923.48
Other Objects	513.00						513.00
Total instruction	1,775,594.25	2,457.00	500.00	11,923.48			1,790,474.73
Support services:							
Salaries							
Salaries of Program Directors	60,000.00						60,000.00
Salaries of Supervisors of Instruction							
Salaries of Other Professional Staff	31,577.00						31,577.00
Salaries of Master Teachers	91,989.00						91,989.00
Personal Services - Employee Benefits	103,713.00						103,713.00
Purchased Professional - Educational Services	33,100.00				14,346.00		47,446.00
Other Purchased Professional Services	11,280.00						11,280.00
Purchased Technical Services							
Contr Services Trans	883.82						883.82
Travel	50.53						50.53
Supplies & Materials	7,829.11						7,829.11
Total support services	340,422.46				14,346.00		354,768.46
Facilities acquisition and const. serv.:							
Instructional Equipment							
Noninstructional Equipment							
Total facilities acquisition and const. serv.							
Total Expenditures	\$ 2,116,016.71	\$ 2,457.00	\$ 500.00	\$ 11,923.48	\$ 14,346.00	\$	\$ 2,145,243.19
Excess (Deficiency) of Revenues Over (Under) Expenditures							

City of Linden School District
 Special Revenue Fund
 Combining Schedule Of Revenues And Expenditures - Budgetary Basis
 For The Fiscal Year Ended June 30, 2011

	N.J. Nonpublic Auxiliary Services - 192				N.J. Nonpublic Handicapped Services Ch. 193			Total Carried Forward
	Pre-School	Compensatory Education	English as a Second Language	Transportation	Supplemental Instruction	Examination & Classification	Corrective Speech	
REVENUES:								
Federal Sources								
State Sources	\$ 1,941,946.71	\$ 91,430.00	\$ 5,379.00	\$ 11,280.00	\$ 20,011.00	\$ 31,577.00	\$ 14,393.00	\$2,116,016.71
Local Sources								
Total Revenues	1,941,946.71	91,430.00	5,379.00	11,280.00	20,011.00	31,577.00	14,393.00	2,116,016.71
EXPENDITURES:								
Instruction:								
Salaries								
Salaries of Teachers	1,087,660.40	91,430.00	5,379.00		20,011.00		14,393.00	1,218,873.40
Salaries of Other Professional Staff	499,919.00							499,919.00
Purchased Professional - Technical Services								
Purchased Professional - Educational Services								
Other Purchased Services (400-500 series)								
General Supplies	56,288.85							56,288.85
Textbooks								
Other Objects	513.00							513.00
Total instruction	1,644,381.25	91,430.00	5,379.00		20,011.00		14,393.00	1,775,594.25
Support services:								
Salaries								
Salaries of Program Directors	60,000.00							60,000.00
Salaries of Supervisors of Instruction								
Salaries of Other Professional Staff						31,577.00		31,577.00
Salaries of Master Teachers	91,989.00							91,989.00
Personal Services - Employee Benefits	103,713.00							103,713.00
Purchased Professional - Educational Services	33,100.00							33,100.00
Other Purchased Professional Services				11,280.00				11,280.00
Contr Services Trans	883.82							883.82
Travel	50.53							50.53
Supplies & Materials	7,829.11							7,829.11
Total support services	297,565.46			11,280.00		31,577.00		340,422.46
Facilities acquisition and const. serv.:								
Instructional Equipment								
Noninstructional Equipment								
Total facilities acquisition and const. serv.								
Total Expenditures	\$ 1,941,946.71	\$ 91,430.00	\$ 5,379.00	\$ 11,280.00	\$ 20,011.00	\$ 31,577.00	\$ 14,393.00	\$2,116,016.71
Excess (Deficiency) of Revenues Over (Under) Expenditures								

City of Linden School District
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Other Salaries for Instruction	\$1,139,415.00	\$1,087,660.40	\$51,754.60
Salaries of Other Professional Staff	499,919.00	499,919.00	
General supplies	62,039.00	56,288.85	5,750.15
Other Objects	4,000.00	513.00	3,487.00
Total instruction	1,705,373.00	1,644,381.25	60,991.75
Support Services			
Salaries of Supervisors of Instruction	60,000.00	60,000.00	
Salaries of Master Teachers	91,989.00	91,989.00	
Personal Services - Employee Benefits	103,713.00	103,713.00	
Purchased Professional - Educational Services	40,100.00	33,100.00	7,000.00
Contr Services Trans	3,000.00	883.82	2,116.18
Travel	7,000.00	50.53	6,949.47
Supplies & Materials	10,000.00	7,829.11	2,170.89
Total support services	315,802.00	297,565.46	18,236.54
Total expenditures	\$2,021,175.00	\$1,941,946.71	79,228.29

CALCULATION OF BUDGET & CARRYOVER

Total revised 2010-11 Preschool Education Aid	\$2,021,175.00
Add: Actual ECPA Carryover (June 30, 2010)	
Add: budgeted Transfer from the the General Fund 2010-2011	
Total Preschool Education Funds Available for 2010-11 Budget	2,021,175.00
Less: 2009-10 Budgeted Preschool Education aid (Including prior year budgeted carryover)	2,021,175.00
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2011	-0-
Add: June 30, 2011 Unexpended Preschool Education Aid	79,228.29
2010-11 Carryover-Preschool Education Aid	79,228.29
2010-11 Preschool Education Aid Carryover Budgeted for Preschool Programs 2011-12	\$-0-

CAPITAL PROJECTS FUND DETAIL STATEMENTS

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

CITY OF LINDEN SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

ISSUE/PROJECT TITLE	ORIGINAL DATE	REVISED BUDGETARY APPROPRIATIONS	EXPENDITURES TO DATE		(MEMO ONLY) UNEXPENDED PROJECT BALANCE
			PRIOR YEAR	CURRENT YEAR	
School #5 Project	2005/2006	\$270,288.82	\$270,288.82		
School #6 Renovations	2006/2007	2,492,408.61	2,480,804.51		\$11,604.10
Roofing High School	2008/2009	220,000.00	220,000.00		
Soehl Roofing Project	2008/2009	744,000.00	744,000.00		
School #2 Roofing Project	2008/2009	323,000.00	323,000.00		
School #2 Addition	2008/2009	9,142,531.24	6,775,835.91	\$61,948.03	2,304,747.30
Totals		<u>\$25,050,566.13</u>	<u>\$22,672,266.70</u>	<u>\$61,948.03</u>	<u>\$2,316,351.40</u>

CITY OF LINDEN SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

REVENUES AND OTHER FINANCING SOURCES:	
Bond proceeds and transfers	\$1,000,000.00
Other	489.76
	<hr/>
Total revenues and other financing sources	1,000,489.76
	<hr/>
EXPENDITURES AND OTHER FINANCING USES:	
Construction services	61,948.03
Transfer to General Fund	275,598.32
	<hr/>
Total expenditures and other financing uses	337,546.35
	<hr/>
Excess (deficiency) of revenues over (under) expenditures	662,943.41
	<hr/>
Fund balance - July 1	1,653,897.75
	<hr/>
Fund balance - June 30	\$2,316,841.16
	<hr/> <hr/>

CITY OF LINDEN SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - SCHOOL 5 PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond proceeds and transfers	(\$8,319.00)		(\$8,319.00)	(\$8,319.00)
Transfer from capital reserve	\$278,607.82		278,607.82	278,607.82
Total revenues and other financing sources	<u>270,288.82</u>		<u>270,288.82</u>	<u>270,288.82</u>
EXPENDITURES AND OTHER FINANCING USES:				
Construction services	270,288.82		270,288.82	270,288.82
Total expenditures and other financing uses	<u>270,288.82</u>		<u>270,288.82</u>	<u>270,288.82</u>
Excess (deficiency) of revenues over (under) expenditures				
ADDITIONAL PROJECT INFORMATION:				
Project number	N/A			
Grant date	N/A			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$270,288.82			
Additional authorized cost	(\$8,319.00)			
Revised authorized cost	\$270,288.82			
Percentage increase over original authorized cost	N/A			
Percentage completion				
Original target completion date				
Revised target completion date				

CITY OF LINDEN SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - SCHOOL 6 RENOVATIONS
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
REVENUES AND OTHER FINANCING SOURCES:				
Bond proceeds and transfers	(\$354,453.09)		(\$354,453.09)	(\$354,453.09)
Transfer from capital reserve and Transfers	346,861.70		346,861.70	346,861.70
Capital Lease	2,500,000.00		2,500,000.00	2,500,000.00
Total revenues and other financing sources	<u>2,492,408.61</u>		<u>2,492,408.61</u>	<u>2,492,408.61</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	47,496.81		47,496.81	47,496.81
Construction services	2,433,307.70		2,433,307.70	2,444,911.80
Total expenditures and other financing uses	<u>2,480,804.51</u>		<u>2,480,804.51</u>	<u>2,492,408.61</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$11,604.10</u>		<u>\$11,604.10</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	N/A			
Grant date	N/A			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$2,492,408.61			
Additional authorized cost	(\$354,453.09)			
Revised authorized cost	\$2,492,408.61			
Percentage increase over original authorized cost				
Percentage completion				
Original target completion date				
Revised target completion date				

CITY OF LINDEN SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - ROOFING HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SCC grant	\$110,704.23		\$110,704.23	\$110,704.23
Bond proceeds and transfers	(110,704.23)		(110,704.23)	(110,704.23)
Transfer from capital outlay	220,000.00		220,000.00	220,000.00
Total revenues and other financing sources	220,000.00		220,000.00	220,000.00
EXPENDITURES AND OTHER FINANCING USES:				
Construction services	220,000.00		220,000.00	220,000.00
Total expenditures and other financing uses	220,000.00		220,000.00	220,000.00
Excess (deficiency) of revenues over (under) expenditures				
ADDITIONAL PROJECT INFORMATION:				
Project number	#2660-050-09-0ZMN			
Grant date	6/17/09			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$324,192.00			
Additional authorized cost	(\$104,192.00)			
Revised authorized cost	\$220,000.00			
Percentage increase over original authorized cost	-32%			
Percentage completion				
Original target completion date	9/1/09			
Revised target completion date	9/1/09			

CITY OF LINDEN SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - SOEHL ROOFING PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SCC grant	\$365,975.17		\$365,975.17	\$365,975.17
Bond proceeds and transfers	378,024.83		378,024.83	378,024.83
Total revenues and other financing sources	<u>744,000.00</u>		<u>744,000.00</u>	<u>744,000.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Construction services	744,000.00		744,000.00	744,000.00
Total expenditures and other financing uses	<u>744,000.00</u>		<u>744,000.00</u>	<u>744,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u> </u>		<u> </u>	<u> </u>
ADDITIONAL PROJECT INFORMATION:				
Project number	#2660-070-09-0ZMP			
Grant date	6/1/09			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$791,131.00			
Additional authorized cost	(\$47,131.00)			
Revised authorized cost	\$744,000.00			
Percentage increase over original authorized cost	-6%			
Percentage completion				
Original target completion date	9/1/09			
Revised target completion date	9/1/09			

