

**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, 2014**

**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 908.486.2800, Ext. 8015 Fax 908.486.8891

**Danny A. Robertozzi, Ed.D.**

Superintendent of Schools

**Kathleen A. Gaylord**

Business Administrator/

Board Secretary

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November 26, 2014

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, 2014 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 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.

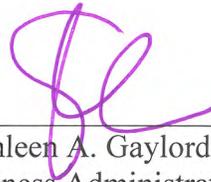
- 3) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. The voters 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, 2014.
- 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 School Business Administrator/Board Secretary has established a Risk Management Committee made up of the School Business Administrator, 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.
- 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,



Danny A. Robertozzi, 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, 2014

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Raymond Topoleski, President	2015
Dawn Beviano, Vice President	2016
Alexander Alvarez	2015
Dylan Frank	2014
Susan Hudak	2016
Lisa Ormon	2016
Bryan A. Russell	2014
Louis Scaldino	2014
Archie Strazzella	2015

**Other Officials**

Danny A. Robertozzi, Ed.D. Superintendent

Kathleen A. Gaylord, Business Administrator/Board Secretary

City of Linden Board of Education  
Linden, New Jersey

Consultants and Advisors  
June 30, 2014

**Architect**

The Musial Group  
191 Mill Lane  
Mountainside, New Jersey 07092

**Audit Firm**

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

**Attorneys**

Weiner Lesniak  
629 Parsippany Road  
Parsippany, New Jersey 07054

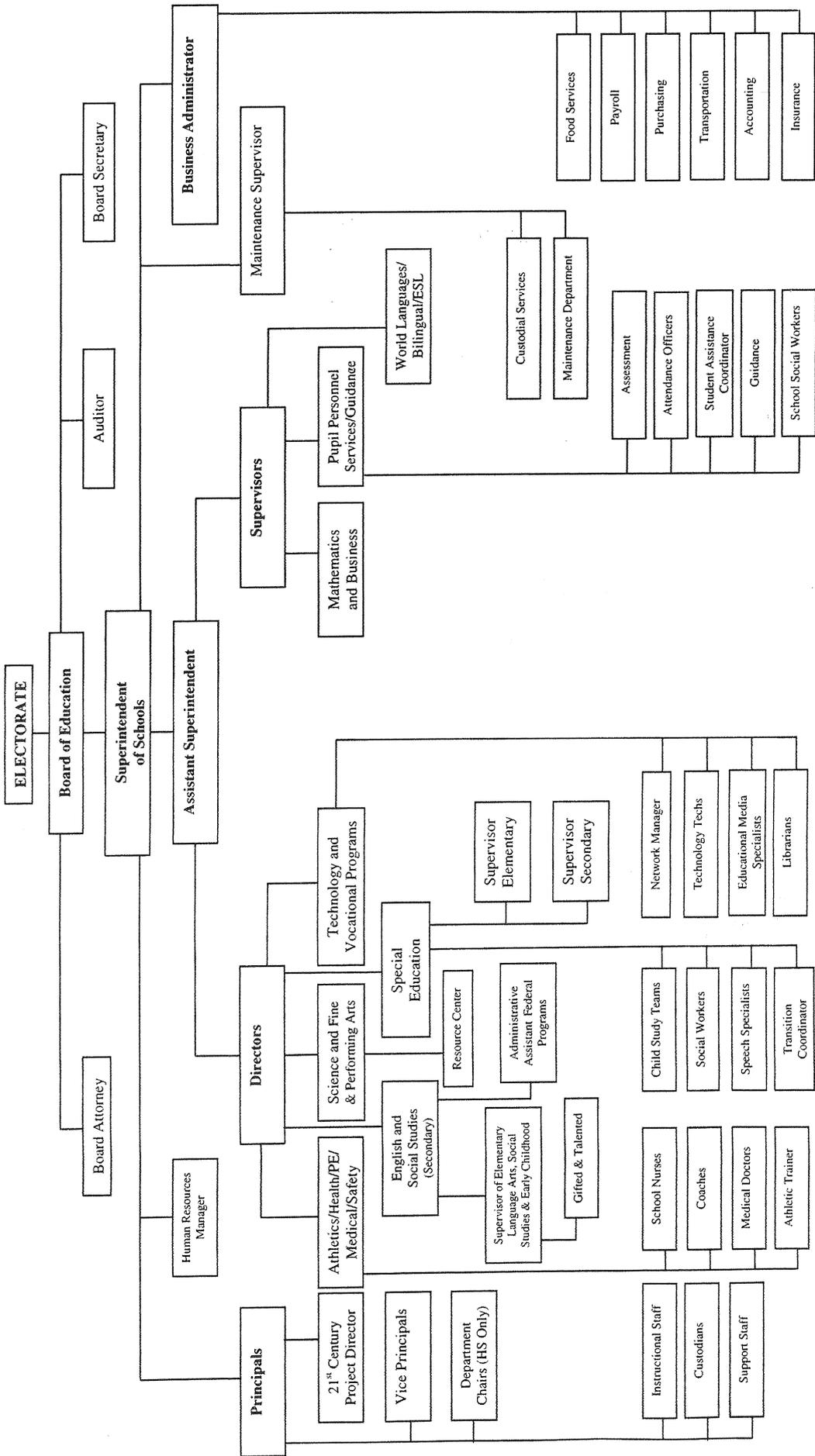
Schwartz Simon Edelstein & Celso  
100 South Jefferson Road, Suite 200  
Whippany, NJ 07981

**Official Depositories**

Unity Bank  
628 N. Wood Avenue  
Linden, NJ 07036

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

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



**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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Linden School District, County of Union, New Jersey as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 the financial statements are free from material misstatement.

## SUPLEE, CLOONEY & COMPANY

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Linden School District, County of Union, New Jersey as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Linden School District's basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information, such as the introductory and statistical sections, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 26, 2014 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Linden School District's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 93

November 26, 2014

**REQUIRED SUPPLEMENTARY INFORMATION – Part I**

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

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, 2014. Please read it in its entirety 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 (2013-2014) and the prior fiscal year (2012-2013) 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 position (A-1) presents information on all of the assets and liabilities of the District, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position of the District changed during the most recent fiscal year. All changes in net position 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).

## **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 enterprise funds provides for the operation of food services and the day care program in all schools within the District. The proprietary fund has been included within business-type activities in the district-wide financial statements.

**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 2013-2014 fiscal years include the following:

The total of the government and business-type activities net position increased \$1,831,677.85 in 2013-2014.

The local tax levy of \$81,257,451 was increased from \$79,664,168 for 2012-2013, or \$1,593,283.

The Food Services Enterprise Fund's net position was \$967,203.37 as compared to \$867,046.72 for 2012-2013.

## District-wide Financial Analysis

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

	<u>FY 2014</u>	<u>FY 2013</u>
Assets		
Current and Other Assets	\$ 22,289,340.85	\$ 30,662,893.29
Capital Assets	<u>48,304,929.96</u>	<u>43,257,190.52</u>
Total Assets	\$ <u>70,594,270.81</u>	\$ <u>73,920,083.81</u>
Liabilities		
Long-Term Liabilities	\$ 5,241,974.72	\$ 2,551,745.45
Other Liabilities	<u>1,083,016.24</u>	<u>5,266,564.29</u>
Total Liabilities	\$ <u>6,324,990.96</u>	\$ <u>7,818,309.74</u>
Net Position		
Net Investment in Capital Assets	\$ 44,894,929.96	\$ 38,530,803.39
Restricted	20,339,708.62	28,771,455.75
Unrestricted (Deficit)	<u>(965,358.73)</u>	<u>(1,200,485.07)</u>
	\$ <u><u>64,269,279.85</u></u>	\$ <u><u>66,101,774.07</u></u>

The largest portion of the District's net position 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 position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to students, employees, and creditors. The unrestricted net position includes 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 position. 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, 2014

(Unaudited)

	<u>FY 2014</u>	<u>FY 2013</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 1,045,183.17	\$ 988,306.93
Operating Grants and Contributions	9,922,353.58	17,138,741.01
General Revenues:		
Property Taxes	81,257,451.00	79,664,168.00
Grants and Entitlements	21,865,712.45	21,965,185.86
Grants and Entitlements - Restricted	7,049,031.65	
Other	432,708.35	638,609.69
Total Revenues	\$ <u>121,572,440.20</u>	\$ <u>120,395,011.49</u>
Program Expenses		
Instruction	\$ 63,972,562.96	\$ 62,755,598.35
Support Services:		
Tuition	9,445,410.30	8,520,728.50
Student and Instruction Related	16,636,113.28	14,217,567.35
General Administration	1,888,240.26	2,842,028.56
School Administration	5,127,509.44	4,249,741.44
Central Services	1,481,497.40	1,726,507.64
Administration of Technology	1,602,136.14	712,181.40
Plant Operations and Maintenance	14,984,469.20	12,539,958.27
Student Transportation	5,456,871.79	3,653,542.65
Other	72,789.00	178,255.19
Business Type Activities	2,736,518.28	2,630,215.75
Total Expenses	\$ <u>123,404,118.05</u>	\$ <u>114,026,325.10</u>
Increase/ (Decrease) in Net Position	\$ <u>(1,831,677.85)</u>	\$ <u>6,368,686.39</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.

## 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, 2014 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.

	2013-2014				2012-2013			
	<u>Revenue</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from FY 2013</u>	<u>Percent of Increase (Decrease)</u>	<u>Revenue</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from FY 2012</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$81,690,159.35	68.80%	\$1,387,388.58	1.73%	\$80,302,770.77	68.23%	\$930,926.60	1.17%
State Sources	32,541,151.43	27.41%	(564,005.12)	-1.70%	33,105,156.55	28.13%	3,240,928.15	10.85%
Federal Sources	4,504,454.09	3.79%	216,213.24	5.04%	4,288,240.85	3.64%	(459,514.12)	-9.68%
	<u>\$118,735,764.87</u>	<u>100.00%</u>	<u>\$1,039,596.70</u>	<u>0.88%</u>	<u>\$117,696,168.17</u>	<u>100.00%</u>	<u>\$3,712,340.63</u>	<u>3.26%</u>

The following schedule presents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2014 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.

	<u>Expenditure</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from FY 2013</u>	<u>Percent of Increase (Decrease)</u>	<u>Expenditure</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from FY 2012</u>	<u>Percent of Increase (Decrease)</u>
Instruction	\$48,800,305.19	38.46%	\$5,744,178.49	13.34%	\$43,056,126.70	37.80%	\$3,085,824.66	7.72%
Support Services and Undistributed Expenses	69,832,578.87	55.03%	3,612,553.49	5.46%	66,220,025.38	58.14%	3,254,908.83	5.17%
Capital Outlay	8,183,669.85	6.45%	3,737,607.19	84.07%	4,446,062.66	3.90%	(433,537.19)	(8.88%)
Special Schools		0.00%	(105,010.19)	(100.00%)	105,010.19	0.09%	15,112.26	16.81%
Contribution to Charter Schools	72,789.00	0.06%	(456.00)	(0.62%)	73,245.00	0.06%	14,364.00	24.39%
	<u>\$126,889,342.91</u>	<u>100.00%</u>	<u>\$12,988,872.98</u>	<u>11.40%</u>	<u>\$113,900,469.93</u>	<u>99.99%</u>	<u>\$5,936,672.56</u>	<u>5.50%</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.

## Capital Asset and Debt Administration

### Capital Assets

At June 30, 2014, the District has capital assets in excess of \$43 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	8,678,929.19	
Site Improvements	187,203.75	
Building and Building Improvements	30,506,180.97	
Machinery , Equipment and Vehicles	<u>2,888,277.91</u>	<u>135,176.69</u>
Total	<u>\$ 43,122,013.82</u>	<u>\$ 135,176.69</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, 2014 as follows:

Lease Purchase Payable	\$ 4,726,387.13
Compensated Absences	<u>1,856,564.29</u>
Total	<u>\$ 6,582,951.42</u>

### Economic Factors and Next Year's Budget

The tax levy had a minimal increase due to the mandatory 2% levy increase and mandated employee contributions to their medical benefit coverage.

## **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, 2014.

## **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 POSITION  
JUNE 30, 2014

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 13,518,145.14	\$ 748,697.92	\$ 14,266,843.06
Receivables, net	1,879,597.10	96,289.30	1,975,886.40
Inventory		21,321.10	21,321.10
Restricted assets:			
Restricted cash and cash equivalents	6,025,290.29		6,025,290.29
Capital assets:			
Not being depreciated	14,849,825.98		14,849,825.98
Other capital assets, net of depreciation	<u>33,322,794.14</u>	<u>132,309.84</u>	<u>33,455,103.98</u>
 Total Assets	 \$ <u>69,595,652.65</u>	 \$ <u>998,618.16</u>	 \$ <u>70,594,270.81</u>
 <b>LIABILITIES:</b>			
Accounts payable	\$	\$ 24,599.55	\$ 24,599.55
Payable to state government	27,018.41		27,018.41
Unearned revenue	869,583.04	6,815.24	876,398.28
Noncurrent liabilities:			
Due within one year:			
Capital leases payable	155,000.00		155,000.00
Due beyond one year:			
Capital leases payable	3,255,000.00		3,255,000.00
Compensated absences payable	<u>1,986,974.72</u>		<u>1,986,974.72</u>
 Total liabilities	 \$ <u>6,293,576.17</u>	 \$ <u>31,414.79</u>	 \$ <u>6,324,990.96</u>
 <b>NET POSITION:</b>			
Net investment in capital assets	\$ 44,762,620.12	\$ 132,309.84	\$ 44,894,929.96
Restricted for:			
Capital projects fund	2,089,510.30		2,089,510.30
Other purposes	18,250,198.32		18,250,198.32
Unrestricted (deficit)	<u>(1,800,252.26)</u>	<u>834,893.53</u>	<u>(965,358.73)</u>
 Total net position	 \$ <u>63,302,076.48</u>	 \$ <u>967,203.37</u>	 \$ <u>64,269,279.85</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWNSHIP OF UNION SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
JUNE 30, 2014

Functions/Programs	EXPENSES	INDIRECT EXPENSES ALLOCATION	CHARGES FOR SERVICES	PROGRAM REVENUES OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental activities:								
Instruction:								
Regular	\$ 37,080,253.30	\$ 11,244,060.33	\$	\$ 3,500,339.12	\$	\$ (44,823,974.51)	\$	\$ (44,823,974.51)
Special	8,209,828.06	2,751,679.46		856,613.27		(10,104,894.25)		(10,104,894.25)
Other Instruction	3,510,223.79	1,176,518.02		366,256.67		(4,320,485.14)		(4,320,485.14)
Support services:								
Tuition	9,445,410.30					(9,445,410.30)		(9,445,410.30)
Student and instruction related services	13,356,459.35	3,279,653.93		1,020,974.69		(15,615,138.59)		(15,615,138.59)
General and business administrative services	1,414,233.20	474,007.06		147,561.06		(1,740,679.20)		(1,740,679.20)
School administrative services	3,840,345.03	1,287,164.41		400,701.51		(4,726,807.93)		(4,726,807.93)
Central services	1,109,595.46	371,901.94		115,775.16		(1,365,722.24)		(1,365,722.24)
Administrative information technology	1,199,950.12	402,186.02		125,202.77		(1,476,933.37)		(1,476,933.37)
Plant operations and maintenance	11,222,901.18	3,761,568.02		1,170,997.25		(13,813,471.95)		(13,813,471.95)
Student transportation	4,087,027.18	1,369,844.61		426,440.32		(5,030,431.47)		(5,030,431.47)
Unallocated benefits	24,287,067.48	(24,287,067.48)						
Transfer to Charter Schools	72,789.00					(72,789.00)		(72,789.00)
Unallocated Depreciation	1,831,516.32	(1,831,516.32)						
Total governmental activities	\$ 120,667,599.77	\$	\$	\$ 8,130,861.82	\$	\$ (112,536,737.95)	\$	\$ (112,536,737.95)
Business-type activities:								
Food service:	\$ 2,631,659.31	\$	\$ 908,293.17	\$ 1,791,491.76	\$	\$ 68,125.62	\$	\$ 68,125.62
Day Care	104,858.97	\$	136,890.00			32,031.03		32,031.03
Total business-type activities	\$ 2,736,518.28	\$	\$ 1,045,183.17	\$ 1,791,491.76	\$	\$ 100,156.65	\$	\$ 100,156.65
Total primary government	\$ 123,404,118.05	\$	\$ 1,045,183.17	\$ 9,922,353.58	\$	\$ (112,536,737.95)	\$	\$ (112,436,581.30)
General Revenues:								
Taxes:								
Property taxes, levied for general purposes, net					\$	\$ 81,257,451.00	\$	\$ 81,257,451.00
Federal and state aid not restricted - net						21,865,712.45		21,865,712.45
Federal and state aid restricted						7,049,031.65		7,049,031.65
Tuition						151,625.16		151,625.16
Miscellaneous income						281,083.19		281,083.19
Total general revenues, special items and transfers					\$	\$ 110,604,903.45	\$	\$ 110,604,903.45
Change in Net Position					\$	\$ (1,931,834.50)	\$	\$ (1,831,677.85)
Net Position - beginning					\$	\$ 65,233,910.98	\$	\$ 66,100,957.70
Net Position - ending					\$	\$ 63,302,076.48	\$	\$ 64,269,279.85

The accompanying notes to financial statements are an integral part of this statement.

**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, 2014

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
Cash and cash equivalents	\$ 10,505,158.59	\$	\$ 2,089,510.30	\$ 12,594,668.89
Cash, capital reserve	6,025,290.29			6,025,290.29
Cash, emergency reserve	923,476.25			923,476.25
Accounts receivable:				
Federal		1,066,672.50		1,066,672.50
State	691,157.26			691,157.26
Other	112,175.29	9,592.05		121,767.34
Interfunds	<u>179,663.10</u>			<u>179,663.10</u>
Total assets	<u>\$ 18,436,920.78</u>	<u>\$ 1,076,264.55</u>	<u>\$ 2,089,510.30</u>	<u>\$ 21,602,695.63</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Interfund payable	\$	\$ 179,663.10	\$	\$ 179,663.10
Intergovernmental payables:				
State		27,018.41		27,018.41
Unearned revenue		<u>869,583.04</u>		<u>869,583.04</u>
Total liabilities	<u>\$</u>	<u>\$ 1,076,264.55</u>	<u>\$</u>	<u>\$ 1,076,264.55</u>
Fund balances:				
Restricted for:				
Excess surplus-current year	2,270,788.58			2,270,788.58
Capital reserve account	4,025,290.29			4,025,290.29
Emergency reserve account	923,476.25			923,476.25
Capital purposes			2,089,510.30	2,089,510.30
Committed to:				
Designated for subsequent years expenditures -				
Excess surplus-Prior year	2,858,467.48			2,858,467.48
Designated for subsequent years expenditures	1,000,500.52			1,000,500.52
Year end encumbrances	7,171,675.20			7,171,675.20
Unassigned to:				
General Fund	<u>186,722.46</u>			<u>186,722.46</u>
Total fund balances	<u>\$ 18,436,920.78</u>	<u>\$</u>	<u>\$ 2,089,510.30</u>	<u>\$ 20,526,431.08</u>
Total liabilities and fund balances	<u>\$ 18,436,920.78</u>	<u>\$ 1,076,264.55</u>	<u>\$ 2,089,510.30</u>	<u>\$ 21,602,695.63</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF LINDEN SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014

Total Fund Balances (Brought Forward)		\$	20,526,431.08
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Cost of Assets	\$	75,463,971.07	
Accumulated Depreciation		<u>(27,291,350.95)</u>	
			48,172,620.12
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>(5,396,974.72)</u>
Net Position of Governmental Activities	\$		<u><u>63,302,076.48</u></u>

The accompanying notes to financial statements are an integral part of this statement

CITY OF LINDEN SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
Local sources:				
Local tax levy	\$ 81,257,451.00	\$	\$	\$ 81,257,451.00
Tuition	151,625.16			151,625.16
Miscellaneous	<u>215,136.54</u>	<u>65,946.65</u>		<u>281,083.19</u>
Total - local sources	\$ <u>81,624,212.70</u>	\$ <u>65,946.65</u>	\$	\$ <u>81,690,159.35</u>
State sources	\$ 29,746,536.42	\$ 2,794,615.01	\$	\$ 32,541,151.43
Federal sources	<u>250,037.85</u>	<u>4,254,416.64</u>		<u>4,504,454.49</u>
Total revenues	\$ <u>111,620,786.97</u>	\$ <u>7,114,978.30</u>	\$	\$ <u>118,735,765.27</u>
<b>EXPENDITURES:</b>				
Current expense:				
Regular instruction	\$ 33,547,440.10	\$ 3,532,813.20	\$	\$ 37,080,253.30
Special instruction	8,209,828.06			8,209,828.06
Other Instruction	3,510,223.79			3,510,223.79
Support services:				
Tuition	9,445,410.30			9,445,410.30
Student & instruction related services	9,785,076.84	3,571,382.51		13,356,459.35
General administrative services	1,414,233.20			1,414,233.20
School administrative services	3,840,345.03			3,840,345.03
Central services	1,109,595.46			1,109,595.46
Administrative information technology	1,199,950.12			1,199,950.12
Plant operations and maintenance	11,222,901.18			11,222,901.18
Student transportation	4,087,027.18			4,087,027.18
Unallocated benefits	24,156,657.05			24,156,657.05
Capital outlay	6,808,837.13	10,782.59	15,656.26	6,835,275.98
Capital outlay - debt service assessment	47,663.00			47,663.00
Capital outlay - lease principal	1,316,387.13			1,316,387.13
Transfer to charter schools	<u>72,789.00</u>			<u>72,789.00</u>
Total expenditures	\$ <u>119,774,364.57</u>	\$ <u>7,114,978.30</u>	\$ <u>15,656.26</u>	\$ <u>126,904,999.13</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(8,153,577.60)</u>	\$	\$ <u>(15,656.26)</u>	\$ <u>(8,169,233.86)</u>
Net change in fund balances	\$ (8,153,577.60)	\$	\$ (15,656.26)	\$ (8,169,233.86)
Fund balances June 30, 2013	<u>26,590,498.38</u>	<u>-0-</u>	<u>2,105,166.56</u>	<u>28,695,664.94</u>
Fund balances June 30, 2014	\$ <u><u>18,436,920.78</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>2,089,510.30</u></u>	\$ <u><u>20,526,431.08</u></u>

The accompanying notes to financial statements are an integral part of this statement.

