

**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, 2016

Prepared by

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

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INTRODUCTORY SECTION

LINDEN PUBLIC SCHOOLS

Business Office

Danny A. Robertozzi, Ed.D.
Superintendent

Kathleen A. Gaylord
Business Administrator/
Board Secretary



Administration Building
2 E. Gibbons Street
Linden, NJ 07036
(908) 486-2800 - Ext. 8015
FAX (908) 486-8891

November 1, 2016

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, 2016 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 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The audit requirements of Title 2 U.S. Code of Federal Regulations CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards (Uniform Guidance) and State of New Jersey *OMB Circular 15-08* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

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

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

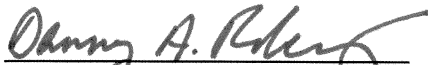
As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic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

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

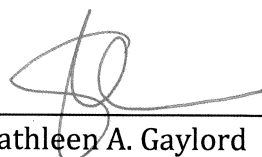
- 3) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. The voters of the municipality adopt annual appropriated budgets. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.
- 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 Uniform Guidance, and State of New Jersey *OMB Circular* 15-08. 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, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Susan L. Hudak, President	2016
Dawn Beviano, Vice President	2016
Alexander Alvarez	2018
Tracey Birch	2017
John Kolibas	2017
Lolita Slater	2016
Raymond J. Topoleski	2018
Theresa Villani	2018
Anthony Wohlrab	2017

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, 2016

Architect

Di Cara | Rubino
30 Galesi Drive, West Wing
Wayne, NJ 07470

Audit Firm

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

Attorneys

Weiner Lesniak
629 Parsippany Road
Parsippany, New Jersey 07054

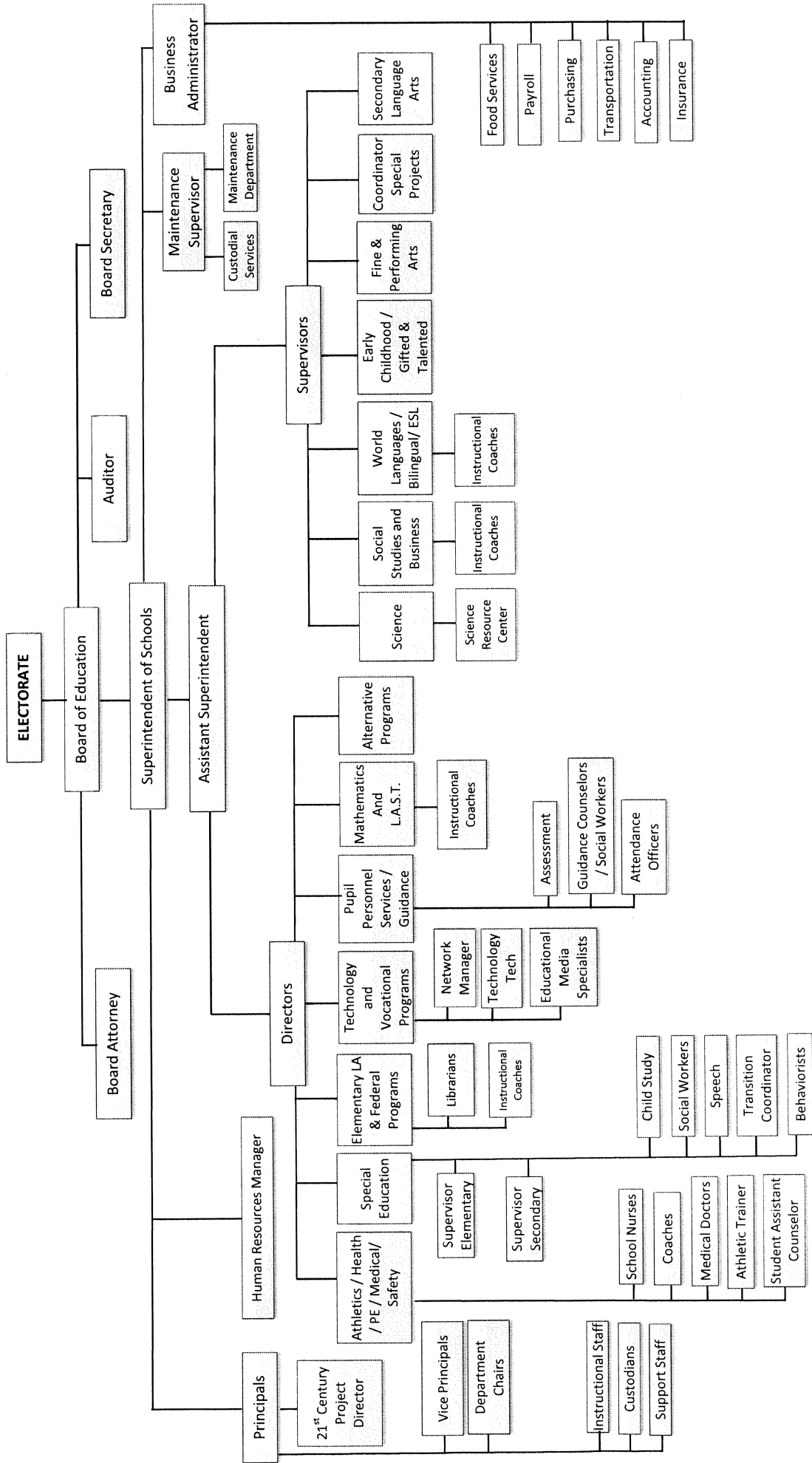
Schwartz Simon Edelstein & Celso
100 South Jefferson Road, Suite 200
Whippany, NJ 07981

Official Depositories

Unity Bank
628 N. Wood Avenue
Linden, NJ 07036

Northfield Bank
501 N. Wood Avenue
Linden, NJ 07036

Linden Public Schools Organizational Chart



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, 2016, 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 audit requirements of Title 2 U.S. Code of Federal Regulations CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of New Jersey *OMB Circular 15-08* "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, 2016, 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 and the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 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.

SUPLEE, CLOONEY & COMPANY

Other Information

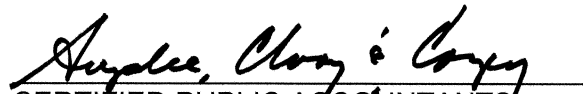
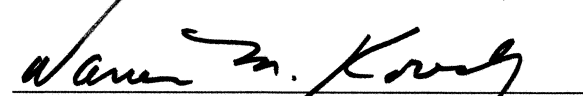
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Linden School District's basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "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 the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and by 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 1, 2016 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. 962

November 1, 2016

REQUIRED SUPPLEMENTARY INFORMATION – Part I

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

CITY OF LINDEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2016

(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, 2016. 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 (2015-2016) and the prior fiscal year (2014-2015) 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).

CITY OF LINDEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2016

(Unaudited)

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.

CITY OF LINDEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2016

(Unaudited)

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 2015-2016 fiscal years include the following:

The total of the government and business-type activities net position increased \$1,281,809.62 in 2015-2016.

The local tax levy of \$86,380,964 was increased from 84,115,176 for 2014-2015, or \$2,265,788.

The Food Services and Day Care Enterprise Funds' net position was \$1,317,430.91 as compared to \$883,392.16 for 2014-2015.

CITY OF LINDEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2016

(Unaudited)

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:

Assets	2016	2015
Current and Other Assets	\$ 25,931,219.45	\$ 24,028,039.06
Capital Assets	<u>52,220,761.82</u>	<u>51,777,214.22</u>
Total Assets	\$ <u>78,151,981.27</u>	\$ <u>75,805,253.28</u>
Deferred Outflows of Resources		
Pension Related	\$ <u>7,745,219.00</u>	<u>3,596,640.00</u>
Liabilities		
Long-Term Liabilities	\$ 41,983,284.96	\$ 35,696,667.89
Other Liabilities	<u>3,080,739.48</u>	<u>2,863,812.85</u>
Total Liabilities	\$ <u>45,064,024.44</u>	\$ <u>38,560,480.74</u>
Deferred Inflow of Resources		
Pension Related	\$ <u>595,172.00</u>	\$ <u>1,813,481.00</u>
Total Deferred Inflow of Resources	\$ <u>595,172.00</u>	\$ <u>1,813,481.00</u>
Net Position		
Net Investment in Capital Assets	\$ 49,125,761.82	\$ 48,522,214.22
Restricted	23,136,219.46	21,931,708.52
Unrestricted (Deficit)	<u>(32,023,977.45)</u>	<u>(30,086,106.20)</u>
Total Net Position	\$ <u><u>40,238,003.83</u></u>	\$ <u><u>40,367,816.54</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.

CITY OF LINDEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2016

(Unaudited)

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The Net Assets for June 30, 2016 and 2015 have been restated to reflect the District's Net Pension Liability required by the implementation of GASB 68.

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.

Revenues	2016	2015
Program Revenues:		
Charges for Services	\$ 1,543,279.91	\$ 1,098,854.07
Operating Grants and Contributions	26,527,484.58	21,296,616.40
General Revenues:		
Property Taxes	86,380,964.00	84,115,176.00
Grants and Entitlements	28,629,683.94	28,177,805.83
Other	<u>870,418.16</u>	<u>1,386,265.66</u>
Total Revenues	\$ <u>143,951,830.59</u>	\$ <u>136,074,717.96</u>
Program Expenses		
Instruction	\$ 73,977,562.68	\$ 67,018,951.89
Support Services:		
Tuition	10,166,875.44	10,295,921.15
Student and Instruction Related	18,435,951.67	17,078,672.86
General and School Administration	13,264,380.68	12,260,633.77
Plant Operations and Maintenance	16,909,597.25	15,766,284.54
Student Transportation	6,785,682.77	6,220,331.50
Other	105,112.72	45,584.00
Debt Service Assessment	47,663.00	47,663.00
Business Type Activities	2,977,195.21	2,965,117.97
Total Expenses	\$ <u>142,670,021.42</u>	\$ <u>131,699,160.68</u>
Change in Net Position	\$ <u>1,281,809.17</u>	\$ <u>4,375,557.28</u>

Also, as previously noted, the information for FY2016 and FY 2015 has been restated to reflect the effect of the District's implementation of GASB 68 and the related pension liability. Both revenues and expenses increased mainly as a result of the district recognizing a larger on-behalf TPAF contribution as a revenue and as an expense based upon the State's Actuarial report.

CITY OF LINDEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2016

(Unaudited)

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 postemployment 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, 2016 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.

	2015 - 2016				
	<u>Percent of Total</u>	<u>Revenue</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from FY 2015</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	69.42%	\$87,251,382.16	68.56%	\$1,749,940.50	2.05%
State Sources	27.86%	36,099,687.97	28.37%	\$1,785,561.25	5.20%
Federal Sources	2.73%	3,917,762.50	3.08%	\$561,016.67	16.71%
	<u>100.00%</u>	<u>\$127,268,832.63</u>	<u>100.00%</u>	<u>\$4,096,518.42</u>	<u>3.33%</u>

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

CITY OF LINDEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2016

(Unaudited)

Capital Asset and Debt Administration

Capital Assets

At June 30, 2016, the District has capital assets in excess of \$52 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:

	Governmental Activities	Business-Type Activities
Land	\$ 861,422.00	\$
Construction in Progress	17,873,454.53	
Site Improvements	388,536.85	
Building and Building Improvements	30,653,065.28	
Machinery , Equipment and Vehicles	<u>2,307,530.76</u>	<u>136,752.40</u>
Total	<u>\$ 52,084,009.42</u>	<u>\$ 136,752.40</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, 2016 as follows:

Lease Purchase Payable	\$ 3,095,000.00
Net Pension Liability	37,017,588.00
Compensated Absences	<u>2,035,696.96</u>
Total	<u>\$ 42,148,284.96</u>

CITY OF LINDEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2016

(Unaudited)

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, 2016.

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, 2016

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash and cash equivalents	\$ 5,709,242.12	\$ 902,890.53	\$ 6,612,132.65
Receivables, net	1,941,301.12	320,488.99	2,261,790.11
Inventory		14,150.36	14,150.36
Restricted assets:			
Restricted cash and cash equivalents	17,043,146.33		17,043,146.33
Capital assets:			
Not being depreciated	18,734,876.53		18,734,876.53
Other capital assets, net of depreciation	<u>33,349,132.89</u>	<u>136,752.40</u>	<u>33,485,885.29</u>
 Total Assets	 <u>\$ 76,777,698.99</u>	 <u>\$ 1,374,282.28</u>	 <u>\$ 78,151,981.27</u>
 DEFERRED OUTFLOWS:			
Related to pensions	<u>\$ 7,745,219.00</u>	<u>\$</u>	<u>\$ 7,745,219.00</u>
 LIABILITIES:			
Accounts payable	\$ 1,512,490.00	\$ 56,778.57	\$ 1,569,268.57
Payable to state government	124,597.86		124,597.86
Unearned revenue	1,221,800.25	72.80	1,221,873.05
Noncurrent liabilities:			
Due within one year:			
Capital leases payable	165,000.00		165,000.00
Due beyond one year:			
Net Pension Liability	37,017,588.00		37,017,588.00
Capital leases payable	2,930,000.00		2,930,000.00
Compensated absences payable	<u>2,035,696.96</u>		<u>2,035,696.96</u>
 Total liabilities	 <u>\$ 45,007,173.07</u>	 <u>\$ 56,851.37</u>	 <u>\$ 45,064,024.44</u>
Deferred Inflow			
Related to pensions	<u>\$ 595,172.00</u>	<u>\$</u>	<u>\$ 595,172.00</u>
 NET POSITION:			
Net investment in capital assets	\$ 48,989,009.42	\$ 136,752.40	\$ 49,125,761.82
Restricted for:			
Other purposes	23,136,219.46		23,136,219.46
Unrestricted (deficit)	<u>(33,204,655.96)</u>	<u>1,180,678.51</u>	<u>(32,023,977.45)</u>
 Total net position	 <u>\$ 38,920,572.92</u>	 <u>\$ 1,317,430.91</u>	 <u>\$ 40,238,003.83</u>