CITY OF LINDEN SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - SCHOOL #2 ROOFING PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources	\$159,544.34		\$159,544.34	\$159,544.34
Bond proceeds and Transfers	(159,544.34)		(159,544.34)	(159,544.34)
Transfer from capital outlay	323,000.00		323,000.00	323,000.00
Total revenues and other financing sources	<u>323,000.00</u>		<u>323,000.00</u>	<u>323,000.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Construction services	<u>323,000.00</u>		<u>323,000.00</u>	<u>323,000.00</u>
Total expenditures and other financing uses	<u>323,000.00</u>		<u>323,000.00</u>	<u>323,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u> </u>		<u> </u>	<u> </u>
ADDITIONAL PROJECT INFORMATION:				
Project number	#2660-090-09-0ZMP			
Grant date	6/22/09			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$475,973.00			
Additional authorized cost	(\$152,973.00)			
Revised authorized cost	\$323,000.00			
Percentage increase over original authorized cost	-32%			
Percentage completion				
Original target completion date	9/1/09			
Revised target completion date	9/1/09			

CITY OF LINDEN SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - SCHOOL #2 ADDITION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State Sources- SDA Grant	\$2,406,065.00		\$2,406,065.00	\$2,406,065.00
Bond proceeds and transfers	736,466.24	\$1,000,000.00	1,736,466.24	1,736,466.24
Capital Lease	5,000,000.00		5,000,000.00	5,000,000.00
Total revenues and other financing sources	<u>8,142,531.24</u>	<u>1,000,000.00</u>	<u>9,142,531.24</u>	<u>9,142,531.24</u>
EXPENDITURES AND OTHER FINANCING USES:				
Construction services	6,775,835.91	61,948.03	6,837,783.94	9,142,531.24
Total expenditures and other financing uses	<u>6,775,835.91</u>	<u>61,948.03</u>	<u>6,837,783.94</u>	<u>9,142,531.24</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$1,366,695.33</u>	<u>\$938,051.97</u>	<u>\$2,304,747.30</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number				
Grant date				
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$249,031.51			
Additional authorized cost	\$8,893,499.73			
Revised authorized cost	\$9,142,531.24			
Percentage increase over original authorized cost	3571%			
Percentage completion				
Original target completion date				
Revised target completion date				

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

FOOD SERVICES FUND: This fund provides for the operation of food services within the school district.

CITY OF LINDEN SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>	
	<u>FOOD SERVICE FUND</u>	<u>TOTAL JUNE 30, 2011</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$590,338.32	\$590,338.32
Accounts receivable:		
Federal	87,594.19	87,594.19
State	1,891.19	1,891.19
Inventories	19,458.48	19,458.48
Total current assets	<u>699,282.18</u>	<u>699,282.18</u>
Noncurrent assets:		
Furniture, machinery & equipment	819,808.44	819,808.44
Less accumulated depreciation	<u>(693,352.90)</u>	<u>(693,352.90)</u>
Total noncurrent assets	<u>126,455.54</u>	<u>126,455.54</u>
Total assets	<u>825,737.72</u>	<u>825,737.72</u>
LIABILITIES:		
Current liabilities:		
Accounts payable	96,778.20	96,778.20
Deferred revenue	<u>6,917.08</u>	<u>6,917.08</u>
Total current liabilities	<u>103,695.28</u>	<u>103,695.28</u>
Total liabilities	<u>103,695.28</u>	<u>103,695.28</u>
NET ASSETS:		
Restricted for:		
Invested in capital assets net of related debt	126,455.54	126,455.54
Unrestricted	<u>595,586.90</u>	<u>595,586.90</u>
Total net assets	<u>\$722,042.44</u>	<u>\$722,042.44</u>

CITY OF LINDEN SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>	
	<u>FOOD SERVICE FUND</u>	<u>TOTAL JUNE 30, 2011</u>
OPERATING REVENUES:		
Charges for services:		
Daily sales	\$927,052.90	\$927,052.90
Total operating revenues	<u>927,052.90</u>	<u>927,052.90</u>
OPERATING EXPENSES:		
Cost of sales	1,123,580.46	1,123,580.46
Salaries and employee benefits	1,030,539.29	1,030,539.29
Other Purchased Service	68,088.44	68,088.44
Supplies and materials	83,422.02	83,422.02
Insurance	9,023.61	9,023.61
Administrative Expense	126,465.85	126,465.85
Depreciation	11,781.40	11,781.40
Total operating expenses	<u>2,452,901.07</u>	<u>2,452,901.07</u>
Net operating income (loss)	<u>(1,525,848.17)</u>	<u>(1,525,848.17)</u>
NONOPERATING REVENUE (EXPENSE):		
State Sources		
State School Lunch Program	30,837.58	30,837.58
Federal Sources		
National School Lunch Program	1,182,199.50	1,182,199.50
National School Breakfast Program	198,480.56	198,480.56
National School Snack Program	20,157.60	20,157.60
National food distribution commodities	127,122.72	127,122.72
Fresh Foods and Vegetable Program	15,501.10	15,501.10
Interest and investment revenue	48.04	48.04
Total nonoperating revenue (expense)	<u>1,574,347.10</u>	<u>1,574,347.10</u>
Net income	48,498.93	48,498.93
Net assets - beginning	<u>673,543.51</u>	<u>673,543.51</u>
Net assets - ending	<u><u>\$722,042.44</u></u>	<u><u>\$722,042.44</u></u>

CITY OF LINDEN SCHOOL DISTRICT
 PROPRIETARY FUND
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>	
	<u>FOOD SERVICE</u>	<u>TOTAL</u>
Cash flows from operating activities:		
Receipts from customers	\$ 927,052.90	\$ 927,052.90
Payments to employees and employee benefits	(987,446.29)	(987,446.29)
Payments to suppliers	(1,333,870.27)	(1,333,870.27)
Net cash provided (used) by operating activities	<u>(1,394,263.66)</u>	<u>(1,394,263.66)</u>
Cash flows from noncapital financing activities:		
State sources	34,039.23	34,039.23
Federal sources	1,437,354.53	1,437,354.53
Net cash provided (used) by noncapital financing activities	<u>1,471,393.76</u>	<u>1,471,393.76</u>
Cash flows from investing activities:		
Interest on investments and deposits	48.04	48.04
Net cash provided (used) by investing activities	<u>48.04</u>	<u>48.04</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	(13,435.00)	(13,435.00)
Net cash provided (used) by capital and related financing activities	<u>(13,435.00)</u>	<u>(13,435.00)</u>
Net increase in cash and cash equivalents	63,743.14	63,743.14
Cash and cash equivalents, June 30, 2010	<u>526,595.18</u>	<u>526,595.18</u>
Cash and cash equivalents, June 30, 2011	<u>\$ 590,338.32</u>	<u>\$ 590,338.32</u>
Operating income(loss)	\$ (1,525,848.17)	\$ (1,525,848.17)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:		
Depreciation and net amortization	11,781.40	11,781.40
Federal commodities	127,122.72	127,122.72
Change in assets and liabilities:		
(Increase) Decrease in inventories	(8,821.86)	(8,821.86)
Increase (Decrease) in deferred revenue	5,488.03	5,488.03
Increase (Decrease) in accounts payable	(3,985.78)	(3,985.78)
Net cash provided (used) by operating activities	<u>\$ (1,394,263.66)</u>	<u>\$ (1,394,263.66)</u>

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary funds are used to account for assets when a school district is functioning either as a trustee or as an agent for another party.

Unemployment Compensation Insurance Trust Fund:	This trust fund is used to account for board contributions which are utilized to pay unemployment compensation claims as they arise.
Scholarship Trust Fund:	This trust fund is used to account for assets held by the district for grants to students where there are no restrictions regarding the use of principal and interest.
Student Activity Fund:	This agency fund is used to account for student funds held at the schools.
Payroll Agency Fund:	This agency fund is used to account for the payroll transactions of the school district.

CITY OF LINDEN SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011

	<u>AGENCY FUNDS</u>		<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>	<u>COMPARATIVE TOTALS (MEMORANDUM ONLY)</u>	
	<u>STUDENT ACTIVITY</u>	<u>PAYROLL AGENCY</u>			<u>JUNE 30</u>	<u>JUNE 30</u>
					<u>2011</u>	<u>2010</u>
ASSETS:						
Cash and cash equivalents	\$147,953.36	\$3,311.09	\$75,135.90	\$22,741.15	\$249,141.50	\$655,508.12
Total assets	<u>147,953.36</u>	<u>3,311.09</u>	<u>75,135.90</u>	<u>22,741.15</u>	<u>249,141.50</u>	<u>655,508.12</u>
LIABILITIES:						
Payroll deductions and withholdings		3,311.09			3,311.09	246,398.26
Due to student groups	147,953.36				147,953.36	134,288.14
Total liabilities	<u>147,953.36</u>	<u>3,311.09</u>			<u>151,264.45</u>	<u>380,686.40</u>
NET ASSETS:						
Held in trust for unemployment claims and other purposes			75,135.90	22,741.15	97,877.05	274,821.72
Total net assets			<u>\$75,135.90</u>	<u>\$22,741.15</u>	<u>\$97,877.05</u>	<u>\$274,821.72</u>

CITY OF LINDEN SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	PRIVATE PURPOSE SCHOLARSHIP FUNDS	UNEMPLOYMENT COMPENSATION TRUST	COMPARATIVE TOTALS (MEMORANDUM ONLY)	
			JUNE 30	
			2011	2010
ADDITIONS:				
Contributions:				
Employee		\$111,059.93	\$111,059.93	\$122,018.18
District		500,707.24	500,707.24	
Local	\$1,750.00		1,750.00	
Total contributions	1,750.00	611,767.17	613,517.17	122,018.18
Investment earnings:				
Interest earned	10.96	53.63	64.59	768.71
Net investment earnings	10.96	53.63	64.59	768.71
Total additions	1,760.96	611,820.80	613,581.76	122,786.89
DEDUCTIONS:				
Other purposes	1,000.00	32,665.24	33,665.24	1,000.00
Unemployment claims		756,861.19	756,861.19	203,054.83
Total deductions	1,000.00	789,526.43	790,526.43	204,054.83
Change in net assets	760.96	(177,705.63)	(176,944.67)	(81,267.94)
Net assets beginning of year	21,980.19	252,841.53	274,821.72	356,089.66
Net assets end of year	\$22,741.15	\$75,135.90	\$97,877.05	\$274,821.72

CITY OF LINDEN SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BALANCE</u> <u>JUNE 30, 2010</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2011</u>
ASSETS:				
Cash and cash equivalents	<u>\$134,288.14</u>	<u>\$339,008.64</u>	<u>\$325,343.42</u>	<u>\$147,953.36</u>
Total assets	<u>134,288.14</u>	<u>339,008.64</u>	<u>325,343.42</u>	<u>147,953.36</u>
LIABILITIES:				
Due student groups:				
High school	124,409.53	276,802.14	263,866.67	137,345.00
Soehl School	7,379.24	12,765.50	11,631.75	8,512.99
McManus School	1,665.35	106.00		1,771.35
Athletic	<u>834.02</u>	<u>49,335.00</u>	<u>49,845.00</u>	<u>324.02</u>
	<u>\$134,288.14</u>	<u>\$339,008.64</u>	<u>\$325,343.42</u>	<u>\$147,953.36</u>

CITY OF LINDEN SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BALANCE</u> <u>JUNE 30, 2010</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2011</u>
ASSETS:				
Cash and cash equivalents	<u>\$246,398.26</u>	<u>\$26,713,117.34</u>	<u>\$26,956,204.51</u>	<u>\$3,311.09</u>
Total assets	<u>246,398.26</u>	<u>26,713,117.34</u>	<u>26,956,204.51</u>	<u>3,311.09</u>
LIABILITIES:				
Due general fund				
Payroll deductions and withholdings	<u>246,398.26</u>	<u>26,713,117.34</u>	<u>26,956,204.51</u>	<u>3,311.09</u>
Total liabilities	<u>\$246,398.26</u>	<u>\$26,713,117.34</u>	<u>\$26,956,204.51</u>	<u>\$3,311.09</u>

LONG-TERM DEBT SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Capital Leases.