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, 2014

Total net change in fund balances - governmental funds (from B-2) \$ 7,856,561.37

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

Depreciation expense	\$	(1,831,516.32)	
Capital outlays		<u>6,882,938.98</u>	5,051,422.66

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.

Payment of capital lease payable 1,316,387.13

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 (+).

(130,410.43)

Change in net position of governmental activities \$ 14,093,960.73

The accompanying notes to financial statements are an integral part of this statement.

**OTHER FUNDS**

CITY OF LINDEN SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>FOOD SERVICE</u> <u>FUND</u>	<u>DAY CARE</u> <u>FUND</u>	<u>TOTAL</u>
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 696,564.68	\$ 52,133.24	\$ 748,697.92
Accounts receivable:			
Federal	94,496.93		94,496.93
State	1,792.37		1,792.37
Inventories	21,321.10		21,321.10
	<u>814,175.08</u>	<u>52,133.24</u>	<u>866,308.32</u>
Total current assets	\$	\$	\$
Noncurrent assets:			
Furniture, machinery & equipment	\$ 865,245.72	\$	\$ 865,245.72
Less accumulated depreciation	<u>(732,935.88)</u>	<u></u>	<u>(732,935.88)</u>
	<u>132,309.84</u>	<u></u>	<u>132,309.84</u>
Total noncurrent assets	\$	\$	\$
Total assets	\$ <u>946,484.92</u>	\$ <u>52,133.24</u>	\$ <u>998,618.16</u>
<b>LIABILITIES :</b>			
Current liabilities:			
Accounts payable	\$ 24,599.55	\$	\$ 24,599.55
Unearned revenue	<u>6,815.24</u>	<u></u>	<u>6,815.24</u>
Total current liabilities	<u>31,414.79</u>	<u></u>	<u>31,414.79</u>
Total liabilities	\$ <u>31,414.79</u>	\$ <u></u>	\$ <u>31,414.79</u>
<b>NET POSITION:</b>			
Restricted for:			
Net investment in capital asset	\$ 132,309.84	\$	\$ 132,309.84
Unrestricted	<u>782,760.29</u>	<u>52,133.24</u>	<u>834,893.53</u>
Total net position	\$ <u><u>915,070.13</u></u>	\$ <u><u>52,133.24</u></u>	\$ <u><u>967,203.37</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF LINDEN SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>FOOD SERVICE</u>	<u>DAY CARE</u>	<u>TOTAL</u>
	<u>FUND</u>	<u>FUND</u>	
<b>OPERATING REVENUES:</b>			
Charges for services:			
Daily sales	\$ 908,293.17	\$ 136,890.00	\$ 1,045,183.17
Total operating revenues	\$ 908,293.17	\$ 136,890.00	\$ 1,045,183.17
<b>OPERATING EXPENSES:</b>			
Cost of sales	\$ 1,013,478.41	\$	1,013,478.41
Salaries and employee benefits	1,050,045.74	103,292.83	1,153,338.57
Other Purchased Service	15,586.22		15,586.22
Cleaning, Repairs and Maintenance	32,059.22		32,059.22
Insurance	91,008.81		91,008.81
Supplies and materials	120,478.87	1,566.14	122,045.01
Other Expenses	104,853.72		104,853.72
National food distribution	190,726.19		190,726.19
Depreciation	13,422.13		13,422.13
Total operating expenses	\$ 2,631,659.31	\$ 104,858.97	\$ 2,736,518.28
Net operating income (loss)	\$ (1,723,366.14)	\$ 32,031.03	\$ (1,691,335.11)
<b>NONOPERATING REVENUE (EXPENSE):</b>			
State Sources			
State School Lunch Program	\$ 33,565.72	\$	\$ 33,565.72
Federal Sources			
National School Lunch Program	1,304,964.90		1,304,964.90
National School Lunch Program- HHFKA	37,354.20		37,354.20
National School Breakfast Program	203,708.66		203,708.66
National School Snack Program	15,031.20		15,031.20
National food distribution commodities	196,867.08		196,867.08
Total nonoperating revenue (expense)	\$ 1,791,491.76	\$	\$ 1,791,491.76
Change in net position	\$ 68,125.62	\$ 32,031.03	\$ 100,156.65
Total net position - beginning	846,944.51	20,102.21	867,046.72
Total net position - ending	\$ 915,070.13	\$ 52,133.24	\$ 967,203.37

The accompanying notes to financial statements are an integral part of this statement.

CITY OF LINDEN SCHOOL DISTRICT  
PROPRIETARY FUND  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		
	<u>FOOD SERVICE</u>	<u>DAY CARE</u>	<u>TOTAL</u>
	<u>FUND</u>	<u>FUND</u>	
Cash flows from operating activities:			
Receipts from customers	\$ 908,293.17	\$ 136,890.00	\$ 1,045,183.17
Payments to employees and employee benefits	(1,003,079.00)	(103,292.83)	(1,106,371.83)
Payments to suppliers	<u>(1,428,685.93)</u>	<u>(1,566.14)</u>	<u>(1,430,252.07)</u>
Net cash provided (used) by operating activities	\$ <u>(1,523,471.76)</u>	\$ <u>32,031.03</u>	\$ <u>(1,491,440.73)</u>
Cash flows from noncapital financing activities:			
State sources	\$ 33,286.58	\$	\$ 33,286.58
Federal sources	<u>1,545,010.29</u>	<u></u>	<u>1,545,010.29</u>
Net cash provided (used) by noncapital financing activities	\$ <u>1,578,296.87</u>	\$ <u></u>	\$ <u>1,578,296.87</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	\$ <u>(10,555.28)</u>	\$ <u></u>	\$ <u>(10,555.28)</u>
Net cash provided (used) by capital and related financing activities	\$ <u>(10,555.28)</u>	\$ <u></u>	\$ <u>(10,555.28)</u>
Net increase in cash and cash equivalents	\$ 44,269.83	\$ 32,031.03	\$ 76,300.86
Cash and cash equivalents, June 30, 2013	<u>652,294.85</u>	<u>20,102.21</u>	<u>672,397.06</u>
Cash and cash equivalents, June 30, 2014	\$ <u><u>696,564.68</u></u>	\$ <u><u>52,133.24</u></u>	\$ <u><u>748,697.92</u></u>
Operating income(loss)	\$ (1,723,366.14)	\$ 32,031.03	\$ (1,691,335.11)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation and net amortization	13,422.13		13,422.13
Federal commodities	190,726.19		190,726.19
Change in assets and liabilities:			
(Increase) Decrease in inventories	2,168.88		2,168.88
Increase (Decrease) in accounts payable	<u>(6,422.82)</u>		<u>(6,422.82)</u>
Net cash provided (used) by operating activities	\$ <u><u>(1,523,471.76)</u></u>	\$ <u><u>32,031.03</u></u>	\$ <u><u>(1,491,440.73)</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF LINDEN SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>AGENCY FUNDS</u>	<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ <u>49,457.88</u>	\$ <u>161,593.29</u>	\$ <u>19,007.46</u>
Total assets	\$ <u><u>49,457.88</u></u>	\$ <u><u>161,593.29</u></u>	\$ <u><u>19,007.46</u></u>
<b>LIABILITIES</b>			
Due to student groups	\$ _____	\$ <u>161,593.29</u>	\$ _____
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	\$ <u>49,457.88</u>	\$ _____	\$ <u>19,007.46</u>
Total net position	\$ <u><u>49,457.88</u></u>	\$ <u><u>_____</u></u>	\$ <u><u>19,007.46</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF LINDEN SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>	<u>TOTAL</u>
ADDITIONS:			
Contributions:			
Employee	\$ 105,986.23	\$	\$ 105,986.23
Local		2,412.24	2,412.24
Total contributions	\$ 105,986.23	\$ 2,412.24	\$ 108,398.47
Total additions	\$ 105,986.23	\$ 2,412.24	\$ 108,398.47
DEDUCTIONS			
Other purposes	\$	\$ 2,900.00	\$ 2,900.00
Bank Charges	725.45		
Unemployment claims	123,012.89		123,012.89
Total deductions	\$ 123,738.34	\$ 2,900.00	\$ 125,912.89
Change in net position	\$ (17,752.11)	\$ (487.76)	\$ (18,239.87)
Net position beginning of year	67,209.99	19,495.22	86,705.21
Net position end of year	\$ 49,457.88	\$ 19,007.46	\$ 68,465.34

The accompanying notes to financial statements are an integral part of this statement.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

**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, 2014**

**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 position 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 position 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 Position 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, 2014**

**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 Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (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, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**Enterprise Fund** - The enterprise fund accounts for all revenues and expenses pertaining to the District's Food Service operations, and the Day Care Fund. 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.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method.

**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, 2014**

**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, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control**

“In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April 2014 school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. 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, 2014**

**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 unassigned 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, 2014**

**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:

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
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, 2014**

**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 restrictions 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 unassigned fund balances represent the amount available for future budgetary operations.

Unassigned Net Position represents the remains of the District's equity in the cumulative earnings of the proprietary funds.

**Unearned Revenue**

Unearned 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, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position**

In compliance with GASB 63, the Statement of Net Assets has been renamed the Statement of Net Position. Net Position represents the difference between assets and liabilities. Net investment in capital assets 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 position is 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 positions are available.

**Fund Balance Restrictions**

GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions" 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.

Under the new standard, in the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Emergency Reserve, Maintenance Reserve and Excess Surplus as Restricted Fund Balance.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education. The District reports amounts Designated for Subsequent Year's Expenditures as Committed Fund Balance.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business administrator. The District reports Year End Encumbrances as Assigned Fund Balance.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Restrictions (Continued)**

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

The general fund is the only fund that will report a negative unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned.

**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.

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.

Revenues from property taxes is recognized in the period in which the revenue is earned. 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.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues Exchange and Non-Exchange Transactions (Continued)**

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 day care 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.

**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.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Management Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results may differ from those estimates.

**Implementation of GASB 65**

On July 1, 2013, the District implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* ("GASB No. 65"). This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement will improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.

**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. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. 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, 2014**

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

**Deposits (Continued)**

As of June 30, 2014 cash and cash equivalents of the District consisted of the following:

<u>Fund</u>	<u>Cash In</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled</u>
	<u>Bank</u>			<u>Balance</u>
General	\$ 22,603,456.87	\$ 691,484.19	\$ (5,841,015.93)	\$ 17,453,925.13
Capital Projects	2,089,510.30			2,089,510.30
Enterprise	748,697.92			748,697.92
Fiduciary:				0.00
Student Activities	177,991.71		(16,398.42)	161,593.29
Scholarship Account	19,507.46			19,507.46
Unemployment Account	49,457.88			49,457.88
Net Payroll Account	191,771.77	1,445,021.44	(1,636,793.21)	0.00
Payroll Agency Account	<u>2,124,903.25</u>		<u>(1,759,505.95)</u>	<u>365,397.30</u>
	<u>\$ 28,005,297.16</u>	<u>\$ 2,136,505.63</u>	<u>\$ (9,253,713.51)</u>	<u>\$ 20,888,089.28</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, 2014 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 \$28,005,297.16, \$500,000.00 was covered by Federal Depository Insurance, \$20,388,089.28 was covered by Governmental Unit Deposit Protection Act (GUDPA).

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

**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.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

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

**Investments (Continued)**

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
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.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1, the District is generally not exposed to credit risks and 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, 2014**

**NOTE 3: CHANGE IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</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	8,678,929.19	5,309,474.79		13,988,403.98
Total capital assets that are not depreciated	<u>\$ 9,540,351.19</u>	<u>\$ 5,309,474.79</u>	<u>\$</u>	<u>\$ 14,849,825.98</u>
Capital assets being depreciated:				
Land improvements	\$ 1,107,042.90	\$	\$	\$ 1,107,042.90
Building and building improvements	51,391,519.27	725,370.28		52,116,889.55
Machinery and equipment	6,553,198.32	848,093.91	(11,079.59)	7,390,212.64
Total capital assets being depreciated	<u>\$ 59,051,760.49</u>	<u>\$ 1,573,464.19</u>	<u>\$ (11,079.59)</u>	<u>\$ 60,614,145.09</u>
Total gross assets	<u>\$ 68,592,111.68</u>	<u>\$ 6,882,938.98</u>	<u>\$ (11,079.59)</u>	<u>\$ 75,463,971.07</u>
Less: accumulated depreciation for:				
Land improvements	\$ (919,839.15)	\$ (20,779.44)	\$	\$ (940,618.59)
Building and Building Improvements	(20,885,338.30)	(1,089,172.33)		(21,974,510.63)
Machinery and Equipment	(3,664,920.41)	(721,564.55)	10,263.23	(4,376,221.73)
Governmental activities capital assets, net	<u>\$ (25,470,097.86)</u>	<u>\$ (1,831,516.32)</u>	<u>\$ 10,263.23</u>	<u>\$ (27,291,350.95)</u>
Total Capital Assets being depreciated, net of accumulated depreciation	<u>\$ 43,122,013.82</u>	<u>\$ 5,051,422.66</u>	<u>\$ (816.36)</u>	<u>\$ 48,172,620.12</u>
Business type activities:				
Machinery and equipment	\$ 854,690.44	\$ 10,555.28	\$	\$ 865,245.72
Less: accumulated depreciation	<u>(719,513.75)</u>	<u>(13,674.66)</u>		<u>(733,188.41)</u>
Proprietary fund capital assets, net	<u>\$ 135,176.69</u>	<u>\$ (\$3,119.38)</u>	<u>\$</u>	<u>\$ 132,057.31</u>

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 3: CHANGE IN CAPITAL ASSETS (CONTINUED)**

Depreciation Expense was charged to governmental expenses as follows:

Governmental Activities:

Instruction:

Regular	\$	788,468.49
Special		192,956.32
Other Instruction		82,501.10

Support services:

Student & instruction related services		229,979.53
General administrative services		33,238.85
School administrative services		90,259.97
Central services		26,078.92
Administrative technology information		28,202.53
Plant operations and maintenance		263,772.85
Student transportation		96,057.76

Total	\$	<u>1,831,516.32</u>
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**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 4: LONG-TERM LIABILITIES( CONTINUED)**

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2011	\$ 5,542,794,605.00
2012	5,381,010,578.00
2013	5,189,312,821.00
	<u>\$ 16,113,118,004.00</u>
Average equalized valuation of property	\$ 5,371,039,334.67
School borrowing margin ( 4% of \$5,371,039,334.67 )	214,841,573.39
Net bonded school debt as of June 30, 2014	<u>-0-</u>
School borrowing power available	<u>\$ 214,841,573.39</u>

**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 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, 2014:

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 4: LONG-TERM LIABILITIES ( CONTINUED)**

<u>Year</u>	<u>Amount</u>
2015	\$ 303,988.00
2016	302,981.00
2017	301,181.00
2018	304,168.00
2019-2023	1,509,438.00
2024-2028	1,504,800.00
2029-2030	<u>603,475.00</u>
Total minimum lease payments	\$ 4,830,031.00
Less: Amount representing interest	<u>(1,420,031.00)</u>
Present value of net minimum lease payment	<u>\$ 3,410,000.00</u>

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

**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 or online at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**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.

**Defined Contribution Retirement Program (DCRP)** The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Significant Legislation**

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

**Pension Plan Design Changes**

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

**Funding Changes**

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

**COLA Suspension**

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

**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 ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 5: PENSION PLANS (CONTINUED)**

**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.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

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.

**Three year Trend information for PERS**

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

<b><u>Year</u></b>	<b><u>Annual Pension</u></b>	<b><u>Percentage of</u></b>	<b><u>Net Pension</u></b>
<b><u>Funding</u></b>	<b><u>Cost (APC)</u></b>	<b><u>APC Contributed</u></b>	<b><u>Obligation</u></b>
6/30/2014	\$1,300,141	100%	\$1,300,141
6/30/2013	\$1,148,475	100%	\$1,148,475
6/30/2012	\$1,231,169	100%	\$1,231,169

For the fiscal years ended June 30, 2014, 2013, and 2012 the State of New Jersey contributed \$1,822,197.00, \$2,793,194.00 and \$1,385,987.00 respectively to the TPAF pension system on behalf of the District.

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$3,320,946.84 during the year ended June 30, 2014 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 governmental fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

**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.

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, 2013, there were 100,134 retirees receiving post-retirement medical benefits. The cost of these benefits and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62.

Funding of post-retirement medical 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 \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

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.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

**NOTE 6: OTHER POST-RETIREMENT BENEFITS (CONTINUED)**

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, 2014, 2013 and 2012 were \$2,987,718.00, \$3,158,396.00 and \$2,786,036.00 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.

**NOTE 8: INVENTORY**

Inventory in the Food Service Fund at June 30, 2014 consisted of the following:

Food and Supplies	<u>\$21,321.10</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act Amendments of 1996) 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 2013-2014 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.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

**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.

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>Reimbursed</u>	<u>Balance</u>
2013-2014	\$	\$ 105,986.23	\$ 123,738.34	\$ 49,457.88
2012-2013		89,157.71	53,569.93	67,209.99
2011-2012	85,945.73	83,357.80	212,817.22	31,618.21

**NOTE 11: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2014:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 179,663.10	\$
Special Revenue Fund		179,663.10
	\$ <u>179,663.10</u>	\$ <u>179,663.10</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

**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, 2014, 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, 2014**

**NOTE 14: FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$20,509,125.38 General Fund fund balance at June 30, 2014, \$7,171,671.20 is committed to year end encumbrances, \$6,025,290.29 has been restricted for the Capital Reserve Account; \$923,476.25 is restricted for emergencies, \$3,129,256.06 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7; \$1,000,500.52 has been appropriated and included as anticipated revenue for the year ending June 30, 2014.

**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, 2014 is \$2,270,788.58.

FY 2014 Total General Fund Expenditures	\$	119,774,364.57
Decrease by		
On-Behalf TPAF Pension	\$	1,822,197.00
On-Behalf TPAF Post		
Retirement Medical Contribution	2,987,718.00	
On-Behalf of Social Security		<u>3,320,946.82</u>
		<u>8,130,861.82</u>
Adjusted General Fund Expenditures	\$	111,643,502.75
Applicable Excess Surplus Percentage		<u>0.02</u>
2% of Adjusted 2013-2014 General Fund Expenditures	\$	<u>2,232,870.06</u>
Higher of line above or \$250,000.00	\$	2,232,870.06
Increased by:		
Allowable Adjustment- Unappropriated State Aid		<u>26,057.00</u>
Maximum Unreserved/ Undesignated Fund Balance	\$	2,258,927.06
Actual Unreserved/ Undesignated Fund Balance		<u>4,529,715.63</u>
Excess Surplus-Budgetary Basis	\$	<u><u>2,270,788.58</u></u>

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2014**

**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, 2013	\$	2,625,290.29
Increased by:		
Transfers In		4,400,000.00
	\$	7,025,290.29
Decreased by:		
Budgeted Withdrawals		1,000,000.00
		1,000,000.00
Balance June 30, 2014	\$	6,025,290.29

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2014 is \$44,760,759.60. 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, 2014**

**NOTE 17: 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.

The activity of the emergency reserve for the year ending June 30, 2014 is as follows:

Balance June 30, 2013 and	
June 30, 2014	<u>\$ 923,476.25</u>

**NOTE 18: SUBSEQUENT EVENTS**

The District has evaluated material subsequent events occurring after the financial statement date through November 26, 2014 which the date the financial statements were available to be issued. The District has determined that there are no material subsequent events needed to be disclosed.