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

CITY OF LINDEN SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2016

Functions/Programs	INDIRECT EXPENSES ALLOCATION	PROGRAM REVENUES		NET (EXPENSE), REVENUE AND CHANGES IN NET ASSETS		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental activities:						
Instruction:						
Regular	\$ 19,681,943.81	\$	10,615,937.32	\$ (43,869,423.33)	\$	(43,869,423.33)
Special	4,816,623.09		2,597,963.36	(10,931,340.49)		(10,931,340.49)
Other Instruction	2,059,412.79		1,110,794.61	(4,852,103.57)		(4,852,103.57)
Support services:						
Tuition				(10,166,875.44)		(10,166,875.44)
Student and instruction related services	5,740,805.61		3,096,443.78	(15,339,507.89)		(15,339,507.89)
General and business administrative services	829,716.31		447,527.77	(1,972,350.63)		(1,972,350.63)
School administrative services	2,253,091.60		1,215,260.00	(6,039,539.57)		(6,039,539.57)
Central services	650,988.44		351,126.52	(1,487,584.16)		(1,487,584.16)
Administrative information technology	703,998.60		379,718.85	(1,371,273.18)		(1,371,273.18)
Plant operations and maintenance	6,584,362.62		3,551,436.86	(13,358,160.39)		(13,358,160.39)
Student transportation	2,397,817.52		1,293,321.46	(5,492,361.31)		(5,492,361.31)
Unallocated benefits	(29,220,676.82)					
Special Schools Local				(1,875.00)		(1,875.00)
Transfer to Charter Schools				(103,201.00)		(103,201.00)
Unallocated Depreciation	(1,911,173.57)					
Debt Service Assessment				(47,663.00)		(47,663.00)
Total governmental activities	\$ 14,586,910.00	\$	24,659,530.53	\$ (115,033,258.96)	\$	(115,033,258.96)
Business-type activities:						
Food service:						
Day Care	\$	\$ 965,001.08	\$ 1,867,954.05	\$	\$ 177,057.94	\$ 177,057.94
After Care		154,435.00		(20,654.27)		(20,654.27)
Macbooks		200,674.75		55,951.00		55,951.00
		223,169.08		221,684.08		221,684.08
Total business-type activities	\$	\$ 1,543,279.91	\$ 1,867,954.05	\$	\$ 434,038.75	\$ 434,038.75
Total primary government	\$ 14,586,910.00	\$ 1,543,279.91	\$ 26,527,484.58	\$ (115,033,258.96)	\$ 434,038.75	\$ (114,599,220.21)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes, net	\$	\$ 86,380,964.00	\$	\$	\$	\$ 86,380,964.00
Federal and state aid not restricted - net		22,135,191.65		22,135,191.65		22,135,191.65
Federal and state aid restricted		6,494,492.29		6,494,492.29		6,494,492.29
Tuition		21,871.08		21,871.08		21,871.08
Tuition from Other LEAs		221,486.48		221,486.48		221,486.48
Miscellaneous income		624,510.60		624,510.60		624,510.60
Adult School Local		2,550.00		2,550.00		2,550.00
Loss on Disposal of Fixed Assets		(36.27)		(36.27)		(36.27)
Total general revenues, special items and transfers	\$	\$ 115,881,029.83	\$	\$	\$	\$ 115,881,029.83
Change in Net Position	\$	\$ 847,770.87	\$	\$ 434,038.75	\$	\$ 1,281,809.62
Net Position - beginning (As restated)	\$	\$ 38,072,802.05	\$	\$ 883,392.16	\$	\$ 38,956,194.21
Net Position - ending	\$	\$ 38,920,572.92	\$	\$ 1,317,430.91	\$	\$ 40,238,003.83

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, 2016

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
ASSETS:				
Cash and cash equivalents	\$ 5,318,028.49	\$ 391,213.63		\$ 5,709,242.12
Cash, capital reserve	16,118,763.90			16,118,763.90
Cash, emergency reserve	924,382.43			924,382.43
Accounts receivable:				
Federal	85,111.78	973,205.96		1,058,317.74
State	717,460.39			717,460.39
Other	162,292.99	3,230.00		165,522.99
Interfunds	<u>21,251.48</u>			<u>21,251.48</u>
 Total assets	 <u>\$ 23,347,291.46</u>	 <u>\$ 1,367,649.59</u>		 <u>\$ 24,714,941.05</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Interfund payable	\$	\$ 21,251.48	\$	\$ 21,251.48
Intergovernmental payables:				
State		124,597.86		124,597.86
Unearned revenue		<u>1,221,800.25</u>		<u>1,221,800.25</u>
 Total liabilities	 <u>\$</u>	 <u>\$ 1,367,649.59</u>	 <u>\$</u>	 <u>\$ 1,367,649.59</u>
Fund balances:				
Restricted for:				
Excess surplus-current year	2,171,156.46			2,171,156.46
Designated for subsequent years expenditures -				
Excess surplus-Prior year	2,368,128.89			2,368,128.89
Capital reserve account	16,118,763.90			16,118,763.90
Emergency reserve account	924,382.43			924,382.43
Assigned to:				
Designated for subsequent years expenditures	111,817.11			111,817.11
Year end encumbrances	1,441,970.67			1,441,970.67
Unassigned	<u>211,072.00</u>			<u>211,072.00</u>
 Total fund balances	 <u>\$ 23,347,291.46</u>	 <u>\$</u>	 <u>\$</u>	 <u>\$ 23,347,291.46</u>
 Total liabilities and fund balances	 <u>\$ 23,347,291.46</u>	 <u>\$ 1,367,649.59</u>	 <u>\$</u>	 <u>\$ 24,714,941.05</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, 2016

Total Fund Balances (Brought Forward)	\$	23,347,291.46
<p>Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Cost of Assets	\$	83,118,845.47
Accumulated Depreciation		<u>(31,034,836.05)</u>
		52,084,009.42
<p>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.</p>		
Net Pension Liability		(37,017,588.00)
Capital leases payable		(3,095,000.00)
Compensated absences payable		<u>(2,035,696.96)</u>
		(42,148,284.96)
<p>Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.</p> <p>Pensions:</p>		
Deferred Outflows		
Pension Related		6,232,729.00
Employer Contribution related to pensions		<u>1,512,490.00</u>
		7,745,219.00
Deferred Inflows:		
Pension expense		(595,172.00)
<p>Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.</p>		
Accounts Payable - Pension Related		<u>(1,512,490.00)</u>
Net Position of Governmental Activities	\$	<u><u>38,920,572.92</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, 2016

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Local sources:				
Local tax levy	\$ 86,380,964.00	\$	\$	\$ 86,380,964.00
Tuition	21,871.08			21,871.08
Tuition from other LEAs	221,486.48			221,486.48
Miscellaneous	416,542.19	207,968.41		624,510.60
Adult School Local	2,550.00			2,550.00
Total - local sources	\$ 87,043,413.75	\$ 207,968.41	\$	\$ 87,251,382.16
State sources	\$ 33,140,419.53	\$ 2,959,268.44	\$	\$ 36,099,687.97
Federal sources	382,538.65	3,535,223.85		3,917,762.50
Total revenues	\$ 120,566,371.93	\$ 6,702,460.70	\$	\$ 127,268,832.63
EXPENDITURES:				
Current expense:				
Regular instruction	\$ 31,029,050.12	\$ 3,774,366.72	\$	\$ 34,803,416.84
Special instruction	8,712,680.76			8,712,680.76
Other Instruction	3,903,485.39			3,903,485.39
Support services:				
Tuition	10,166,875.44			10,166,875.44
Student & instruction related services	9,767,052.08	2,928,093.98		12,695,146.06
General administrative services	1,590,162.09			1,590,162.09
School administrative services	5,001,707.97			5,001,707.97
Central services	1,187,722.24			1,187,722.24
Administrative information technology	1,046,993.43			1,046,993.43
Plant operations and maintenance	10,325,234.63			10,325,234.63
Student transportation	4,387,865.25			4,387,865.25
Unallocated benefits	29,356,333.75			29,356,333.75
Capital outlay	2,370,555.32			2,370,555.32
Capital outlay - debt service assessment	47,663.00			47,663.00
Capital outlay - lease principal	160,000.00			160,000.00
Special Schools Local	1,875.00			1,875.00
Transfer to charter schools	103,201.00			103,201.00
Total expenditures	\$ 119,158,457.47	\$ 6,702,460.70	\$	\$ 125,860,918.17
Excess (deficiency) of revenues over (under) expenditures	\$ 1,407,914.46	\$	\$	\$ 1,407,914.46
Other financing sources (uses):				
Transfers from capital projects to general fund	\$ 2,085,869.76	\$	\$ (2,085,869.76)	\$
Total other financing sources (uses)	\$ 2,085,869.76	\$	\$ (2,085,869.76)	\$
Net change in fund balances	\$ 3,493,784.22	\$	\$ (2,085,869.76)	\$ 1,407,914.46
Fund balances June 30, 2015	19,853,507.24	-0-	2,085,869.76	21,939,377.00
Fund balances June 30, 2016	\$ 23,347,291.46	\$ -0-	\$ -0-	\$ 23,347,291.46

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, 2016

Total net change in fund balances - governmental funds (from B-2) \$ 1,407,914.46

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	\$ (1,911,173.57)	
Capital outlays	2,370,555.32	
Loss on Disposal of Capital Assets	<u>(36.27)</u>	
		459,345.48

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 160,000.00

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 (+).

135,656.93

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District pension contributions	\$ 1,417,680.00	
Less: Pension expense	<u>(2,732,826.00)</u>	
		<u>(1,315,146.00)</u>

Change in net position of governmental activities \$ 847,770.87

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, 2016

		<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS NON-MAJOR</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$	902,890.53
Accounts receivable:		
Federal		311,909.47
State		5,881.18
Other		2,698.34
Inventories		<u>14,150.36</u>
Total current assets	\$	<u>1,237,529.88</u>
Noncurrent assets:		
Furniture, machinery & equipment	\$	900,500.72
Less accumulated depreciation		<u>(763,748.32)</u>
Total noncurrent assets	\$	<u>136,752.40</u>
Total assets	\$	<u>1,374,282.28</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$	56,778.57
Deferred revenue		<u>72.80</u>
Total current liabilities	\$	<u>56,851.37</u>
Total liabilities	\$	<u>56,851.37</u>
NET POSITION		
Restricted for:		
Net Investment capital asset	\$	136,752.40
Unrestricted		<u>1,180,678.51</u>
Total net position	\$	<u><u>1,317,430.91</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, 2016

		<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS NON-MAJOR</u>
OPERATING REVENUES:		
Charges for services:		
Daily sales- reimbursable Programs	\$	\$469,443.08
Daily sales- non-reimbursable Programs		<u>1,073,836.83</u>
 Total operating revenues	 \$	 <u>1,543,279.91</u>
OPERATING EXPENSES:		
Cost of sales- reimbursable Programs	\$	900,504.89
Cost of sales- non-reimbursable Programs		170,762.00
Salaries and employee benefits		1,322,558.82
Other Purchased Service		16,212.43
Cleaning, Repairs and Maintenance		54,767.86
Insurance		76,753.09
Supplies and materials		95,569.59
Other Expenses		118,434.82
National food distribution		205,833.83
Depreciation		<u>15,797.88</u>
 Total operating expenses	 \$	 <u>2,977,195.21</u>
 Net operating income (loss)	 \$	 <u>(1,433,915.30)</u>
NONOPERATING REVENUE (EXPENSE):		
State Sources		
State School Lunch Program	\$	30,809.92
Federal Sources		
National School Lunch Program		1,337,613.89
National School Lunch Program- HHFKA		36,691.62
National School Breakfast Program		230,264.38
National School Snack Program		15,956.64
National food distribution commodities		215,654.59
Other Income		<u>963.01</u>
 Total nonoperating revenue (expense)	 \$	 <u>1,867,954.05</u>
 Change in net position	 \$	 434,038.75
 Total net position - beginning		 <u>883,392.16</u>
 Total net position - ending	 \$	 <u><u>\$1,317,430.91</u></u>

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, 2016

		<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS NON-MAJOR</u>
Cash flows from operating activities:		
Receipts from customers	\$	1,540,581.57
Payments to employees and employee benefits		(1,299,055.51)
Payments to suppliers		<u>(1,678,142.71)</u>
Net cash provided (used) by operating activities	\$	<u>(1,436,616.65)</u>
Cash flows from noncapital financing activities:		
State sources	\$	28,239.00
Federal sources		<u>1,632,345.91</u>
Net cash provided (used) by noncapital financing activities	\$	<u>1,660,584.91</u>
Net increase in cash and cash equivalents	\$	223,968.26
Cash and cash equivalents, June 30, 2015	\$	<u>678,922.27</u>
Cash and cash equivalents, June 30, 2016	\$	<u><u>902,890.53</u></u>
Operating income(loss)	\$	(1,433,915.30)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:		
Depreciation and net amortization		15,797.88
Federal commodities		205,833.83
Change in assets and liabilities:		
(Increase) Decrease in Accounts Receivable		(198,711.41)
(Increase) Decrease in inventories		9,884.02
Increase (Decrease) in Deferred Revenue		(9,820.76)
Increase (Decrease) in accounts payable		<u>(25,684.91)</u>
Net cash provided (used) by operating activities	\$	<u><u>(1,436,616.65)</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, 2016

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>AGENCY FUNDS</u>	<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>
ASSETS			
Cash and cash equivalents	\$ <u>53,506.95</u>	\$ <u>207,086.94</u>	\$ <u>32,156.63</u>
Total assets	\$ <u><u>53,506.95</u></u>	\$ <u><u>207,086.94</u></u>	\$ <u><u>32,156.63</u></u>
LIABILITIES			
Payroll deductions and withholdings	\$	\$ 1,318.60	\$
Due to student groups	<u> </u>	<u>205,768.34</u>	<u> </u>
Total liabilities	\$ <u> </u>	\$ <u>207,086.94</u>	\$ <u> </u>
NET POSITION			
Held in trust for unemployment claims and other purposes	\$ <u>53,506.95</u>	\$ <u> </u>	\$ <u>32,156.63</u>
Total net position	\$ <u><u>53,506.95</u></u>	\$ <u><u> </u></u>	\$ <u><u>32,156.63</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, 2016

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>	<u>TOTAL</u>
ADDITIONS:			
Contributions:			
Employee	\$ 87,380.65	\$	\$ 87,380.65
Local	<u>16,068.27</u>	<u>35,917.48</u>	<u>51,985.75</u>
Total contributions	\$ <u>103,448.92</u>	\$ <u>35,917.48</u>	\$ <u>139,366.40</u>
Total additions	\$ <u>103,448.92</u>	\$ <u>35,917.48</u>	\$ <u>139,366.40</u>
DEDUCTIONS			
Other purposes	\$	\$ 22,920.00	\$ 22,920.00
Bank Charges	68.19		68.19
Unemployment claims	<u>50,448.47</u>		<u>50,448.47</u>
Total deductions	\$ <u>50,516.66</u>	\$ <u>22,920.00</u>	\$ <u>73,436.66</u>
Change in net position	\$ 52,932.26	\$ 12,997.48	\$ 65,929.74
Net position beginning of year	<u>574.69</u>	<u>19,159.15</u>	<u>19,733.84</u>
Net position end of year	<u>\$ 53,506.95</u>	<u>\$ 32,156.63</u>	<u>\$ 85,663.58</u>

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, 2016

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 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, 2016

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, 2016

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 the current expense by Board resolution; in certain instances approval by the County Superintendent of Schools may also be required.

Special Revenue Fund - The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources from State and Federal Governments (other than major capital projects, debt service or proprietary 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 all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting – Measurement Focus (Continued)

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, 2016

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 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, 2016

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, 2016

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 used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition 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.

In fiscal year 2016, the District implemented GASB 72. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, Measurement of Elements of Financial Statements, and other relevant literature.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

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

Compensated Absences

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

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

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.

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. Designations 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 fund.

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.

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Net Position

GASB 63, provides guidance for reporting net position in the statement of financial position and related disclosures. 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

Under GASB 54, 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.

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions (Continued)

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.

Unassigned - is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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.

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-Exchange Transactions (Continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. 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 basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales and program fees in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

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

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and Special Items

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

Management Estimates

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

Accounting and Financial Reporting for Pensions

In the district-wide financial statements for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements the year end net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The governmental fund financial statements reflects both a revenue and expenses for this pension contribution.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only two items that qualify for reporting in this category, deferred amounts from refunding debt and deferred amounts related to pensions.