CITY OF LINDEN SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2011

<u>SERIES</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2010</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2011</u>
Athletic Fields	\$3,960,000.00		\$130,000.00	\$3,830,000.00
School 6	1,540,117.30		497,663.40	1,042,453.90
School 2	4,491,477.31		1,075,265.83	3,416,211.48
	<u>\$9,991,594.61</u>		<u>\$1,702,929.23</u>	<u>\$8,288,665.38</u>

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STATISTICAL SECTION
(UNAUDITED)

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LINDEN SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

CITY OF LINDEN SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ending						
	2011	2010	2009	2008	2007	2006	2005
Governmental activities							
Invested in capital assets, net of related debt	\$ 28,374,005	\$ 22,102,247	\$ 23,972,852	\$ 19,207,702	\$21,295,245	\$21,245,872	\$19,113,878
Restricted for	22,473,205	20,296,353	12,444,580	13,744,331	7,081,848	5,840,933	5,204,693
Unrestricted (deficit)	(1,680,350)	(3,009,517)	(3,762,299)	(197,279)	3,006,188	2,571,213	2,391,800
Total governmental activities net assets	<u>\$ 49,166,860</u>	<u>\$ 39,389,083</u>	<u>\$ 32,655,133</u>	<u>\$ 32,754,753</u>	<u>\$31,383,281</u>	<u>\$29,658,018</u>	<u>\$26,710,371</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 126,456	\$ 124,802	\$ 86,945	\$ 92,711	\$ 80,047	\$ 25,854	\$ 39,414
Unrestricted	595,587	548,742	477,367	417,857	422,098	382,359	323,674
Total business-type activities net assets	<u>\$ 722,042</u>	<u>\$ 673,543</u>	<u>\$ 564,313</u>	<u>\$ 510,568</u>	<u>\$502,145</u>	<u>\$408,213</u>	<u>\$363,088</u>
District-wide							
Invested in capital assets, net of related debt	\$ 28,500,460	\$ 22,227,049	\$ 24,059,798	\$ 19,300,413	21,375,292	21,271,726	19,153,292
Restricted	22,473,205	20,296,353	12,444,580	13,744,331	7,081,848	5,840,933	5,204,693
Unrestricted	(1,084,763)	(2,460,775)	(3,284,931)	220,578	3,428,286	2,953,572	2,715,474
Total district net assets	<u>\$ 49,888,902</u>	<u>\$ 40,062,626</u>	<u>\$ 33,219,446</u>	<u>\$ 33,265,321</u>	<u>\$31,885,426</u>	<u>\$30,066,231</u>	<u>\$27,073,459</u>

Source: District records

CITY OF LINDEN SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST SIX YEARS
UNAUDITED

	Fiscal Year Ending					
	2011	2010	2009	2008	2007	2006
Expenses						
Governmental activities						
Instruction						
Regular	\$ 39,456,926	\$ 42,034,478	\$ 40,915,427	\$ 39,627,705	\$ 37,773,743	\$ 28,295,656
Special education	11,763,250	11,914,810	11,547,550	11,197,330	10,457,469	5,669,022
Other special education	4,707,949	5,603,790	5,089,034	4,932,419	4,446,132	1,715,373
Vocational						704,137
Other instruction						730,946
Support Services:						
Tuition	9,483,964	9,445,718	10,482,987	9,818,373	8,522,758	6,960,917
Student & instruction related services	13,331,568	13,353,313	12,946,409	13,160,789	12,792,609	9,797,124
School administrative services	2,734,388	2,566,446	2,870,231	2,106,523	3,932,478	4,456,926
General administration	4,030,020	3,884,239	3,688,673	4,191,775	1,991,402	1,778,999
Central services & admin technology information	2,178,154	2,219,141	2,407,439	2,416,158	2,383,909	
Plant operations and maintenance	10,829,430	10,808,967	11,033,676	11,321,583	10,492,364	7,652,613
Pupil transportation	3,612,377	3,930,625	5,606,426	5,321,099	4,688,001	4,194,179
Debt Service Assessment	42,388					
Other support services						17,227,642
Special Schools	95,127	138,489	427,642	416,228	344,167	395,646
Interest on long-term debt						4,760
Unallocated amortization						557,400
Unallocated depreciation					1,106	193,963
Total governmental activities expenses	<u>102,265,541</u>	<u>105,900,017</u>	<u>107,015,493</u>	<u>104,509,982</u>	<u>97,826,138</u>	<u>90,335,303</u>
Business-type activities:						
Food service	2,452,901	2,465,780	2,344,410	2,419,705	2,266,910	2,148,904
Total business-type activities expense	<u>2,452,901</u>	<u>2,465,780</u>	<u>2,344,410</u>	<u>2,419,705</u>	<u>2,266,910</u>	<u>2,148,904</u>
Total district expenses	<u>104,718,442</u>	<u>108,365,797</u>	<u>109,359,904</u>	<u>106,929,686</u>	<u>100,093,048</u>	<u>92,484,207</u>
Program Revenues						
Governmental activities:						
Operating grants and contributions	13,288,426	12,859,738	11,685,699	19,752,356	19,130,781	11,168,470
Total governmental activities program revenues	<u>13,288,426</u>	<u>12,859,738</u>	<u>11,685,699</u>	<u>19,752,356</u>	<u>19,130,781</u>	<u>11,168,470</u>
Business-type activities:						
Charges for services	927,053	918,861	987,571	1,012,352	986,013	964,946
Total business type activities program revenues	<u>927,053</u>	<u>918,861</u>	<u>987,571</u>	<u>1,012,352</u>	<u>986,013</u>	<u>964,946</u>
Total district program revenues	<u>14,215,479</u>	<u>13,778,599</u>	<u>12,673,269</u>	<u>20,764,708</u>	<u>20,116,794</u>	<u>12,133,416</u>
Net (Expense)/Revenue						
Governmental activities	(88,977,115)	(93,040,279)	(95,329,795)	(84,757,626)	(78,695,357)	(79,166,833)
Business-type activities	(1,525,848)	(1,546,919)	(1,356,840)	(1,407,353)	(1,280,897)	(1,183,958)
Total district-wide net expense	<u>\$ (90,502,963)</u>	<u>\$ (94,587,198)</u>	<u>\$ (96,686,634)</u>	<u>\$ (86,164,979)</u>	<u>\$ (79,976,254)</u>	<u>\$ (80,350,791)</u>

LINDEN SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST SIX YEARS
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending					
	2011	2010	2009	2008	2007	2006
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes levied for general purposes, net	\$ 77,779,082.00	\$ 74,190,234.00	\$ 71,631,468.00	\$ 71,756,468.00	\$ 68,458,631.00	\$ 62,480,329.00
Federal and State aid not restricted	19,362,646.09	25,032,634.41	23,001,732.12	13,281,024.20	12,609,933.00	18,318,930.00
Special Item - Capital & Maintenance Invest						200,307.00
Tuition Received	46,702.10	24,436.90	94,244.20	27,456.00	40,047.00	50,916.00
Investment earnings	102,731.26	121,937.04	30,639.95	577,834.97	759,590.90	468,350.00
Disposal of Fixed Assets		(25,184.64)	(407.09)			
Miscellaneous income	536,566.86	430,170.16	713,172.70	543,832.00	656,253.84	595,778.00
Total governmental activities	<u>97,827,728.31</u>	<u>99,774,227.87</u>	<u>95,470,849.88</u>	<u>86,186,615.17</u>	<u>82,524,455.74</u>	<u>82,114,610.00</u>
Business-type activities:						
Federal and State aid not restricted	1,574,299.06	1,656,443.34	1,410,059.86	1,411,765.48	1,339,311.79	1,226,626.00
Investment earnings	48.04	(293.58)	524.49	2,011.00	2,599.00	2,457.00
Total business-type activities	<u>1,574,347.10</u>	<u>1,656,149.76</u>	<u>1,410,584.35</u>	<u>1,413,776.48</u>	<u>1,341,910.79</u>	<u>1,229,083.00</u>
Total district-wide	<u>99,402,075.41</u>	<u>101,430,377.63</u>	<u>96,881,434.23</u>	<u>87,600,391.65</u>	<u>83,866,366.53</u>	<u>83,343,693.00</u>
Change in Net Assets						
Governmental activities	8,850,613.53	6,733,949.09	141,055.30	1,428,989.52	3,829,098.62	2,947,777.00
Business-type activities	48,498.93	109,230.85	53,744.57	6,423.38	61,013.79	45,125.00
Total district	<u>\$ 8,899,112.46</u>	<u>\$ 6,843,179.94</u>	<u>\$ 194,799.87</u>	<u>\$ 1,435,412.90</u>	<u>\$ 3,890,112.41</u>	<u>\$ 2,992,902.00</u>

Source: District records

CITY OF LINDEN SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
(modified accrual basis of accounting)
UNAUDITED

	2011
General Fund	
Restricted for:	
Excess Surplus- current year	\$ 2,399,071.24
Capital Reserve Account	8,122,897.76
Maintenance reserve	26,841.98
Emergency Reserve	923,273.79
Committed to:	
Designated for Subsequent years Expenditures	3,000,000.00
Year End Encumbrances	2,266,054.70
Unassigned	159,029.95
Total General Fund	\$ 16,897,169.42
 All Other Governmental Funds	
Restricted for :	
Special Revenue Fund (Deficit)	\$ (122,889.21)
Capital Purposes	2,316,841.16
Committed to:	
Year End Encumbrances	3,541,113.40
Total all other governmental funds	\$ 5,735,065.35

This Schedule does not contain ten years of information as GASB #54 was implemented during this fiscal year ending June 30, 2011.