**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, 2014

	<u>ADOPTED BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$81,257,451.00		\$81,257,451.00	\$81,257,451.00	\$91,625.16
Tuition	60,000.00		60,000.00	151,625.16	(500.00)
Interest earned on capital reserve funds	500.00		500.00		(50.00)
Interest earned on emergency reserve funds	50.00		50.00		(184,813.46)
Miscellaneous	399,950.00		399,950.00	215,136.54	
Total-Local sources	<u>81,717,951.00</u>		<u>81,717,951.00</u>	<u>81,624,212.70</u>	<u>(93,738.30)</u>
State sources:					
Extraordinary Aid	693,937.00		693,937.00	503,206.00	(190,731.00)
Categorical Special Education Aid	3,587,777.00		3,587,777.00	3,587,777.00	
Equalization Aid	16,947,876.00		16,947,876.00	16,947,876.00	
Categorical Security Aid	353,329.00		353,329.00	353,329.00	
Categorical Transportation Aid	202,332.00		202,332.00	202,332.00	
Non-Public School Transportation Aid (non-budgeted)				26,057.00	26,057.00
On-behalf TPAF Pension Contributions (non-budgeted)				1,822,197.00	1,822,197.00
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				2,987,718.00	2,987,718.00
Reimbursed TPAF social security contributions (non-budgeted)				3,320,946.82	3,320,946.82
Total - state sources	<u>21,785,251.00</u>		<u>21,785,251.00</u>	<u>29,751,438.82</u>	<u>7,966,187.82</u>
Federal sources:					
Medicaid Reimbursement - Special Education Initiative (SEMI)	132,431.00		132,431.00	214,538.73	82,107.73
Medicaid Reimbursement - Medicaid Administrative Claiming (MAC)				35,499.12	35,499.12
Total revenues	<u>103,635,633.00</u>		<u>103,635,633.00</u>	<u>111,625,689.37</u>	<u>7,990,056.37</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, 2014

	<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>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	\$1,501,616.00	(\$75,438.00)	\$1,426,178.00	\$1,382,481.35	\$43,696.65
Grades 1-5	10,610,064.00	259,352.00	10,869,416.00	10,774,078.36	95,337.64
Grades 6-8	6,513,836.00	(617,652.00)	5,896,184.00	5,590,863.32	305,320.68
Grades 9-12	7,691,225.00	(117,729.00)	7,573,496.00	7,301,279.04	272,216.96
Regular programs - home instruction:					
Salaries of teachers	195,700.00	(70,000.00)	125,700.00	91,962.30	33,737.70
Purchased professional educational services	61,000.00	(16,325.00)	44,675.00	40,260.50	4,414.50
Regular programs - undistributed instruction:					
Other salaries for instruction	1,193,320.00	195,045.00	1,388,365.00	1,376,966.69	11,398.31
Purchased professional - educational services	20,450.00	(4,715.00)	15,735.00	9,010.00	6,725.00
Other purchased services (400 - 500 series)	1,040,359.00	4,085,931.97	5,126,290.97	4,995,225.98	131,064.99
General supplies	1,041,649.00	652,132.73	1,693,781.73	1,206,868.38	486,913.35
Textbooks	381,200.00	424,118.16	805,318.16	746,477.06	58,841.10
Other objects	48,768.00	(9,712.87)	39,055.13	31,967.12	7,088.01
Total regular programs	<u>30,299,187.00</u>	<u>4,705,007.99</u>	<u>35,004,194.99</u>	<u>33,547,440.10</u>	<u>1,456,754.89</u>
Learning and/or language disabilities:					
Salaries of teachers	915,134.00	(46,015.00)	869,119.00	868,894.00	225.00
Other salaries for instruction	236,261.00	62,566.00	298,827.00	297,920.36	906.64
General supplies	22,000.00	(20,000.00)	2,000.00	136.33	1,863.67

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, 2014

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Textbooks	\$4,000.00	(\$4,000.00)	1,169,946.00	1,166,950.69	2,995.31
Total learning and/or language disabilities	1,177,395.00	(7,449.00)	1,169,946.00	1,166,950.69	2,995.31
Behavioral disabilities:					
Salaries of teachers	375,035.00	(45,451.00)	329,584.00	329,443.09	140.91
Other salaries for instruction	155,149.00	(14,152.00)	140,997.00	140,132.66	864.34
General supplies	25,000.00	(17,000.00)	8,000.00	6,723.01	1,276.99
Textbooks	10,000.00	(10,000.00)	5,000.00	3,941.57	1,058.43
Other objects	6,500.00	(1,500.00)	483,581.00	480,240.33	3,340.67
Total behavioral disabilities	571,684.00	(88,103.00)	483,581.00	480,240.33	3,340.67
Multiple disabilities:					
Salaries of teachers	402,228.00	(54,386.00)	347,842.00	337,703.10	10,138.90
Other salaries for instruction	81,998.00	27,800.00	109,798.00	107,012.02	2,785.98
General supplies	6,990.00	(4,800.00)	2,190.00	1,597.67	592.33
Textbooks	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Other objects	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Total multiple disabilities	493,716.00	(31,386.00)	462,330.00	446,312.79	16,017.21
Resource room:					
Salaries of teachers	4,222,484.00	(269,868.00)	3,952,616.00	3,951,985.13	630.87
Other salaries for instruction	815,129.00	(4,000.00)	811,129.00	809,170.70	1,958.30
General supplies	64,000.00	(45,700.00)	18,300.00	15,435.92	2,864.08
Textbooks	12,500.00	(7,304.00)	5,196.00	5,195.19	0.81
Total resource room	5,114,113.00	(326,872.00)	4,787,241.00	4,781,786.94	5,454.06
Autism:					
Salaries of teachers	359,411.00	5,200.00	364,611.00	364,560.00	51.00
Other salaries for instruction	184,291.00	(5,200.00)	179,091.00	167,066.32	12,024.68

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, 2014

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
General supplies	\$15,000.00	(\$6,000.00)	\$9,000.00	\$3,020.27	\$5,979.73
Other objects	750.00		750.00	161.85	588.15
Total autism	559,452.00	(6,000.00)	553,452.00	534,808.44	18,643.56
Preschool disabilities - full-time:					
Salaries of teachers	488,029.00	33,179.00	521,208.00	521,208.00	
Other salaries for instruction	202,386.00	36,100.00	238,486.00	236,482.85	2,003.15
General supplies	1,700.00		1,700.00	805.77	894.23
Total preschool disabilities - full time	692,115.00	69,279.00	761,394.00	758,496.62	2,897.38
Home instruction:					
Purchased professional-educational services		41,304.00	41,304.00	41,232.25	71.75
Total home instruction		41,304.00	41,304.00	41,232.25	71.75
Total special education	8,608,475.00	(349,227.00)	8,259,248.00	8,209,828.06	49,419.94
Basic skills/remedial:					
Salaries of teachers	391,798.00	(93,570.00)	298,228.00	298,227.00	1.00
General supplies	5,000.00	(230.00)	4,770.00	4,770.00	4,770.00
Total basic skills/remedial	396,798.00	(93,800.00)	302,998.00	298,227.00	4,771.00
Bilingual education:					
Salaries of teachers	1,190,445.00	4,220.00	1,194,665.00	1,129,191.55	65,473.45
Other salaries for instruction	86,316.00	15,106.00	101,422.00	99,426.34	1,995.66
Total bilingual education	1,276,761.00	19,326.00	1,296,087.00	1,228,617.89	67,469.11
Vocational programs - local - instruction:					
Salaries of teachers	966,882.00	(95,227.00)	871,655.00	684,251.44	187,403.56
Other purchased services (400 - 500 series)		3,909.00	3,909.00	3,909.00	3,909.00
General supplies	63,262.00	2,769.42	66,031.42	63,900.97	2,130.45
Textbooks	27,500.00	(7,948.00)	19,552.00	19,551.69	0.31

LINDEN BOARD OF EDUCATION  
GENERAL FUND  
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IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEARS ENDED JUNE 30, 2014

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other objects	\$1,600.00	(\$833.00)	\$767.00	\$767.00	
Total vocational programs - local - instruction	1,059,244.00	(97,329.58)	961,914.42	768,471.10	193,443.32
School sponsored cocurricular activities - instruction:					
Salaries of teachers	275,000.00	(115,600.00)	159,400.00	114,748.50	44,651.50
Purchased services (300 - 500 series)	23,000.00	1,000.00	24,000.00	15,993.90	8,006.10
Supplies and materials	25,000.00	(8,000.00)	17,000.00	16,093.80	906.20
Other objects	500.00		500.00	500.00	
Total school sponsored cocurricular activities instruction	323,500.00	(122,600.00)	200,900.00	146,836.20	54,063.80
School sponsored athletics:					
Salaries	465,000.00	69,600.00	534,600.00	534,578.50	21.50
Purchased services (300 - 500 series)	106,790.00	(21,241.69)	85,548.31	58,464.28	27,084.03
Supplies and materials	115,100.00	85,758.00	200,858.00	123,766.38	77,091.62
Other objects	24,250.00	5,300.00	29,550.00	28,261.00	1,289.00
Transfer to cover deficit (Agency Funds)	35,000.00		35,000.00	35,000.00	
Total school sponsored athletics	746,140.00	139,416.31	885,556.31	780,070.16	105,486.15
Before/After School Programs - Instruction					
Salaries	3,000.00		3,000.00		3,000.00
Summer School:					
Salaries	98,000.00	14,218.00	112,218.00	106,217.46	6,000.54
Other salaries for instruction	48,500.00	(14,218.00)	34,282.00	27,569.33	6,712.67
General supplies	2,000.00		2,000.00	179.65	1,820.35
Other objects	500.00		500.00	500.00	
Total Summer School	149,000.00		149,000.00	133,966.44	15,033.56
Alternative Education Program - Instruction					
Salaries of teachers	164,000.00		164,000.00	154,035.00	9,965.00

LINDEN BOARD OF EDUCATION  
GENERAL FUND  
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IN FUND BALANCE - BUDGET AND ACTUAL  
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	<u>ADOPTED BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
(Continued from prior page)					
Alternative Education Program - Instruction	\$164,000.00		\$164,000.00	\$154,035.00	\$9,965.00
Salaries of teachers	4,118,443.00	(154,987.27)	3,963,455.73	3,510,223.79	453,231.94
Total other instructional programs	43,026,105.00	4,200,793.72	47,226,898.72	45,267,491.95	1,959,406.77
Total - instruction					
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	6,755.00		6,755.00	6,751.30	3.70
Tuition to other LEA's within the state-special	\$2,212,556.00	(\$89,055.00)	\$2,123,501.00	\$2,122,618.10	\$882.90
Tuition to county vocational school district-regular	700,000.00	(52,000.00)	648,000.00	635,100.00	12,900.00
Tuition to county vocational school district-special	228,000.00		228,000.00	157,260.00	70,740.00
Tuition to CSSD & reg. day schools	314,000.00	(113,000.00)	201,000.00	165,736.00	35,264.00
Tuition to private schools for the disabled w/in state	5,995,000.00		5,995,000.00	5,965,267.90	29,732.10
Tuition-state facilities	133,827.00		133,827.00	133,827.00	
Tuition-other	458,000.00	(161,125.00)	296,875.00	258,850.00	38,025.00
Total undistributed expenditures - instruction	10,041,383.00	(408,425.00)	9,632,958.00	9,445,410.30	187,547.70
Attendance and social work services:					
Salaries	137,887.00		137,887.00	118,238.38	19,648.62
Other Purchased services (400 - 500 series)	4,000.00		4,000.00	553.34	3,446.66
Supplies and materials	700.00		700.00	632.00	68.00
Total attendance and social work services	142,587.00		142,587.00	119,423.72	23,163.28
Health services:					
Salaries	1,306,719.00		1,306,719.00	1,290,896.47	15,822.53
Purchased professional and technical services	33,000.00		33,000.00	20,200.00	12,800.00
Other Purchased services (400 - 500 series)	6,500.00	257.00	6,757.00	3,478.90	3,278.10

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, 2014

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Supplies and materials	\$16,950.00	\$1,287.67	\$18,237.67	\$16,695.85	\$1,541.82
Other objects	3,500.00		3,500.00	2,300.09	1,199.91
<b>Total health services</b>	<b>1,366,669.00</b>	<b>1,544.67</b>	<b>1,368,213.67</b>	<b>1,333,571.31</b>	<b>34,642.36</b>
<b>Other support services - student related services:</b>					
Salaries	\$827,052.00	(\$750.00)	\$826,302.00	\$779,740.40	\$46,561.60
Purchased professional - educational services	25,000.00		25,000.00	14,000.00	11,000.00
Supplies and materials	12,500.00		12,500.00	10,337.93	2,162.07
<b>Total other support services - students related services</b>	<b>864,552.00</b>	<b>(750.00)</b>	<b>863,802.00</b>	<b>804,078.33</b>	<b>59,723.67</b>
<b>Other support services - students - regular:</b>					
Salaries of other professional staff	745,942.00	(1,854.00)	744,088.00	718,364.56	25,723.44
Salaries of secretarial and clerical assistants	198,728.00		198,728.00	192,906.23	5,821.77
Other Purchased services (400 - 500 series)	7,100.00	(5,815.00)	1,285.00	270.00	1,015.00
Supplies and materials	37,910.00	16,000.00	53,910.00	50,633.90	3,276.10
<b>Total other support services - students - regular</b>	<b>989,680.00</b>	<b>8,331.00</b>	<b>998,011.00</b>	<b>962,174.69</b>	<b>35,836.31</b>
<b>Other support services - students - special services:</b>					
Salaries of other professional staff	1,658,044.00	129,355.00	1,787,399.00	1,765,823.91	21,575.09
Salaries of secretarial and clerical assistants	394,777.00	(1,000.00)	393,777.00	315,116.09	78,660.91
Purchased professional - educational services	684,000.00	(25,000.00)	659,000.00	513,056.35	145,943.65
Other Purchased services (400 - 500 series)	13,500.00		13,500.00	9,214.93	4,285.07
Misc pur serv (400-500 series O/than resid costs)	193,500.00	2,127.00	195,627.00	104,169.87	91,457.13
Supplies and materials	41,500.00	44,160.21	85,660.21	79,711.61	5,948.60
Other objects	2,000.00		2,000.00	713.00	1,287.00
<b>Total other support services - students - special services</b>	<b>2,987,321.00</b>	<b>149,642.21</b>	<b>3,136,963.21</b>	<b>2,787,805.76</b>	<b>349,157.45</b>

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, 2014

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Improvement of instruction services/ other support services-instructional staff:					
Salaries of supervisors of instruction	\$1,202,425.00	\$171,647.00	\$1,374,072.00	\$1,371,820.05	\$2,251.95
Salaries of other professional staff	156,177.00	1,200.00	157,377.00	157,376.88	0.12
Salaries of secretarial and clerical assistants	607,718.00	66,150.00	673,868.00	633,213.23	40,654.77
Other Salaries	\$3,844.00		\$3,844.00		\$3,844.00
Salaries of Facilitators, Math/Lit. Coachs	501,780.00	280,759.68	782,539.68	766,746.70	15,792.98
Purchased professional - educational services	13,875.00	(10,082.00)	3,793.00	1,870.00	1,923.00
Other Purchased services (400 - 500 series)	88,175.00	77,003.04	165,178.04	76,649.30	88,528.74
Supplies and materials	41,250.00	37,202.04	78,452.04	62,449.38	16,002.66
Other objects	11,650.00	(3,570.00)	8,080.00	1,913.66	6,166.34
Total improvement of instruction services/ other support services-instructional staff	<u>2,626,894.00</u>	<u>620,309.76</u>	<u>3,247,203.76</u>	<u>3,072,039.20</u>	<u>175,164.56</u>
Educational media services/school library:					
Salaries	493,314.00	(5,000.00)	488,314.00	469,348.43	18,965.57
Salaries of Technology Coordinators	71,268.00		71,268.00		71,268.00
Purchased professional and Technical Services	500.00		500.00		500.00
Other purchased services (400 - 500 series)	44,210.00	(3,200.00)	41,010.00	34,814.79	6,195.21
Supplies and materials	61,950.00	(12,981.00)	48,969.00	44,556.46	4,412.54
Other objects	1,500.00	(1,046.00)	454.00	454.00	
Total educational media services/school library	<u>672,742.00</u>	<u>(22,227.00)</u>	<u>650,515.00</u>	<u>549,173.68</u>	<u>101,341.32</u>
Instructional staff training services:					
Other salaries	19,000.00	(8,681.00)	10,319.00	1,560.00	8,759.00
Purchased professional - educational services	27,350.00	53,650.00	81,000.00	77,450.00	3,550.00
Other purchased services (400 - 500 series)	166,150.00	42,898.00	209,048.00	47,104.42	161,943.58
Supplies and materials	4,500.00	28,101.00	32,601.00	30,445.73	2,155.27
Other objects	7,100.00	(750.00)	6,350.00	250.00	6,100.00
Total instructional staff training services	<u>224,100.00</u>	<u>115,218.00</u>	<u>339,318.00</u>	<u>156,810.15</u>	<u>182,507.85</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, 2014

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Support services general administration:					
Salaries	\$519,924.00	(\$75,922.50)	\$444,001.50	\$345,440.32	\$98,561.18
Legal services	275,000.00		275,000.00	170,383.49	104,616.51
Audit fees	45,000.00		45,000.00	41,150.00	3,850.00
Architectural/Engineering Services	50,000.00	(6,205.00)	43,795.00	43,795.00	0.00
Other purchased professional services	25,000.00	93,277.50	118,277.50	118,202.50	75.00
Purchased technical services	75,000.00	(71,750.00)	3,250.00		3,250.00
Communications / telephone	550,000.00		550,000.00	541,505.57	8,494.43
BOE other purchased services	7,000.00		7,000.00	4,323.70	2,676.30
Other purchased services	90,000.00	(9,500.00)	80,500.00	57,970.77	22,529.23
Supplies and materials	56,000.00	28,894.97	84,894.97	75,872.12	9,022.85
BOE in-house training/meeting supplies	7,000.00		7,000.00	2,496.50	4,503.50
Judgments against the school district	100,000.00	400,000.00	500,000.00	500.00	499,500.00
Miscellaneous expenditures	50,000.00	(15,000.00)	35,000.00	29,725.53	5,274.47
BOE membership dues and fees	29,000.00		29,000.00	26,662.70	2,337.30
<b>Total support services general administration</b>	<b>1,878,924.00</b>	<b>343,794.97</b>	<b>2,222,718.97</b>	<b>1,414,233.20</b>	<b>808,485.77</b>
Support services school administration:					
Salaries of principals/asst. principals	2,946,540.00	(42,000.00)	2,904,540.00	2,653,082.51	251,457.49
Salaries of secretarial and clerical assistants	1,001,828.00	91,115.00	1,092,943.00	1,086,036.26	6,906.74
Other purchased services (400 - 500 series)	17,550.00	16,844.56	34,394.56	22,881.18	11,513.38
Supplies and materials	42,492.00	42,214.30	84,706.30	70,050.42	14,655.88
Other objects	19,850.00	(5,526.00)	14,324.00	8,294.66	6,029.34
<b>Total support services school administration</b>	<b>4,028,260.00</b>	<b>102,647.86</b>	<b>4,130,907.86</b>	<b>3,840,345.03</b>	<b>290,562.83</b>

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, 2014

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Central service:					
Salaries	\$1,006,020.00		\$1,006,020.00	\$819,843.23	\$186,176.77
Purchased professional services	50,000.00		50,000.00	10,227.00	39,773.00
Purchased technical services	25,000.00	(15,133.35)	9,866.65		9,866.65
Miscellaneous purchased services (400-500 series)	180,000.00	(91,200.00)	88,800.00	39,524.31	49,275.69
Supplies and materials	60,000.00	16,064.89	76,064.89	33,726.25	42,338.64
Interest on lease purchase agreements	300,000.00		300,000.00	180,826.09	119,173.91
Other Objects	15,000.00	40,500.00	55,500.00	25,448.58	30,051.42
<b>Total central services</b>	<b>1,636,020.00</b>	<b>(49,768.46)</b>	<b>1,586,251.54</b>	<b>1,109,595.46</b>	<b>476,656.08</b>
Administrative information technology:					
Salaries	485,725.00	90,052.00	575,777.00	575,708.23	68.77
Purchased technical services	40,000.00	9,000.00	49,000.00	47,447.00	1,553.00
Other purchased services (400 - 500 series)	274,478.00	196,494.08	470,972.08	469,594.84	1,377.24
Supplies and materials	76,500.00	31,180.00	107,680.00	106,471.05	1,208.95
Other objects	500.00	229.00	729.00	729.00	
<b>Total administrative information technology</b>	<b>877,203.00</b>	<b>326,955.08</b>	<b>1,204,158.08</b>	<b>1,199,950.12</b>	<b>4,207.96</b>
Required maintenance for school facilities:					
Salaries	195,125.00	50,455.00	245,580.00	245,577.47	2.53
Cleaning, repair and maintenance services	942,000.00	1,791,422.11	2,733,422.11	2,588,265.73	145,156.38
General supplies	463,000.00	(66,186.02)	396,813.98	337,077.74	59,736.24
Other objects	20,000.00	(12,100.00)	7,900.00	7,218.23	681.77
<b>Total allowable maintenance for school facilities</b>	<b>1,620,125.00</b>	<b>1,763,591.09</b>	<b>3,383,716.09</b>	<b>3,178,139.17</b>	<b>205,576.92</b>