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

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

Deposits

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

City of Linden School District
Notes to the Financial Statements
June 30, 2016

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

Deposits (Continued)

As of June 30, 2016 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	\$ 26,500,376.44	\$ 1,474.51	\$ (4,140,676.13)	\$ 22,361,174.82
Special Revenue	391,213.63			391,213.63
Enterprise	902,890.53			902,890.53
Fiduciary:				
Student Activities	212,065.16		(6,296.82)	205,768.34
Scholarship Account	16,536.49			16,536.49
Unemployment Account	66,626.66		(13,119.71)	53,506.95
Net Payroll Account	96,469.65	1,318.60	(97,788.25)	0.00
Payroll Agency Account	1,621,121.25		(1,602,863.91)	18,257.34
	<u>\$ 29,807,299.81</u>	<u>\$ 2,793.11</u>	<u>\$ (5,860,744.82)</u>	<u>\$ 23,949,348.10</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, 2016 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 \$29,807,299.81, \$750,000.00 was covered by Federal Depository Insurance, \$29,057,299.81 was covered by Governmental Unit Deposit Protection Act (GUDPA).

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;

City of Linden School District
Notes to the Financial Statements
June 30, 2016

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

Investments (Continued)

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

City of Linden School District
Notes to the Financial Statements
June 30, 2016

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

Investments (Continued)

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

At June 30, 2016, the District had no outstanding investments that were not considered "cash equivalents".

Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 3: CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 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	17,873,454.53	_____	_____	17,873,454.53
Total capital assets that are not depreciated	<u>\$ 18,734,876.53</u>	<u>\$</u>	<u>\$</u>	<u>\$ 18,734,876.53</u>
Capital assets being depreciated:				
Land improvements	\$ 1,150,147.57	\$ 233,163.42	\$	\$ 1,383,310.99
Building and building improvements	53,134,778.84	1,596,934.61	\$	54,731,713.45
Machinery and equipment	7,732,887.22	540,457.29	(4,400.00)	8,268,944.51
Total capital assets being depreciated	<u>\$ 62,017,813.63</u>	<u>\$ 2,370,555.32</u>	<u>\$ (4,400.00)</u>	<u>\$ 64,383,968.95</u>
Total gross assets	<u>\$ 80,752,690.16</u>	<u>\$ 2,370,555.32</u>	<u>\$ (4,400.00)</u>	<u>\$ 83,118,845.48</u>
Less: accumulated depreciation for:				
Land improvements	\$ (962,587.25)	\$ (32,186.89)	\$	\$ (994,774.14)
Building and Building Improvements	(22,893,797.29)	(1,184,850.87)	\$	(24,078,648.16)
Machinery and Equipment	(5,271,641.66)	(694,135.81)	4,363.73	(5,961,413.74)
	<u>\$ (29,128,026.20)</u>	<u>\$ (1,911,173.57)</u>	<u>\$ 4,363.73</u>	<u>\$ (31,034,836.04)</u>
Total Capital Assets being depreciated, net of accumulated depreciation	<u>\$ 32,889,787.43</u>	<u>\$ 459,381.75</u>	<u>\$ (36.27)</u>	<u>\$ 33,349,132.91</u>
Governmental activities capital assets, net	<u>51,624,663.96</u>	<u>459,381.75</u>	<u>(36.27)</u>	<u>52,084,009.44</u>
Business type activities:				
Machinery and equipment	\$ 900,500.72	\$	\$	\$ 900,500.72
Less: accumulated depreciation	(747,950.44)	(15,797.88)	_____	(763,748.32)
Proprietary fund capital assets, net	<u>\$ 152,550.28</u>	<u>\$ (15,797.88)</u>	<u>\$</u>	<u>\$ 136,752.40</u>

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 3: CHANGE IN CAPITAL ASSETS (CONTINUED)

Depreciation Expense was charged to governmental expenses as follows:

Governmental Activities:	
Instruction:	
Regular	\$ 822,760.95
Special	201,348.48
Other Instruction	86,089.28
Support services:	
Student & instruction related services	239,981.92
General administrative services	34,684.49
School administrative services	94,185.61
Central services	27,213.16
Administrative technology information	29,429.13
Plant operations and maintenance	275,244.99
Student transportation	<u>100,235.56</u>
 Total	 \$ <u><u>1,911,173.57</u></u>

NOTE 4: LONG-TERM LIABILITIES

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

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

At June 30, 2016, the District had no bonds issued or no bonds or notes authorized but not issued.

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2016.

	<u>Capital Leases Payable</u>	<u>Compensated Absences Payable</u>	<u>Net Pension Liability</u>	<u>Total</u>
Balance June 30, 2015	\$3,255,000.00	\$2,171,353.89	\$30,340,314.00	\$35,766,667.89
Additions/ Issued			6,677,274.00	\$6,677,274.00
Reductions	<u>160,000.00</u>	<u>135,656.93</u>		<u>295,656.93</u>
Balance June 30, 2016	<u><u>\$3,095,000.00</u></u>	<u><u>\$2,035,696.96</u></u>	<u><u>\$37,017,588.00</u></u>	<u><u>\$42,148,284.96</u></u>
Amounts Due within one year	<u><u>\$165,000.00</u></u>			

Under New Jersey Statutes the District may incur debt in an amount not to exceed 4% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2016, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2013	5,189,312,821.00
2014	4,827,349,778.00
2015	<u>5,230,985,294.00</u>
	<u>\$ 15,247,647,893.00</u>
Average equalized valuation of property	\$ 5,082,549,297.67
School borrowing margin (4% of \$5,082,549,297.67)	203,301,971.91
Net bonded school debt as of June 30, 2016	<u>-0-</u>
School borrowing power available	<u>\$ 203,301,971.91</u>

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable

The District entered into a five year lease purchase for the construction of an addition to the School # 2 in the amount of \$5,000,000.00. The lease was issued on November 1, 2009 and matures semiannually through July 1 2015, 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, 2016:

<u>Year</u>	<u>Amount</u>
2017	\$ 301,181.00
2018	304,168.00
2019-2023	1,509,438.00
2024-2028	1,504,800.00
2029-2030	603,476.00
Total minimum lease payments	\$ <u>4,223,063.00</u>
Less: Amount representing interest	<u>(1,128,063.00)</u>
Present value of net minimum lease payment	<u>\$ 3,095,000.00</u>

City of Linden School District
Notes to the Financial Statements
June 30, 2016

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.

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, 2016

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, 2016

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

<u>Year</u>	<u>Annual Pension</u>	<u>Percentage of</u>	<u>Net Pension</u>
<u>Funding</u>	<u>Cost (APC)</u>	<u>APC Contributed</u>	<u>Obligation</u>
6/30/2016	\$1,417,730	100%	\$1,417,730
6/30/2015	\$1,339,885	100%	\$1,339,885
6/30/2014	\$1,300,141	100%	\$1,300,141

For the fiscal years ended June 30, 2016, 2015, and 2014 the State of New Jersey contributed \$3,621,963.00, \$2,366,654.00, and \$1,822,197.00 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 \$3,453,045.53 during the year ended June 30, 2016 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 68.

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2016, the District reported a liability of \$37,017,588.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2015, the District's proportion was 0.1649037518 percent, which was an increase of 0.0023724027 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$1,805,285.00. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences Between expected and actual experience		\$883,110.00
Changes of assumptions		3,975,393.00
Net difference between projected and actual earnings on pension plan investments	\$595,172.00	
Changes in proportion and differences between District contributions and proportionate share of contributions		1,374,226.00
District contributions subsequent to the measurement date		<u>1,512,490.00</u>
	<u>595,172.00</u>	<u>7,745,219.00</u>

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(Continued)

Public Employees Retirement System (PERS) (Continued)

The \$1,339,885.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>June 30</u>	<u>Amount</u>
2016	1,079,704.00
2017	1,079,704.00
2018	1,079,704.00
2019	1,533,074.00
2020 and thereafter	<u>865,371.00</u>
	<u><u>5,637,557.00</u></u>

Additional Information

Collective balances at June 30, 2015 and 2014 are as follows:

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$5,823,297,595	\$1,452,705,538
Collective deferred inflows of resources	1,215,190,347.00	2,146,719,012.00
Collective net pension liability	22,447,996,119.00	18,722,735,003.00
District's Proportion	0.1649037518%	0.1625313491%

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

Inflation	3.04 Percent
Salary Increases	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

		June 30, 2015		
		1%	1%	1%
		Decrease	Decrease	Increase
		<u>3.90%</u>	<u>4.90%</u>	<u>5.90%</u>
District's proportionate share of the pension liability	\$	<u>46,008,332.00</u>	<u>37,017,588.00</u>	<u>29,479,813.00</u>

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2016 was as follows:

Actuarial Assumptions

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$276,678,713</u>
	<u><u>\$276,678,713</u></u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2015, the proportion of the TPAF net pension liability associated with the District was 0.4377531961% which was an increase of .007015237 percent from its proportion measured as of June 30, 2014.

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue of \$16,893,727.00 for contributions provided by the State.

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013.⁴ This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
High Yield Bonds	2.00%	4.57%
US Equities Markets	27.25%	5.63%
Foreign Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private real estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmlands	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.50%
Hedge Funds- Multi Strategy	4.00%	4.59%
Hedge Funds- Equity Hedge	4.00%	5.68%
Hedge Funds- Distressed	4.00%	4.30%
	<u>100.00%</u>	

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 7: 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, 2015, there were 107,314 retirees receiving post-retirement medical benefits. The cost of these benefits and the State contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 7: OTHER POST-RETIREMENT BENEFITS (CONTINUED)

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2016, 2015 and 2013 were \$3,757,065.00, \$2,987,718.00, and \$3,158,396.00 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 8: LITIGATION

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District and which might materially affect the District's financial position.

NOTE 9: INVENTORY

Inventory in the Food Service Fund at June 30, 2016 consisted of the following:

Food and Supplies	<u>\$14,150.36</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.

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 10: CONTINGENCIES

The District 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 2015-2016 fiscal year were subject to the U.S. OMB Circular Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000. Findings and questioned costs, if any, relative to federal and state financial assistance programs are 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. The District's management does not believe any such audit would result in material amounts of disallowed costs.

NOTE 11: 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>
2015-2016	\$ 16,068.27	\$ 87,380.65	\$ 50,516.66	\$ 53,506.95
2014-2015	2,866.97	84,017.28	135,767.44	574.69
2013-2014		105,986.23	123,738.34	49,457.88

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 21,251.48	\$
Special Revenue Fund	<u> </u>	<u>21,251.48</u>
	\$ <u><u>21,251.48</u></u>	\$ <u><u>21,251.48</u></u>

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

NOTE 13: 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, 2016, no liability existed for compensated absences in the proprietary fund types.

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

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 14: 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 Advisors
Met Life
Lincoln Investments
Voya Retirement and Annuity Company

NOTE 15: FUND BALANCE APPROPRIATED

General Fund – Of the \$23,347,291.46 General Fund balance at June 30, 2016, \$1,441,970.67 is assigned for year-end encumbrances, \$16,118,763.90 has been restricted in the Capital Reserve Account; \$924,382.43 is restricted for emergencies, \$4,651,102.46 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, of which \$2,479,946.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2016 and \$211,072.00 is unassigned.

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 16: 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, 2016 is \$2,171,156.46.

FY 2016 Total General Fund Expenditures	\$	119,158,457.47
Decrease by		
On-Behalf TPAF Pension	\$	3,621,963.00
On-Behalf TPAF Post		
Retirement Medical Contribution		4,312,758.00
On-Behalf of Social Security		<u>3,453,045.53</u>
		<u>11,387,766.53</u>
Adjusted General Fund Expenditures	\$	107,770,690.94
Applicable Excess Surplus Percentage		<u>0.02</u>
2% of Adjusted 2015-2016 General Fund Expenditures	\$	<u>2,155,413.82</u>
Higher of line above or \$250,000.00	\$	2,155,413.82
Increased by:		
Extraordinary Aid		25,638.00
Allowable Adjustment- SEMI Reimbursement		85,111.78
Allowable Adjustment- Unappropriated State Aid		<u>20,706.00</u>
Maximum Unreserved/ Undesignated Fund Balance	\$	2,286,869.60
Actual Unreserved/ Undesignated Fund Balance		<u>4,458,025.54</u>
Excess Surplus-Budgetary Basis	\$	<u>2,171,155.94</u>

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 17: 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, 2015		\$ 9,025,290.29
Increased by:		
Transfers In	6,000,000.00	
Transfers In from Capital Fund	2,085,869.76	
Interest	7,603.85	
		8,093,473.61
		17,118,763.90
Decreased by:		
Budgeted Withdrawals		1,000,000.00
Balance June 30, 2016		\$ 16,118,763.90

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2016 is \$55,804,550.00. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

City of Linden School District
Notes to the Financial Statements
June 30, 2016

NOTE 18: EMERGENCY RESERVE ACCOUNT

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

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

The activity of the emergency reserve for the year ending June 30, 2016 is as follows:

Balance June 30, 2015	\$ 923,476.27
Increased by:	
Interest	<u>906.18</u>
Balance June 30, 2016	<u><u>\$ 924,382.45</u></u>

NOTE 19: SUBSEQUENT EVENTS

The District has evaluated material subsequent events occurring after the financial statement date through November 1, 2016 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.