Source: School District Financial Reports

**CITY OF LINDEN SCHOOL DISTRICT
CHANGES IN GOVERNMENTAL FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	<u>UNAUDITED</u>									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues										
Tax levy	\$ 77,779,082	\$ 74,190,234	\$ 71,631,468	\$ 71,756,468	\$ 68,458,631	\$ 62,480,329	\$ 56,175,279	\$ 53,858,068	\$ 50,329,927	\$ 45,926,677
Tuition charges	46,702	24,437	94,244	27,456	40,048	50,916	140,889	240,912	254,307	277,337
Interest earned on capital reserve funds	2,935	10,063	25,167	65,588	98,545	571,402	271,788	143,862	2,471	
Interest earned on emergency reserve funds	784	2,102	5,213							
Interest earned on maintenance reserve funds	872	972	260							
Miscellaneous	634,607	538,970	713,173	1,262,652	1,604,046	1,316,425	5,503,224	348,025	1,623,870	435,713
State sources	27,389,836	29,227,030	30,350,762	27,982,684	26,562,140	24,168,783	24,776,596	23,579,748	18,647,591	17,476,591
Federal sources	5,261,236	8,665,343	4,336,669	4,846,541	4,891,927	5,155,720	4,795,187	3,184,932	2,580,743	2,368,783
Special revenue sources							1,000,000			96,124
Total revenue	111,116,154	112,659,151	107,156,956	105,941,389	101,655,237	93,743,575	91,663,063	81,355,547	73,438,909	66,581,225
Expenditures										
Instruction										
Regular Instruction	28,412,258	31,087,241	30,208,795	29,146,352	28,100,767	27,447,381	25,109,876	23,267,060	21,287,212	15,478,884
Special education instruction	7,313,722	7,504,533	7,234,205	7,015,517	6,603,602	5,669,022	5,507,124	4,771,264	4,011,322	3,163,648
Other special instruction	3,267,186	4,175,737	3,692,368	3,579,093		1,715,373	1,669,818	1,844,113	1,434,465	1,535,049
Vocational education						704,137	682,495	611,758	545,445	
Other instruction					3,197,920	730,946	768,680	760,542	661,543	607,408
Support Services:										
Tuition	9,483,964	9,445,718	10,482,967	9,818,373	8,522,758	6,960,917	6,467,942	6,153,892	5,866,391	3,750,758
Student & instruction related services	11,276,797	11,316,667	10,954,526	11,215,404	11,001,676	9,797,124	9,436,966	6,365,806	5,828,392	5,116,010
General administration	1,489,850	1,332,886	1,663,784	1,544,387	1,474,356	1,778,999	1,709,173	4,160,311	1,578,957	1,440,964
School administrative services	3,460,321	3,319,566	3,136,410	3,003,652	2,835,239	4,456,926	4,533,160	4,140,217	5,971,795	2,400,450
Central services	1,120,435	1,178,242	1,188,718	1,128,354	1,174,067	17,227,642	15,167,077	14,294,374	10,295,249	8,354,849
Administrative information technology	587,892	575,217	763,274	717,883	689,343					
Plant operations and maintenance	9,168,341	9,162,532	9,423,427	8,892,155	8,175,941	7,652,613	8,251,719	6,762,038	6,127,016	5,052,009
Pupil transportation	3,587,237	3,905,707	5,582,056	5,283,953	4,650,851	4,194,179	3,980,853	3,594,376	3,310,193	2,209,456
Other support services										706,225
Unallocated employee benefits	21,609,081	21,369,262	20,664,099	21,353,278	19,686,203					
Special Schools	95,127	138,489	427,642	416,228	344,167	395,646	430,249	338,373	222,175	112,628
Charter Schools						4,760	8,385	8,280	11,732	3,576
Capital outlay	4,881,905	2,266,758	4,320,996	521,257	2,168,833	2,851,833	10,065,475	3,066,299	3,238,030	1,719,139
Capital outlay- Debt Service Assessment	42,388									
Capital outlay - lease principal	1,702,929	2,187,976	1,642,819	1,133,145	1,096,768					
Debt service:										
Principal										
Interest and other charges										
Total expenditures	107,499,434	108,966,533	111,386,104	104,769,031	99,722,491	91,587,498	93,788,992	79,938,703	70,389,917	51,651,053
Excess (Deficiency) of revenues over (under) expenditures	3,616,721	3,692,618	(4,229,148)	1,172,357	1,932,746	2,156,077	(2,125,929)	1,416,844	3,048,992	14,930,172
Other Financing sources (uses)										
Transfer to Capital Projects Fund				1,901,276	765,437	(492,147)	(838,294)	1,542,304		
Transfer to/(from) Capital Reserve Fund				(1,901,276)	(765,437)		873			
Capital Leases (non budgeted)		5,000,000		2,500,000						
Total other financing sources (uses)	-	5,000,000	-	2,500,000	-	(492,147)	(837,421)	1,542,304	-	-
Net change in fund balances	\$ 3,616,721	\$ 8,692,618	\$ (4,229,148)	\$ 3,672,357	\$ 1,932,746	\$ 1,663,930	\$ (2,963,350)	\$ 2,959,148	\$ 3,048,992	\$ 14,930,172
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: District records

CITY OF LINDEN SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Cancellation</u> <u>of</u> <u>Prior Year</u>	<u>Rentals</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Misc.</u>	<u>Total</u>
2002	\$ 228,512	\$ 22,184	\$ 31,579		\$ 153,438	435,713
2003	188,339	26,678	30,029		252,674	497,720
2004	131,967				190,047	322,014
2005	164,661		36,783		223,131	424,575
2006	371,557				1,056,272	1,427,829
2007	659,879			226,222	716,778	1,602,879
2008	577,835	6,077	35,097		429,689	1,048,698
2009	140,009	1,289	30,690		361,373	533,361
2010	121,937		45,140		385,030	552,107
2011	102,731		36,853		507,899	647,483

Source: District Records

CITY OF LINDEN SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDED JUNE 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
District Property:										
Vacant Land	\$74,639,600	\$74,086,000	\$72,262,700	\$38,205,600	\$36,702,400	\$36,771,600	\$34,410,200	\$37,224,500	28,138,000	\$28,706,600
Residential	1,407,416,100	1,413,747,800	1,417,842,400	1,413,771,900	1,408,485,900	1,398,788,600	1,389,489,100	1,382,647,800	1,377,161,400	1,374,454,300
Commercial	444,248,400	446,742,200	448,667,100	448,356,300	454,439,100	466,462,600	463,569,700	464,086,000	444,802,600	426,728,300
Industrial	780,710,600	785,901,200	806,985,600	849,638,100	888,980,500	920,857,100	976,458,400	970,761,100	968,231,300	966,693,800
Apartment	67,154,000	68,339,100	69,036,200	68,622,300	68,398,100	66,835,400	66,881,000	65,439,500	65,144,600	65,244,600
Total Assessed Value	\$2,774,168,700	\$2,788,816,300	\$2,814,794,000	\$2,818,594,200	\$2,857,006,000	\$2,889,715,300	\$2,930,808,400	\$2,920,158,900	\$2,883,477,900	\$2,861,827,600
Public Utilities	4,803,534	48,814,005	4,548,144	4,538,742	4,736,166	5,405,583	6,303,924	6,964,059	96,388,910	8,236,524
Net Valuation Taxable	\$2,778,972,234	\$2,837,630,305	\$2,819,342,144	\$2,823,132,942	\$2,861,742,166	\$2,895,120,883	\$2,937,112,324	\$2,927,122,959	\$2,979,866,810	\$2,870,064,124

CITY OF LINDEN SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN CALENDAR YEARS
UNAUDITED

Fiscal Year Ended June 30	Linden Board of Education			Overlapping Rates		Total Direct Overlapping Tax Rate
	Basic Rate ^a	Debt Service	Total Direct	City of Linden	County	
2001	1.590	0	1.590	0.859	0.480	2.929
2002	1.670	0	1.670	0.906	0.510	3.086
2003	1.800	0	1.800	1.007	0.551	3.358
2004	1.880	0	1.880	1.137	0.601	3.618
2005	2.020	0	2.020	1.117	0.634	3.771
2006	2.260	0	2.260	1.097	0.670	4.027
2007	2.450	0	2.450	1.230	0.720	4.400
2008	2.540	0	2.540	1.417	0.746	4.703
2009	2.587	0	2.587	1.491	0.838	4.916
2010	2.720	0	2.720	1.741	0.848	5.309

Source: Municipal Tax Collector

^a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable

CITY OF LINDEN SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

<u>Taxpayer</u>	<u>2011</u>			<u>2002</u>		
	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
Bayway Refining Company	\$ 250,000,000	1	9.012%	***	1	***
Merck & Co.	109,739,700	2	3.956%	***	2	***
Infineum USA LP	63,152,200	3	2.276%	***	3	***
Avation Tower LLC	43,968,600	4	1.585%	***	4	***
Citgo Petroleum	40,551,500	5	1.462%	***	5	***
PSE& G	36,146,000	6	1.303%	***	6	***
Co-Gen Technologies	30,600,000	7	1.103%	***	7	***
Buckeye Pipeline	28,914,800	8	1.042%	***	8	***
Linden Development LLC (Duke Realty)	24,400,000	9	0.880%	***	9	***
Linden Plaza LLC	19,943,900	10	0.719%	***	10	***
Total	\$ 647,416,700		23.337%	\$0		0.000%

*** Not Available

Source: Municipal Tax Assessor

CITY OF LINDEN SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Taxes Levied for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2011	\$ 77,779,082	\$ 77,779,082	100.00%	
2010	74,190,234	74,190,234	100.00%	
2009	71,631,468	71,631,468	100.00%	
2008	71,756,468	71,756,468	100.00%	
2007	68,458,631	68,458,631	100.00%	
2006	62,480,329	62,480,329	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in is the amount voted upon or certified prior to the end of the school year.