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, 2014

(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 operation and maint. of plant :					
Salaries	\$4,135,132.00	(\$62,852.00)	\$4,072,280.00	\$4,065,814.56	\$6,465.44
Purchased professional and technical services	100,000.00	(99,961.00)	39.00		39.00
Cleaning, repair and maint. services	121,850.00	69,939.92	191,789.92	182,269.59	9,520.33
Rental of land & building other than lease purchase agreement	265,500.00	(72,558.00)	192,942.00	182,785.99	10,156.01
Other purchased property services	191,000.00	60,550.00	251,550.00	187,549.85	64,000.15
Insurance	520,000.00	20,279.00	540,279.00	540,278.86	0.14
Miscellaneous purchased services	188,500.00	(45,265.00)	143,235.00	133,263.00	9,972.00
General supplies	199,000.00	13,160.00	212,160.00	205,591.57	6,568.43
Energy (natural gas)	700,000.00	(98,849.00)	601,151.00	601,149.33	1.67
Energy (heat and electricity)	1,300,000.00	(144,760.47)	1,155,239.53	1,154,761.77	477.76
Energy (Gasoline)	25,000.00	(5,000.00)	20,000.00	14,072.58	5,927.42
Other objects	25,000.00	(2,265.01)	22,734.99	8,833.76	13,901.23
<b>Total other operation and maint. of plant</b>	<b>7,770,982.00</b>	<b>(367,581.56)</b>	<b>7,403,400.44</b>	<b>7,276,370.86</b>	<b>127,029.58</b>
Other care and upkeep of grounds					
Salaries	173,246.00	(3,500.00)	169,746.00	169,742.11	3.89
General supplies		800.00	800.00	407.39	392.61
<b>Total other care and upkeep of grounds</b>	<b>173,246.00</b>	<b>(2,700.00)</b>	<b>170,546.00</b>	<b>170,149.50</b>	<b>396.50</b>
Other Security					
Salaries	670,959.00	(67,251.00)	603,708.00	598,241.65	5,466.35
<b>Total other security</b>	<b>670,959.00</b>	<b>(67,251.00)</b>	<b>603,708.00</b>	<b>598,241.65</b>	<b>5,466.35</b>

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, 2014

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
(Continued from prior page)					
Student transportation services:					
Salaries for pupil transportation (between home and school) - regular	\$133,745.00	(\$7,500.00)	\$126,245.00	\$125,122.47	\$1,122.53
Management Fee - ESC & CTSA trans. Program	80,000.00	4,000.00	84,000.00	82,296.40	1,703.60
Contracted services (between home & school) - vendors	1,095,320.00	(276,250.00)	819,070.00	812,707.04	6,362.96
Contracted services (other than between home and school) - vendors	462,145.00	(94,546.63)	367,598.37	353,174.57	14,423.80
Contracted services (other than between home and school) - joint agreements	1,000,000.00	18,000.00	18,000.00	17,357.18	642.82
Contracted services (spec ed students) - vendors	1,500,000.00	(483,926.00)	516,074.00	496,354.09	19,719.91
Contracted services (spec ed students) - joint agreements	200,000.00	571,081.00	2,071,081.00	2,070,972.80	108.20
Contracted services - aid in lieu pymts-non public sch	1,000.00	(50,000.00)	150,000.00	127,526.77	22,473.23
General supplies	500.00	625.00	1,125.00	390.86	609.14
Other objects				1,125.00	
Total student transportation services	4,472,710.00	(318,516.63)	4,154,193.37	4,087,027.18	67,166.19
Unallocated benefits - employee benefits:					
Group insurance	25,000.00		25,000.00	447.99	24,552.01
Social security contributions	1,200,000.00	59,775.69	1,259,775.69	1,259,198.28	577.41
Other retirement contributions - PERS	1,500,000.00	(303,000.00)	1,197,000.00	1,183,755.25	13,244.75
Other retirement contributions - Regular	20,000.00	4,000.00	24,000.00	23,998.80	1.20
Unemployment compensation	600,000.00	(599,602.00)	398.00		398.00
Workmen's compensation	725,000.00		725,000.00	641,295.00	83,705.00
Health benefits	14,158,885.00	(600,000.00)	13,558,885.00	12,745,896.51	812,988.49
Tuition reimbursements	10,000.00	4,000.00	14,000.00	13,808.00	192.00
Other employee benefits	250,700.00	(534.99)	250,165.01	157,395.40	92,769.61
Total unallocated benefits - employee benefits:	18,489,585.00	(1,435,361.30)	17,054,223.70	16,025,795.23	1,028,428.47
Interest earned on current expense emergency reserve	50.00		50.00		50.00

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, 2014

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
On-behalf TPAF Pension Contributions (non-budgeted)				\$1,822,197.00	(\$1,822,197.00)
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				2,987,718.00	(2,987,718.00)
Reimbursed TPAF social security contributions (non-budgeted)				3,320,946.82	(3,320,946.82)
Total undistributed expenditures	\$61,533,942.00	\$759,453.69	\$62,293,395.69	\$66,261,196.36	(\$3,967,800.67)
TOTAL EXPENDITURES - CURRENT EXPENSE	104,560,097.00	4,960,247.41	109,520,344.41	111,528,688.31	(2,008,343.90)
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Grades 1 - 5	282,342.00	(48,746.00)	233,596.00	115,502.79	118,093.21
Grades 6 - 8	16,500.00		16,500.00	15,900.00	600.00
Grades 9 - 12	176,000.00	268,865.55	444,865.55	285,465.07	159,400.48
Resource Room/Resource Center	46,400.00	(7,427.00)	38,973.00	38,813.00	160.00
School Sponsored and Other Instructional program	17,200.00	(8,228.00)	8,972.00	8,972.00	8,972.00
UE support serv. - related & extra	5,000.00		5,000.00	5,000.00	5,000.00
UE support serv. - child study teams		13,725.00	13,725.00	13,725.00	
UE support serv. - instructional staff	15,000.00	16,456.00	31,456.00	27,848.36	3,607.64
UE admin info technology	142,000.00	249,654.33	391,654.33	335,788.58	55,865.75
UE required Maintenance for school facilities	25,000.00		25,000.00	25,000.00	25,000.00
UE custodial services	25,000.00		25,000.00	2,954.40	22,045.60
Total equipment	750,442.00	484,299.88	1,234,741.88	835,997.20	398,744.68
<b>Facilities acquisition and construction services:</b>					
Legal Services	100,000.00	(10,000.00)	90,000.00		90,000.00
Architectural/Engineering Services	100,000.00	229,506.60	329,506.60	162,625.70	166,880.90
Other purchased prof. and tech. services		72,000.00	72,000.00	71,413.12	586.88
Construction services	1,367,746.00	10,603,569.28	11,971,315.28	5,738,801.11	6,232,514.17

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, 2014

	<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>
(Continued from prior page)					
Lease purchase agreements - principal	1,500,000.00		1,500,000.00	1,316,387.13	183,612.87
Assessment for debt Service on SDA Funding	92,754.00		92,754.00	47,663.00	45,091.00
Total facilities acquis. and const. services	3,160,500.00	10,895,075.88	14,055,575.88	7,336,890.06	6,718,685.82
Interest deposit to capital reserve	500.00		500.00		500.00
<b>TOTAL CAPITAL OUTLAY</b>	<u>3,911,442.00</u>	<u>11,379,375.76</u>	<u>15,290,817.76</u>	<u>8,172,887.26</u>	<u>7,117,930.50</u>
<b>TRANSFER OF FUNDS TO CHARTER SCHOOLS</b>	<u>67,779.00</u>	<u>15,747.00</u>	<u>83,526.00</u>	<u>72,789.00</u>	<u>10,737.00</u>
<b>TOTAL EXPENDITURES</b>	<u>108,539,318.00</u>	<u>16,355,370.17</u>	<u>124,894,688.17</u>	<u>119,774,364.57</u>	<u>5,120,323.60</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,903,685.00)</u>	<u>(16,355,370.17)</u>	<u>(21,259,055.17)</u>	<u>(8,148,675.20)</u>	<u>13,110,379.97</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, 2014

	<u>ADOPTED</u>	<u>BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>BUDGET</u>	<u>TRANSFERS AND</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>FAVORABLE/</u>
	<u>BUDGET</u>	<u>AMENDMENTS</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(UNFAVORABLE)</u>
(Continued from prior page)					
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	(\$4,903,685.00)	(\$16,355,370.17)	(\$21,259,055.17)	(\$8,148,675.20)	\$13,110,379.97
Fund balances, July 1	28,657,800.58		28,657,800.58	28,657,800.58	
Fund balances, June 30	<u>\$23,754,115.58</u>	<u>(\$16,355,370.17)</u>	<u>\$7,398,745.41</u>	<u>\$20,509,125.38</u>	<u>\$13,110,379.97</u>
Recapitulation:					
Restricted Fund Balance:					
Emergency Reserve				\$923,476.25	
Capital Reserve				4,025,290.29	
Excess Surplus - Designated for Subsequent Year's Expenditure				2,858,467.48	
Excess Surplus Current Year				2,270,788.58	
Committed Fund Balance:					
Year-end encumbrances				7,171,675.20	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				1,000,500.52	
Unassigned fund balance				<u>2,258,927.06</u>	
				20,509,125.38	
Reconciliation to governmental funds statements (GAAP):					
Last state aid payment not recognized on GAAP basis				<u>(2,072,204.60)</u>	
Fund balance per governmental funds (GAAP)				<u>\$18,436,920.78</u>	

LINDEN BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	BUDGET			ACTUAL	VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	TRANSFERS/ AMENDMENTS	FINAL BUDGET		
<b>REVENUES:</b>					
Federal sources	\$ 3,091,694.00	\$ 1,261,076.64	\$ 4,352,770.64	\$ 3,817,303.04	\$ (535,467.60)
State sources	3,010,396.00	304,363.50	3,314,759.50	2,764,704.15	(550,055.35)
Local sources	<u>100,000.00</u>	<u>90,174.06</u>	<u>190,174.06</u>	<u>67,500.65</u>	<u>(122,673.41)</u>
Total revenues	<u>\$ 6,202,090.00</u>	<u>\$ 1,655,614.20</u>	<u>\$ 7,857,704.20</u>	<u>\$ 6,649,507.84</u>	<u>\$ (1,208,196.36)</u>
<b>EXPENDITURES:</b>					
<u>Instruction:</u>					
Salaries	\$ 1,019,087.00	\$ (108,069.76)	\$ 911,017.24	\$ 819,877.59	\$ 91,139.65
Salaries of teachers	1,797,646.00	204,407.61	2,002,053.61	1,686,984.45	315,069.16
Other salaries	593,364.00		593,364.00	565,942.08	27,421.92
Purchased professional & technical services		208,059.40	208,059.40	189,486.94	18,572.46
Purchased professional & Educational services		500.00	500.00		500.00
Other purchased services		9,163.07	9,163.07	3,358.17	5,804.90
General supplies	148,986.00	178,170.56	327,156.56	193,561.25	133,595.31
Textbooks		16,480.87	16,480.87	15,903.52	577.35
Other objects	<u>2,500.00</u>	<u>40,738.90</u>	<u>43,238.90</u>	<u>31,169.06</u>	<u>12,069.84</u>
Total instruction	<u>\$ 3,561,583.00</u>	<u>\$ 549,450.65</u>	<u>\$ 4,111,033.65</u>	<u>\$ 3,506,283.06</u>	<u>\$ 604,750.59</u>
<b>Support services:</b>					
Salaries	\$ 731,129.00	\$ (198,389.84)	\$ 532,739.16	\$ 502,613.04	\$ 30,126.12
Other Salaries		1,380.00	1,380.00	540.00	840.00
Salaries of program directors	70,904.00		70,904.00	70,901.76	2.24
Salaries of other professional staff	1,137,291.00	(3,514.70)	1,133,776.30	995,448.08	138,328.22
Salaries of master teachers	373,131.00		373,131.00	222,030.00	151,101.00
Personal services-employee benefits	297,052.00	523,724.03	820,776.03	806,032.98	14,743.05
Purchased professional technical services		458,779.00	458,779.00	299,948.23	158,830.77
Purchased professional educational services	13,000.00	89,959.00	102,959.00	92,609.00	10,350.00
Other purchased services		140,676.94	140,676.94	87,290.49	53,386.45
Contracted services-transportation (other than between home and school)	5,000.00	(1,500.00)	3,500.00	260.20	3,239.80
Travel	11,000.00	9,262.23	20,262.23	12,941.82	7,320.41
General supplies	2,000.00	64,069.14	66,069.14	37,371.59	28,697.55
Other objects		<u>1,966.75</u>	<u>1,966.75</u>	<u>341.00</u>	<u>1,625.75</u>
Total support services	<u>\$ 2,640,507.00</u>	<u>\$ 1,086,412.55</u>	<u>\$ 3,726,919.55</u>	<u>\$ 3,128,328.19</u>	<u>\$ 598,591.36</u>
<b>Facilities acquisition and const. services:</b>					
Instructional equipment	<u>\$</u>	<u>\$ 19,751.00</u>	<u>\$ 19,751.00</u>	<u>\$ 14,896.59</u>	<u>\$ 4,854.41</u>
Total facilities acquisition and const. services	<u>\$</u>	<u>\$ 19,751.00</u>	<u>\$ 19,751.00</u>	<u>\$ 14,896.59</u>	<u>\$ 4,854.41</u>
Total expenditures	<u>\$ 6,202,090.00</u>	<u>\$ 1,655,614.20</u>	<u>\$ 7,857,704.20</u>	<u>\$ 6,649,507.84</u>	<u>\$ 1,208,196.36</u>

CITY OF LINDEN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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	\$111,625,689.37	\$6,649,507.84
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.	2,067,302.20	
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)	(2,072,204.60)	
Adjust for encumbrances:		
Add prior year encumbrances		480,669.42
Less prior year encumbrances canceled		(1,117.21)
Less current year encumbrances		(14,081.75)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$111,620,786.97</u>	<u>\$7,114,978.30</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$119,774,364.57	\$6,649,507.84
Difference - budget to GAAP:		
Adjust for encumbrances:		
Add prior year encumbrances		480,669.42
Less prior year encumbrances canceled		(1,117.21)
Less current year encumbrances		(14,081.75)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$119,774,364.57</u>	<u>\$7,114,978.30</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, 2014

	Total Brought Forward (Ex.E-1a)	Title I				Totals	Totals
		2013-2014	2012-2013	Part D 2013-2014	Part D CO 2012-2013	2014	2013
<b>REVENUES:</b>							
Federal Sources	\$ 2,741,962.16	\$ 899,688.49	\$ 10,791.43	\$ 131,014.38	\$ 33,846.58	\$ 3,817,303.04	\$ 4,075,094.36
State Sources	2,764,704.15					2,764,704.15	2,267,914.49
Local Sources	67,500.65					67,500.65	96,880.07
<b>Total Revenues</b>	<b>5,574,166.96</b>	<b>899,688.49</b>	<b>10,791.43</b>	<b>131,014.38</b>	<b>33,846.58</b>	<b>6,649,507.84</b>	<b>6,439,888.92</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries	288,880.05	530,997.54				819,877.59	808,072.84
Salaries of Teachers	1,680,114.45	6,870.00				1,686,984.45	1,613,543.39
Other Salaries for Instruction	565,942.08					565,942.08	527,539.06
Purchased Professional - Technical Services	2,450.00	18,019.77	4,156.21	131,014.38	33,846.58	189,486.94	252,167.68
Other Purchased Services (400-500 series)	3,358.17					3,358.17	3,000.00
General Supplies	190,402.63	3,158.62				193,561.25	252,993.81
Textbooks	15,903.52					15,903.52	14,780.13
Other Objects	31,169.06					31,169.06	36,794.90
<b>Total instruction</b>	<b>2,778,219.96</b>	<b>559,045.93</b>	<b>4,156.21</b>	<b>131,014.38</b>	<b>33,846.58</b>	<b>3,506,283.06</b>	<b>3,508,891.81</b>
<b>Support services:</b>							
Salaries	328,998.46	167,450.88	6,163.70			502,613.04	440,521.82
Other Salaries		540.00				540.00	900.00
Salaries of Program Directors	70,901.76					70,901.76	70,000.00
Salaries of Other Professional Staff	995,448.08					995,448.08	1,095,781.30
Salaries of Master Teachers	222,030.00					222,030.00	95,177.00
Personal Services - Employee Benefits	638,724.64	166,836.82	471.52			806,032.98	553,324.37
Purchased Professional - Technical Services	299,948.23					299,948.23	296,606.00
Purchased Professional - Educational Services	92,609.00					92,609.00	83,798.35
Other Purchased Professional Services	84,820.78	2,469.71				87,290.49	238,278.47
Contr Services Trans	260.20					260.20	2,316.10
Travel	12,941.82					12,941.82	10,743.70
Supplies & Materials	34,026.44	3,345.15				37,371.59	17,473.00
Other Objects	341.00					341.00	320.00
<b>Total support services</b>	<b>2,781,050.41</b>	<b>340,642.56</b>	<b>6,635.22</b>			<b>3,128,328.19</b>	<b>2,905,240.11</b>
<b>Facilities acquisition and const. serv.:</b>							
Instructional Equipment	14,896.59					14,896.59	25,757.00
<b>Total facilities acquisition and const. serv.</b>	<b>14,896.59</b>					<b>14,896.59</b>	<b>25,757.00</b>
<b>Total Expenditures</b>	<b>\$ 5,574,166.96</b>	<b>\$ 899,688.49</b>	<b>\$ 10,791.43</b>	<b>\$ 131,014.38</b>	<b>\$ 33,846.58</b>	<b>\$ 6,649,507.84</b>	<b>\$ 6,439,888.92</b>
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, 2014

	Total Brought Forward (Ex.E-1B)	Race to Top 2013-2014	Title II		Total Carried Forward
			Part A 2013-2014	Part A 2012-2013	
<b>REVENUES:</b>					
Federal Sources	\$ 2,535,724.18	\$ 4,500.00	\$ 185,901.56	\$ 15,836.42	\$ 2,741,962.16
State Sources	2,764,704.15				2,764,704.15
Local Sources	67,500.65				67,500.65
<b>Total Revenues</b>	<b>5,367,928.98</b>	<b>4,500.00</b>	<b>185,901.56</b>	<b>15,836.42</b>	<b>5,574,166.96</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries	238,248.05		50,632.00		288,880.05
Salaries of Teachers	1,680,114.45				1,680,114.45
Other Salaries for Instruction	565,942.08				565,942.08
Purchased Professional - Technical Services	2,450.00				2,450.00
Other Purchased Services (400-500 series)	3,358.17				3,358.17
General Supplies	190,402.63				190,402.63
Textbooks	15,903.52				15,903.52
Other Objects	31,169.06				31,169.06
<b>Total instruction</b>	<b>2,727,587.96</b>		<b>50,632.00</b>		<b>2,778,219.96</b>
<b>Support services:</b>					
Salaries	224,825.46		97,083.00	7,090.00	328,998.46
Salaries of Program Directors	70,901.76				70,901.76
Salaries of Other Professional Staff	995,448.08				995,448.08
Salaries of Master Teachers	222,030.00				222,030.00
Personal Services - Employee Benefits	604,579.69		33,922.00	222.95	638,724.64
Purchased Professional - Technical Services	293,746.23	4,500.00	1,702.00		299,948.23
Purchased Professional - Educational Services	92,609.00				92,609.00
Other Purchased Professional Services	74,879.61		1,417.70	8,523.47	84,820.78
Contr Services Trans	260.20				260.20
Travel	12,941.82				12,941.82
Supplies & Materials	32,881.58		1,144.86		34,026.44
Other Objects	341.00				341.00
<b>Total support services</b>	<b>2,625,444.43</b>	<b>4,500.00</b>	<b>135,269.56</b>	<b>15,836.42</b>	<b>2,781,050.41</b>
<b>Facilities acquisition and const. serv.:</b>					
Instructional Equipment	14,896.59				14,896.59
<b>Total facilities acquisition and const. serv.</b>	<b>14,896.59</b>				<b>14,896.59</b>
<b>Total Expenditures</b>	<b>\$ 5,367,928.98</b>	<b>\$ 4,500.00</b>	<b>\$ 185,901.56</b>	<b>\$ 15,836.42</b>	<b>\$ 5,574,166.96</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					