NOTE 20: RESTATEMENT

The District cancelled uncollectable receivables. As a result the District's Net Position at June 30, 2015 was restated as follows:

	Governmental <u>Activities</u>
Beginning Net Position 6/30/15	\$ 38,144,539.38
Adjustments:	
Cancelled Accounts Receivables	<u>(71,737.33)</u>
Beginning Net Position 06/30/15 (As restated)	<u><u>\$ 38,072,802.05</u></u>

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, 2016

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local sources:					
Local tax levy	\$86,380,964.00		\$86,380,964.00	\$86,380,964.00	
Tuition	30,000.00		30,000.00	21,871.08	(\$8,128.92)
Tuition from other LEAs	92,000.00		92,000.00	221,486.48	129,486.48
Interest earned on emergency reserve funds	100.00		100.00		(100.00)
Interest earned on capital reserve funds	300.00		300.00		(300.00)
Miscellaneous	300,000.00		300,000.00	416,542.19	116,542.19
Adult School Local		2,550.00	2,550.00	2,550.00	
Total - local sources	86,803,364.00	2,550.00	86,805,914.00	87,043,413.75	237,499.75
State sources:					
Extraordinary Aid	501,369.00		501,369.00	527,007.00	25,638.00
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	
PARCC Readiness Aid	57,740.00		57,740.00	57,740.00	
Per Pupil Growth Aid	57,740.00		57,740.00	57,740.00	
Non-Public School Transportation Aid (non-budgeted)				20,706.00	20,706.00
On-behalf TPAF Pension Contributions (non-budgeted)				3,621,963.00	3,621,963.00
On-behalf TPAF Post Retirement Medical Cont. (non-budgeted)				4,312,758.00	4,312,758.00
Reimbursed TPAF Social Security cont. (non-budgeted)				3,453,045.53	3,453,045.53
Total - state sources	21,708,163.00		21,708,163.00	33,142,273.53	11,434,110.53
Federal sources:					
Medicaid Reimbursement	150,782.00		150,782.00	382,538.65	231,756.65
Total revenues	\$108,662,309.00	\$2,550.00	\$108,664,859.00	\$120,568,225.93	\$11,903,366.93

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, 2016

	<u>ADOPTED BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	\$1,505,137.00	(\$35,000.00)	\$1,470,137.00	\$1,445,725.08	\$24,411.92
Grades 1-5	11,624,878.00	(155,805.75)	11,469,072.25	11,415,122.12	53,950.13
Grades 6-8	6,244,467.00	(286,449.25)	5,958,017.75	5,663,055.81	294,961.94
Grades 9-12	7,876,019.00	(161,036.00)	7,714,983.00	7,586,270.43	128,712.57
Regular programs - home instruction:					
Salaries of teachers	177,856.00	(47,998.05)	129,857.95	126,068.10	3,789.85
Purchased professional educational services	60,000.00	(11,515.00)	48,485.00	48,479.50	5.50
Regular programs - undistributed instruction:					
Other salaries for instruction	1,360,573.00	116,362.49	1,476,935.49	1,475,590.86	1,344.63
Unused vacation pay to Terminated/Retired Staff	50,000.00	36,143.00	86,143.00	86,142.47	0.53
Purchased professional - educational services	22,623.00	(328.00)	22,295.00	6,340.00	15,955.00
Other purchased services (400 - 500 series)	1,559,337.00	541,190.76	2,100,527.76	1,960,737.61	139,790.15
General supplies	1,038,748.00	310,976.70	1,349,724.70	1,090,134.64	259,590.06
Textbooks	103,800.00	(5,449.60)	98,350.40	74,365.25	23,985.15
Other objects	44,800.00	17,001.25	61,801.25	36,978.25	24,823.00
Total regular programs	<u>31,668,238.00</u>	<u>318,092.55</u>	<u>31,986,330.55</u>	<u>31,015,010.12</u>	<u>971,320.43</u>
Learning and/or language disabilities:					
Salaries of teachers	921,849.00		921,849.00	892,020.73	29,828.27
Other salaries for instruction	353,802.00		353,802.00	299,467.05	54,334.95
Other purchased services (400 - 500 series)	5,000.00	390.00	390.00	390.00	
General supplies		(390.00)	4,610.00	815.53	3,794.47
Total learning and/or language disabilities	<u>\$1,280,651.00</u>		<u>\$1,280,651.00</u>	<u>\$1,192,693.31</u>	<u>\$87,957.69</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, 2016

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
(Continued from prior page)					
Behavioral disabilities:					
Salaries of teachers	\$401,970.00		\$401,970.00	\$381,203.40	\$20,766.60
Other salaries for instruction	135,880.00	\$19,723.00	155,603.00	106,714.33	48,888.67
General supplies	14,000.00	973.68	14,973.68	7,060.04	7,913.64
Other objects	5,500.00		5,500.00	2,605.49	2,894.51
Total behavioral disabilities	<u>557,350.00</u>	<u>20,696.68</u>	<u>578,046.68</u>	<u>497,583.26</u>	<u>80,463.42</u>
Multiple disabilities:					
Salaries of teachers	375,863.00	171.30	376,034.30	354,752.00	21,282.30
Other salaries for instruction	140,198.00	19,205.50	159,403.50	158,722.25	681.25
General supplies	5,000.00	(937.44)	4,062.56	2,838.96	1,223.60
Other objects	500.00		500.00		500.00
Total multiple disabilities	<u>521,561.00</u>	<u>18,439.36</u>	<u>540,000.36</u>	<u>516,313.21</u>	<u>23,687.15</u>
Resource room:					
Salaries of teachers	4,368,910.00	(70,848.80)	4,298,061.20	4,259,424.37	38,636.83
Other salaries for instruction	903,998.00	(32,031.15)	871,966.85	792,147.97	79,818.88
General supplies	5,000.00		5,000.00	4,058.75	941.25
Total resource room	<u>5,277,908.00</u>	<u>(102,879.95)</u>	<u>5,175,028.05</u>	<u>5,055,631.09</u>	<u>119,396.96</u>
Autism:					
Salaries of teachers	386,107.00	26,417.00	412,524.00	412,524.00	
Other salaries for instruction	\$175,000.00	\$32,031.15	\$207,031.15	\$196,514.61	\$10,516.54

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, 2016

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
(Continued from prior page)					
General supplies	\$2,000.00		\$2,000.00	\$1,928.84	\$71.16
Other objects	750.00		750.00		750.00
Total autism	563,857.00	\$58,448.15	622,305.15	610,967.45	11,337.70
Preschool disabilities - full-time:					
Salaries of teachers	565,127.00	(34,551.92)	530,575.08	521,752.68	8,822.40
Other salaries for instruction	270,377.00	34,551.92	304,928.92	304,921.75	7.17
General supplies	2,000.00		2,000.00	758.01	1,241.99
Total preschool disabilities - full time	837,504.00	(0.00)	837,504.00	827,432.44	10,071.56
Home instruction:					
Purchased professional-educational services	20,000.00		20,000.00	12,060.00	7,940.00
Total home instruction	20,000.00		20,000.00	12,060.00	7,940.00
Total special education	9,058,831.00	(5,295.76)	9,053,535.24	8,712,680.76	340,854.48
Basic skills/remedial:					
Salaries of teachers	306,726.00	83,572.00	390,298.00	381,557.82	8,740.18
General supplies	3,000.00		3,000.00	2,674.03	325.97
Total basic skills/remedial	309,726.00	83,572.00	393,298.00	384,231.85	9,066.15
Bilingual education:					
Salaries of teachers	1,226,184.00	(516.95)	1,225,667.05	1,217,255.20	8,411.85
Other salaries for instruction	121,993.00	8,483.95	130,476.95	130,476.95	
Total bilingual education	\$1,348,177.00	\$7,967.00	\$1,356,144.00	\$1,347,732.15	\$8,411.85

LINDEN BOARD OF EDUCATION
GENERAL FUND
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2016

	<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)					
Vocational programs - local - instruction:					
Salaries of teachers	\$902,347.00		\$902,347.00	\$741,473.38	\$160,873.62
General supplies	55,000.00	\$16,357.45	71,357.45	66,888.60	4,468.85
Textbooks	10,000.00	11,585.00	21,585.00	21,277.20	307.80
Other objects	1,600.00	1,675.00	3,275.00	2,340.00	935.00
Total vocational programs - local - instruction	<u>968,947.00</u>	<u>29,617.45</u>	<u>998,564.45</u>	<u>831,979.18</u>	<u>166,585.27</u>
School sponsored cocurricular activities - instruction:					
Salaries of teachers	285,683.00	(75,895.00)	209,788.00	116,400.94	93,387.06
Purchased services (300 - 500 series)	7,000.00	11,404.25	18,404.25	18,245.55	158.70
Supplies and materials	9,800.00	5,023.61	14,823.61	6,711.01	8,112.60
Other objects	400.00	(400.00)			
Total school sponsored cocurricular activities instruction	<u>302,883.00</u>	<u>(59,867.14)</u>	<u>243,015.86</u>	<u>141,357.50</u>	<u>101,658.36</u>
School sponsored athletics:					
Salaries	507,687.00	83,000.00	590,687.00	590,621.25	65.75
Purchased services (300 - 500 series)	68,590.00	(12,603.35)	55,986.65	42,254.95	13,731.70
Supplies and materials	125,100.00	27,789.90	152,889.90	143,679.01	9,210.89
Other objects	25,250.00	38,795.00	64,045.00	64,044.65	0.35
Transfer to cover deficit (Agency Funds)	35,000.00		35,000.00	35,000.00	
Total school sponsored athletics	<u>761,627.00</u>	<u>136,981.55</u>	<u>898,608.55</u>	<u>875,599.86</u>	<u>23,008.69</u>
Before/After School Programs - Instruction					
Salaries	<u>\$3,180.00</u>		<u>\$3,180.00</u>		<u>\$3,180.00</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, 2016

	<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)					
Summer School:					
Salaries	\$123,280.00		\$123,280.00	\$112,477.86	\$10,802.14
Other salaries for instruction	57,483.00		57,483.00	53,978.70	3,504.30
General supplies	1,000.00		1,000.00	68.29	931.71
Total Summer School	<u>181,763.00</u>		<u>181,763.00</u>	<u>166,524.85</u>	<u>15,238.15</u>
Alternative Education Program - Instruction					
Salaries of teachers	173,840.00		173,840.00	156,060.00	17,780.00
Total other instructional programs	<u>4,050,143.00</u>	<u>\$198,270.86</u>	<u>4,248,413.86</u>	<u>3,903,485.39</u>	<u>344,928.47</u>
Total - instruction	<u>44,777,212.00</u>	<u>511,067.65</u>	<u>45,288,279.65</u>	<u>43,631,176.27</u>	<u>1,657,103.38</u>
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	34,299.00		34,299.00	34,186.24	112.76
Tuition to other LEA's within the state-special	150,779.00		2,667,314.00	2,648,055.90	19,258.10
Tuition to county vocational school district-regular	729,000.00	(22,000.00)	707,000.00	663,500.00	43,500.00
Tuition to county vocational school district-special	248,898.00	(53,000.00)	195,898.00	92,800.00	103,098.00
Tuition to CSSD & reg. day schools	98,532.00	36,096.00	134,628.00	85,234.00	49,394.00
Tuition to private schools for the disabled w/in state	7,314,546.00	(958,652.00)	6,355,894.00	5,920,902.30	434,991.70
Tuition-state facilities	223,822.00		223,822.00	223,822.00	
Tuition-other	372,825.00	197,120.00	569,945.00	498,375.00	71,570.00
Total undistributed expenditures - instruction	<u>\$11,504,158.00</u>	<u>(\$615,358.00)</u>	<u>\$10,888,800.00</u>	<u>\$10,166,875.44</u>	<u>\$721,924.56</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, 2016

	<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)					
Attendance and social work services:					
Salaries	\$144,975.00	\$60,253.00	\$205,228.00	\$157,792.08	\$47,435.92
Other Purchased services (400 - 500 series)	4,000.00		4,000.00	1,710.92	2,289.08
Supplies and materials	700.00	200.00	900.00	870.40	29.60
Total attendance and social work services	<u>149,675.00</u>	<u>60,453.00</u>	<u>210,128.00</u>	<u>160,373.40</u>	<u>49,754.60</u>
Health services:					
Salaries	1,454,017.00	(40,000.00)	1,414,017.00	1,360,601.78	53,415.22
Purchased professional and technical services	33,000.00	600.00	33,600.00	21,655.00	11,945.00
Other Purchased services (400 - 500 series)	7,025.00	10.00	7,035.00	3,266.54	3,768.46
Supplies and materials	19,175.00	540.70	19,715.70	12,679.19	7,036.51
Other objects	4,500.00	692.06	5,192.06	2,359.06	2,833.00
Total health services	<u>1,517,717.00</u>	<u>(38,157.24)</u>	<u>1,479,559.76</u>	<u>1,400,561.57</u>	<u>78,998.19</u>
Other support services - student related services:					
Salaries	853,240.00	(20,195.00)	833,045.00	794,666.76	38,378.24
Purchased professional - educational services		22,000.00	22,000.00	21,174.00	826.00
Supplies and materials	3,000.00	5,108.35	8,108.35	8,107.81	0.54
Total other support services - students related services	<u>856,240.00</u>	<u>6,913.35</u>	<u>863,153.35</u>	<u>823,948.57</u>	<u>39,204.78</u>
Other support services - students - regular:					
Salaries of other professional staff	839,408.00	(24,384.97)	815,023.03	772,559.52	42,463.51
Salaries of secretarial and clerical assistants	224,101.00		224,101.00	204,984.48	19,116.52
Other Purchased services (400 - 500 series)	7,285.00	208.00	7,493.00	3,148.69	4,344.31
Supplies and materials	34,800.00	539.00	35,339.00	21,337.95	14,001.05
Total other support services - students - regular	<u>\$1,105,594.00</u>	<u>(\$23,637.97)</u>	<u>\$1,081,956.03</u>	<u>\$1,002,030.64</u>	<u>\$79,925.39</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, 2016

(Continued from prior page)	<u>ADOPTED BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Other support services - students - special services:					
Salaries of other professional staff	\$2,009,794.00	(\$50,548.23)	\$1,959,245.77	\$1,865,914.71	\$93,331.06
Salaries of secretarial and clerical assistants	327,825.00	22,728.00	350,553.00	350,457.24	95.76
Unused vacation Pay to Terminated/Retired Staff		3,163.00	3,163.00	3,162.95	0.05
Purchased professional - educational services	735,340.00	126,224.50	861,564.50	750,446.44	111,118.06
Other Purchased services (400 - 500 series)	14,000.00	750.20	14,750.20	10,060.26	4,689.94
Misc pur serv (400-500 series O/than resid costs)	291,000.00	(77,778.75)	213,221.25	172,142.28	41,078.97
Supplies and materials	30,000.00	27,523.07	57,523.07	56,996.52	526.55
Other objects	1,500.00	810.60	2,310.60	1,270.70	1,039.90
Total other support services - students - special services	3,409,459.00	52,872.39	3,462,331.39	3,210,451.10	251,880.29
Improvement of instruction services/ other support services-instructional staff:					
Salaries of supervisors of instruction	915,930.00	(26,075.00)	889,855.00	882,244.88	7,610.12
Salaries of other professional staff	165,340.00		165,340.00	163,686.00	1,654.00
Salaries of secretarial and clerical assistants	516,009.00	(75,775.00)	440,234.00	411,042.12	29,191.88
Other Salaries	3,844.00		3,844.00	256.50	3,587.50
Salaries of Facilitators, Math/Lit, Coaches	837,492.00	159,171.00	996,663.00	903,027.76	93,635.24
Purchased professional - educational services	11,850.00	(6,750.00)	5,100.00	889.00	4,211.00
Other Purchased services (400 - 500 series)	195,600.00	(12,677.84)	182,922.16	150,570.73	32,351.43
Supplies and materials	29,076.00	49,759.54	78,835.54	55,683.60	23,151.94
Other objects	9,150.00	(2,532.00)	6,618.00	4,700.10	1,917.90
Total improvement of instruction services/ other support services-instructional staff	2,684,291.00	85,120.70	2,769,411.70	2,572,100.69	197,311.01
Educational media services/school library:					
Salaries	538,291.00	(63,326.00)	474,965.00	316,610.88	158,354.12
Salaries of Technology Coordinators	77,810.00	23,645.00	101,455.00	101,454.96	0.04
Purchased professional and Technical Services	500.00	(500.00)			
Other purchased services (400 - 500 series)	34,510.00	(33,810.00)	700.00	450.00	250.00
Supplies and materials	\$66,600.00	(\$1,250.00)	\$65,350.00	\$34,370.10	\$30,979.90

LINDEN BOARD OF EDUCATION
GENERAL FUND
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2016