CITY OF LINDEN SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST SEVEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Bond Anticipation Notes (BANs)	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases				
2005			\$ 5,000,000.00		\$ 5,000,000.00	N/A	N/A
2006			8,495,085.00		8,495,085.00	N/A	N/A
2007			7,455,834.03		7,455,834.03	N/A	N/A
2008			8,822,389.44		8,822,389.44	N/A	N/A
2009			7,179,570.58		7,179,570.58	N/A	N/A
2010			9,991,594.61		9,991,594.61	N/A	N/A
2011			8,288,665.38		8,288,665.38	N/A	N/A

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

CITY OF LINDEN SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2002	-0-	-0-	-0-	0.00%	0.00
2003	-0-	-0-	-0-	0.00%	0.00
2004	-0-	-0-	-0-	0.00%	0.00
2005	-0-	-0-	-0-	0.00%	0.00
2006	-0-	-0-	-0-	0.00%	0.00
2007	-0-	-0-	-0-	0.00%	0.00
2008	-0-	-0-	-0-	0.00%	0.00
2009	-0-	-0-	-0-	0.00%	0.00
2010	-0-	-0-	-0-	0.00%	0.00
2011	-0-	-0-	-0-	0.00%	0.00

Source: District records

CITY OF LINDEN SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2010
UNAUDITED

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
City of Linden	\$54,567,691.14	100.000%	\$54,567,691.14
County of Union	518,597,518.33	10.064%	<u>52,191,291.23</u>
Subtotal, overlapping debt			106,758,982.37
City of Linden School District Direct Debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$106,758,982.37</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Union County Board of Taxation.
Debt outstanding data provided by each governmental unit.

CITY OF LINDEN SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Calendar Year 2010

Equalized valuation basis		
	2010	\$5,770,362,715.00
	2009	6,123,110,724.00
	2008	6,571,704,826.00
	[A]	<u>\$18,465,178,265.00</u>
Average equalized valuation of taxable property	[A/3]	\$6,155,059,421.67
Debt limit (4 % of average equalization value)	[B]	\$246,202,376.87
Total net debt applicable to limit	[C]	-
Legal debt margin	[B-C]	<u>\$246,202,376.87</u>

Calendar Year Ended June 30,	Debt Limit	Total net debt applicable to limit	Legal Debt Limit	Total net debt applicable to limit as a percentage of debt limit
2002	\$119,948,461.00		\$119,948,461.00	0.00%
2003	121,575,218.00		121,575,218.00	0.00%
2004	138,379,513.00		138,379,513.00	0.00%
2005	153,866,112.00		153,866,112.00	0.00%
2006	200,059,773.35		200,059,773.35	0.00%
2007	229,458,727.51		229,458,727.51	0.00%
2008	229,458,727.51		229,458,727.51	0.00%
2009	251,984,931.23		251,984,931.23	0.00%
2010	255,741,755.57		255,741,755.57	0.00%
2011	246,202,376.87		246,202,376.87	0.00%

Source: District records

Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

Source: CAFR report Kathy Gaylord/Pam Caporale

CITY OF LINDEN SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>County of Union Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2001	39,687	\$ 1,152,612,700.00	\$ 40,479.00	3.40%
2002	39,747	1,185,488,565.00	40,848.00	4.80%
2003	39,690	1,218,007,511.00	41,661.00	4.70%
2004	39,591	1,253,597,105.00	43,045.00	3.80%
2005	39,561	1,285,917,609.00	44,586.00	4.20%
2006	39,399	1,324,495,137.00	49,062.00	4.40%
2007	39,372	2,010,098,088.00	51,054.00	4.40%
2008	39,162	2,029,179,030.00	51,815.00	5.30%
2009	39,432	1,933,745,280.00	49,040.00	10.10%
2010	40,499	**	**	9.60%

Sources: Population information provided by the NJ Department of Labor and Workforce Development
Personal income has been estimated based upon the municipal population and per capita personal income presented
Per capita personal income by municipality estimate based upon the 2000 Census published by the US Bureau of Economic Analysis
Unemployment data provided by the NJ Department of Labor and Workforce Development

** Not Available

CITY OF LINDEN SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO
UNAUDITED

Information was not available

CITY OF LINDEN SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Instruction										
Regular	486	505	510	540	525	501	458	430	492	446
Special education	155	180	112	92	89	116	83	74	66	59
Other special education	13	10	16	16	9	15	27	16	18	25
Vocational	9	12	12	10	9	12	12	10	10	10
Other instruction		0	0	0	8	8	7	6	5	6
Nonpublic school programs		0	0	0	0.5	0	0	0	0	0
Adult/continuing education programs	2	2	2	2	2	2	2	2	2	2
Support Services:										
Tuition										
Student & instruction related services	108	106	140	140	136	30	38	29	29	29
General administration	6	6	7	7	7	9	8	10	8	7
School administrative services	21	21	20	21	43	39	37	37	38	37
Other administrative services	20	20	25	22	22	29	22	20	24	24
Central services	11	11	11	11	11	12	12	12	12	12
Administrative information technology	8	8	9	8	7	6	8	0	0	0
Plant operations and maintenance	91	96	96	86	78	85	76	71	72	72
Pupil transportation	2	2	2	2	2	1	2	1	17	9
Other support services		29	35	33	9	9	11	4	5	5
Special Schools					42	32	30	29	8	18
Food Service					0	0	0	0	0	0
Child Care						0	0	0	0	0
Total	<u>932</u>	<u>1008</u>	<u>997</u>	<u>990</u>	<u>999.5</u>	<u>906</u>	<u>833</u>	<u>751</u>	<u>806</u>	<u>761</u>

Source: District Personnel Records

CITY OF LINDEN SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Enrollment	6010	6301	6382	6138	6,130	6,184	6,068	6,077	6,009	5,818
Operating Expenditures	\$100,872,212	\$104,511,799	\$105,422,289	\$103,114,629	\$96,456,890	\$88,735,665	\$83,723,517	\$76,872,404	\$67,151,887	\$49,931,914
Cost per Pupil	\$13,581.00	\$13,816.00	\$12,677.00	\$11,844.00	\$11,858.00	\$14,349.23	\$13,797.55	\$12,649.73	\$11,175.22	\$8,582.32
Percentage Change	-1.73%	8.24%	6.57%	-0.12%	-21.01%	3.84%	8.32%	11.66%	23.20%	20.28%
Teaching Staff	636	580	867	825	850	906	833	751	806	761
Pupil/Teacher Ratio - Elementary	9.78	10.35	11.1	12.6	11.58	NA	15.76	14.83	15.21	15.31
Pupil/Teacher Ratio - Middle School	9.45	9.44	9.7	10.29	11.25	NA	13.65	13.15	13.15	12.90
Pupil/Teacher Ratio - High School	11.8	12.03	15.5	15.53	12.50	NA	12.300	12.200	11.800	11.800
Average Daily Enrollment	5951.09	6063.9	6182.9	6159.5	6,220.5	6,128.3	6,109.0	6,088.5	5,892.0	5,748.4
Average Daily Attendance	5624.1	5714.6	5801.88	5774.9	5,858.2	5,728.6	5,701.7	5,712.7	5,537.0	5,408.3
% Change in Daily Enrollment	-1.90%	-1.63%	0.06%	-0.99%	1.48%	0.31%	0.34%	3.23%	2.44%	5.58%
Student Attendance %	94.51%	94.24%	94.14%	93.76%	94.18%	93.48%	93.33%	93.83%	93.97%	94.08%

Sources: District records

CITY OF LINDEN SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

<u>District Building</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Elementary										
School 1										
Square Feet	71,750	66,950	66,950	66,950	66,950	66,950	66,950	56,416	56,416	56,416
Capacity (students)	371	371	371	371	371	371	371	371	371	371
Enrollment	292	402	402	402	434	434	362	374	349	361
School 2										
Square Feet	48,575	48,575	48,575	48,575	48,575	48,575	48,575	48,575	48,575	48,575
Capacity (students)	489	489	489	489	489	489	489	489	489	489
Enrollment	280	264	264	264	307	307	312	295	319	338
School 4										
Square Feet	54,886	54,886	54,886	54,886	54,886	54,886	54,886	54,886	54,886	54,886
Capacity (students)	378	378	378	378	378	378	378	378	378	378
Enrollment	431	482	482	482	461	461	449	470	445	334
School 5										
Square Feet	55,475	55,475	55,475	55,475	55,475	55,475	55,475	55,475	55,475	55,475
Capacity (students)	343	343	343	343	343	343	343	343	343	343
Enrollment	341	379	379	379	354	354	350	363	387	369
School 6										
Square Feet	49,465	49,465	49,465	49,465	49,465	49,465	49,465	49,465	49,465	49,465
Capacity (students)	309	309	309	309	309	309	309	309	309	309
Enrollment	344	328	328	328	347	347	384	343	358	362
School 8										
Square Feet	43,720	43,720	43,720	43,720	43,720	43,720	43,720	43,720	43,720	43,720
Capacity (students)	361	361	361	361	361	361	361	361	361	361
Enrollment	322	310	310	310	314	314	321	360	356	357
School 9										
Square Feet	46,550	46,550	46,550	46,550	46,550	46,550	46,550	46,550	46,550	46,550
Capacity (students)	300	300	300	300	300	300	300	300	300	300
Enrollment	386	399	399	399	373	373	393	358	364	387
School 10										
Square Feet	45,290	45,290	45,290	45,290	45,290	45,290	45,290	45,290	45,290	45,290
Capacity (students)	306	306	306	306	306	306	306	306	306	306
Enrollment	345	369	369	369	356	356	316	372	350	360

**CITY OF LINDEN SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<u>Middle School</u>										
McManus School										
Square Feet	106,772	106,772	106,772	106,772	106,772	106,772	106,772	106,772	106,772	106,772
Capacity (students)	669	669	669	669	669	669	669	669	669	669
Enrollment	739	696	696	696	727	727	778	815	756	701
Soehl School										
Square Feet	112,140	112,140	112,140	112,140	112,140	112,140	112,140	112,140	112,140	112,140
Capacity (students)	762	762	762	762	762	762	762	762	762	762
Enrollment	731	687	687	687	677	677	678	681	704	666
<u>High School</u>										
School 10										
Square Feet	254,653	248,653	248,653	248,653	248,653	248,653	220,205	220,205	220,205	220,205
Capacity (students)	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396
Enrollment	1,799	1,924	1,924	1,924	1,834	1,834	1,725	1,646	1,621	1,583
<u>Other</u>										
Sunnyside Library										
Square Feet	11,136	11,136	11,136	11,136	11,136	11,136	11,136	11,136	11,136	11,136
Field House										
Square Feet	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400
Maintenance Garage										
Square Feet	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800
Administration Building										
Square Feet	10,264	10,264	10,264	10,264	10,264	10,264	10,264	10,264	10,264	10,264

Number of Schools at June 30, 2011
 Elementary = 8
 Middle School = 2
 High School = 1
 Other = 4