City of Linden School District  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
for the Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1c)	Title III			Adult Education 2013-2014	Total Carried Forward	
		2013-2014	2012-2013	Immigrant 2013-2014			Immigrant 2012-2013
<b>REVENUES:</b>							
Federal Sources	\$ 2,266,604.85	\$ 82,037.75	\$ 10,887.85	\$ 10,806.29	\$ 3,288.00	\$162,099.44	\$ 2,535,724.18
State Sources	2,764,704.15						2,764,704.15
Local Sources	67,500.65						67,500.65
<b>Total Revenues</b>	<b>5,098,809.65</b>	<b>82,037.75</b>	<b>10,887.85</b>	<b>10,806.29</b>	<b>3,288.00</b>	<b>162,099.44</b>	<b>5,367,928.98</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries	222,401.45	5,778.00	10,068.60				238,248.05
Salaries of Teachers	1,594,360.45					85,754.00	1,680,114.45
Other Salaries for Instruction	565,942.08						565,942.08
Purchased Professional - Technical Services	2,450.00						2,450.00
Other Purchased Services (400-500 series)	3,358.17						3,358.17
General Supplies	94,040.69	33,846.04			3,288.00	59,227.90	190,402.63
Textbooks	15,903.52						15,903.52
Other Objects	28,198.50	2,970.56					31,169.06
<b>Total instruction</b>	<b>2,526,654.86</b>	<b>42,594.60</b>	<b>10,068.60</b>		<b>3,288.00</b>	<b>144,981.90</b>	<b>2,727,587.96</b>
<b>Support services:</b>							
Salaries	192,201.46	32,624.00					224,825.46
Salaries of Program Directors	70,901.76						70,901.76
Salaries of Other Professional Staff	995,448.08						995,448.08
Salaries of Master Teachers	222,030.00						222,030.00
Personal Services - Employee Benefits	590,589.11	6,660.15	770.25			6,560.18	604,579.69
Purchased Professional - Technical Services	293,246.23			500.00			293,746.23
Purchased Professional - Educational Services	92,609.00						92,609.00
Other Purchased Professional Services	57,742.90		49.00	9,841.68		7,246.03	74,879.61
Contr Services Trans	260.20						260.20
Travel	12,941.82						12,941.82
Supplies & Materials	29,105.64			464.61		3,311.33	32,881.58
Other Objects	182.00	159.00					341.00
<b>Total support services</b>	<b>2,557,258.20</b>	<b>39,443.15</b>	<b>819.25</b>	<b>10,806.29</b>		<b>17,117.54</b>	<b>2,625,444.43</b>
<b>Facilities acquisition and const. serv.:</b>							
Instructional Equipment	14,896.59						14,896.59
<b>Total facilities acquisition and const. serv.</b>	<b>14,896.59</b>						<b>14,896.59</b>
<b>Total Expenditures</b>	<b>\$ 5,098,809.65</b>	<b>\$ 82,037.75</b>	<b>\$ 10,887.85</b>	<b>\$ 10,806.29</b>	<b>\$ 3,288.00</b>	<b>\$162,099.44</b>	<b>\$ 5,367,928.98</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>							

City of Linden School District  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
for the Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex.E-1d)	21 Century Teach 2013-2014	21 Century Teach 2012-2013	21 Century Supplement 2012-2013	21 Century Supplement 2012-2013	Teaching American History	Total Carried Forward
<b>REVENUES:</b>							
Federal Sources	\$1,507,875.57	\$ 466,434.84	\$ 46,826.56	\$ 20,310.55	\$ 4,414.10	\$ 220,743.23	\$2,266,604.85
State Sources	2,764,704.15						2,764,704.15
Local Sources	67,500.65						67,500.65
<b>Total Revenues</b>	<b>4,340,080.37</b>	<b>466,434.84</b>	<b>46,826.56</b>	<b>20,310.55</b>	<b>4,414.10</b>	<b>220,743.23</b>	<b>5,098,809.65</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries	391.50	198,845.45	10,341.50	12,823.00			222,401.45
Salaries of Teachers	1,594,360.45						1,594,360.45
Other Salaries for Instruction	565,942.08						565,942.08
Purchased Professional - Technical Services	950.00				1,500.00		2,450.00
Other Purchased Services (400-500 series)	3,358.17						3,358.17
General Supplies	63,336.34	24,748.12	5,956.23				94,040.69
Textbooks	15,903.52						15,903.52
Other Objects	8,569.85	19,283.20	345.45				28,198.50
<b>Total instruction</b>	<b>2,252,811.91</b>	<b>242,876.77</b>	<b>16,643.18</b>	<b>12,823.00</b>	<b>1,500.00</b>		<b>2,526,654.86</b>
<b>Support services:</b>							
Salaries	44,869.40	127,205.90	20,126.16				192,201.46
Salaries of Program Directors	70,901.76						70,901.76
Salaries of Other Professional Staff	995,448.08						995,448.08
Salaries of Master Teachers	222,030.00						222,030.00
Personal Services - Employee Benefits	549,748.24	39,027.93	831.98	980.96			590,589.11
Purchased Professional - Technical Services	60,003.00	12,500.00				220,743.23	293,246.23
Purchased Professional - Educational Services	92,609.00						92,609.00
Other Purchased Professional Services	22,811.18	29,556.57	2,461.05		2,914.10		57,742.90
Contr Services Trans	260.20						260.20
Travel	10,584.87	1,574.86	782.09				12,941.82
Supplies & Materials	13,706.73	9,416.81	5,982.10				29,105.64
Other Objects	182.00						182.00
<b>Total support services</b>	<b>2,083,154.46</b>	<b>219,282.07</b>	<b>30,183.38</b>	<b>980.96</b>	<b>2,914.10</b>	<b>220,743.23</b>	<b>2,557,258.20</b>
<b>Facilities acquisition and const. serv.:</b>							
Instructional Equipment	4,114.00	4,276.00		6,506.59			14,896.59
<b>Total facilities acquisition and const. serv.</b>	<b>4,114.00</b>	<b>4,276.00</b>		<b>6,506.59</b>			<b>14,896.59</b>
<b>Total Expenditures</b>	<b>\$4,340,080.37</b>	<b>\$ 466,434.84</b>	<b>\$ 46,826.56</b>	<b>\$ 20,310.55</b>	<b>\$ 4,414.10</b>	<b>\$ 220,743.23</b>	<b>\$5,098,809.65</b>
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, 2014

	Total Brought Forward (Ex.E-1e)	Target	Exxon Mobile	Conoco	MCManus NHS	Target	Total Carried Forward
<b>REVENUES:</b>							
Federal Sources	\$1,507,875.57						\$1,507,875.57
State Sources	2,764,704.15						2,764,704.15
Local Sources	60,504.28	\$ 288.99	\$ 376.77	\$ 5,911.60	\$ 85.00	\$ 334.01	67,500.65
<b>Total Revenues</b>	<b>4,333,084.00</b>	<b>288.99</b>	<b>376.77</b>	<b>5,911.60</b>	<b>85.00</b>	<b>334.01</b>	<b>4,340,080.37</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries	391.50						391.50
Salaries of Teachers	1,594,360.45						1,594,360.45
Other Salaries for Instruction	565,942.08						565,942.08
Purchased Professional - Technical Services	450.00			500.00			950.00
Other Purchased Services (400-500 series)	2,351.88	83.28		589.00		334.01	3,358.17
General Supplies	59,296.190	205.71	376.77	3,457.67			63,336.340
Textbooks	14,538.59			1,364.93			15,903.52
Other Objects	8,569.85						8,569.85
<b>Total instruction</b>	<b>2,245,900.54</b>	<b>288.99</b>	<b>376.77</b>	<b>5,911.60</b>		<b>334.01</b>	<b>2,252,811.91</b>
<b>Support services:</b>							
Salaries	44,869.40						44,869.40
Salaries of Program Directors	70,901.76						70,901.76
Salaries of Other Professional Staff	995,448.08						995,448.08
Salaries of Master Teachers	222,030.00						222,030.00
Personal Services - Employee Benefits	549,748.24						549,748.24
Purchased Professional - Technical Services	60,003.00						60,003.00
Purchased Professional - Educational Services	92,609.00						92,609.00
Other Purchased Professional Services	22,811.18						22,811.18
Contr Services Trans	260.20						260.20
Travel	10,584.87						10,584.87
Supplies & Materials	13,706.73						13,706.73
Other Objects	97.00				85.00		182.00
<b>Total support services</b>	<b>2,083,069.46</b>				<b>85.00</b>		<b>2,083,154.46</b>
<b>Facilities acquisition and const. serv.:</b>							
Instructional Equipment	4,114.00						4,114.00
<b>Total facilities acquisition and const. serv.</b>	<b>4,114.00</b>						<b>4,114.00</b>
<b>Total Expenditures</b>	<b>\$4,333,084.00</b>	<b>\$ 288.99</b>	<b>\$ 376.77</b>	<b>\$ 5,911.60</b>	<b>\$ 85.00</b>	<b>334.01</b>	<b>\$4,340,080.37</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>							

City of Linden School District  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
for the Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1f)	I.D.E.A. Part B			P.L. 101-392 Perkins Voc. Ed.	State Farm Youth	Total Carried Forward
		Flow - Thru 2013-2014	C/O 2012-2013	Pre- School 2013-2014	2013-2014		
<b>REVENUES:</b>							
Federal Sources		\$1,317,711.92	\$143,092.30	\$ 37,058.80	\$ 10,012.55		\$1,507,875.57
State Sources	\$2,764,704.15						2,764,704.15
Local Sources	57,596.69					\$ 2,907.59	60,504.28
<b>Total Revenues</b>	<b>2,822,300.84</b>	<b>1,317,711.92</b>	<b>143,092.30</b>	<b>37,058.80</b>	<b>10,012.55</b>	<b>2,907.59</b>	<b>4,333,084.00</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries						391.50	391.50
Salaries of Teachers	1,475,345.31	119,015.14					1,594,360.45
Other Salaries for Instruction	565,942.08						565,942.08
Purchased Professional - Technical Services	200.00				250.00		450.00
Other Purchased Services (400-500 series)	2,351.88						2,351.88
General Supplies	56,747.79	1,665.00		883.40			59,296.19
Textbooks	14,538.59						14,538.59
Other Objects	5,385.04				3,184.81		8,569.85
<b>Total instruction</b>	<b>2,120,510.69</b>	<b>120,680.14</b>		<b>883.40</b>	<b>3,434.81</b>	<b>391.50</b>	<b>2,245,900.54</b>
<b>Support services:</b>							
Salaries	13,299.00			29,410.40	2,160.00		44,869.40
Salaries of Program Directors	70,901.76						70,901.76
Salaries of Other Professional Staff	26,122.00	826,233.78	143,092.30				995,448.08
Salaries of Master Teachers	222,030.00						222,030.00
Personal Services - Employee Benefits	297,052.00	245,766.00		6,765.00	165.24		549,748.24
Purchased Professional - Technical Services	200.00	59,803.00					60,003.00
Purchased Professional - Educational Services	31,494.00	61,115.00					92,609.00
Other Purchased Professional Services	17,834.84				4,252.50	723.84	22,811.18
Contr Services Trans	260.20						260.20
Travel	10,584.87						10,584.87
Supplies & Materials	11,914.48					1,792.25	13,706.73
Other Objects	97.00						97.00
<b>Total support services</b>	<b>701,790.15</b>	<b>1,192,917.78</b>	<b>143,092.30</b>	<b>36,175.40</b>	<b>6,577.74</b>	<b>2,516.09</b>	<b>2,083,069.46</b>
<b>Facilities acquisition and const. serv.:</b>							
Instructional Equipment		4,114.00					4,114.00
<b>Total facilities acquisition and const. serv.</b>		<b>4,114.00</b>					<b>4,114.00</b>
<b>Total Expenditures</b>	<b>\$2,822,300.84</b>	<b>\$1,317,711.92</b>	<b>\$143,092.30</b>	<b>\$ 37,058.80</b>	<b>\$ 10,012.55</b>	<b>2,907.59</b>	<b>\$4,333,084.00</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>							

City of Linden School District  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
for the Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1g)	Confucius	Italian American	Bully Prevention	Prevent Child Abuse	Merck CAMS	Total Carried Forward
<b>REVENUES:</b>							
Federal Sources							
State Sources	\$2,751,405.15			\$ 13,299.00			2,764,704.15
Local Sources	38,149.94	\$ 5,947.51	\$ 8,000.00		\$ 97.00	\$ 5,402.24	57,596.69
<b>Total Revenues</b>	<b>2,789,555.09</b>	<b>5,947.51</b>	<b>8,000.00</b>	<b>13,299.00</b>	<b>97.00</b>	<b>5,402.24</b>	<b>2,822,300.84</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries							-
Salaries of Teachers	1,467,345.31		8,000.00				1,475,345.31
Other Salaries for Instruction	565,942.08						565,942.08
Purchased Professional - Technical Services		200.00					200.00
Other Purchased Services (400-500 series)	2,351.88						2,351.88
General Supplies	56,497.79					250.00	56,747.79
Textbooks	14,538.59						14,538.59
Other Objects	5,115.04	270.00					5,385.04
<b>Total instruction</b>	<b>2,111,790.69</b>	<b>470.00</b>	<b>8,000.00</b>			<b>250.00</b>	<b>2,120,510.69</b>
<b>Support services:</b>							
Salaries				13,299.00			13,299.00
Salaries of Program Directors	70,901.76						70,901.76
Salaries of Other Professional Staff	26,122.00						26,122.00
Salaries of Master Teachers	222,030.00						222,030.00
Personal Services - Employee Benefits	297,052.00						297,052.00
Purchased Professional - Technical Services		200.00					200.00
Purchased Professional - Educational Services	31,494.00						31,494.00
Other Purchased Professional Services	16,964.00	870.84					17,834.84
Contr Services Trans	260.20						260.20
Travel	3,380.64	2,051.99				5,152.24	10,584.87
Supplies & Materials	9,559.80	2,354.68					11,914.48
Other Objects					97.00		97.00
<b>Total support services</b>	<b>677,764.40</b>	<b>5,477.51</b>		<b>13,299.00</b>	<b>97.00</b>	<b>5,152.24</b>	<b>701,790.15</b>
<b>Facilities acquisition and const. serv.:</b>							
Instructional Equipment							-
<b>Total facilities acquisition and const. serv.</b>							
<b>Total Expenditures</b>	<b>2,789,555.09</b>	<b>5,947.51</b>	<b>8,000.00</b>	<b>\$ 13,299.00</b>	<b>\$ 97.00</b>	<b>\$ 5,402.24</b>	<b>2,822,300.84</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>							

City of Linden School District  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
for the Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1h)	A.Ferguson	K Kids #4	Infineum	McManus Student Account	Soehl Student Account	ROTC	Total Carried Forward
<b>REVENUES:</b>								
Federal Sources								
State Sources	\$2,751,405.15							\$2,751,405.15
Local Sources	5,848.38	\$ 396.00	\$ 662.22	\$ 10,050.04	\$ 873.58	\$ 6,382.97	\$ 13,936.75	38,149.94
<b>Total Revenues</b>	<b>2,757,253.53</b>	<b>396.00</b>	<b>662.22</b>	<b>10,050.04</b>	<b>873.58</b>	<b>6,382.97</b>	<b>13,936.75</b>	<b>2,789,555.09</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
<b>Salaries</b>								
Salaries of Teachers	1,467,345.31							1,467,345.31
Other Salaries for Instruction	565,942.08							565,942.08
Purchased Professional - Technical Services								
Other Purchased Services (400-500 series)	1,715.88				185.00		451.00	2,351.88
General Supplies	37,588.27		662.22	5,050.00	688.58	5,917.97	6,590.75	56,497.79
Textbooks	14,538.59							14,538.59
Other Objects				5,000.04		115.00		5,115.04
<b>Total instruction</b>	<b>2,087,130.13</b>		<b>662.22</b>	<b>10,050.04</b>	<b>873.58</b>	<b>6,032.97</b>	<b>7,041.75</b>	<b>2,111,790.69</b>
<b>Support services:</b>								
<b>Salaries</b>								
Salaries of Program Directors	70,901.76							70,901.76
Salaries of Other Professional Staff	26,122.00							26,122.00
Salaries of Master Teachers	222,030.00							222,030.00
Personal Services - Employee Benefits	297,052.00							297,052.00
Purchased Professional - Technical Services								
Purchased Professional - Educational Services	31,494.00							31,494.00
Other Purchased Professional Services	9,323.00	396.00				350.00	6,895.00	16,964.00
Contr Services Trans	260.20							260.20
Travel	3,380.64							3,380.64
Supplies & Materials	9,559.80							9,559.80
Other Objects								
<b>Total support services</b>	<b>670,123.40</b>	<b>396.00</b>				<b>350.00</b>	<b>6,895.00</b>	<b>677,764.40</b>
<b>Facilities acquisition and const. serv.:</b>								
<b>Instructional Equipment</b>								
<b>Total facilities acquisition and const. serv.</b>								
<b>Total Expenditures</b>	<b>\$2,757,253.53</b>	<b>\$ 396.00</b>	<b>\$ 662.22</b>	<b>\$ 10,050.04</b>	<b>\$ 873.58</b>	<b>\$ 6,382.97</b>	<b>\$ 13,936.75</b>	<b>\$2,789,555.09</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>								

City of Linden School District  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 for the Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex.E-1j)	LHS Survey	Assessment	BJS	MacBook	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Service	N.J. Nonpublic Technology	Total Carried Forward
<b>REVENUES:</b>									
Federal Sources									
State Sources	\$ 2,711,032.56					\$ 14,538.59	\$ 20,844.00	\$ 4,990.00	\$ 2,751,405.15
Local Sources		\$ 1,000.00	\$ 2,632.50	\$ 500.00	\$ 1,715.88				5,848.38
<b>Total Revenues</b>	<b>2,711,032.56</b>	<b>1,000.00</b>	<b>2,632.50</b>	<b>500.00</b>	<b>1,715.88</b>	<b>14,538.59</b>	<b>20,844.00</b>	<b>4,990.00</b>	<b>2,757,253.53</b>
<b>EXPENDITURES:</b>									
<b>Instruction:</b>									
Salaries									
Salaries of Teachers	1,467,345.31								1,467,345.31
Other Salaries for Instruction	565,942.08								565,942.08
Purchased Professional - Technical Services									
Other Purchased Services (400-500 series)					1,715.88				1,715.88
General Supplies	31,048.27	1,000.00	50.00	500.00				4,990.00	37,588.27
Textbooks						14,538.59			14,538.59
Other Objects									
<b>Total instruction</b>	<b>2,064,335.66</b>	<b>1,000.00</b>	<b>50.00</b>	<b>500.00</b>	<b>1,715.88</b>	<b>14,538.59</b>		<b>4,990.00</b>	<b>2,087,130.13</b>
<b>Support services:</b>									
Salaries									
Other Salaries									
Salaries of Program Directors	70,901.76								70,901.76
Salaries of Other Professional Staff	26,122.00								26,122.00
Salaries of Master Teachers	222,030.00								222,030.00
Personal Services - Employee Benefits	297,052.00								297,052.00
Purchased Professional - Technical Services									
Purchased Professional - Educational Services	10,650.00						20,844.00		31,494.00
Other Purchased Professional Services	9,323.00								9,323.00
Contr Services Trans	260.20								260.20
Travel	3,380.64								3,380.64
Supplies & Materials	6,977.30		2,582.50						9,559.80
Other Objects									
<b>Total support services</b>	<b>646,696.90</b>		<b>2,582.50</b>				<b>20,844.00</b>		<b>670,123.40</b>
<b>Instructional Equipment</b>									
<b>Total facilities acquisition and const. serv.</b>									
<b>Total Expenditures</b>	<b>\$ 2,711,032.56</b>	<b>\$ 1,000.00</b>	<b>\$ 2,632.50</b>	<b>\$ 500.00</b>	<b>\$ 1,715.88</b>	<b>\$ 14,538.59</b>	<b>\$ 20,844.00</b>	<b>\$ 4,990.00</b>	<b>\$ 2,757,253.53</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>									

City of Linden School District  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
for the Fiscal Year Ended June 30, 2014