	<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)					
Other objects	\$1,500.00	(\$1,030.00)	\$470.00	\$470.00	
Total educational media services/school library	719,211.00	(76,271.00)	642,940.00	453,355.94	\$189,584.06
Instructional staff training services:					
Other salaries	15,700.00	(100.00)	15,600.00	480.00	15,120.00
Purchased professional - educational services	43,900.00	(6,700.00)	37,200.00	18,930.00	18,270.00
Other purchased services (400 - 500 series)	171,475.00	53,739.00	225,214.00	113,965.30	111,248.70
Supplies and materials	8,000.00	(1,979.72)	6,020.28	1,266.17	4,754.11
Other objects	2,750.00		2,750.00	250.00	2,500.00
Total instructional staff training services	241,825.00	44,959.28	286,784.28	134,891.47	151,892.81
Support services general administration:					
Salaries	353,874.00	28,952.75	382,826.75	368,898.03	13,928.72
Legal services	250,000.00	16,393.96	266,393.96	185,582.15	80,811.81
Audit fees	45,000.00		45,000.00	42,575.00	2,425.00
Architectural/Engineering Services	200,000.00	82,500.00	282,500.00	281,545.20	954.80
Other purchased professional services	100,000.00	(65,000.00)	35,000.00	1,830.00	33,170.00
Purchased technical services	20,000.00	(4,200.00)	15,800.00		15,800.00
Communications / telephone	600,000.00	21,090.40	621,090.40	464,456.07	156,634.33
BOE other purchased services	7,000.00	2,754.00	9,754.00	9,109.92	644.08
Other purchased services	105,500.00	(38,769.06)	66,730.94	51,799.42	14,931.52
Supplies and materials	56,000.00	21,487.44	77,487.44	59,985.77	17,501.67
BOE in-house training/meeting supplies	7,000.00	280.00	7,280.00	1,625.00	5,655.00
Judgments against the school district	400,000.00	365,988.88	765,988.88	90,000.00	675,988.88
Miscellaneous expenditures	50,000.00	(1,264.00)	48,736.00	5,966.83	42,769.17
BOE membership dues and fees	29,000.00		29,000.00	26,662.70	2,337.30
Total support services general administration	\$2,223,374.00	\$430,214.37	\$2,653,588.37	\$1,590,036.09	\$1,063,552.28

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, 2016

	<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)					
Support services school administration:					
Salaries of principals/asst. principals	\$3,636,275.00	(\$211,983.00)	\$3,424,292.00	\$3,414,301.96	\$9,990.04
Salaries of secretarial and clerical assistants	1,367,820.00	(37,300.00)	1,330,520.00	1,324,407.17	6,112.83
Purchased professional and Technical Services	30,300.00	(30,000.00)	300.00	300.00	300.00
Other purchased services (400 - 500 series)	22,950.00	168,190.28	191,140.28	61,929.39	129,210.89
Supplies and materials	75,332.00	59,967.20	135,299.20	79,715.02	55,584.18
Other objects	16,350.00	37.75	16,387.75	7,406.65	8,981.10
Total support services school administration	5,149,027.00	(51,087.77)	5,097,939.23	4,887,760.19	210,179.04
Central service:					
Salaries	923,317.00	34,805.12	958,122.12	940,607.93	17,514.19
Purchased professional services	50,000.00		50,000.00	9,670.91	40,329.09
Purchased technical services	25,000.00		25,000.00	25,000.00	25,000.00
Miscellaneous purchased services (400-500 series)	105,000.00	2,084.77	107,084.77	51,515.62	55,569.15
Supplies and materials	60,000.00	1,270.50	61,270.50	28,559.56	32,710.94
Interest on lease purchase agreements	150,000.00		150,000.00	142,981.26	7,018.74
Other Objects	15,000.00		15,000.00	14,386.96	613.04
Total central services	1,328,317.00	38,160.39	1,366,477.39	1,187,722.24	178,755.15
Administrative information technology:					
Salaries	649,294.00	94,526.00	743,820.00	720,455.24	23,364.76
Purchased technical services	7,500.00	86,497.48	93,997.48	93,955.48	42.00
Other purchased services (400 - 500 series)	176,225.00	4,911.00	181,136.00	180,308.44	827.56
Supplies and materials	60,000.00	(4,076.20)	55,923.80	51,911.92	4,011.88
Other objects	500.00		500.00	362.35	137.65
Total administrative information technology	\$893,519.00	\$181,856.28	\$1,075,377.28	\$1,046,993.43	\$28,383.85

LINDEN BOARD OF EDUCATION
GENERAL FUND
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FOR THE FISCAL YEARS ENDED JUNE 30, 2016

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Required maintenance for school facilities:					
Salaries	\$220,524.00	\$8,725.64	\$229,249.64	\$226,756.15	\$2,493.49
Cleaning, repair and maintenance services	1,208,700.00	666,322.80	1,875,022.80	1,682,144.45	192,878.35
General supplies	438,000.00	(183,874.92)	254,125.08	229,339.80	24,785.28
Other objects	10,000.00	7,613.00	17,613.00	14,194.75	3,418.25
Total allowable maintenance for school facilities	1,877,224.00	498,786.52	2,376,010.52	2,152,435.15	223,575.37
Other operation and maint. of plant :					
Salaries	4,460,783.00	11,255.58	4,472,038.58	4,257,796.48	214,242.10
Purchased professional and technical services	25,000.00	(871.00)	24,129.00	24,129.00	0.00
Cleaning, repair and maint. services	141,100.00	3,585.01	144,685.01	136,087.06	8,597.95
Rental of land & building other than lease purchase agreement	271,500.00	249,331.00	520,831.00	349,699.62	171,131.38
Other purchased property services	191,000.00	39,700.00	230,700.00	229,616.13	1,083.87
Insurance	601,125.00	(36,700.00)	564,425.00	550,331.76	14,093.24
Miscellaneous purchased services	192,000.00	34,207.00	226,207.00	185,964.50	40,242.50
General supplies	201,000.00	58,549.56	259,549.56	194,248.04	65,301.52
Energy (natural gas)	700,000.00	250.00	700,250.00	320,469.01	379,780.99
Energy (heat and electricity)	1,298,000.00	5,910.00	1,303,910.00	1,034,597.50	269,312.50
St. Elizabeth's Fuel Oil	25,000.00	17,000.00	42,000.00	555.66	16,444.34
Energy (Gasoline)	25,000.00	3,547.92	28,547.92	9,679.84	18,868.08
Other objects	90.00	90.00	90.00	90.00	0.00
Total other operation and maint. of plant	8,106,508.00	385,855.07	8,492,363.07	7,269,135.60	1,223,227.47
Other care and upkeep of grounds					
Salaries	183,641.00	4,982.66	188,623.66	187,622.88	1,000.78
General supplies	6,000.00	1,000.00	7,000.00	5,014.94	1,985.06
Total other care and upkeep of grounds	\$189,641.00	\$5,982.66	\$195,623.66	\$192,637.82	\$2,985.84

LINDEN BOARD OF EDUCATION
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
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FOR THE FISCAL YEARS ENDED JUNE 30, 2016

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Salaries	\$654,157.00	\$12,802.00	\$666,959.00	\$617,292.52	\$49,666.48
Purchased professional and technical services	98,000.00		98,000.00	88,817.40	9,182.60
Total other security	752,157.00	12,802.00	764,959.00	706,109.92	58,849.08
Student transportation services:					
Salaries for pupil transportation (between home and school) - regular	141,257.00	701.00	141,958.00	116,484.65	25,473.35
Management Fee - ESC & CTSA trans. Program	84,000.00	3,900.00	87,900.00	87,850.42	49.58
Cleaning, repair and maintenance services		2,348.56	2,348.56	2,303.72	
Contracted services - aid in lieu pymts-non public sch	150,000.00	(15,880.00)	134,120.00	108,893.73	25,226.27
Contracted services (between home & school) - vendors	1,135,000.00	(267,603.56)	867,396.44	828,823.88	38,572.56
Contracted services (other than between home and school) - vendors	489,544.00	(13,908.00)	475,636.00	404,326.87	71,309.13
Contracted services (other than between home and school) - joint agreements		26,000.00	26,000.00	25,845.32	154.68
Contracted services (spec ed students) - vendors	1,034,000.00	(315,015.38)	718,984.62	686,806.62	32,178.00
Contracted services (spec ed students) - joint agreements	1,520,100.00	605,555.00	2,125,655.00	2,125,593.74	61.26
General supplies	1,000.00		1,000.00	226.30	773.70
Other objects	825.00	260.00	1,085.00	710.00	375.00
Total student transportation services	4,555,726.00	26,357.62	4,582,083.62	4,387,865.25	194,173.53
Unused vacation Pay to Terminated/Retired Staff:					
Unused vacation pay to Terminated/Retired Staff		14,040.00	14,040.00	14,040.00	
Unused vacation Pay to Terminated/Retired Staff	25,000.00		25,000.00	8,258.70	16,741.30
Unused vacation Pay to Terminated/Retired Staff		1,080.00	1,080.00	1,080.00	
Unused vacation Pay to Terminated/Retired Staff		126.00	126.00	126.00	
Unused vacation Pay to Terminated/Retired Staff		114,175.00	114,175.00	113,947.78	227.22
Unused vacation Pay to Terminated/Retired Staff		4,131.00	4,131.00	4,130.30	0.70
Other employee benefits		239.84	239.84	239.84	
Unused vacation Pay to Terminated/Retired Staff		546.00	546.00	546.00	
Total Unused vacation Pay to Terminated/Retired Staff:	25,000.00	134,337.84	159,337.84	142,368.62	16,969.22

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, 2016

	<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)					
Unallocated benefits - employee benefits:					
Group insurance	25,000.00		25,000.00	426.66	24,573.34
Social security contributions	1,300,000.00	26,000.00	1,326,000.00	1,325,392.48	607.52
Other retirement contributions - PERS	1,678,894.00	(43,357.00)	1,635,537.00	1,419,121.91	216,415.09
Other retirement contributions - Regular	20,000.00	14,711.00	34,711.00	34,551.85	159.15
Unemployment compensation	\$400,000.00		\$400,000.00	\$4,749.89	\$395,250.11
Workmen's compensation	\$739,500.00	(\$500.00)	\$739,000.00	\$570,409.56	\$168,590.44
Health benefits	15,205,399.00	(21,677.00)	15,183,722.00	14,587,847.32	595,874.68
Tuition reimbursements		1,264.00	1,264.00	1,264.00	
Unused Sick Payments to Terminated/Retired Staff	90,000.00	(3,100.00)	86,900.00	24,803.55	62,096.45
Total unallocated benefits - employee benefits:	<u>19,458,793.00</u>	<u>(26,659.00)</u>	<u>19,432,134.00</u>	<u>17,968,567.22</u>	<u>1,463,566.78</u>
Interest earned on current expense emergency reserve	<u>100.00</u>		<u>100.00</u>		<u>100.00</u>
On-behalf TPAF Pension Contributions (non-budgeted)				3,621,963.00	(3,621,963.00)
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				4,312,758.00	(4,312,758.00)
Reimbursed TPAF social security contributions (non-budgeted)				3,453,045.53	(3,453,045.53)
Total TPAF Pension/ Social Security				<u>11,387,766.53</u>	<u>(11,387,766.53)</u>
Total undistributed expenditures	<u>\$66,747,456.00</u>	<u>\$1,133,502.49</u>	<u>\$67,880,958.49</u>	<u>\$72,843,986.88</u>	<u>(\$4,963,073.23)</u>
TOTAL EXPENDITURES - CURRENT EXPENSE	<u>111,524,768.00</u>	<u>1,644,570.14</u>	<u>113,169,338.14</u>	<u>116,475,163.15</u>	<u>(3,305,869.85)</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, 2016

	<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)					
CAPITAL OUTLAY:					
Equipment:					
Grades 1 - 5	121,961.00	56,471.47	178,432.47	134,761.24	43,671.23
Grades 6 - 8	25,800.00	23,478.00	49,278.00	48,718.49	559.51
Grades 9 - 12	129,000.00	(19,267.00)	109,733.00	109,732.52	0.48
School Sponsored and Other Instructional program	14,000.00	30,864.80	44,864.80	16,596.80	28,268.00
UE support serv. - related & extra	3,000.00	(606.00)	2,394.00	2,394.00	
UE school admin.		82,099.00	82,099.00	2,099.00	80,000.00
UE admin info technology	130,000.00	(80,590.00)	49,410.00	46,619.82	2,790.18
UE required Maintenance for school facilities	25,000.00	15,000.00	40,000.00	5,723.64	34,276.36
UE custodial services	24,500.00	(15,000.00)	9,500.00		9,500.00
Total equipment	<u>\$473,261.00</u>	<u>\$92,450.27</u>	<u>\$565,711.27</u>	<u>\$366,645.51</u>	<u>\$199,065.76</u>
Facilities acquisition and construction services:					
Architectural/Engineering Services	\$50,000.00	(\$20,700.00)	\$29,300.00		\$29,300.00
Other purchased prof. and tech. services	5,000.00	11,200.00	16,200.00		16,200.00
Construction services	650,000.00	2,297,721.29	2,947,721.29	2,003,909.81	943,811.48
Lease purchase agreements - principal	200,000.00		200,000.00	160,000.00	40,000.00
Assessment for debt Service on SDA Funding	47,663.00		47,663.00	47,663.00	
Total facilities acquis. and const. services	<u>952,663.00</u>	<u>2,288,221.29</u>	<u>3,240,884.29</u>	<u>2,211,572.81</u>	<u>1,029,311.48</u>
Interest deposit to capital reserve	<u>300.00</u>		<u>300.00</u>		<u>300.00</u>
TOTAL CAPITAL OUTLAY	<u>1,426,224.00</u>	<u>2,380,671.56</u>	<u>3,806,895.56</u>	<u>2,578,218.32</u>	<u>1,228,677.24</u>
SPECIAL SCHOOLS:					
Adult Education - Local - Support Services		2,550.00	2,550.00	1,875.00	675.00
Salaries of teachers	<u>36,764.00</u>	<u>66,437.00</u>	<u>103,201.00</u>	<u>103,201.00</u>	
TRANSFER OF FUNDS TO CHARTER SCHOOLS					
TOTAL EXPENDITURES	<u>112,987,756.00</u>	<u>4,094,228.70</u>	<u>117,081,984.70</u>	<u>119,158,457.47</u>	<u>(2,076,517.61)</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, 2016

	<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)					
Excess (deficiency) of revenues over (under) expenditures	(\$4,325,447.00)	(\$4,091,678.70)	(\$8,417,125.70)	\$1,409,768.46	\$9,826,849.32
Other financing sources (uses)					
Transfers from Capital Projects Fund				2,085,869.76	2,085,869.76
Total other financing sources				2,085,869.76	2,085,869.76
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	(\$4,325,447.00)	(\$4,091,678.70)	(\$8,417,125.70)	\$3,495,638.22	\$11,912,719.08
Fund balances, July 1 (Restated)	21,927,450.84		21,927,450.84	21,927,450.84	
Fund balances, June 30	<u>\$17,602,003.84</u>	<u>(\$4,091,678.70)</u>	<u>\$13,510,325.14</u>	<u>\$25,423,089.06</u>	<u>\$11,912,763.92</u>
Recapitulation:					
Restricted Fund Balance:				\$924,382.43	
Emergency Reserve				16,118,763.90	
Capital Reserve				2,368,128.89	
Excess Surplus - Designated for Subsequent Year's Expenditure				2,171,156.46	
Excess Surplus Current Year				1,441,970.67	
Committed Fund Balance:					
Year-end encumbrances				111,817.11	
Assigned Fund Balance:				2,286,869.60	
Designated for subsequent years expenditures				25,423,089.06	
Unassigned fund balance				(2,075,797.60)	
Reconciliation to governmental funds statements (GAAP):					
Last state aid payment not recognized on GAAP basis				\$23,347,291.46	
Fund balance per governmental funds (GAAP)				<u>\$23,347,291.46</u>	