CITY OF LINDEN - SCHOOL DISTRICT
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST NINE FISCAL YEARS
 UNAUDITED

Location	Building Code	2011	2010	2009	2008	2007	2006	2005	2004	2003
High School and Academy	50	\$379,498.00	\$244,911.00	\$284,911.00	\$281,568.00	\$296,837.00	\$265,570.00	\$301,073.00	\$430,672.00	\$218,766.00
McManus Middle School	60	63,952.00	91,915.00	171,620.00	115,427.00	68,967.00	43,425.00	185,326.00	76,784.00	111,891.00
Soehl Middle School	70	87,738.00	227,378.00	227,378.00	125,052.00	151,662.00	89,708.00	110,735.00	268,709.00	170,976.00
School #1	80	53,666.00	48,523.00	148,523.00	105,646.00	89,348.00	58,450.00	34,516.00	175,590.00	61,498.00
School #2	90	109,665.00	57,783.00	57,783.00	58,003.00	75,873.00	121,700.00	1,156.00	104,102.00	71,775.00
School #4	115	207,664.00	50,083.00	50,083.00	50,368.00	54,013.00	37,521.00	4,549.00	128,255.00	82,566.00
School #5	120	114,176.00	55,646.00	55,646.00	56,981.00	74,805.00	43,220.00	19,470.00	115,206.00	62,918.00
School #6	130	416,541.00	55,295.00	55,295.00	53,586.00	22,857.00	91,150.00	1,830.00	58,466.00	58,029.00
School #8	150	37,732.00	60,436.00	60,436.00	43,271.00	51,153.00	64,154.00	44,353.00	90,820.00	55,691.00
School #9	160	74,302.00	82,382.00	82,382.00	82,601.00	46,852.00	84,120.00	33,081.00	110,112.00	51,115.00
School #10	170	68,050.00	62,309.00	62,309.00	64,549.00	49,522.00	97,280.00	20,101.00	35,554.00	26,155.00
Other Facilities	999	152,316.00	80,930.00	80,930.00	81,020.00	44,213.00	84,650.00	160,955.00	62,503.00	106,657.00
Grand Total		<u>\$1,765,300.00</u>	<u>\$1,117,591.00</u>	<u>\$1,337,296.00</u>	<u>\$1,118,072.00</u>	<u>\$1,026,102.00</u>	<u>\$1,080,948.00</u>	<u>\$917,145.00</u>	<u>\$1,656,773.00</u>	<u>\$1,078,037.00</u>

Source: District Records

CITY OF LINDEN SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2011
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>	
New Jersey School Boards Association Insurance Group			
Educational Risk and Insurance Consortium - North (1)			
School Package Policy Declarations			
Property			
Blanket Real and Personal Property	\$300,000,000.00 Per occurrence	\$5,000.00	Per occurrence
Blanket Extra Expense	\$50,000,000.00	\$5,000.00	Per occurrence
Blanket Valuable Papers and Records	\$10,000,000.00	\$5,000.00	Per occurrence
Demolition and Increased Cost of Construction	\$10,000,000.00 Per occurrence		
Loss of Rents	Not covered		
Loss of Business Income /Tuition	Not covered		
Builders' Risk	Not covered		
Fire Department Service Charge	\$10,000.00		
Arson Reward	\$10,000.00		
Pollutant Cleanup and Removal	\$250,000.00		
Fine Arts	Not covered		
Flood Zones Prefix A and V	\$10,000,000.00 Per occurrence	\$500,000.00	Per building
	\$10,000,000.00 NJSBAIG annual aggregate	\$500,000.00	Per building Content
All Other Flood Zones	\$50,000,000.00 Per occurrence/NJSBAIG annual aggregate	\$10,000.00	Per member/ per occurrence
Earthquake	\$50,000,000.00 Per occurrence		
Terrorism	\$50,000,000.00 NJSBAIG annual aggregate		
	\$1,000,000.00 Per occurrence		
	\$1,000,000.00 NJSBAIG annual aggregate		
Electronic Data Processing			
Blanket Hardware /Software	\$2,000,000.00 Per occurrence	\$1,000.00	Per occurrence
Blanket Extra Expense	Included		
Coverage Extensions:			
Transit	\$25,000.00		
Loss of Income	\$10,000.00		
Terrorism	Included in Property		
Flood- Zones A and V	\$1,000,000.00 Per occurrence	\$500,000.00	Per building content
All Other Flood Zones		\$10,000.00	Per member/ occurrence
Equipment Breakdown:			
Combined Single Limit per Accident for Property Damage and Business Income	\$100,000,000.00	\$5,000.00	Per accident for property damage
Sublimits:			
Property Damage	Included		
Off Premises Property Damage	\$100,000.00		
Business Income	Included		
Extra Expense	\$10,000,000.00		
Service Interruption	\$10,000,000.00		
Perishable Goods	\$500,000.00		
Data Restoration	\$100,000.00		
Contingent Business Income	\$100,000.00		
Demolition	\$1,000,000.00		
Ordinance or Law	\$1,000,000.00		
Expediting expenses	\$500,000.00		
Hazardous Substances	\$500,000.00		
Newly Acquired Locations (60 Days Notice)	\$250,000.00		
Terrorism	Included		
Interruption of Service Waiting Period 24 Hours			

CITY OF LINDEN SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2011
UNAUDITED

	COVERAGE	DEDUCTIBLE	
Crime Coverage:			
Public Employee Dishonesty with Faithful Performance	\$250,000.00	\$1,000.00	
Theft, Disappearance and Destruction-Loss of Money and Securities on and off Premises	\$50,000.00	\$500.00	
Theft, Disappearance and Destruction-Money Orders and Counterfeit Paper Currency	\$50,000.00	\$500.00	
Forgery or Alteration	\$250,000.00	\$1,000.00	
Computer Fraud	\$50,000.00	\$500.00	
Comprehensive General Liability			
Bodily Injury and Property Damage	\$11,000,000.00	\$1,000.00	each claim
Premises Medical Payments	\$10,000.00	\$5,000.00	limit per person
Bodily injury from Products and Completed Operations	\$11,000,000.00	Annual aggregate	
Sexual Abuse	\$11,000,000.00	Per occurrence	
	\$17,000,000.00	Annual pool aggregate	
Personal Injury and Advertising injury	\$11,000,000.00	Per occurrence	
	\$11,000,000.00	Annual aggregate	
	\$11,000,000.00	Per occurrence/annual aggregate	
Terrorism	\$1,000,000.00	Per occurrence/annual NJSBAIG aggregate	
Liability			
Automobile (1)			
Combined Single Limit for Bodily Injury and Property Damage	\$11,000,000.00	Per accident	\$1,000.00
Symbol 6 Uninsured/ Underinsured Motorists-Private Passenger Auto	\$1,000,000.00	Combined Single Limit	
Symbol 6 Uninsured/ Underinsured Motorists-All Other Vehicles	\$15,000.00	Bodily injury per Person	
	\$30,000.00	Bodily injury per Accident	
	\$5,000.00	Property Damage per Accident	
Symbol 5 Personal Injury Protection (Including Pedestrians)	\$250,000.00		
Medical Payments	\$10,000.00	Private Passenger Vehicles	
	\$5,000.00	All other vehicles	
Terrorism	\$1,000,000.00	Per occurrence/annual NJSBAIG aggregate	
Physical Damage			
Symbol 7- Comprehensive		\$1,000.00	
Symbol 7- Collision		\$1,000.00	
Symbol 7- Hired Car Physical Damage \$75,000.00 Limit		\$1,000.00	
Symbol 7- Replacement Cost	Not covered		
Garage Keepers	Included		
Workers Compensation and Employer's Liability Declarations Page (1)			
Bodily Injury by Accident	\$2,000,000.00	Each accident	
Bodily Injury by Disease	\$2,000,000.00	Each employee	
Bodily Injury by Disease	\$2,000,000.00	Aggregate Limit	

CITY OF LINDEN SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2011
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>	
Student Accident (2)			
School Time	\$1,000,000.00		
Interscholastic Football Grades-9-12	\$1,000,000.00		
Field Trips	\$1,000,000.00		
Motor Vehicle Accidents	\$1,000,000.00		
All Interscholastic Sports	\$1,000,000.00		
Errors & Omissions Policy (1)			
Coverage A	\$4,000,000.00 Each policy period	\$15,000.00	each claim
Coverage B	\$100,000/\$300,000 Each claim/Each policy period	\$15,000.00	each claim
Public Officials' Bonds			
Treasurer (Alexis Zack) (1)	\$500,000.00		
Business Administrator (3)	\$110,000.00		
(1) New Jersey School Boards Insurance Group			
(2) Market Insurance Company			
(3) Western Surety Company			

Source: District Records

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SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

EXHIBIT "K-1"

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Honorable President and Members
of the Board of Education
City of Linden School District
County of Union
Linden, New Jersey 07036

We have audited the basic financial statements of the City of Linden School District, County of Union, New Jersey as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated November 22, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Linden School District, County of Union, New Jersey internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements but not for the purpose of expressing an opinion on the effectiveness of the City of Linden School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Linden School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a possibility that a material misstatement of the City of Linden School District's financial statements will not be prevented, or detected and corrected on a timely basis.

SUPLEE, CLOONEY & COMPANY

Our consideration of the internal control over financial reporting was limited for the purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Linden School District's basic 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 basic 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.

This report is intended solely for the information and use of management and the Board of Education of the City of Linden School District, the New Jersey State Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

November 22, 2011



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-2"

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A -133 AND NEW JERSEY OMB CIRCULAR 04-04

Honorable President and Members
of the Board of Education
City of Linden School District
County of Union
Linden, New Jersey 07036

Compliance

We have audited the compliance of the City of Linden School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended June 30, 2011. The City of Linden School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of City of Linden School District's management. Our responsibility is to express an opinion on City of Linden School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City of Linden School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Linden School District's compliance with those requirements.

SUPLEE, CLOONEY & COMPANY

In our opinion, the City of Linden School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the City of Linden School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the City of Linden School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Linden School District's internal control over compliance.