	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	
<b>REVENUES:</b>								
Federal Sources								
State Sources	\$ 2,515,169.56	\$ 112,989.00	\$ 10,126.00	\$ 9,323.00	\$ 26,366.00	\$ 26,122.00	\$ 10,937.00	\$ 2,711,032.56
Local Sources								
<b>Total Revenues</b>	<u>2,515,169.56</u>	<u>112,989.00</u>	<u>10,126.00</u>	<u>9,323.00</u>	<u>26,366.00</u>	<u>26,122.00</u>	<u>10,937.00</u>	<u>2,711,032.56</u>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries								
Salaries of Teachers	1,306,927.31	112,989.00	10,126.00		26,366.00		10,937.00	1,467,345.31
Salaries of Other Professional Staff	565,942.08							565,942.08
Purchased Professional - Technical Services								
Purchased Professional - Educational Services								
Other Purchased Services (400-500 series)								
General Supplies	31,048.27							31,048.27
Other Objects								
<b>Total instruction</b>	<u>1,903,917.66</u>	<u>112,989.00</u>	<u>10,126.00</u>		<u>26,366.00</u>		<u>10,937.00</u>	<u>2,064,335.66</u>
Support services:								
Salaries								
Other Salaries								
Salaries of Program Directors	70,901.76							70,901.76
Salaries of Other Professional Staff						26,122.00		26,122.00
Salaries of Master Teachers	222,030.00							222,030.00
Personal Services - Employee Benefits	297,052.00							297,052.00
Purchased Professional - Technical Services								
Purchased Professional - Educational Services	10,650.00							10,650.00
Other Purchased Professional Services								
Contr Services Trans	260.20							260.20
Travel	3,380.64							3,380.64
Supplies & Materials	6,977.30							6,977.30
Other Objects								
<b>Total support services</b>	<u>611,251.90</u>			<u>9,323.00</u>		<u>26,122.00</u>		<u>646,696.90</u>
Facilities acquisition and const. serv.:								
Instructional Equipment								
<b>Total facilities acquisition and const. serv.</b>								
<b>Total Expenditures</b>	<u>\$ 2,515,169.56</u>	<u>\$ 112,989.00</u>	<u>\$ 10,126.00</u>	<u>\$ 9,323.00</u>	<u>\$ 26,366.00</u>	<u>\$ 26,122.00</u>	<u>\$ 10,937.00</u>	<u>\$ 2,711,032.56</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>								

City of Linden School District  
Special Revenue Fund  
Schedule of Preschool Education Aid  
Budgetary Basis  
for the Fiscal Year Ended June 30, 2014

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Other Salaries for Instruction	\$1,588,459.00	\$1,306,927.31	\$281,531.69
Salaries of Other Professional Staff	593,364.00	565,942.08	27,421.92
General supplies	47,166.00	31,048.27	16,117.73
Other Objects	320.00		320.00
<b>Total instruction</b>	<u>2,229,309.00</u>	<u>1,903,917.66</u>	<u>325,391.34</u>
<b>Support Services</b>			
Salaries of Supervisors of Instruction	70,904.00	70,901.76	2.24
Salaries of Master Teachers	373,131.00	222,030.00	151,101.00
Personal Services - Employee Benefits	297,052.00	297,052.00	
Purchased Professional - Educational Services	21,000.00	10,650.00	10,350.00
Contr Services Trans	3,500.00	260.20	3,239.80
Travel	8,000.00	3,380.64	4,619.36
Supplies & Materials	7,500.00	6,977.30	522.70
<b>Total support services</b>	<u>781,087.00</u>	<u>611,251.90</u>	<u>169,835.10</u>
<b>Total expenditures</b>	<u>\$3,010,396.00</u>	<u>\$2,515,169.56</u>	<u>495,226.44</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2013-14 Preschool Education Aid Allocation	\$2,686,684.00
Add: Actual PreK Carryover (June 30, 2013)	475,112.72
<b>Total Preschool Education Funds Available for 2013-14 Budget</b>	<u>3,161,796.72</u>
Less: 2013-14 Budgeted Prek (Including prior year budgeted carryover)	<u>3,010,396.00</u>
<b>Available &amp; Unbudgeted Preschool Education Aid Funds as of June 30, 2014</b>	<u>151,400.72</u>
 Add: June 30, 2014 Unexpended Preschool Education Aid	<u>495,226.44</u>
2013-14 actual Carryover-Preschool Education Aid	<u>646,627.16</u>
 2013-14 Preschool Education Aid Carryover Budgeted for Preschool Programs 2014-15	<u>\$475,113.00</u>

## **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, 2014

ISSUE/PROJECT TITLE	ORIGINAL DATE	REVISED BUDGETARY APPROPRIATIONS	EXPENDITURES TO DATE		(MEMO ONLY) UNEXPENDED PROJECT BALANCE
			PRIOR YEAR	CURRENT YEAR	
School #6 Renovations	2006/2007	\$ 2,492,408.61	\$ 2,480,804.51	\$	11,604.10
School #2 Addition	2008/2009	9,142,531.24	7,048,968.78	15,656.26	2,077,906.20
Totals		\$ 23,063,687.31	\$ 20,958,520.75	\$ 15,656.26	2,089,510.30

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, 2014

## REVENUES AND OTHER FINANCING SOURCES:

State sources	\$ <u>0.00</u>
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Total revenues and other financing sources	\$ <u>0.00</u>
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## EXPENDITURES AND OTHER FINANCING USES:

Purchased professional and technical services	
Construction services	\$ <u>15,656.26</u>

Total expenditures and other financing uses	\$ <u>15,656.26</u>
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Excess (deficiency) of revenues over (under) expenditures	\$ (15,656.26)
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Fund balance - July 1	<u>2,105,166.56</u>
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Fund balance - June 30	\$ <u><u>2,089,510.30</u></u>
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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, 2014

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
State sources - SCC grant	\$	\$	\$	\$
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	<u>2,500,000.00</u>		<u>2,500,000.00</u>	<u>2,500,000.00</u>
Total revenues and other financing sources	\$ <u>2,492,408.61</u>	\$ _____	\$ <u>2,492,408.61</u>	\$ <u>2,492,408.61</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Purchased professional and technical service	\$ 47,496.81	\$ _____	\$ 47,496.81	\$ 47,496.81
Construction services	<u>2,433,307.70</u>		<u>2,433,307.70</u>	<u>2,444,911.80</u>
	\$ _____	\$ _____	\$ _____	\$ _____
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>	\$ _____
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorized cost	\$ 2,846,861.70			
Reduction in authorized cost	(354,453.09)			
Revised authorized cost	\$ 2,492,408.61			
Percentage increase/(decrease) over original authorized cost		(12.45) %		
Percentage completion		99.53% %		
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 #2 ADDITION  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
State Sources- SDA Grant	\$ 2,406,065.00	\$	\$ 2,406,065.00	\$ 2,406,065.00
Bond proceeds and transfers	1,736,466.24		1,736,466.24	1,736,466.24
Capital Lease	<u>5,000,000.00</u>		<u>5,000,000.00</u>	<u>5,000,000.00</u>
Total revenues and other financing source	\$ <u>9,142,531.24</u>	\$	\$ <u>9,142,531.24</u>	\$ <u>9,142,531.24</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction services	\$ <u>7,048,968.78</u>	\$ <u>15,656.26</u>	\$ <u>7,064,625.04</u>	\$ <u>9,142,531.24</u>
Total expenditures and other financing use	\$ <u>7,048,968.78</u>	\$ <u>15,656.26</u>	\$ <u>7,064,625.04</u>	\$ <u>9,142,531.24</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u><u>2,093,562.46</u></u>	\$ <u><u>(15,656.26)</u></u>	\$ <u><u>2,077,906.20</u></u>	\$ <u><u>                    </u></u>
<b>ADDITIONAL PROJECT INFORMATION:</b>				
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	77.27%			
Original target completion date				
Revised target completion date				

## ENTERPRISE FUND DETAIL STATEMENTS

Enterprise 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.

**DAY CARE FUND:**

This fund provides for the operation of the Day Care Program within the school district.

CITY OF LINDEN SCHOOL DISTRICT  
COMBINING STATEMENT OF NET POSITION  
ENTERPRISE FUNDS  
JUNE 30, 2014

	<u>FOOD SERVICE</u> <u>FUND</u>	<u>DAY CARE</u> <u>FUND</u>	<u>TOTAL</u> <u>ENTERPRISE</u>
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 696,564.68	\$ 52,133.24	\$ 748,697.92
Accounts receivable:			
Federal	94,496.93		94,496.93
State	1,792.37		1,792.37
Inventories	<u>21,321.10</u>		<u>21,321.10</u>
Total current assets	<u>\$ 814,175.08</u>	<u>\$ 52,133.24</u>	<u>\$ 866,308.32</u>
Noncurrent assets:			
Furniture, machinery & equipment	\$ 865,245.72	\$	\$ 865,245.72
Less accumulated depreciation	<u>(732,935.88)</u>		<u>(732,935.88)</u>
Total noncurrent assets	<u>\$ 132,309.84</u>	<u>\$</u>	<u>\$ 132,309.84</u>
Total assets	<u>\$ 946,484.92</u>	<u>\$ 52,133.24</u>	<u>\$ 998,618.16</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 24,599.55	\$	\$ 24,599.55
Unearned revenue	<u>6,815.24</u>		<u>6,815.24</u>
Total current liabilities	<u>\$ 31,414.79</u>	<u>\$</u>	<u>\$ 31,414.79</u>
Total liabilities	<u>\$ 31,414.79</u>	<u>\$</u>	<u>\$ 31,414.79</u>
<b>NET POSITION:</b>			
Restricted for:			
Net investment in capital assets	\$ 132,309.84	\$	\$ 132,309.84
Unrestricted	<u>782,760.29</u>	<u>52,133.24</u>	<u>834,893.53</u>
Total Net Position	<u>\$ 915,070.13</u>	<u>\$ 52,133.24</u>	<u>\$ 967,203.37</u>

CITY OF LINDEN SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	FOOD SERVICE FUND	DAY CARE FUND	TOTAL ENTERPRISE
OPERATING REVENUES:			
Charges for services:			
Daily sales	\$ 908,293.17	\$ 136,890.00	\$ 1,045,183.17
Total operating revenues	\$ 908,293.17	\$ 136,890.00	\$ 1,045,183.17
OPERATING EXPENSES:			
Cost of sales	\$ 1,013,478.41	\$	\$ 1,013,478.41
Salaries and employee benefits	1,050,045.74	103,292.83	1,153,338.57
Other Purchased Service	15,586.22		15,586.22
Cleaning, Repairs and Maintenance	32,059.22		32,059.22
Insurance	91,008.81		91,008.81
Supplies and materials	120,478.87	1,566.14	122,045.01
Other Expenses	104,853.72		104,853.72
National food distribution commodities	190,726.19		190,726.19
Depreciation	\$ 13,422.13	\$	\$ 13,422.13
Total operating expenses	\$ 2,631,659.31	\$ 104,858.97	\$ 2,736,518.28
Net operating income (loss)	\$ (1,723,366.14)	\$ 32,031.03	\$ (1,691,335.11)
NONOPERATING REVENUE (EXPENSE):			
State Sources			
State School Lunch Program	\$ 33,565.72	\$	\$ 33,565.72
Federal Sources			
National School Lunch Program	1,304,964.90		1,304,964.90
National School Lunch Program- HHFKA	37,354.20		37,354.20
National School Breakfast Program	203,708.66		203,708.66
National School Snack Program	15,031.20		15,031.20
National food distribution commodities	\$ 196,867.08	\$	\$ 196,867.08
Total nonoperating revenue (expense)	\$ 1,791,491.76	\$	\$ 1,791,491.76
Change in net position	\$ 68,125.62	\$ 32,031.03	\$ 100,156.65
Total net position - beginning	\$ 846,944.51	\$ 20,102.21	\$ 867,046.72
Total net position - ending	\$ 915,070.13	\$ 52,133.24	\$ 967,203.37

CITY OF LINDEN SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>FOOD SERVICE</u> <u>FUND</u>	<u>DAY CARE</u> <u>FUND</u>	<u>TOTAL</u> <u>ENTERPRISE</u>
Cash flows from operating activities:			
Receipts from customers	\$ 908,293.17	\$ 136,890.00	\$ 1,045,183.17
Payments to employees and employee benefits	(1,003,079.00)	(103,292.83)	(1,106,371.83)
Payments to suppliers	(1,428,685.93)	(1,566.14)	(1,430,252.07)
Net cash provided (used) by operating activities	<u>\$ (1,523,471.76)</u>	<u>\$ 32,031.03</u>	<u>\$ (1,491,440.73)</u>
Cash flows from noncapital financing activities:			
State sources	\$ 33,286.58	\$	\$ 33,286.58
Federal sources	1,545,010.29		1,545,010.29
Net cash provided (used) by noncapital financing activities	<u>\$ 1,578,296.87</u>	<u>\$</u>	<u>\$ 1,578,296.87</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	\$ (10,555.28)	\$	\$ (10,555.28)
Net cash provided (used) by capital and related financing activities	<u>\$ (10,555.28)</u>	<u>\$</u>	<u>\$ (10,555.28)</u>
Net increase in cash and cash equivalents	\$ 44,269.83	\$ 32,031.03	\$ 76,300.86
Cash and cash equivalents, June 30, 2013	<u>\$ 652,294.85</u>	<u>\$ 20,102.21</u>	<u>\$ 672,397.06</u>
Cash and cash equivalents, June 30, 2014	<u>\$ 696,564.68</u>	<u>\$ 52,133.24</u>	<u>\$ 748,697.92</u>
Operating income(loss)	\$ (1,723,366.14)	\$ 32,031.03	\$ (1,691,335.11)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation and net amortization	13,422.13		13,422.13
Federal commodities	190,726.19		190,726.19
Change in assets and liabilities:			
(Increase) Decrease in inventories	2,168.88		2,168.88
Increase (Decrease) in accounts payable	(6,422.82)		(6,422.82)
Net cash provided (used) by operating activities	<u>\$ (1,523,471.76)</u>	<u>\$ 32,031.03</u>	<u>\$ (1,491,440.73)</u>

<b>FIDUCIARY FUNDS DETAIL STATEMENTS</b>
--

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.

- |  |  |
|--|--|
| <b>Unemployment Compensation Insurance Trust Fund:</b> | This trust fund is used to account for board contributions which are utilized to pay unemployment compensation claims as they arise.                                   |
| <b>Scholarship Trust Fund:</b>                         | 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. |
| <b>Student Activity Fund:</b>                          | This agency fund is used to account for student funds held at the schools.   |
| <b>Payroll Agency Fund:</b>                            | 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 POSITION  
 JUNE 30, 2014

		<u>AGENCY FUNDS</u>	<u>TOTAL AGENCY TRUST FUNDS</u>	
		<u>STUDENT ACTIVITY</u>	<u>PAYROLL AGENCY</u>	<u>UNEMPLOYMENT COMPENSATION TRUST</u>
				<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>
ASSETS				
Cash and cash equivalents	\$	<u>161,593.29</u>	\$	<u>19,007.46</u>
Total assets	\$	<u><u>161,593.29</u></u>	\$	<u><u>19,007.46</u></u>
LIABILITIES				
Due to student groups	\$	<u>161,593.29</u>	\$	<u>          </u>
Total liabilities	\$	<u>161,593.29</u>	\$	<u>          </u>
NET POSITION				
Held in trust for unemployment claims and other purposes	\$	<u>          </u>	\$	<u>19,007.46</u>
Total net position	\$	<u><u>-0-</u></u>	\$	<u><u>19,007.46</u></u>

CITY OF LINDEN SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>TOTAL</u>
<b>ADDITIONS:</b>			
Contributions:			
Employee	\$	\$ 105,986.23	\$ 105,986.23
Local	2,400.00	_____	2,400.00
Total contributions	\$ 2,400.00	\$ 105,986.23	\$ 108,386.23
Investment earnings:			
Interest earned	\$ 12.24	\$ _____	\$ 12.24
Net investment earnings	\$ 12.24	\$ _____	\$ 12.24
Total additions	\$ 2,412.24	\$ 105,986.23	\$ 108,398.47
<b>DEDUCTIONS:</b>			
Other purposes	\$ 2,900.00	\$ _____	\$ 2,900.00
Bank Charges	_____	725.45	725.45
Unemployment claims	_____	123,012.89	123,012.89
Total deductions	\$ 2,900.00	\$ 123,738.34	\$ 126,638.34
Change in net assets	\$ (487.76)	\$ (17,752.11)	\$ (18,239.87)
Net position beginning of year	19,495.22	67,209.99	86,705.21
Net position end of year	\$ 19,007.46	\$ 49,457.88	\$ 68,465.34

CITY OF LINDEN SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>BALANCE</u> <u>JUNE 30, 2013</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2014</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ <u>174,543.38</u>	\$ <u>307,614.04</u>	\$ <u>320,564.13</u>	\$ <u>161,593.29</u>
Total assets	\$ <u><u>174,543.38</u></u>	\$ <u><u>307,614.04</u></u>	\$ <u><u>320,564.13</u></u>	\$ <u><u>161,593.29</u></u>
<b>LIABILITIES:</b>				
Due student groups:				
High school	\$ 173,392.03	\$ 260,978.04	\$ 280,982.00	\$ 153,388.07
Athletic	<u>1,151.35</u>	<u>46,636.00</u>	<u>39,582.13</u>	<u>8,205.22</u>
	\$ <u><u>174,543.38</u></u>	\$ <u><u>307,614.04</u></u>	\$ <u><u>320,564.13</u></u>	\$ <u><u>161,593.29</u></u>

CITY OF LINDEN SCHOOL DISTRICT  
PAYROLL AGENCY FUNDS  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>BALANCE</u> <u>JUNE 30, 2013</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2014</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ _____	\$ 63,581,443.11	63,581,443.11	\$ _____
Total assets	\$ _____	\$ 63,581,443.11	63,581,443.11	\$ _____
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$ _____	\$ 63,581,443.11	63,581,443.11	\$ _____
Total liabilities	\$ _____	\$ 63,581,443.11	63,581,443.11	\$ _____

**LONG-TERM LIABILITIES SCHEDULES**

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



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**STATISTICAL SECTION**  
**(UNAUDITED)**



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.