LINDEN BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	BUDGET			ACTUAL	VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	TRANSFERS/ AMENDMENTS	FINAL BUDGET		
REVENUES:					
Federal sources	\$ 2,962,633.00	\$ 1,000,866.59	\$ 3,963,499.59	\$ 3,633,017.18	\$ (330,482.41)
State sources	3,642,628.00	(23,462.37)	3,619,165.63	2,986,087.59	(633,078.04)
Local sources	<u>85,000.00</u>	<u>316,213.74</u>	<u>401,213.74</u>	<u>244,135.95</u>	<u>(157,077.79)</u>
Total revenues	<u>\$ 6,690,261.00</u>	<u>\$ 1,293,617.96</u>	<u>\$ 7,983,878.96</u>	<u>\$ 6,863,240.72</u>	<u>\$ (1,120,638.24)</u>
EXPENDITURES:					
Instruction:					
Salaries	\$ 702,386.00	\$ 256,591.67	\$ 958,977.67	\$ 838,346.18	\$ 120,631.49
Salaries of teachers	2,280,132.00	(73,089.40)	2,207,042.60	1,787,980.25	419,062.35
Other salaries	700,911.00		700,911.00	648,013.70	52,897.30
Purchased professional & technical services		223,056.00	223,056.00	210,997.58	12,058.42
Purchased professional & Educational services	2,720.00	(2,465.00)	255.00		255.00
Other purchased services	65,388.00	103,024.35	168,412.35	163,936.36	4,475.99
General supplies	131,000.00	113,515.30	244,515.30	145,956.53	98,558.77
Textbooks	5,064.00	1,409.07	6,473.07	6,218.85	254.22
Other objects	<u>4,000.00</u>	<u>55,175.30</u>	<u>59,175.30</u>	<u>53,855.35</u>	<u>5,319.95</u>
Total instruction	<u>\$ 3,891,601.00</u>	<u>\$ 677,217.29</u>	<u>\$ 4,568,818.29</u>	<u>\$ 3,855,304.80</u>	<u>\$ 713,513.49</u>
Support services:					
Salaries	\$ 878,204.00	\$ (417,444.19)	\$ 460,759.81	\$ 414,863.08	\$ 45,896.73
Other Salaries	6,710.00	6,222.00	12,932.00	2,760.00	10,172.00
Salaries of program directors	84,295.00		84,295.00	83,937.48	357.52
Salaries of other professional staff	1,135,642.00	27,774.00	1,163,416.00	1,110,678.38	52,737.62
Salaries of master teachers	312,590.00		312,590.00	238,214.32	74,375.68
Personal services-employee benefits	321,657.00	619,437.40	941,094.40	915,140.04	25,954.36
Purchased professional technical services		113,570.00	113,570.00	70,550.00	43,020.00
Purchased professional educational services	30,062.00	52,974.00	83,036.00	38,350.00	44,686.00
Other purchased services		136,818.86	136,818.86	90,568.32	46,250.54
Contracted services-transportation (other than between home and school)	1,000.00		1,000.00	259.68	740.32
Travel	8,000.00	9,755.11	17,755.11	7,405.72	10,349.39
Miscellaneous purchased services	10,000.00	(3,730.00)	6,270.00		6,270.00
General supplies	10,500.00	53,782.74	64,282.74	34,992.02	29,290.72
Other objects		<u>990.75</u>	<u>990.75</u>	<u>216.88</u>	<u>773.87</u>
Total support services	<u>\$ 2,798,660.00</u>	<u>\$ 600,150.67</u>	<u>\$ 3,398,810.67</u>	<u>\$ 3,007,935.92</u>	<u>\$ 390,874.75</u>
Facilities acquisition and const. services:					
Instructional equipment	<u>\$</u>	<u>\$ 16,250.00</u>	<u>\$ 16,250.00</u>	<u>\$</u>	<u>\$ 16,250.00</u>
Total facilities acquisition and const. services	<u>\$</u>	<u>\$ 16,250.00</u>	<u>\$ 16,250.00</u>	<u>\$</u>	<u>\$ 16,250.00</u>
Total expenditures	<u>\$ 6,690,261.00</u>	<u>\$ 1,293,617.96</u>	<u>\$ 7,983,878.96</u>	<u>\$ 6,863,240.72</u>	<u>\$ 1,120,638.24</u>

CITY OF LINDEN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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	\$120,568,225.93	\$6,863,240.72
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.	2,073,943.60	
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)	(2,075,797.60)	
Adjust for encumbrances:		
Add prior year encumbrances		479,002.46
Less prior year encumbrances canceled		(356.83)
Less current year encumbrances		(639,425.65)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$120,566,371.93</u>	<u>\$6,702,460.70</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$119,158,457.47	\$6,863,240.72
Difference - budget to GAAP:		
Adjust for encumbrances:		
Add prior year encumbrances		479,002.46
Less prior year encumbrances canceled		(356.83)
Less current year encumbrances		(639,425.65)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$119,158,457.47</u>	<u>\$6,702,460.70</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

City of Linden School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Years

Measurement Date	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.1549619975%	\$ 29,616,317	\$ 10,934,475.00	270.85%	48.72%
2014	0.1625313491%	30,430,314	11,288,700.00	269.56%	52.08%
2015	0.1649037518%	37,017,588	11,403,646.00	324.61%	47.92%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

City of Linden School District
Schedule of the District's Contributions
Public Employees Retirement System
Last Ten Years

Fiscal Year Ending <u>June 30,</u>	Contractually Required <u>Contribution</u>	Contributions in Relation to the Contractually Required <u>Contributions</u>	Contribution Deficiency <u>(Excess)</u>	District's Covered- Employee <u>Payroll</u>	Contributions as a Percentage of Covered- Employee <u>Payroll</u>
2014	\$ 1,339,885	\$ 1,339,885	\$ -0-	\$ 11,288,700.00	11.87%
2015	1,417,730	1,417,730	-0-	11,403,646.00	12.43%
2016	1,512,490	1,512,490	-0-	11,798,188.00	12.82%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

City of Linden School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers Pension and Annuity Fund
Last Ten Years

<u>Measurement Date</u> <u>June 30,</u>	<u>District's Proportion of the Net Pension Liability (Asset)</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>District's Covered-Employee Payroll</u>	<u>District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2013	0.4322790107%	\$ -0-	\$ 43,349,587.00	-0-	33.76%
2014	0.4307379590%	-0-	45,263,365.00	-0-	33.64%
2015	0.4377531961%	-0-	46,423,697.00	-0-	28.71%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

CITY OF LINDEN SCHOOL DISTRICT
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

NOTE TO RSI III
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

The discount rate changed from 5.39% to 4.90% as of
June 30, 2015.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

The discount rate changed from 4.68% to 4.13% as of
June 30, 2015.

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

City of Linden School District
 Social Revenue Fund
 Combining Schedule Of Revenues And Expenditures - Budgetary Basis
 For The Fiscal Year Ended June 30, 2016

	TITLE I		TITLE II		TITLE III		Totals	
	2015-2016	PART D 2015-2016	PART A 2015-2016	2015-2016	IMMIGRANT 2015-2016	2015-2016	2015	2016
Total Brought Forward (Ex.E-1a)								
REVENUES:								
Federal Sources	\$ 2,309,426.69	\$ 204,377.00	\$ 84,712.21	\$ 118,516.85	\$ 6,235.00	\$ 3,633,017.18	\$ 3,343,547.07	
State Sources	2,986,087.59					2,986,087.59	2,987,133.75	
Local Sources	244,135.95					244,135.95	157,432.95	
Total Revenues	5,539,650.23	204,377.00	84,712.21	118,516.85	6,235.00	6,863,240.72	6,498,113.77	
EXPENDITURES:								
Instruction:								
Salaries	237,115.60		57,913.00	18,650.32	5,792.00	838,346.18	813,878.75	
Salaries of Teachers	1,777,679.00					1,787,980.25	1,663,869.88	
Other Salaries for Instruction	648,013.70					648,013.70	599,171.37	
Purchased Professional - Technical Services		204,377.00				210,997.58	100,220.85	
Purchased Professional - Educational Services						3,245.00	3,245.00	
Other Purchased Services (400-500 series)	163,936.36					163,936.36	5,483.34	
General Supplies	131,552.11			10,408.12		145,956.53	136,554.05	
Textbooks	6,218.85					6,218.85	5,952.73	
Other Objects	49,867.00			3,988.35		53,855.35	31,799.21	
Total instruction	3,014,382.62	204,377.00	57,913.00	33,046.79	5,792.00	3,855,304.80	3,360,175.18	
Support services:								
Salaries	179,880.71			53,431.37		414,863.08	478,621.80	
Other Salaries	2,760.00					2,760.00	957.00	
Salaries of Program Directors	83,937.48					83,937.48	81,726.91	
Salaries of Other Professional Staff	1,110,678.38					1,110,678.38	981,951.34	
Salaries of Master Teachers	238,214.32					238,214.32	230,338.00	
Personal Services - Employee Benefits	701,896.93		15,022.63	14,851.00	443.00	915,140.04	1,105,212.34	
Purchased Professional - Technical Services	70,550.00					70,550.00	21,425.95	
Purchased Professional - Educational Services	38,350.00					38,350.00	53,568.22	
Other Purchased Professional Services	61,846.29		11,009.96	16,987.77		90,568.32	66,206.19	
Contr Services Trans	259.68					259.68	1,668.72	
Travel	7,405.72					7,405.72	10,087.40	
Supplies & Materials	32,031.22		766.62	199.92		34,992.02	77,470.16	
Other Objects	216.88					216.88	94.00	
Total support services	2,525,267.61		26,799.21	85,470.06	443.00	3,007,935.92	3,109,328.03	
Facilities acquisition and const. serv.:								
Instructional Equipment							28,610.56	
Total facilities acquisition and const. serv.							28,610.56	
Total Expenditures	5,539,650.23	204,377.00	84,712.21	118,516.85	6,235.00	6,863,240.72	6,498,113.77	
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, 2016

	Total Brought Forward (Ex.E-1B)	ADULT EDUCATION 2015-2016	21 CENTURY TEACHING 2015-2016	21 CENTURY TEACHING 2014-2015	21 CENTURY SUPPLEMENT 2015-2016	21 CENTURY SUPPLEMENT 2014-2015	Total Carried Forward
REVENUES:							
Federal Sources	\$ 1,705,015.28	\$ 118,593.81	\$ 412,724.56	\$ 25,447.45	\$ 32,212.37	\$ 15,433.22	\$ 2,309,426.69
State Sources	2,986,087.59						2,986,087.59
Local Sources	244,135.95						244,135.95
Total Revenues	4,935,238.82	118,593.81	412,724.56	25,447.45	32,212.37	15,433.22	5,539,650.23
EXPENDITURES:							
Instruction:							
Salaries	1,689,420.50	88,258.50	187,546.35	8,832.50	26,454.25	14,282.50	237,115.60
Other Salaries for Instruction	648,013.70						1,777,679.00
Purchased Professional - Technical Services							648,013.70
Purchased Professional - Educational Services	163,936.36						163,936.36
Other Purchased Services (400-500 series)	103,226.54	10,025.31	14,507.78		3,734.37	58.11	131,552.11
General Supplies	6,218.85						6,218.85
Textbooks	19,780.00		30,087.00				49,867.00
Other Objects							
Total instruction	2,630,595.95	98,283.81	232,141.13	8,832.50	30,188.62	14,340.61	3,014,382.62
Support services:							
Salaries	48,744.00		115,447.55	15,689.16			179,880.71
Salaries of Program Directors	83,937.48						83,937.48
Salaries of Other Professional Staff	1,110,678.38						1,110,678.38
Salaries of Master Teachers	238,214.32						238,214.32
Personal Services - Employee Benefits	658,145.00	6,751.78	33,015.98	867.81	2,023.75	1,092.61	701,896.93
Purchased Professional - Technical Services	58,050.00		12,500.00				70,550.00
Purchased Professional - Educational Services	38,350.00						38,350.00
Other Purchased Professional Services	39,351.50	7,572.36	14,922.43				61,846.29
Contr. Services, Trans	259.68						259.68
Travel	7,120.81						7,120.81
Supplies & Materials	21,574.82	5,985.86	4,470.34	57.98			32,091.22
Other Objects	216.88						216.88
Total support services	2,304,642.87	20,310.00	180,563.43	16,614.95	2,023.75	1,092.61	2,525,267.61
Facilities acquisition and const. serv.:							
Instructional Equipment							
Total facilities acquisition and const. serv.							
Total Expenditures	4,935,238.82	118,593.81	412,724.56	25,447.45	32,212.37	15,433.22	5,539,650.23
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$	\$	\$	\$

City of Linden School District
Special Revenue Fund
Combining Schedule Of Revenues And Expenditures - Budgetary Basis
For The Fiscal Year Ended June 30, 2016

	Total Brought Forward (Ex. E-1c)	I.D.E.A. Part B		CONOCO	MCMANUS PDSIS	TARGET	STATE FARM YOUTH	Total Carried Forward
		Flow - Thru 2015-2016	Pre-School 2015-2016					
REVENUES:								
Federal Sources	\$ 2,986,087.59	\$ 1,666,405.28	\$ 38,610.00	\$	\$	\$	\$	\$ 1,705,015.28
State Sources	236,826.24		46.84	1,397.02	2,974.03	260.00	2,631.82	2,986,087.59
Local Sources		1,666,405.28	46.84	1,397.02	2,974.03	260.00	2,631.82	244,135.95
Total Revenues	3,222,913.83	1,666,405.28	46.84	1,397.02	2,974.03	260.00	2,631.82	4,935,238.82
EXPENDITURES:								
Instruction:								
Salaries	1,561,322.50	128,098.00						1,689,420.50
Other Salaries for Instruction	648,013.70							648,013.70
Purchased Professional - Technical Services	163,936.36							163,936.36
Other Purchased Services (400-500 series)	73,354.49	25,501.00		1,397.02	2,974.03	260.00		103,226.54
General Supplies	6,218.85							6,218.85
Textbooks	19,520.00							19,520.00
Other Objects								
Total instruction	2,472,365.90	153,599.00		1,397.02	2,974.03	260.00		2,630,595.95
Support services:								
Salaries	18,101.00	30,643.00						48,744.00
Salaries of Program Directors	83,937.48							83,937.48
Salaries of Other Professional Staff	9,203.10	1,101,475.28						1,110,678.38
Salaries of Master Teachers	238,214.32							238,214.32
Personal Services - Employee Benefits	321,657.00	328,521.00						650,178.00
Purchased Professional - Technical Services	13,590.00	58,050.00						71,640.00
Other Purchased Professional Services	38,422.93	24,760.00						63,182.93
Contr Services Trans	259.68						928.57	39,351.50
Travel	7,120.81							259.68
Supplies & Materials	19,824.73		46.84				1,703.25	7,120.81
Other Objects	216.88							21,574.82
Total support services	750,547.93	1,512,806.28	46.84				2,631.82	2,304,642.87
Facilities acquisition and const. serv.:								
Instructional Equipment								
Total facilities acquisition and const. serv.								
Total Expenditures	3,222,913.83	1,666,405.28	46.84	1,397.02	2,974.03	260.00	2,631.82	4,935,238.82
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, 2016