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

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

This report is intended solely for the information and use of management and the Board of Education of the City of Linden School District, the New Jersey State Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

November 22, 2011

CITY OF LINCOLN - SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL C/F/D NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	BALANCE AT JUNE 30, 2010			CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS BALANCE	BALANCE AT JUNE 30, 2011		
				AWARD AMOUNT	DEFERRED (ACCTS RECEIVABLE)	ADJUSTMENTS						(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE / INTERFUND	DUE TO GRANTOR
U.S. Department of Education														
General Fund														
Medical Assistance Program (SEMI)	93 778		7/1/10 to 6/30/11	\$ 171,665.44	\$	\$	\$	\$ 171,665.44	\$ (171,665.44)	\$	\$	\$	\$	\$
Total General Fund				\$ 171,665.44	\$	\$	\$	\$ 171,665.44	\$ (171,665.44)	\$	\$	\$	\$	\$
U.S. Department of Education														
Passed-through State Department of Education														
Title I, Part A, Carryover	84 010A	NCLB_10	9/1/09 to 8/30/10	\$ 1,351,637.44	\$	\$	\$	\$ 44,616.30	\$ (44,583.27)	\$	\$	\$	\$ 35.08	\$
Title I, Part A, Carryover	84 010A	NCLB_10	9/1/09 to 8/30/10	1,351,637.44	(502,386.56)		3,769.22	508,238.70					3,082.92	
Title I, Part A	84 010A	NCLB_11	9/1/10 to 8/30/11	1,416,408.00				571,116.00	(1,033,739.18)				(458,853.84)	
ARRA - Title I, Part A	84 389	ARRA_11	9/1/10 to 8/30/11	451,874.89				350,241.00	(446,473.20)				(96,232.20)	
ARRA - Title I, Part A, Carryover	84 389	ARRA_10	9/1/09 to 8/30/10	676,145.00	(12,574.41)	(1.59)		12,576.00						
Title I, SIA, Carryover	84 010A	NCLB_09	9/1/09 to 8/30/09	32,189.00	(0.18)	0.18								
Title I, SIA, Carryover	84 010A	NCLB_10	9/1/09 to 8/30/10	38,069.62				20,969.72	(20,970.20)				(0.48)	
Title I, SIA, Carryover	84 010A	NCLB_10	9/1/09 to 8/30/10	36,069.82	(3,403.29)	0.01		3,403.28						
Title I, SIA	84 010A	NCLB_11	9/1/10 to 8/30/11	44,895.33					(453.39)				(453.39)	
ARRA - Title I, SIA	84 010A	NCLB_11	9/1/10 to 8/30/11	22,510.00				22,508.00					(2.00)	
Title I, D, Carryover	84 010A	NCLB_10	9/1/09 to 8/30/10	115,572.00	(46,229.00)	10,170.00		36,099.00					(19,913.56)	
Title I, D	84 010A	NCLB_11	9/1/10 to 8/30/11	143,310.00				70,256.00					(6,638.00)	
ARRA - Title I, Part D, Carryover	84 388	ARRA_10	9/1/09 to 8/30/10	69,573.00	(27,829.00)			21,791.00					(6,638.00)	
Title II, Part A, Carryover	84 367A	NCLB-2650-10	9/1/09 to 8/30/10	265,066.02				8,213.80	(8,620.78)				(406.98)	
Title II, Part A, Carryover	84 367A	NCLB-2650-10	9/1/09 to 8/30/10	265,066.02	(63,511.93)	136.64		73,520.20						
Title II, Part A	84 367A	NCLB-2650-11	9/1/10 to 8/30/11	258,130.09			10,144.91	122,632.00	(184,327.35)				(51,550.44)	
Title II, Part D, Carryover	84 316X	NCLB-2650-08	9/1/07 to 8/30/08	4,428.00		3.26								3.26
Title II, Part D, Carryover	84 316X	NCLB-2650-10	9/1/09 to 8/30/10	11,103.00	(3,774.33)			1,535.00					(2,274.00)	34.67
Title II, Part D	84 316X	NCLB-2650-11	9/1/10 to 8/30/11	4,597.00				1,980.00	(4,289.67)				(2,309.67)	
Title III, Carryover	84 365A	NCLB-2650-10	9/1/09 to 8/30/10	107,740.00	(48,127.28)			20,619.00					(27,506.28)	
Title III, Carryover	84 365A	NCLB-2650-11	9/1/10 to 8/30/11	19,371.18					(19,371.18)				(19,371.18)	
Title III	84 365A	NCLB-2650-11	9/1/10 to 8/30/11	83,681.00				42,981.00	(73,338.77)				(30,357.77)	
Title III, Immigrant, Carryover	84 365A	NCLB-2650-09	9/1/08 to 8/30/09	50,329.00	(3,030.43)								(3,030.43)	
Title IV, Carryover	84 186	NCLB-2650-10	9/1/09 to 8/30/10	20,792.76	1,153.60		(3,908.60)	2,795.00					3,908.60	
Title IV, Carryover	84 186	NCLB-2650-10	9/1/09 to 8/30/10	20,792.76			3,908.60							
Title IV	84 186	NCLB-2650-11	9/1/10 to 8/30/11	20,417.76										
Title V, Carryover	84 298A	NCLB-2660-07	9/1/06 to 8/30/07	15,906.00	213.60	(213.60)								233.15
Title V, Carryover	84 298A	NCLB-2660-07	9/1/06 to 8/30/07	15,906.00	233.15									
I, D E A, Part B, Carryover	84 027	ARRA-10	9/1/09 to 8/30/10	1,487,707.00				165,621.00	(165,819.81)				1.19	
I, D E A, Part B, Carryover	84 027	ARRA-10	9/1/09 to 8/30/10	1,487,707.00	(446,519.63)	1.63		446,518.00						
I, D E A, Part B	84 027	ARRA-11	9/1/10 to 8/30/11	1,467,165.00				647,712.00	(1,318,478.70)				(470,766.70)	
ARRA - I, D E A, Part B, Carryover	84 391	ARRA-10	9/1/09 to 8/30/10	1,631,083.00	(271,864.19)	(8.81)		271,865.00						
ARRA - I, D E A, Part B	84 391	ARRA-11	9/1/10 to 8/30/11	555,802.81				351,846.00	(553,074.08)				(201,228.08)	
I, D E A, Part B, Pre-School, Carryover	84 173	ARRA-10	9/1/09 to 8/30/10	39,403.00	(8,255.00)			4,255.00						
I, D E A, Part B, Pre-School	84 173	ARRA-11	9/1/10 to 8/30/11	43,075.00				25,200.00	(42,008.00)				(17,408.00)	
ARRA - I, D E A, Part B, Pre-School	84 392	ARRA-11	9/1/10 to 8/30/11	66,704.00				55,180.00	(68,704.00)				(3,524.00)	
U.S. Department of Education														
Perkins Vocational Education - Basic Grants, Carryover														
Perkins Vocational Education - Basic Grants, Carryover	84 048A		9/1/08 to 8/30/09	50,262.00	(0.16)	0.16								
Perkins Vocational Education - Basic Grants, Carryover	84 048A		9/1/09 to 8/30/10	54,656.00	(23,021.23)	0.23		25,633.00			(2,612.00)		(12,751.91)	
Perkins Vocational Education - Basic Grants	84 048A		9/1/10 to 8/30/11	41,535.00				18,887.00	(31,638.91)					
Adult Education, Carryover														
Adult Education, Carryover	84 002		9/1/08 to 8/30/09	166,633.91	(66.03)	66.03								
Adult Education, Carryover	84 002		9/1/09 to 8/30/10	119,000.00	(27,958.04)	0.04		27,958.00						
Adult Education	84 002		9/1/10 to 8/30/11	113,000.00				65,564.00	(112,993.25)				(26,429.25)	
Reading First, Carryover														
Reading First, Carryover	84 357A		9/1/08 to 8/30/09	1,017,524.00	0.14	(0.14)								
Reading First, Carryover	84 357A		9/1/09 to 8/30/10	495,725.00	(43,452.25)		(72.95)	43,525.20						
Reading First	84 357A		9/1/10 to 8/30/11	88,473.80			72.95	76,457.90	(79,530.47)				0.28	
21 Century Teaching, Carryover														
21 Century Teaching, Carryover	84 287C		9/1/08 to 8/30/09	535,000.00	(1.36)	1.36								
21 Century Teaching, Carryover	84 287C		9/1/09 to 8/30/10	40,066.29				33,388.29	(33,388.45)				(0.16)	
21 Century Teaching, Carryover	84 287C		9/1/09 to 8/30/10	500,000.00	(84,287.71)			94,287.71						
21 Century Teaching	84 287C		9/1/10 to 8/30/11	500,000.00				371,316.00	(478,857.64)				(107,541.64)	
Teaching American History														
Teaching American History	84 215X		9/1/10 to 8/30/11	317,225.00				102,727.00	(102,727.00)					
Total Special Revenue Fund				17,834,235.47	(1,624,888.26)	10,160.14		4,993,156.00	(4,926,666.79)		(2,612.00)	(1,557,990.06)	7,066.00	233.15
Enterprise Fund														
U.S. Department of Agriculture														
Passed-through State Department of Education														
School Breakfast Program	10 553		7/1/09 to 6/30/10	191,680.68	(19,603.32)			19,603.32						
School Breakfast Program	10 553		7/1/10 to 6/30/11	198,480.56				161,332.74	(198,480.56)				(17,147.82)	
National School Lunch Program	10 555		7/1/09 to 6/30/10	1,130,540.46	(85,737.07)			85,737.07						
National School Lunch Program	10 555		7/1/10 to 6/30/11	1,182,199.50				1,113,804.50	(1,182,199.50)				(68,395.00)	
After School Snack Program	84 001		7/1/09 to 6/30/10	28,913.20	(264.92)			264.92						
After School Snack Program	84 001		7/1/10 to 6/30/11	20,157.60				19,261.46	(20,157.60)				(896.14)	
Food Distribution Program	10 550		7/1/09 to 6/30/10	157,738.23	1,429.05									
Food Distribution Program	10 550		7/1/10 to 6/30/11	132,610.75				132,610.75	(125,693.67)				6,917.08	
Fresh Fruit and Vegetable Program	10 582		7/1/09 to 6/30/10	23,942.58	(2,974.65)			2,974.65						
Fresh Fruit and Vegetable Program	10 582		7/1/10 to 6/30/11	15,501.10				14,345.87	(15,501.10)				(1,155.23)	
Total Enterprise Fund				3,081,764.84	(107,150.91)			1,569,935.28	(1,543,461.48)				(87,584.19)	6,917.08
Total Federal Financial Assistance				\$ 21,087,665.75	\$ (1,731,839.17)	\$ 10,160.14	\$	\$ 6,734,756.72	\$ (6,641,793.71)	\$	\$ (2,612.00)	\$ (1,645,544.25)	\$ 13,993.08	\$ 233.15