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

	Fiscal Year Ending									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities										
Net investment in capital assets	\$ 44,762,620	\$ 38,395,627	\$ 35,565,292	\$ 28,374,005	\$ 22,102,247	\$ 23,972,852	\$ 19,207,702	\$ 21,295,245	\$ 21,245,872	\$ 19,113,878
Restricted for :										
Capital Projects	2,089,510	2,105,167	2,126,375	22,473,205	20,296,353	12,444,580	13,744,331	7,081,848	5,840,933	5,204,693
Other Purposes	18,250,198	26,666,289	22,358,677	(1,680,350)	(3,009,517)	(3,762,299)	(197,279)	3,006,188	2,571,213	2,391,800
Unrestricted (deficit)	(1,800,252)	(1,932,355)	(1,108,332)	\$ 49,166,860	\$ 39,389,083	\$ 32,655,133	\$ 32,754,753	\$ 31,383,281	\$ 29,658,018	\$ 26,710,371
Total governmental activities net assets	\$ 63,302,076	\$ 65,234,727	\$ 58,942,013	\$ 722,042	\$ 673,543	\$ 564,313	\$ 510,568	\$ 502,145	\$ 408,213	\$ 363,088
Business-type activities										
Net investment in capital assets	\$ 132,310	\$ 135,177	\$ 134,599	\$ 126,456	\$ 124,802	\$ 86,945	\$ 92,711	\$ 80,047	\$ 25,854	\$ 39,414
Unrestricted	834,894	731,870	663,820	595,587	548,742	477,367	417,857	422,098	382,359	323,674
Total business-type activities net assets	\$ 967,203	\$ 867,047	\$ 798,419	\$ 722,042	\$ 673,543	\$ 564,313	\$ 510,568	\$ 502,145	\$ 408,213	\$ 363,088
District-wide										
Net investment in capital assets	\$ 44,894,930	\$ 38,530,803	\$ 35,699,891	\$ 28,500,460	\$ 22,227,049	\$ 24,059,798	\$ 19,300,413	\$ 21,375,292	\$ 21,271,726	\$ 19,153,292
Restricted	20,339,708.62	28,771,455.75	24,485,052.33	22,473,204.82	20,296,352.94	12,444,579.79	13,744,331.00	7,081,847.74	5,840,933.00	5,204,693.00
Unrestricted	(965,358.73)	(1,200,485.07)	(444,511.35)	(1,084,762.99)	(2,460,775.11)	(3,284,931.33)	(220,577.66)	3,428,285.76	2,953,572.00	2,715,474.00
Total district net assets	\$ 64,269,280	\$ 66,101,774	\$ 58,740,432	\$ 49,888,902	\$ 40,062,626	\$ 33,219,446	\$ 33,265,321	\$ 31,885,426	\$ 30,066,231	\$ 27,073,459

Source: District records

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

	Fiscal Year Ending								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Expenses</b>									
Governmental activities									
Instruction									
Regular	\$ 37,080,253	\$ 44,439,893	\$ 40,269,114	\$ 39,456,926	\$ 42,034,478	\$ 40,915,427	\$ 39,627,705	\$ 37,773,743	\$ 28,295,656
Special education	8,209,828	13,218,494	12,171,809	11,763,250	11,914,810	11,547,550	11,197,330	10,457,469	5,689,022
Other special education	3,510,224	5,097,221	4,772,280	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	9,445,410	8,520,729	8,653,880	9,483,964	9,445,718	10,482,987	9,818,373	8,522,758	6,960,917
Student & instruction related services	13,356,459	14,217,567	13,281,322	13,331,568	13,353,313	12,946,409	13,160,789	12,792,609	9,797,124
General administrative services	1,414,233	2,842,029	3,983,956	4,030,020	3,884,239	3,688,673	4,191,775	1,991,402	1,778,999
School administrative services	3,840,345	4,249,741	3,066,135	2,734,388	2,566,446	2,870,231	2,106,523	3,832,478	4,456,926
Central services	1,109,595	1,726,508	2,343,169	2,178,154	2,219,141	2,407,439	2,416,158	2,383,909	
Administrative technology information	1,199,950	712,181	11,936,965	10,829,430	10,808,967	11,033,676	11,321,583	10,492,364	7,652,613
Plant operations and maintenance	11,222,901	12,539,958	3,542,594	3,612,377	3,930,625	5,606,426	5,321,099	4,688,001	4,194,179
Student transportation	4,087,027	3,653,543							
Unallocated Benefits	24,287,067								
Special Schools		105,010	89,898	95,127	138,489	427,642	416,228	344,167	395,646
Transfer to Charter Schools	72,789	73,245	28,662	42,388					4,760
Debt Service Assessment									
Other support services									
Unallocated depreciation	1,831,516							1,106	17,227,642
Total governmental activities expenses	120,667,600	111,396,109	104,208,674	102,265,541	105,900,017	107,015,493	104,509,982	97,826,138	89,777,903
Business-type activities:									
Food service	2,631,659	2,630,216	2,507,973	2,452,901	2,465,780	2,344,410	2,419,705	2,266,910	2,148,904
Day Care	104,859								
Total business-type activities expense	2,736,518	2,630,216	2,507,973	2,452,901	2,465,780	2,344,410	2,419,705	2,266,910	2,148,904
Total district expenses	123,404,118	114,026,325	106,716,647	104,718,442	108,365,797	109,359,904	106,929,686	100,093,048	91,926,807
<b>Program Revenues</b>									
Governmental activities:									
Operating grants and contributions	8,130,862	15,428,212	13,253,102	13,288,426	12,859,738	11,685,699	19,752,356	19,130,781	11,168,470
Total governmental activities program revenues	8,130,862	15,428,212	13,253,102	13,288,426	12,859,738	11,685,699	19,752,356	19,130,781	11,168,470
Business-type activities:									
Charges for services	1,045,183	988,307	940,731	927,053	918,861	987,571	1,012,352	986,013	964,946
Total business type activities program revenues	1,045,183	988,307	940,731	927,053	918,861	987,571	1,012,352	986,013	964,946
Total district program revenues	9,176,045	16,416,519	14,193,833	14,215,479	13,778,599	12,673,269	20,764,708	20,116,794	12,133,416
<b>Net (Expense)/Revenue</b>									
Governmental activities	(112,536,738)	(95,967,898)	(90,955,572)	(88,977,115)	(93,040,279)	(95,329,795)	(84,757,626)	(78,695,357)	(78,609,433)
Business-type activities	(1,691,335)	(1,641,909)	(1,567,241)	(1,525,848)	(1,546,919)	(1,356,840)	(1,407,353)	(1,280,897)	(1,183,968)
Total district-wide net expense	\$(114,228,073)	\$(97,609,807)	\$(92,522,813)	\$(90,502,963)	\$(94,587,198)	\$(96,686,634)	\$(86,164,979)	\$(79,976,254)	\$(79,793,391)

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

	Fiscal Year Ending								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
Property taxes levied for general purposes, net	\$ 81,257,451	\$ 79,664,168	\$ 78,533,587	\$ 77,779,082	\$ 74,190,234	\$ 71,631,468	\$ 71,756,468	\$ 68,458,631	\$ 62,480,329
Unrestricted grants and contributions	21,865,712	21,965,186	21,358,881	19,362,646	25,032,634	23,001,732	13,281,024	12,609,933	18,318,930
Federal and State aid not restricted- Net	7,049,032								
Federal and State aid restricted									
Special Item - Capital & Maintenance Invest									
Tuition Received	151,625	46,835	152,476	46,702	24,437	94,244	27,456	40,047	200,307
Investment earnings	102,120	92,427	122,092	102,731	121,937	30,640	577,835	759,591	50,916
Disposal of Fixed Assets					(25,185)	(407)			468,350
Miscellaneous income	178,963	499,341	563,689	536,567	430,170	713,173	543,832	656,254	595,778
Total governmental activities	110,604,903	102,267,957	100,730,725	97,827,728	99,774,228	95,470,850	86,186,615	82,524,456	82,114,610
Bodily Injury from Products and Completed Operations									
Business-type activities:									
Federal and State aid not restricted	1,791,492	1,710,529	1,643,610	1,574,299	1,656,443	1,410,060	1,411,765	1,339,312	1,226,626
Investment earnings	7	7	8	48	(294)	524	2,011	2,599	2,457
Total business-type activities	1,791,492	1,710,536	1,643,618	1,574,347	1,656,150	1,410,584	1,413,776	1,341,911	1,229,083
Total district-wide	112,396,395	103,978,493	102,374,343	99,402,075	101,430,378	96,881,434	87,600,392	83,866,367	83,343,693
<b>Change in Net Assets</b>									
Governmental activities	(1,931,835)	6,300,059	9,775,153	8,850,614	6,733,949	141,055	1,428,990	3,829,099	3,505,177
Business-type activities	100,157	68,628	76,377	48,499	109,231	53,745	6,423	61,014	45,125
Total district	<u>(1,831,678)</u>	<u>6,368,686</u>	<u>9,851,530</u>	<u>8,899,112</u>	<u>6,843,180</u>	<u>194,800</u>	<u>1,435,413</u>	<u>3,890,112</u>	<u>3,550,302</u>

Source: District records

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

	<u>UNAUDITED</u>			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund				
Restricted for:				
Excess Surplus- Prior year	\$ 2,858,467	\$ 1,758,388	\$ 2,399,071	\$ 2,399,071
Excess Surplus- current year	270,789	2,858,467	1,758,388	2,399,071
Capital Reserve Account	6,025,290	2,625,290	13,123,739	8,122,898
Maintenance reserve			173	26,842
Emergency Reserve	923,476	923,476	923,390	923,274
Committed to:				
Designated for Subsequent years Expenditures	1,000,501	2,145,297	600,929	3,000,000
Year End Encumbrances	7,171,675	16,279,579	3,461,496	2,266,055
Unassigned				
General Fund	186,722		527,615	159,030
Special Revenue Fund (Deficit)				
Total General Fund	<u>18,436,921</u>	<u>\$ 26,590,498</u>	<u>\$ 22,794,800</u>	<u>\$ 16,897,169</u>
All Other Governmental Funds				
Restricted for :				
Special Revenue Fund (Deficit)				(122,889)
Capital Purposes	2,089,510	2,105,167	2,126,375	2,316,841
Committed to:				
Year End Encumbrances			91,492	3,541,113
Total all other governmental funds	<u>\$ 2,089,510</u>	<u>\$ 2,105,167</u>	<u>\$ 2,217,867</u>	<u>\$ 5,735,065</u>

This Schedule does not contain ten years of information as GASB #54 was implemented during 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  
 UNAUDITED

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Revenues</b>										
Tax levy	\$ 81,257,451	\$ 79,864,168	\$ 78,533,587	\$ 77,779,082	\$ 74,190,234	\$ 71,631,468	\$ 71,756,468	\$ 68,458,631	\$ 62,480,329	\$ 56,175,279
Tuition charges	151,625	46,835	152,476	46,702	24,437	94,244	27,456	40,048	50,916	140,889
Interest earned on capital reserve funds			116	2,935	10,063	25,167	65,588	98,545	571,402	271,788
Interest earned on emergency reserve funds		87		784	2,102	5,213				
Interest earned on maintenance reserve funds			841	972	972	260				
Miscellaneous	281,083	591,681	684,824	634,607	538,970	713,173	1,262,652	1,604,046	1,316,425	5,503,224
State sources	32,541,151	33,105,157	29,864,228	27,389,836	29,227,030	30,350,762	27,982,684	26,562,140	24,168,783	24,776,686
Federal sources	4,504,454	4,288,241	4,747,755	5,261,236	8,665,343	4,336,669	4,846,541	4,891,827	5,155,720	4,795,187
Special revenue sources										1,000,000
<b>Total revenue</b>	<b>118,735,765</b>	<b>117,695,168</b>	<b>113,983,828</b>	<b>111,116,154</b>	<b>112,659,151</b>	<b>107,156,956</b>	<b>105,941,389</b>	<b>101,655,237</b>	<b>93,743,575</b>	<b>91,663,063</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	37,080,253	31,592,251	29,023,605	28,412,258	31,087,241	30,208,795	29,146,352	28,100,767	27,447,381	25,109,876
Special education instruction	8,209,828	8,042,612	7,641,368	7,313,722	7,504,533	7,234,205	7,015,517	6,603,602	5,669,022	5,507,124
Other special instruction	3,510,224	3,421,264	3,305,328	3,267,186	4,175,737	3,692,368	3,579,093		1,715,373	1,669,818
Vocational education									704,137	682,495
Other instruction								3,197,920	730,946	768,680
<b>Support Services:</b>										
Tuition	9,445,410	8,520,729	8,653,880	9,483,964	9,445,718	10,482,987	9,818,373	8,522,758	6,960,917	6,467,942
Student & instruction related services	13,356,459	11,827,368	11,188,186	11,276,797	11,316,667	10,954,526	11,215,404	11,001,676	9,797,124	9,436,966
General administrative services	1,414,233	1,394,328	1,796,966	1,489,850	1,332,886	1,663,784	1,544,387	1,474,356	1,778,999	1,709,173
School administrative services	3,840,345	3,587,043	3,413,897	3,460,321	3,319,566	3,136,410	3,003,652	2,835,239	4,456,926	4,533,160
Central services	1,109,595	1,179,985	1,139,836	1,120,435	1,178,242	1,186,718	1,128,354	1,174,067	1,722,642	15,167,077
Administrative information technology	1,199,950	712,181	724,962	587,892	575,217	763,274	717,883	689,343		
Plant operations and maintenance	11,222,901	10,607,708	10,245,670	9,168,341	9,162,532	9,423,427	8,892,155	8,175,941	7,652,613	8,251,719
Pupil transportation	4,087,027	3,624,299	3,516,997	3,587,237	3,905,707	5,582,056	5,283,953	4,650,851	4,194,179	3,980,853
Unallocated employee benefits	24,156,657	24,766,383	22,281,723	21,609,081	21,369,262	20,664,099	21,353,278	19,686,203		
Special Schools		105,010	89,898	95,127	138,489	427,642	416,228	344,167	395,646	430,249
Capital outlay	6,835,276	2,703,429	6,735,929	4,881,905	2,266,758	4,320,996	521,257	2,168,833	2,851,833	10,065,475
Capital outlay - Debt Service Assessment	47,663		28,662	42,388						
Capital outlay - lease principal	1,316,387	1,807,671	1,754,607	1,702,929	2,187,976	1,642,819	1,133,145	1,096,768		
Transfer to Charter Schools	72,789	73,245	58,881	1,702,929						
<b>Total expenditures</b>	<b>126,904,999</b>	<b>114,013,170</b>	<b>111,603,395</b>	<b>107,489,434</b>	<b>108,966,533</b>	<b>111,366,104</b>	<b>104,769,031</b>	<b>99,722,481</b>	<b>91,587,498</b>	<b>93,788,992</b>
Excess (Deficiency) of revenues over (under) expenditures	(8,169,234)	3,682,998	2,380,432	3,616,721	3,692,618	(4,229,148)	1,172,357	1,932,746	2,156,077	(2,125,929)
<b>Other Financing sources (uses)</b>										
Transfer to Capital Projects Fund							1,901,276	765,437	(492,147)	(838,294)
Transfer to/(from) Capital Reserve Fund					5,000,000	(1,901,276)	(1,901,276)	(765,437)		873
Capital Leases (non budgeted)					5,000,000	2,500,000	2,500,000		(492,147)	(837,421)
<b>Total other financing sources (uses)</b>										
<b>Net change in fund balances</b>	<b>\$(8,169,234)</b>	<b>\$ 3,682,998</b>	<b>\$ 2,380,432</b>	<b>\$ 3,616,721</b>	<b>\$ 8,692,618</b>	<b>\$(4,229,148)</b>	<b>\$ 3,672,357</b>	<b>\$ 1,932,746</b>	<b>\$ 1,665,930</b>	<b>\$ (2,963,950)</b>
Theft, Disappearance and Destruction-Loss of Money noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Theft, Disappearance and Destruction-Money orders and Counterfeit paper currency										

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>E-Rate</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>
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	14,000		1,289	30,690		361,373	407,352
2010	121,937			45,140		385,030	552,107
2011	102,731			36,853		456,525	596,109
2012	122,092	163,989		49,712	13,238	157,755	506,786
2013	92,427	199,653		47,509		252,092	591,681
2014	102,120			37,135	25,088	116,741	281,083

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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
District Property										
Vacant Land	\$91,623,300	\$89,900,800	\$78,444,500	\$74,639,600	\$74,086,000	\$72,262,700	\$38,205,600	\$36,702,400	\$36,771,600	\$34,410,200
Residential	1,357,598,900	1,368,075,400	1,390,712,300	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
Commercial	425,402,300	424,620,800	428,621,800	444,248,400	446,742,200	448,667,100	448,356,300	454,439,100	466,462,600	463,569,700
Industrial	779,632,400	783,826,900	783,499,800	780,710,600	785,901,200	806,985,600	849,638,100	886,980,500	920,857,100	976,458,400
Apartment	66,085,200	65,749,300	65,727,500	67,154,000	68,339,100	69,036,200	68,622,300	68,398,100	66,835,400	66,881,000
Total Assessed Value	\$2,720,342,100	\$2,732,173,200	\$2,747,005,900	\$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
Public Utilities	4,101,474	4,298,874	5,159,106	4,803,534	4,881,400	4,548,144	4,538,742	4,736,166	5,405,583	6,303,924
Net Valuation Taxable	\$2,724,443,574	\$2,736,472,074	\$2,752,165,006	\$2,778,972,234	\$2,793,697,700	\$2,819,342,144	\$2,823,132,942	\$2,861,742,166	\$2,895,120,883	\$2,937,112,324

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 <sup>a</sup>	General Obligation Debt Service	Total Direct	City of Linden	County	
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
2011	2.813	0	2.813	1.819	0.898	5.530
2012	2.874	0	2.874	1.900	0.930	5.704
2013	2.941	0	2.941	2.002	0.992	5.935

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

EXHIBIT 'J-8'

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

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Phillips 66 Company	\$263,435,500.00	1	9.684%	***	1	***
Merck & Co.	109,739,700.00	2	4.034%	***	2	***
Infineum USA LP	63,152,200.00	3	2.321%	***	3	***
Avation Tower LLC	43,968,600.00	4	1.616%	***	4	***
Citigo Petroleum	40,551,500.00	5	1.491%	***	5	***
PSE& G	35,926,000.00	6	1.321%	***	6	***
Co-Gen Technologies	30,600,000.00	7	1.125%	***	7	***
Buckeye Pipeline	29,354,400.00	8	1.079%	***	8	***
Linden Development LLC( Duke Realty)	24,079,000.00	9	0.885%	***	9	***
Linden Route One Associates	20,597,500.00	10	0.757%	***	10	***
<b>Total</b>	<b>\$ 661,404,400</b>		<b>24.313%</b>	<b>\$ -</b>		<b>0.000%</b>

\*\*\* Not available  
 Source: Municipal Tax Assessor

CITY OF LINDEN SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS,  
UNAUDITED

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2014	\$ 81,257,451	\$ 81,257,451	100%	
2013	79,664,168	79,664,168	100%	
2012	78,533,587	78,533,587	100%	
2011	77,779,082	77,779,082	100%	
2010	74,190,234	74,190,234	100%	
2009	71,631,468	71,631,468	100%	
2008	71,756,468	71,756,468	100%	
2007	68,458,631	68,458,631	100%	
2006	62,480,329	62,480,329	100%	

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 TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities						Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)					
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	
2012			6,534,058.54		6,534,058.54		N/A	N/A	
2013			4,726,387.13		4,726,387.13		N/A	N/A	
2014			3,410,000.00		3,410,000.00		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			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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
2012	-0-	-0-	-0-	0.00%	0.00
2013	-0-	-0-	-0-	0.00%	0.00
2014	-0-	-0-	-0-	0.00%	0.00

Source: District records



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

**Legal Debt Margin Calculation for Calendar Year 2013**

	Equalized valuation basis	
	2013	\$5,189,312,821.00
	2012	5,381,010,578.00
	2011	5,542,794,605.00
	<b>[A]</b>	<u><u>\$16,113,118,004.00</u></u>
Average equalized valuation of taxable property	<b>[A/3]</b>	\$5,371,039,334.67
Debt limit (4 % of average equalization value)	<b>[B]</b>	214,841,573.39
Total net debt applicable to limit	<b>[C]</b>	<u>214,841,573.39</u>
Legal debt margin	<b>[B-C]</b>	<u><u>\$214,841,573.39</u></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
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%
2012	226,478,965.99		226,478,965.99	0.00%
2013	222,588,905.31		222,588,905.31	0.00%
2014	214,841,573.39		214,841,573.39	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

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

Union County

Year	Population <b>a</b>	Personal Income <b>b</b>	Per capita Personal Income <b>c</b>	Unemployment Rate <b>d</b>
2004	39,371	\$ 1,253,597,105.00	\$ 42,775.00	3.80%
2005	39,292	1,285,917,609.00	44,243.00	4.20%
2006	39,054	1,324,495,137.00	48,636.00	4.40%
2007	38,998	1,979,226,496.00	50,752.00	4.40%
2008	39,054	2,042,797,578.00	52,307.00	5.30%
2009	39,432	1,921,245,336.00	48,723.00	10.10%
2010	40,573	2,046,826,704.00	50,448.00	9.60%
2011	40,725	2,111,998,500.00	51,860.00	10.90%
2012	40,880	**	53,816.00	10.60%
2013	41,301	**	**	9.30%

Source:

a Population information provided by the NJ Department of Labor and Workforce Development

b Personal income has been estimated based upon the municipal population and per capita personal income presented

c Per capita personal income by municipality estimate based upon the 2000 Census published by the US Bureau of Economic Analysis

d Unemployment data provided by the NJ Department of Labor and Workforce Development

\*\* Not Available

CITY OF LINDEN SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT AND TEN 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

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction	456.1	420.5	433	486	505	510	540	525	501	458
Regular	188.5	170	177	155	180	112	92	89	116	83
Special education	34.5	43.5	28	13	10	16	16	9	15	27
Vocational	10	10	10	9	12	12	10	9	12	12
Other instruction					0	0	0	8	8	7
Nonpublic school programs					0	0	0	0.5	0	0
Adult/continuing education programs	2	2	2	2	2	2	2	2	2	2
Support Services:										
Tuition										
Student & instruction related services	86	78.5	109	108	106	140	140	136	30	38
General administration	5	5	6	6	6	7	7	7	9	8
School administrative services	45	38	39	21	21	20	21	43	39	37
Other administrative services	25	22	23	20	20	25	22	22	29	22
Central services	11	11	10	11	11	11	11	11	12	12
Administrative information technology	8	7	7	8	8	9	8	7	6	8
Plant operations and maintenance	74	86	84	91	96	96	86	78	85	76
Pupil transportation	2	2	2	2	2	2	2	2	1	2
Other support services					29	35	33	42	32	11
Special Schools										30
Food Service								0	0	0
Child Care	4	4						0	0	0
<b>Total</b>	<b>951.1</b>	<b>899.5</b>	<b>930</b>	<b>932</b>	<b>1008</b>	<b>997</b>	<b>990</b>	<b>999.5</b>	<b>906</b>	<b>833</b>