	Total Brought Forward (Ex.E-1d)	CONFUCIUS	ITALIAN AMERICAN	NJSBAIG SAFETY GRANT	PREVENT CHILD ABUSE	MERCK CAMS	K KIDS #4	INFINEUM	Total Carried Forward
REVENUES:									
Federal Sources	\$ 2,986,087.59								\$ 2,986,087.59
State Sources	135,979.38	13,422.58	2,930.00	20,206.00	216.88	57,696.40	1,375.00	5,000.00	236,826.24
Local Sources	3,122,066.97	13,422.58	2,930.00	20,206.00	216.88	57,696.40	1,375.00	5,000.00	3,222,913.83
Total Revenues									
	\$ 2,986,087.59	\$ 13,422.58	\$ 2,930.00	\$ 20,206.00	\$ 216.88	\$ 57,696.40	\$ 1,375.00	\$ 5,000.00	\$ 2,986,087.59
	135,979.38	13,422.58	2,930.00	20,206.00	216.88	57,696.40	1,375.00	5,000.00	236,826.24
	3,122,066.97	13,422.58	2,930.00	20,206.00	216.88	57,696.40	1,375.00	5,000.00	3,222,913.83
EXPENDITURES:									
Instruction:									
Salaries	1,551,770.50		2,930.00			6,622.00			1,561,322.50
Other Salaries for Instruction	648,013.70								648,013.70
Purchased Professional - Technical Services									
Purchased Professional - Educational Services	163,061.36	1,214.00				32,778.90	875.00		163,936.36
Other Purchased Services (400-500 series)	38,861.59						500.00		73,354.49
General Supplies	6,218.85								6,218.85
Textbooks	4,520.00					10,000.00			19,520.00
Other Objects								5,000.00	
Total Instruction	2,412,446.00	1,214.00	2,930.00			49,400.90	1,375.00	5,000.00	2,472,365.90
Support services:									
Salaries	15,615.00	486.00				2,000.00			18,101.00
Salaries of Program Directors	83,937.48								83,937.48
Salaries of Other Professional Staff	9,203.10								9,203.10
Salaries of Master Teachers	238,214.32								238,214.32
Personal Services - Employee Benefits	321,657.00								321,657.00
Purchased Professional - Technical Services	9,990.00								
Purchased Professional - Educational Services	28,356.61	4,164.82		3,206.00		3,600.00			38,422.93
Other Purchased Professional Services	259.68					2,695.50			259.68
Contr Services Trans	689.88	6,430.93							7,120.81
Travel	1,697.90	1,126.83		17,000.00					19,824.73
Supplies & Materials									
Other Objects					216.88				216.88
Total support services	709,620.97	12,208.58		20,206.00	216.88	8,295.50			750,547.93
Facilities acquisition and const. serv.:									
Instructional Equipment									
Total facilities acquisition and const. serv.									
Total Expenditures	\$ 3,122,066.97	\$ 13,422.58	\$ 2,930.00	\$ 20,206.00	\$ 216.88	\$ 57,696.40	\$ 1,375.00	\$ 5,000.00	\$ 3,222,913.83
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, 2016

	Total Brought Forward (Ex.E-1e)	SOEHL STUDENT ACCOUNT	ROTC	7-Eleven	E-RATE	MC MANUS STUDENT ACCOUNT	LEADERSHIP TRAINING	Total Carried Forward
REVENUES:								
Federal Sources	\$ 2,986,087.59							2,986,087.59
State Sources	18,105.00	6,262.63	18,966.73	707.98	87,922.04	25.00	3,990.00	135,979.38
Local Sources								
Total Revenues	3,004,192.59	6,262.63	18,966.73	707.98	87,922.04	25.00	3,990.00	3,122,066.97
EXPENDITURES:								
Instruction:								
Salaries								
Salaries of Teachers	1,551,770.50							1,551,770.50
Other Salaries for Instruction	648,013.70							648,013.70
Purchased Professional - Technical Services								
Purchased Professional - Educational Services	71,405.32	2,960.90	3,734.00	707.98	87,922.04	25.00		163,061.36
Other Purchased Services (400-500 series)	34,146.36		1,021.35					38,861.59
General Supplies	6,218.85						3,990.00	6,218.85
Textbooks								
Other Objects	530.00							4,520.00
Total instruction	2,312,084.73	2,960.90	4,755.35	707.98	87,922.04	25.00	3,990.00	2,412,446.00
Support services:								
Salaries	15,615.00							15,615.00
Salaries of Program Directors	83,937.48							83,937.48
Salaries of Other Professional Staff	9,203.10							9,203.10
Salaries of Master Teachers	238,214.32							238,214.32
Personal Services - Employee Benefits	321,657.00							321,657.00
Purchased Professional - Technical Services	9,990.00							9,990.00
Purchased Professional - Educational Services	12,383.00	1,762.23	14,211.38					28,356.61
Other Purchased Professional Services	259.68							259.68
Contr Services Trans	689.88							689.88
Travel	158.40	1,539.50						1,697.90
Supplies & Materials								
Other Objects								
Total support services	692,107.86	3,301.73	14,211.38					709,620.97
Facilities acquisition and const. serv.:								
Instructional Equipment								
Total facilities acquisition and const. serv.								
Total Expenditures	3,004,192.59	6,262.63	18,966.73	707.98	87,922.04	25.00	3,990.00	3,122,066.97
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, 2016

	040	41	43	501	509	510	511	Total Carried Forward
	SEVIS	TEACHER MENTOR	CAPODAGLI	N.J. NONPUBLIC TEXTBOOK AID	N.J. NONPUBLIC NURSING SERVICE	N.J. NONPUBLIC TECHNOLOGY AID	N.J. NONPUBLIC SECURITY AID	
REVENUES:								
Federal Sources	\$	\$	\$	\$	\$	\$	\$	
State Sources	756.00	14,859.00	2,490.00	6,218.85	9,990.00	2,845.71	2,775.00	2,986,087.59
Local Sources	756.00	14,859.00	2,490.00	6,218.85	9,990.00	2,845.71	2,775.00	18,105.00
Total Revenues	2,964,258.03	14,859.00	2,490.00	6,218.85	9,990.00	2,845.71	2,775.00	3,004,192.59
EXPENDITURES:								
Instruction:								
Salaries								
Salaries of Teachers								1,551,770.50
Other Salaries for Instruction								648,013.70
Purchased Professional - Technical Services								
Purchased Professional - Educational Services								71,405.32
Other Purchased Services (400-500 series)								34,146.36
General Supplies								6,218.85
Textbooks								530.00
Other Objects								
Total Instruction								2,300,245.17
Support services:								
Salaries								
Salaries of Program Directors								15,615.00
Salaries of Other Professional Staff								83,937.48
Salaries of Master Teachers								9,203.10
Personal Services - Employee Benefits								238,214.32
Purchased Professional - Technical Services								321,657.00
Purchased Professional - Educational Services								9,990.00
Other Purchased Professional Services								9,990.00
Contr Services Trans								259.68
Travel								689.88
Supplies & Materials								158.40
Other Objects								
Total support services								682,107.86
Facilities acquisition and const. serv.:								
Instructional Equipment								
Total facilities acquisition and const. serv.								
Total Expenditures	2,964,258.03	14,859.00	2,490.00	6,218.85	9,990.00	2,845.71	2,775.00	3,004,192.59
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, 2016

	PRE-SCHOOL	N.J. NONPUBLIC AUXILIARY SERVICES - 182				N.J. NONPUBLIC HANDICAPPED SERVICES Ch. 183		Total Carried Forward
		COMPENSATORY EDUCATION	ENGLISH AS A SECOND LANGUAGE	TRANSPORTATION	SUPPLEMENTAL INSTRUCTION	EXAMINATION & CLASSIFICATION	CORRECTIVE SPEECH	
REVENUES:								
Federal Sources	\$ 2,888,893.45	\$	\$	\$	\$	\$	\$	
State Sources		42,469.20	3,862.60	9,693.00	6,237.84	9,203.10	3,678.84	2,964,258.03
Local Sources		42,469.20	3,862.60	9,693.00	6,237.84	9,203.10	3,678.84	2,964,258.03
Total Revenues								
		2,888,893.45	42,469.20	9,693.00	6,237.84	9,203.10	3,678.84	2,964,258.03
EXPENDITURES:								
Instruction:								
Salaries	1,495,502.02		3,862.60		6,237.84		3,678.84	1,551,770.50
Salaries of Other Professional Staff	648,013.70							648,013.70
Purchased Professional - Technical Services								
Purchased Professional - Educational Services	71,405.32							71,405.32
Other Purchased Services (400-500 series)	28,525.65							28,525.65
General Supplies								
Textbooks	530.00							530.00
Other Objects								
Total Instruction								
	2,243,976.69	42,469.20	3,862.60		6,237.84		3,678.84	2,300,245.17
Support services:								
Salaries								
Other Salaries	83,937.48							83,937.48
Salaries of Program Directors								
Salaries of Supervisors of Instruction								
Salaries of Other Professional Staff						9,203.10		9,203.10
Salaries of Secretarial & Clerical Staff								
Other Salaries								
Salaries of Master Teachers								
Personal Services - Employee Benefits	238,214.32							238,214.32
Purchased Professional - Technical Services	321,657.00							321,657.00
Purchased Professional - Educational Services								
Other Purchased Professional Services				9,693.00				9,693.00
Purchased Technical Services								
Rentals								
Contr Services Trans	259.68							259.68
Contr Services Wrap Around Services								
Contr Services Field Trips								
Tuition								
Travel	689.88							689.88
Supplies & Materials	158.40							158.40
Other Objects								
Total support services								
	644,916.76			9,693.00		9,203.10		664,012.86
Facilities acquisition and const. serv.:								
Instructional Equipment								
Total facilities acquisition and const. serv.								
Total Expenditures								
	2,888,893.45	42,469.20	3,862.60	9,693.00	6,237.84	9,203.10	3,678.84	2,964,258.03
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$	\$	\$	\$	\$

City of Linden School District
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
for the Fiscal Year Ended June 30, 2016

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$1,783,449.00	\$1,495,502.02	\$287,946.98
Other Salaries for Instruction	700,911.00	648,013.70	52,897.30
Other Purchased Services (400-500 series)	71,407.00	71,405.32	1.68
General supplies	46,000.00	28,525.65	17,474.35
Other Objects	4,000.00	530.00	3,470.00
Total instruction	<u>2,605,767.00</u>	<u>2,243,976.69</u>	<u>361,790.31</u>
Support Services			
Salaries of Supervisors of Instruction	84,295.00	83,937.48	357.52
Salaries of Master Teachers	312,590.00	238,214.32	74,375.68
Personal Services - Employee Benefits	321,657.00	321,657.00	
Purchased Professional - Educational Services	19,711.00		19,711.00
Contr Services Trans	1,000.00	259.68	740.32
Travel	8,000.00	689.88	7,310.12
Other Purchased Services (400-500 series)	6,270.00		6,270.00
Supplies & Materials	10,500.00	158.40	10,341.60
Total support services	<u>764,023.00</u>	<u>644,916.76</u>	<u>119,106.24</u>
Total expenditures	<u>\$3,369,790.00</u>	<u>\$2,888,893.45</u>	<u>480,896.55</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2015-16 Preschool Education Aid Allocation	\$2,874,564.00
Add: Actual PreK Carryover (June 30, 2015)	<u>699,096.37</u>
Total Preschool Education Funds Available for 2015-16 Budget	3,573,660.37
Less: 2015-16 Budgeted Prek (Including prior year budgeted carryover)	<u>\$3,369,790.00</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2016	203,870.37
Add: June 30, 2016 Unexpended Preschool Education Aid	<u>480,896.55</u>
2015-16 actual Carryover-Preschool Education Aid	<u>684,766.92</u>
2015-16 Preschool Education Aid Carryover Budgeted for Preschool Programs 2016-17	<u>\$374,373.00</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, 2016

<u>ISSUE/PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>REVISED BUDGETARY APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>(MEMO ONLY) UNEXPENDED PROJECT BALANCE</u>
			<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
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	7,068,265.58	2,074,265.66	
Totals		\$ <u>23,063,687.31</u>	\$ <u>20,977,817.55</u>	\$ <u>2,085,869.76</u>	\$ <u>-0-</u>

CITY OF LINDEN SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

EXPENDITURES AND OTHER FINANCING USES:	
Transfer to General Fund	<u>2,085,869.76</u>
Total expenditures and other financing uses	\$ <u>2,085,869.76</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (2,085,869.76)
Fund balance - July 1	<u>2,085,869.76</u>
Fund balance - June 30	\$ <u><u>0.00</u></u>

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, 2016

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond proceeds and transfers	\$ (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>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 47,496.81	\$	\$ 47,496.81	\$ 47,496.81
Construction services	2,433,307.70		2,433,307.70	2,444,911.80
Transfer to General Fund		<u>11,604.10</u>	<u>11,604.10</u>	
Total expenditures and other financing uses	\$ <u>2,480,804.51</u>	\$ <u>11,604.10</u>	\$ <u>2,492,408.61</u>	\$ <u>2,492,408.61</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>11,604.10</u>	\$ <u>(11,604.10)</u>	\$	\$
ADDITIONAL PROJECT INFORMATION:				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorized cost	\$ 2,846,861.70			
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		100.00% %		
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, 2016

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State Sources- SDA Grant	\$ 2,406,065.00	\$	\$ 2,406,065.00	\$ 2,406,065.00
Bond proceeds and transfers	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 sourc	<u>\$ 9,142,531.24</u>	<u>\$</u>	<u>\$ 9,142,531.24</u>	<u>\$ 9,142,531.24</u>
EXPENDITURES AND OTHER FINANCING USES:				
Construction services	\$ 7,068,265.58	\$	\$ 7,068,265.58	\$ 9,142,531.24
Transfer to General Fund		<u>2,074,265.66</u>	<u>2,074,265.66</u>	
Total expenditures and other financing u	<u>\$ 7,068,265.58</u>	<u>\$ 2,074,265.66</u>	<u>\$ 9,142,531.24</u>	<u>\$ 9,142,531.24</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,074,265.66</u>	<u>\$ (2,074,265.66)</u>	<u>\$</u>	<u>\$</u>
ADDITIONAL PROJECT INFORMATION:				
Project number				
Grant date				
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorized cost	\$ \$249,031.51			
Additional authorized cost	\$ \$8,893,499.73			
Revised authorized cost	\$ \$9,142,531.24			
Percentage increase over original authorized cost		3571.23%		
Percentage completion		100.00%		
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.
AFTER CARE FUND:	This fund provides for the operation of the After Care Program within the school district.
MAC BOOK FUND:	This fund provides for the operation of the MAC Book Program within the school district.