See accompanying notes to schedules of financial assistance

CITY OF LINCOLN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

STATE GRANT/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT #/STATE #/PROJECT #	AWARD AMOUNT	BALANCE AT JUNE 30, 2010		CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS BALANCES	ACCOUNTS RECEIVABLE	BALANCE AT JUNE 30, 2011		MEMO
				(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE / INTERFUND						DEFERRED REVENUE / INTERFUND	GRANDTOTAL	
State Department of Education													
Operating Fund													
Education Aa	11-495-024-5120-026	7/110 to 6/30/11	14,550,873.00	\$	\$	\$	13,143,024.00	(14,550,873.00)	\$	\$	\$	1,407,248.40	14,550,873.00
Special Education	11-495-024-5120-068	7/110 to 6/30/11	3,382,099.00				3,093,677.90	(3,382,099.00)				314,621.10	3,382,099.00
Emergency Aid	10-100-024-5120-073	7/105 to 6/30/10	670,164.00				670,164.00	(670,164.00)					670,164.00
Non Public ESL	11-495-024-5120-064	7/105 to 6/30/10	18,839,841.00				33,301.00	(18,839,841.00)				693,637.00	18,839,841.00
Non Public Transportation	11-495-024-5120-064	7/105 to 6/30/10	31,301.00				33,301.00	(31,301.00)				31,822.25	31,301.00
Non Public Transportation	11-495-024-5120-064	7/110 to 6/30/11	31,507.25				32,213.59	(31,507.25)				31,822.25	31,507.25
Retirement TPAF Social Security Contributions	10-100-024-5005-061	7/105 to 6/30/10	3,398,814.49				3,465,307.45	(3,398,814.49)				154,692.49	3,398,814.49
Retirement TPAF Social Security Contributions	11-100-024-5005-061	7/110 to 6/30/11	3,142,244.84				2,665,307.45	(3,142,244.84)				154,692.49	3,142,244.84
Total State Department of Education - Operations Fund				(656,108.20)			20,660,008.34	(21,814,936.19)				1,721,869.50	21,814,936.19
State Department of Education													
Special Revenue Fund													
Preschool Education Aid	10-495-024-5120-066	7/109 to 6/30/10	1,140,841.00		178.71		114,084.10	(1,140,841.00)			178.71	121,889.21	1,140,841.00
Preschool Education Aid	11-495-024-5120-066	7/110 to 6/30/11	2,027,175.00				1,819,657.50	(1,941,847.71)				121,889.21	1,941,847.71
Non Public ESL	10-100-024-5120-067	7/109 to 6/30/10	9,787.00				7,830.00	(9,787.00)					9,787.00
Non Public ESL	11-100-024-5120-067	7/110 to 6/30/11	5,379.00				5,379.00	(5,379.00)					5,379.00
Non Public Remedial Transportation	11-100-024-5120-066	7/110 to 6/30/11	11,280.00				11,280.00	(11,280.00)					11,280.00
Non Public Remedial Transportation	11-100-024-5120-066	7/110 to 6/30/11	91,430.00				91,430.00	(91,430.00)					91,430.00
Non Public Remedial Transportation	10-100-024-5120-066	7/105 to 6/30/10	38,400.00				8,859.00	(38,400.00)					38,400.00
Non Public Remedial Transportation	10-100-024-5120-066	7/105 to 6/30/10	28,471.00				3,167.00	(28,471.00)					28,471.00
Non Public Supplemental Instruction	11-100-024-5120-066	7/110 to 6/30/11	20,011.00				20,011.00	(20,011.00)					20,011.00
Non Public Supplemental Instruction	10-100-024-5120-066	7/105 to 6/30/10	17,844.00				6,023.00	(17,844.00)					17,844.00
Non Public Supplemental Instruction	11-100-024-5120-066	7/110 to 6/30/11	14,305.00				14,305.00	(14,305.00)					14,305.00
Non Public Tutoring	11-100-024-5120-070	7/110 to 6/30/11	14,346.00				14,346.00	(14,346.00)					14,346.00
Non Public Tutoring	10-100-024-5120-064	7/109 to 6/30/10	12,564.00				12,107.00	(12,564.00)					12,564.00
Non Public Tutoring	11-100-024-5120-064	7/110 to 6/30/11	12,107.00				12,107.00	(12,107.00)					12,107.00
One Step Beyond Emergency Program Recognition Award	500.00		500.00		500.00			(500.00)			500.00		500.00
One Step Beyond Emergency Program Recognition Award	500.00		500.00		500.00			(500.00)			500.00		500.00
Total State Department of Education - Special Revenue Fund				(114,084.10)	678.71		2,222,804.80	(2,152,796.50)			184.34	121,889.21	2,152,796.50
State Department of Health and Senior Services													
Special Revenue Fund													
Ruben School Board Tobacco Prevention Program			150.00				150.00						
Ruben School Board Tobacco Prevention Program			150.00				150.00						
Total State Department of Health and Senior Services - Special Revenue Fund							300.00						
State Department of Human Services													
Special Revenue Fund													
Children's Health Insurance Program Reauthorization Act			76,000.00		28,000.00		24,000.00	(76,000.00)			43,842.87		43,842.87
Children's Health Insurance Program Reauthorization Act			76,000.00		28,000.00		24,000.00	(76,000.00)			43,842.87		43,842.87
Total State Department of Human Services - Special Revenue Fund							24,000.00	(76,000.00)			43,842.87		43,842.87
Total Special Revenue Fund				(114,084.10)	678.71		2,222,804.80	(2,152,796.50)			184.34	121,889.21	2,152,796.50
State Department of Education													
Capital Projects Fund													
SEA School of Justice			2,406,866.00										
Total State Department of Education - Capital Projects Fund													
State Department of Agriculture													
Enterprise Fund													
National School Breakfast Program (State Share)			13,045.90				1,316.50	(13,045.90)					1,316.50
National School Lunch Program (State Share)			48,530.02				28,846.38	(48,530.02)					28,846.38
National School Lunch Program (State Share)			30,837.58				34,038.13	(30,837.58)					34,038.13
Total State Department of Agriculture - Enterprise Fund							34,038.13	(30,837.58)					34,038.13
Total State Department of Education - Operations Fund				(656,108.20)			20,660,008.34	(21,814,936.19)				1,721,869.50	21,814,936.19
Total State Department of Education - Special Revenue Fund				(114,084.10)	678.71		2,222,804.80	(2,152,796.50)			184.34	121,889.21	2,152,796.50
Total State Department of Health and Senior Services - Special Revenue Fund							300.00						
Total State Department of Human Services - Special Revenue Fund							24,000.00	(76,000.00)			43,842.87		43,842.87
Total Special Revenue Fund				(114,084.10)	678.71		2,222,804.80	(2,152,796.50)			184.34	121,889.21	2,152,796.50
State Department of Education													
Capital Projects Fund													
SEA School of Justice			2,406,866.00										
Total State Department of Education - Capital Projects Fund													
State Department of Agriculture													
Enterprise Fund													
National School Breakfast Program (State Share)			13,045.90				1,316.50	(13,045.90)					1,316.50
National School Lunch Program (State Share)			48,530.02				28,846.38	(48,530.02)					28,846.38
National School Lunch Program (State Share)			30,837.58				34,038.13	(30,837.58)					34,038.13
Total State Department of Agriculture - Enterprise Fund							34,038.13	(30,837.58)					34,038.13
Total State Department of Education - Operations Fund				(656,108.20)			20,660,008.34	(21,814,936.19)				1,721,869.50	21,814,936.19
Total State Department of Education - Special Revenue Fund				(114,084.10)	678.71		2,222,804.80	(2,152,796.50)			184.34	121,889.21	2,152,796.50
Total State Department of Health and Senior Services - Special Revenue Fund							300.00						
Total State Department of Human Services - Special Revenue Fund							24,000.00	(76,000.00)			43,842.87		43,842.87
Total Special Revenue Fund				(114,084.10)	678.71		2,222,804.80	(2,152,796.50)			184.34	121,889.21	2,152,796.50
Total State Department of Education - Capital Projects Fund													
SEA School of Justice			2,406,866.00										
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National School Breakfast Program (State Share)			13,045.90				1,316.50	(13,045.90)					1,316.50
National School Lunch Program (State Share)			48,530.02				28,846.38	(48,530.02)					28,846.38
National School Lunch Program (State Share)			30,837.58				34,038.13	(30,837.58)					34,038.13
Total State Department of Agriculture - Enterprise Fund							34,038.13	(30,837.58)					34,038.13
Total State Department of Education - Operations Fund				(656,108.20)			20,660,008.34	(21,814,936.19)				1,721,869.50	21,814,936.19
Total State Department of Education - Special Revenue Fund				(114,084.10)	678.71		2,222,804.80	(2,152,796.50)			184.34	121,889.21	2,152,796.50
Total State Department of Health and Senior Services - Special Revenue Fund							300.00						
Total State Department of Human Services - Special Revenue Fund							24,000.00	(76,000.00)			43,842.87		43,842.87
Total Special Revenue Fund				(114,084.10)	678.71		2,222,804.80	(2,152,796.50)			184.34	121,889.21	2,152,796.50
Total State Department of Education - Capital Projects Fund													
SEA School of Justice			2,406,866.00										
Total State Department of Education - Capital Projects Fund													
State Department of Agriculture													
Enterprise Fund													
National School Breakfast Program (State Share)			13,045.90				1,316.50	(13,045.90)					1,316.50
National School Lunch Program (State Share)			48,530.02				28,846.38	(48,530.02)					28,846.38
National School Lunch Program (State Share)			30,837.58				34,038.13	(30,837.58)					34,038.13
Total State Department of Agriculture - Enterprise Fund							34,038.13	(30,837.58)					34,038.13
Total State Department of Education - Operations Fund				(656,108.20)			20,660,008.34	(21,814,936.19)				1,721,869.50	21,814,936.19
Total State Department of Education - Special Revenue Fund				(114,084.10)	678.71		2,222,804.80	(2,152,796.50)			184.34	121,889.21	2,152,

City of Linden School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2011

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

City of Linden School District
Union County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|-------------|
| (1) | Type of Auditor’s Report Issued: | Unqualified |
| (2) | Internal Control Over Financial Reporting: | |
| (a) | Material weakness(es) identified? | No |
| (b) | Significant deficiencies identified that are not considered to be material weaknesses? | N/A |
| (3) | Noncompliance material to the basic financial Statements noted? | No |

Federal Awards

- | | | |
|-----|--|-------------|
| (1) | Internal Control Over Major Federal Programs: | |
| (a) | Material weaknesses identified? | No |
| (b) | Significant deficiencies identified that are not considered to be material weaknesses? | N/A |
| (2) | Type of Auditor’s Report issued on compliance for major federal Programs | Unqualified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular OMB A-133 | No |

City of Linden School District
Union County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section I – Summary of Auditor’s Results (Continued)

- (4) Identification of Major Federal Program(s):

<u>Program</u>	<u>CFDA</u>
Title I	84.010
ARRA Title I A	84.389
ARRA Title I D	84.389
Title II A	84.367
Title II D	84.318
I.D.E.A. Part B, Basic	84.027
I.D.E.A. Part B, Preschool	84.173
ARRA I.D.E. A. Part B, Preschool	84.173

- (5) Dollar Threshold used to distinguish between type A and Type B programs? \$300,000.00
- (6) Auditee qualified as a low-risk auditee? Yes

State Program(s)

- (1) Internal Control Over Major State Programs:
- (a) Significant deficiencies identified during the audit of major state program(s)? No
- (b) Significant deficiencies identified as material weaknesses? N/A
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unqualified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04 and listed in Section III of this schedule? No

City of Linden School District
Union County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

(4) Identification of Major State Program(s):

<u>Program</u>	<u>Grant Number</u>
Equalization Aid	11-495-034-5120-078
Extraordinary Aid	11-495-034-5095-473
Reimbursed TPAF Social Security Contributions	11-100-034-5095-051
Preschool Education Aid	11-495-034-5120-086

(5) Dollar Threshold used to distinguish between type A and Type B programs? \$719,901.00

(6) Auditee qualified as a low-risk auditee? Yes

Section II – Financial Statement Audit – Reported Findings
Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

City of Linden School District

Union County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

City of Linden School District
Union County, New Jersey
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2011

Status of Prior Year Audit Findings

None