Source: District Personnel Records

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Enrollment	6020	5946	5906	6187	6301	6382	6138	6,130	6,184	6,068
Operating Expenditures	\$ 118,705,673	\$ 109,454,407	\$ 103,084,198	\$ 100,872,212	\$ 104,511,799	\$ 105,422,289	\$ 103,114,629	\$ 96,456,890	\$ 88,735,665	\$ 83,723,517
Cost per Pupil	\$ 15,478	\$ 15,348	\$ 13,325	\$ 12,775	\$ 12,987	\$ 12,677	\$ 11,844	\$ 11,858	\$ 14,349	\$ 13,798
Percentage Change	0.84%	13.18%	4.13%	-1.66%	2.39%	6.57%	-0.12%	-21.01%	3.84%	8.32%
Teaching Staff	635	588	592	636	580	867	825	850	906	833
Pupil/Teacher Ratio - Elementary	9.76%	10.31%	12.1	9.78	10.35	11.1	12.6	11.58	NA	15.76
Pupil/Teacher Ratio - Middle School	8.04%	8.40%	11.2	9.45	9.44	9.7	10.29	11.25	NA	13.65
Pupil/Teacher Ratio - High School	10.34%	9.75%	12.0	11.8	12.03	15.5	15.53	12.50	NA	12.300
Average Daily Enrollment	5,955.50	5,805.40	6,003.60	5,951.09	6,063.90	6,162.90	6,159.50	6,220.50	6,128.30	6,109.00
Average Daily Attendance	5,708.50	5,649.20	5,745.40	5,624.10	5,714.60	5,801.88	5,774.90	5,858.20	5,728.60	5,701.70
% Change in Daily Enrollment	2.52%	-3.41%	0.87%	-1.90%	-1.63%	0.06%	-0.99%	1.48%	0.31%	0.34%
Student Attendance %	95.85%	97.31%	95.70%	94.51%	94.24%	94.14%	93.76%	94.18%	93.48%	93.33%

Sources: District records

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

District/Building	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Elementary</b>										
School 1										
Square Feet	71,750	71,750	71,750	71,750	66,950	66,950	66,950	66,950	66,950	66,950
Capacity (students)	371	371	371	371	371	371	371	371	371	371
Enrollment	407	390	294	292	402	402	402	434	434	362
School 2										
Square Feet	82,102	82,102	82,102	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	564	493	290	280	264	264	264	307	307	312
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	410	391	423	431	482	482	482	461	461	449
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	287	298	346	341	379	379	379	354	354	350
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	356	368	340	344	328	328	328	347	347	384
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	298	317	330	322	310	310	310	314	314	321
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	373	358	389	386	399	399	399	373	373	393
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	272	279	361	345	369	369	369	356	356	316

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Middle School</b>										
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	661	691	706	739	696	696	696	727	727	778
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	627	660	694	731	687	687	687	677	677	678
<b>High School</b>										
School 10										
Square Feet	254,653	254,653	254,653	254,653	248,653	248,653	248,653	248,653	248,653	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	1,765	1,754	1,781	1,799	1,924	1,924	1,924	1,834	1,834	1,725
<b>Other</b>										
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
and Securities on and off Premises										
Theft, Disappearance and Destruction-Money orders										
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, 2014  
Elementary = 8  
Middle School = 2  
High School = 1  
Other = 4

Source: District Facilities Office

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

Location	Building Code	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
High School and Academy	50	\$829,630.00	\$396,356.00	\$593,483.00	\$379,498.00	\$244,911.00	\$284,911.00	\$281,568.00	\$296,837.00	\$265,570.00	\$301,073.00
McManus Middle School	60	250,441.00	203,312.00	75,278.00	63,952.00	91,915.00	171,620.00	115,427.00	66,967.00	43,425.00	185,326.00
Soehl Middle School	70	775,756.00	451,329.00	99,030.00	87,738.00	227,378.00	227,378.00	125,052.00	151,662.00	89,708.00	110,735.00
School #1	80	148,523.00	97,060.00	65,630.00	53,666.00	48,523.00	148,523.00	105,646.00	89,348.00	58,450.00	34,516.00
School #2	90	232,176.00	225,853.00	247,709.00	109,665.00	57,783.00	57,783.00	58,003.00	75,873.00	121,700.00	1,156.00
School #4	115	52,806.00	67,329.00	217,038.00	207,664.00	50,083.00	50,083.00	50,368.00	54,013.00	37,521.00	4,549.00
School #5	120	255,646.00	567,704.00	246,760.00	114,176.00	55,646.00	55,646.00	56,981.00	74,805.00	43,220.00	19,470.00
School #6	130	236,509.00	97,060.00	426,975.00	55,295.00	55,295.00	55,295.00	53,586.00	22,857.00	91,150.00	1,830.00
School #8	150	60,436.00	348,719.00	53,811.00	37,732.00	60,436.00	60,436.00	43,271.00	51,153.00	64,154.00	44,353.00
School #9	160	82,382.00	71,060.00	447,161.00	74,302.00	82,382.00	82,382.00	82,601.00	46,852.00	84,120.00	33,081.00
School #10	170	112,636.00	272,065.00	78,659.00	68,050.00	62,309.00	62,309.00	64,549.00	49,522.00	97,280.00	20,101.00
Other Facilities	999	141,198.00	153,626.00	186,999.00	152,316.00	80,930.00	80,930.00	81,020.00	44,213.00	84,650.00	160,955.00
<b>Grand Total</b>		<b>\$3,178,139.00</b>	<b>\$2,951,473.00</b>	<b>\$2,737,533.00</b>	<b>\$1,765,300.00</b>	<b>\$1,117,591.00</b>	<b>\$1,337,296.00</b>	<b>\$1,118,072.00</b>	<b>\$1,026,102.00</b>	<b>\$1,080,948.00</b>	<b>\$917,145.00</b>

Source: District Records

CITY OF LINDEN SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2014  
UNAUDITED

	COVERAGES	DEDUCTIBLE
New Jersey School Boards Association Insurance Group		
Educational Risk and Insurance Consortium- North (1)		
School Package Policy Declarations		
Property		
Blanket Real and Personal Property	\$350,000,000.00 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 (SFHA)	10,000,000.00 Per occurrence/ NJSBAIG annual aggregate	500,000.00 Per building 500,000.00 Per building Contents
Accounts Receivable	250,000.00 Per occurrence	10,000.00 Per member/ per occurrence
All Other Flood Zones	50,000,000.00 Per occurrence/ NJSBAIG annual aggregate	
Earthquake	50,000,000.00 Per occurrence/ NJSBAIG annual aggregate	
Terrorism	1,000,000.00 Per occurrence/ NJSBAIG annual aggregate	
Electronic Data Processing	2,000,000.00 Per occurrence	1,000.00 Per occurrence
Blanket Hardware /Software	Included	
Blanket Extra Expense		
Coverage Extensions:		
Transit	25,000.00	
Loss of Income	10,000.00	
Terrorism	Included in Property	
Special Flood Hazard Area Flood Deductible		
All other flood zones deductible		
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	

CITY OF LINDEN SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2014  
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
Public Officials Bond :	Not covered	Not covered
Comprehensive General Liability		
Bodily Injury and Property Damage	11,000,000.00 Per occurrence	1,000.00 each claim
Products and Completed Operations	11,000,000.00 annual aggregate	
Sexual Abuse	11,000,000.00 Per occurrence	
	17,000,000.00 annual NJSBAIG aggregate	
Personal Injury and Advertising Injury	11,000,000.00 Per occurrence/ NJSBAIG annual aggregate	
Employee Benefits Liability	11,000,000.00 Per occurrence/ NJSBAIG annual aggregate	1,000.00 each claim
Premises Medical Payments	10,000.00 per accident	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	
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 Auto0	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	
	10,000.00 Private Passenger Vehicles	
	5,000.00 All other vehicles	
Terrorism	1,000,000.00 Per occurrence/ annual NJSBAIG aggregate	
Medical Payment		
Physical Damage		
Symbol 7- Comprehensive		1,000.00
Symbol 7- Collision		1,000.00
Symbol 7- Hired Car Physical Damage \$115,000.00 Limit		1,000.00
Symbol 7- Replacement Cost		
Garage Keepers	Not covered	
	Included	
School Leaders Errors & Omissions Liability Policy		
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

CITY OF LINDEN SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2014  
UNAUDITED  
COVERAGE

DEDUCTIBLE

Workers Compensation and Employers' 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	-
Student Accident (2)			
Aggregate Limit of Liability	500,000.00	Benefit Maximum	
Accidental Death and Dismemberment Benefits			
Class 1 Principal Sum	10,000.00	Accidental Death	
	25,000.00	Single Dismemberment	
	50,000.00	Double Dismemberment	
Accidental Medical/ Dental Expense Benefit	25,000.00	Total Benefit	
Public Officials' Bonds			
(3) Western Surety Company	500,000.00		
Business Administrator/Secretary/Treasurer- Kathleen Gaylord			
RLI Insurance Company	500,000.00		
Superintendent/Danny Robertozzi			

Source: District Records

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**SINGLE AUDIT 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@scenco.com](mailto:info@scenco.com)

**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, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of City of Linden School District (the "District") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 26, 2014.

***Internal Control Over Financial Reporting***

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

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

# SUPLEE, CLOONEY & COMPANY

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

## ***Compliance and Other Matters***

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

## ***Purpose of This Report***

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

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 93

November 26, 2014



**SUPLEE, CLOONEY & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

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

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL  
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH U.S. 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

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

We have audited the City of Linden School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the City of Linden School District's major federal and state programs for the year ended June 30, 2014. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Linden School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and *New Jersey OMB 04-04*. Those standards, *OMB Circular A-133* and *New Jersey OMB 04-04* 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City of Linden School District's compliance.

# SUPLEE, CLOONEY & COMPANY

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

In our opinion, the City of Linden School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

## **Report on Internal Control Over Compliance**

Management of the City of Linden School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Linden School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *OMB Circular A-133* and *New Jersey OMB 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 program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *OMB Circular A-133* and *State of New Jersey OMB 04-04*. Accordingly, this report is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 93

November 26, 2014



CITY OF LINDEN - SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

FEDERAL CFDA NUMBER	GRANTOR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2013		CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2014	
				(ACCTS RECEIVABLE)	DEFERRED REVENUE					(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE
10.553		7/1/13 to 6/30/14	\$ 203,708.66	\$	\$	\$	\$ 186,944.68	\$	\$	\$ (16,763.98)	\$
10.553		7/1/12 to 6/30/13	192,002.76	(15,319.47)		15,319.47					
10.555		7/1/13 to 6/30/14	1,304,964.90			1,230,089.05				(74,875.85)	
10.555		7/1/12 to 6/30/13	1,284,186.84	(60,986.23)		60,988.23					
10.555		7/1/13 to 6/30/14	37,354.20			35,227.50				(2,126.70)	
10.555		7/1/12 to 6/30/13	35,017.14	(1,801.26)		1,801.26					
10.555		7/1/13 to 6/30/14	15,031.20			14,300.80				(730.40)	
10.555		7/1/12 to 6/30/13	16,482.18	(339.30)		339.30					
10.555		7/1/13 to 6/30/14	190,726.19			190,726.19					6,815.24
10.555		7/1/12 to 6/30/13	162,071.59	12,956.13							
			\$ 3,441,545.66	\$ (65,492.13)	\$	\$ 1,735,736.48	\$ (1,757,926.04)	\$	\$	\$ (94,496.93)	\$ 6,815.24
			\$ 11,489,112.96	\$ (1,060,787.28)	\$	\$ 5,734,190.55	\$ (5,825,266.93)	\$	\$	\$ (1,161,169.43)	\$ 9,305.77

See accompanying notes to schedules of financial assistance.

Total Enterprise Fund

Total Federal Financial Assistance

CITY OF LINDEN - SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

STATE GRANTOR/PROGRAM TITLE	PROJECT OR STATE PROJECT NUMBER	GRANT PERIOD	BALANCE AT JUNE 30, 2013			CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2014		MEMO CUMULATIVE TOTAL EXPENDITURES	
			DEFERRED REVENUE (ACCTS RECEIVABLE)	DUE TO GRANITOR	AWARD AMOUNT					(ACCTS RECEIVABLE)	DEFERRED REVENUE		DUE TO GRANITOR
State Department of Education													
General Fund:													
Equalization Aid	14-495-034-5120-078	7/1/13 to 6/30/14	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Special Education	13-495-034-5120-078	7/1/12 to 6/30/13	(1,692,686.40)		16,947,876.00	15,257,854.70	(16,947,876.00)			(1,690,021.30)		16,947,876.00	
Special Education	14-495-034-5120-089	7/1/13 to 6/30/14			16,974,527.00	1,692,686.40	(3,587,777.00)			(326,617.20)		3,587,777.00	
Special Education	13-495-034-5120-089	7/1/12 to 6/30/13	(319,956.30)		3,570,192.00	3,261,159.80	(202,332.00)			(20,233.20)		202,332.00	
Categorical, Transportation Aid	14-495-034-5120-014	7/1/13 to 6/30/14			503,206.00	182,088.80	(503,206.00)			(503,206.00)		503,206.00	
Extraordinary Aid	14-100-034-5120-473	7/1/13 to 6/30/14			646,359.00	317,996.10	(353,329.00)			(35,332.90)		353,329.00	
Security Aid	13-100-034-5120-473	7/1/12 to 6/30/13	(646,359.00)		340,871.00	34,087.10							
Security Aid	14-495-034-5120-084	7/1/13 to 6/30/14			205,724.00	20,572.40				(26,057.00)		26,057.00	
Transportation Aid	13-495-034-5120-084	7/1/12 to 6/30/13	(34,087.10)		24,012.00					(161,894.26)		161,894.26	
Non Public Transportation	14-495-034-5120-014	7/1/13 to 6/30/14	(20,572.40)		3,320,946.82	3,159,052.56	(3,320,946.82)					3,320,946.82	
Non Public Transportation	12-495-034-5120-044	7/1/12 to 6/30/13	(24,012.00)		3,232,970.49	157,229.56				(2,763,361.86)		2,763,361.86	
Reimbursed TPAF Social Security Contributions	14-100-034-5095-051	7/1/13 to 6/30/14	(157,229.56)		3,010,396.00	25,073,064.72	(24,941,523.82)					24,941,523.82	
Reimbursed TPAF Social Security Contributions	13-100-034-5095-051	7/1/12 to 6/30/13	(2,894,902.76)		2,513,926.00								
Total State Department of Education - General Fund			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
State Department of Education													
Special Revenue Fund:													
Preschool Education Aid	14-495-034-5120-086	7/1/13 to 6/30/14			3,010,396.00	556,366.09	(2,515,169.56)			\$	\$	\$	2,515,169.56
Preschool Education Aid	13-495-034-5120-086	7/1/12 to 6/30/13	556,366.09		2,513,926.00								
Non Public English as Second Language	14-100-034-5120-067	7/1/13 to 6/30/14			10,126.00	10,126.00	(10,126.00)					10,126.00	
Non Public Handicapped Transportation Aid	14-100-034-5120-068	7/1/13 to 6/30/14			9,323.00	9,323.00	(9,323.00)					9,323.00	
Non Public Compensatory Education	14-100-034-5120-067	7/1/13 to 6/30/14			118,981.00	118,981.00	(118,981.00)					118,981.00	
Non Public Examination and Classification	14-100-034-5120-066	7/1/13 to 6/30/14			41,717.00	41,717.00	(26,122.00)					26,122.00	
Non Public Supplemental Instruction	13-100-034-5120-066	7/1/12 to 6/30/13			32,651.00			(5,570.00)					
Non Public Supplemental Instruction	14-100-034-5120-066	7/1/13 to 6/30/14			26,505.00	26,505.00	(26,366.00)					26,366.00	
Non Public Corrective Speech	14-100-034-5120-070	7/1/13 to 6/30/14			10,937.00	15,624.00	(10,937.00)					10,937.00	
Non Public Nursing	14-100-034-5120-373	7/1/13 to 6/30/14			20,844.00	20,844.00	(20,844.00)					20,844.00	
Non Public Technology	13-100-034-5120-373	7/1/12 to 6/30/13			5,380.00	5,380.00	(4,990.00)					4,990.00	
Non Public Technology	14-100-034-5120-064	7/1/13 to 6/30/14			14,754.00	14,754.00	(14,538.59)					14,538.59	
Non Public Textbooks	13-100-034-5120-064	7/1/12 to 6/30/13			15,007.00								
Anti Bullying Bill of Rights Act	Not available	7/1/13 to 6/30/14			27,280.00	13,299.00	(13,299.00)					13,299.00	
Anti Bullying Bill of Rights Act	Not available	7/1/12 to 6/30/13			5.63								
One Step Beyond Exemplary Program Recognition	Not available	7/1/12 to 6/30/13			5.63								
Total State Department of Education - Special Revenue Fund			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
State Department of Health and Senior Services													
Special Revenue Fund:													
Rebel School Based Tobacco Prevention Program	Not available	7/1/11 to 6/30/12			1,000.00								
Total State Department of Health and Senior Services - Special Revenue Fund			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Total Special Revenue Fund			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
State Department of Agriculture													
Enterprise Fund:													
National School Lunch Program (State Share)	12-100-010-3350-023	7/1/13 to 6/30/14			33,565.72	31,773.35	(33,565.72)					33,565.72	
National School Lunch Program (State Share)	13-100-010-3350-023	7/1/12 to 6/30/13	(1,513.23)		32,084.94	1,513.23				(1,792.37)		(1,792.37)	
Total State Department of Agriculture - Enterprise Fund			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Total State Financial Assistance Subject to OMB 04-04			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
On-Behalf TPAF Contributions Not Subject to OMB 04-04:													
On-Behalf TPAF Pension contribution					1,822,197.00		(1,822,197.00)						
On-Behalf TPAF post retirement medical contributions					2,987,718.00		(2,987,718.00)						
Total Expenditures of State Financial Assistance			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	

See accompanying notes to schedules of financial assistance.

**City of Linden School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2014**

**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**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2014**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$4,902.40 for the general fund. The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$467,024.46) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 250,037.85	\$ 29,746,536.42	\$ 29,996,574.27
Special Revenue Fund	4,254,416.64	2,794,615.01	7,049,031.65
Food Service Fund	<u>1,757,926.04</u>	<u>33,565.72</u>	<u>1,791,491.76</u>
	\$ 6,262,380.53	\$ 32,574,717.15	\$ 38,837,097.68
GAAP Adjustment	<u>(437,113.60)</u>	<u>(25,008.46)</u>	<u>(462,122.06)</u>
Total Awards & Financial Assistance	<u>\$ 5,825,266.93</u>	<u>\$ 32,549,708.69</u>	<u>\$ 38,374,975.62</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5: OTHER**

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2014. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2014.

The amount of TPAF post retirement medical benefits of \$2,987,718.00 and TPAF non-contributory insurance of \$1,822,197.00 reported in the financial statements represents the amount paid by the state on behalf of the district for the year ended June 30, 2014. These programs are not subject to the requirements of NJ OMB 04-04.

**City of Linden School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2014**

**NOTE 6: PRIOR PERIOD ADJUSTMENT**

The Schedule of Expenditures of Federal Awards for the year ended June 30, 2014, was adjusted to reflect the cancellation of \$414.19 of prior year encumbrances. The Schedule of Expenditures of State Financial Assistance for the year ended June 30, 2014 was adjusted to reflect the cancellation \$703.02 of prior year encumbrances.

**City of Linden School District**  
**Union County, New Jersey**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2014**

**Section I – Summary of Auditor’s Results****Financial Statements**

- |     |  |            |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued:   | Unmodified |
| (2) | Internal Control Over Financial Reporting:   |            |
|     | (a) Material weakness(es) identified?  | No         |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No         |
| (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?                             | No            |
| (2) | Type of Auditor’s Report issued on compliance for major federal Programs:  | Unmodified    |
| (3) | Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular OMB A-133 | None Reported |
| (4) | Identification of Major Federal Program(s):  |               |

<u>Program</u>	<u>CFDA</u>
Title III	84.365
IDEA Part B	84.027
Adult Education	84.002
21 Century Teaching	84.287C

- |     |  |              |
|-----|--|--------------|
| (5) | Dollar Threshold used to distinguish between type A and Type B programs? | \$300,000.00 |
| (6) | Auditee qualified as a low-risk auditee under OMB Circular A-133?        | Yes          |

**City of Linden School District**  
**Union County, New Jersey**

**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2014**

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

**State Program(s)**

- |     |  |                     |
|-----|--|---------------------|
| (1) | Internal Control Over Major State Programs:  |                     |
|     | (a) Material weaknesses identified?  | No                  |
|     | (b) Significant that are not considered to be material weaknesses?   | No                  |
| (2) | Type of Auditor’s Report issued on compliance for major state program(s)?  | Unmodified          |
| (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? | None Reported       |
| (4) | Identification of Major State Program(s):  |                     |
|     | Special Education Categorical Aid  | 14-495-034-5120-089 |
|     | Preschool Education Aid  | 14-495-034-5120-086 |
|     | Reimbursed TPAF Social Security Contributions  | 14-100-034-5095-051 |
| (5) | Dollar Threshold used to distinguish between type A and Type B programs?   | \$832,193.81        |
| (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, 2014

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, 2014**

**Status of Prior Year Audit Findings**

None