CITY OF LINDEN SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
ENTERPRISE FUNDS
JUNE 30, 2016

	<u>NON-MAJOR</u>				
	<u>FOOD SERVICE</u>	<u>DAY CARE</u>	<u>AFTER CARE</u>	<u>MAC BOOK</u>	<u>TOTAL</u>
	<u>FUND</u>	<u>FUND</u>	<u>FUND</u>	<u>FUND</u>	<u>ENTERPRISE</u>
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 587,854.03	\$ 40,099.76	\$ 53,252.66	\$ 221,684.08	\$ 902,890.53
Accounts receivable:					
Federal	311,909.47				311,909.47
State	5,881.18				5,881.18
Other			2,698.34		2,698.34
Inventories	<u>14,150.36</u>				<u>14,150.36</u>
Total current assets	<u>\$ 919,795.04</u>	<u>\$ 40,099.76</u>	<u>\$ 55,951.00</u>	<u>\$ 221,684.08</u>	<u>\$ 1,237,529.88</u>
Noncurrent assets:					
Furniture, machinery & equipment	\$ 900,500.72				\$ 900,500.72
Less accumulated depreciation	<u>(763,748.32)</u>				<u>(763,748.32)</u>
Total noncurrent assets	<u>\$ 136,752.40</u>	<u>\$</u>	<u></u>	<u></u>	<u>\$ 136,752.40</u>
Total assets	<u>\$ 1,056,547.44</u>	<u>\$ 40,099.76</u>	<u>\$ 55,951.00</u>	<u>\$ 221,684.08</u>	<u>\$ 1,374,282.28</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 56,778.57				\$ 56,778.57
Deferred revenue	<u>72.80</u>				<u>72.80</u>
Total current liabilities	<u>\$ 56,851.37</u>	<u>\$</u>	<u></u>	<u></u>	<u>\$ 56,851.37</u>
Total liabilities	<u>\$ 56,851.37</u>	<u>\$</u>	<u></u>	<u></u>	<u>\$ 56,851.37</u>
NET POSITION:					
Restricted for:					
Net Investment in Capital Assets	\$ 136,752.40				\$ 136,752.40
Unrestricted	<u>862,943.67</u>	<u>40,099.76</u>	<u>55,951.00</u>	<u>221,684.08</u>	<u>1,180,678.51</u>
Total Net Position	<u>\$ 999,696.07</u>	<u>\$ 40,099.76</u>	<u>\$ 55,951.00</u>	<u>\$ 221,684.08</u>	<u>\$ 1,317,430.91</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, 2016

	NON-MAJOR				TOTAL ENTERPRISE
	FOOD SERVICE FUND	DAY CARE FUND	AFTER CARE FUND	MAC BOOK FUND	
OPERATING REVENUES:					
Charges for services:					
Daily sales- reimbursable Programs	\$ 469,443.08				\$ 469,443.08
Daily sales- non-reimbursable Programs	495,558.00	154,435.00	200,674.75	223,169.08	1,073,836.83
Total operating revenues	\$ 965,001.08	\$ 154,435.00	\$ 200,674.75	\$ 223,169.08	\$ 1,543,279.91
OPERATING EXPENSES:					
Cost of sales- reimbursable Programs	\$ 900,504.89				\$ 900,504.89
Cost of sales- non-reimbursable Programs	170,762.00				170,762.00
Salaries and employee benefits	1,002,850.24	174,984.83	144,723.75		1,322,558.82
Other Purchased Service	16,212.43				16,212.43
Cleaning, Repairs and Maintenance	53,282.86			1,485.00	54,767.86
Insurance	76,753.09				76,753.09
Supplies and materials	95,465.15	104.44			95,569.59
Other Expenses	118,434.82				118,434.82
National food distribution commodities	205,833.83				205,833.83
Depreciation	\$ 15,797.88				\$ 15,797.88
Total operating expenses	\$ 2,655,897.19	\$ 175,089.27	\$ 144,723.75	\$ 1,485.00	\$ 2,977,195.21
Net operating income (loss)	\$ (1,690,896.11)	\$ (20,654.27)	\$ 55,951.00	\$ 221,684.08	\$ 1,433,915.30
NONOPERATING REVENUE (EXPENSE):					
State Sources					
State School Lunch Program	\$ 30,809.92				\$ 30,809.92
Federal Sources					
National School Lunch Program	1,337,613.89				1,337,613.89
National School Lunch Program- HHFKA	36,691.62				36,691.62
National School Breakfast Program	230,264.38				230,264.38
National School Snack Program	15,956.64				15,956.64
National food distribution commodities	215,654.59				215,654.59
Other Income	\$ 963.01				\$ 963.01
Total nonoperating revenue (expense)	\$ 1,867,954.05				\$ 1,867,954.05
Change in net position	\$ 177,057.94	\$ (20,654.27)	\$ 55,951.00	\$ 221,684.08	\$ 434,038.75
Total net position - beginning	\$ 822,638.13	\$ 60,754.03			\$ 883,392.16
Total net position - ending	\$ 999,696.07	\$ 40,099.76	\$ 55,951.00	\$ 221,684.08	\$ 1,317,430.91

CITY OF LINDEN SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	NON-MAJOR				TOTAL ENTERPRISE
	FOOD SERVICE FUND	DAY CARE FUND	AFTER CARE FUND	MAC BOOK FUND	
Cash flows from operating activities:					
Receipts from customers	\$ 965,001.08	\$ 154,435.00	\$ 197,976.41	\$ 223,169.08	\$ 1,540,581.57
Payments to employees and employee benefits	(979,346.93)	(174,984.83)	(144,723.75)		(1,299,055.51)
Payments to suppliers	(1,676,553.27)	(104.44)		(1,485.00)	(1,678,142.71)
Net cash provided (used) by operating activities	<u>\$ (1,690,899.12)</u>	<u>\$ (20,654.27)</u>	<u>\$ 53,252.66</u>	<u>\$ 221,684.08</u>	<u>\$ (1,436,616.65)</u>
Cash flows from noncapital financing activities:					
State sources	\$ 28,239.00				\$ 28,239.00
Federal sources	1,632,345.91				1,632,345.91
Net cash provided (used) by noncapital financing activities	<u>\$ 1,660,584.91</u>				<u>\$ 1,660,584.91</u>
Net increase in cash and cash equivalents	\$ (30,314.21)	\$ (20,654.27)	\$ 53,252.66	\$ 221,684.08	\$ 223,968.26
Cash and cash equivalents, June 30, 2015	<u>\$ 618,168.24</u>	<u>\$ 60,754.03</u>			<u>\$ 678,922.27</u>
Cash and cash equivalents, June 30, 2016	<u>\$ 587,854.03</u>	<u>\$ 40,099.76</u>	<u>\$ 53,252.66</u>	<u>\$ 221,684.08</u>	<u>\$ 902,890.53</u>
Operating income(loss)	\$ (1,690,896.11)	\$ (20,654.27)	\$ 55,951.00	\$ 221,684.08	\$ (1,433,915.30)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:					
Depreciation and net amortization	15,797.88				15,797.88
Disposal of Fixed Asset - Net of Accumulated Depreciation					
Federal commodities	205,833.83				205,833.83
Change in assets and liabilities:					
(Increase) Decrease in Accounts Receivable	(196,013.07)		(2,698.34)		(198,711.41)
(Increase) Decrease in inventories	9,884.02				9,884.02
Increase (Decrease) in Deferred Revenue	(9,820.76)				(9,820.76)
Increase (Decrease) in accounts payable	(25,684.91)				(25,684.91)
Net cash provided (used) by operating activities	<u>\$ (1,690,899.12)</u>	<u>\$ (20,654.27)</u>	<u>\$ 53,252.66</u>	<u>\$ 221,684.08</u>	<u>\$ (1,436,616.65)</u>

FIDUCIARY FUNDS DETAIL STATEMENTS

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

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

CITY OF LINDEN SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016

	<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>205,768.34</u>	\$ <u>1,318.60</u>	\$ <u>53,506.95</u>	\$ <u>32,156.63</u>
Total assets	\$ <u><u>205,768.34</u></u>	\$ <u><u>1,318.60</u></u>	\$ <u><u>53,506.95</u></u>	\$ <u><u>32,156.63</u></u>
LIABILITIES				
Payroll deductions and withholdings		1,318.60		
Due to student groups	\$ <u>205,768.34</u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Total liabilities	\$ <u><u>205,768.34</u></u>	\$ <u><u>1,318.60</u></u>	\$ <u> </u>	\$ <u> </u>
NET POSITION				
Held in trust for unemployment claims and other purposes	\$ <u> </u>	\$ <u> </u>	\$ <u>53,506.95</u>	\$ <u>32,156.63</u>
Total net position	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>53,506.95</u></u>	\$ <u><u>32,156.63</u></u>

CITY OF LINDEN SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	PRIVATE PURPOSE SCHOLARSHIP FUNDS	UNEMPLOYMENT COMPENSATION TRUST	TOTAL
ADDITIONS:			
Contributions:			
Employee	\$	\$ 87,380.65	\$ 87,380.65
Local	35,909.01	16,068.27	51,977.28
	<u>35,909.01</u>	<u>16,068.27</u>	<u>51,977.28</u>
Total contributions	\$ <u>35,909.01</u>	\$ <u>103,448.92</u>	\$ <u>139,357.93</u>
Investment earnings:			
Interest earned	\$ 8.47	\$	\$ 8.47
	<u>8.47</u>	<u></u>	<u>8.47</u>
Net investment earnings	\$ <u>8.47</u>	\$	\$ <u>8.47</u>
Total additions	\$ <u>35,917.48</u>	\$ <u>103,448.92</u>	\$ <u>139,366.40</u>
DEDUCTIONS:			
Other purposes	\$ 22,920.00	\$	\$ 22,920.00
Bank Charges		68.19	68.19
Unemployment claims		50,448.47	50,448.47
	<u>22,920.00</u>	<u>50,448.47</u>	<u>50,448.47</u>
Total deductions	\$ <u>22,920.00</u>	\$ <u>50,516.66</u>	\$ <u>73,436.66</u>
Change in net assets	\$ 12,997.48	\$ 52,932.26	\$ 65,929.74
Net position beginning of year	<u>19,159.15</u>	<u>574.69</u>	<u>19,733.84</u>
Net position end of year	\$ <u><u>32,156.63</u></u>	\$ <u><u>53,506.95</u></u>	\$ <u><u>85,663.58</u></u>

CITY OF LINDEN SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>BALANCE</u> <u>JUNE 30, 2015</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
ASSETS:				
Cash and cash equivalents	\$ <u>173,194.06</u>	\$ <u>355,300.12</u>	\$ <u>322,725.84</u>	\$ <u>205,768.34</u>
Total assets	\$ <u><u>173,194.06</u></u>	\$ <u><u>355,300.12</u></u>	\$ <u><u>322,725.84</u></u>	\$ <u><u>205,768.34</u></u>
LIABILITIES:				
Due student groups:				
High school	\$ 173,194.06	\$ 308,762.12	\$ 284,438.84	\$ 197,517.34
Athletic	<u> </u>	<u>46,538.00</u>	<u>38,287.00</u>	<u>8,251.00</u>
	\$ <u><u>173,194.06</u></u>	\$ <u><u>355,300.12</u></u>	\$ <u><u>322,725.84</u></u>	\$ <u><u>205,768.34</u></u>

CITY OF LINDEN SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>BALANCE</u> <u>JUNE 30, 2015</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
ASSETS:				
Cash and cash equivalents	\$ <u>44,323.51</u>	\$ <u>71,162,763.78</u>	<u>71,205,768.69</u>	\$ <u>1,318.60</u>
Total assets	\$ <u><u>44,323.51</u></u>	\$ <u><u>71,162,763.78</u></u>	<u><u>71,205,768.69</u></u>	\$ <u><u>1,318.60</u></u>
LIABILITIES:				
Payroll deductions and withholdings	\$ <u>44,323.51</u>	\$ <u>71,162,763.78</u>	<u>71,205,768.69</u>	\$ <u>1,318.60</u>
Total liabilities	\$ <u><u>44,323.51</u></u>	\$ <u><u>71,162,763.78</u></u>	<u><u>71,205,768.69</u></u>	\$ <u><u>1,318.60</u></u>

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.

CITY OF LINDEN SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2016

<u>SERIES</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2015</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2016</u>
Athletic Fields	\$ <u>3,255,000.00</u>	\$ _____	\$ <u>160,000.00</u>	\$ <u>3,095,000.00</u>
	\$ <u>3,255,000.00</u>	\$ <u>-0-</u>	\$ <u>160,000.00</u>	\$ <u>3,095,000.00</u>

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STATISTICAL SECTION
(UNAUDITED)

LINDEN SCHOOL DISTRICT
STATISTICAL SECTION

Contents

Page

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Invested in capital assets, net of related debt	\$ 48,989,009	\$ 48,369,664	\$ 44,762,620	\$ 38,395,627	\$ 35,565,292	\$ 28,374,005	\$ 22,102,247	\$ 23,972,852	\$ 19,207,702	\$ 21,295,245
Restricted for :										
Capital Projects	-	2,085,870	2,089,510	2,105,167	2,126,375					
Other Purposes	23,136,219	19,845,838	18,250,198	26,666,289	22,358,677	22,473,205	20,296,353	12,444,560	13,744,331	7,081,848
Unrestricted (deficit)	(33,289,768)	(2,091,948)	(1,800,252)	(1,932,355)	(1,108,332)	(1,680,350)	(3,009,517)	(3,762,299)	(197,279)	3,006,188
Total governmental activities net assets	\$ 38,835,461	\$ 68,209,424	\$ 63,302,076	\$ 65,234,727	\$ 58,942,013	\$ 49,166,860	\$ 39,369,083	\$ 32,655,133	\$ 32,754,753	\$ 31,383,281
Business-type activities										
Invested in capital assets, net of related debt	\$ 136,752	\$ 152,550	\$ 132,310	\$ 135,177	\$ 134,599	\$ 126,456	\$ 124,802	\$ 86,945	\$ 92,711	\$ 80,047
Unrestricted	1,180,679	730,842	834,894	731,870	663,820	595,587	548,742	477,367	417,857	422,098
Total business-type activities net assets	\$ 1,317,431	\$ 883,392	\$ 967,203	\$ 867,047	\$ 798,419	\$ 722,042	\$ 673,543	\$ 564,313	\$ 510,568	\$ 502,145
District-wide										
Invested in capital assets, net of related debt	\$ 49,125,762	\$ 48,522,214	\$ 44,894,930	\$ 38,530,803	\$ 35,699,891	\$ 28,500,460	\$ 22,227,049	\$ 24,059,798	\$ 19,300,413	\$ 21,375,292
Restricted	23,136,219	21,931,707	20,339,708	28,771,455	24,485,052	22,473,204	20,296,352	12,444,579	13,744,331	7,081,847
Unrestricted (Deficit)	(32,109,089)	(1,361,106)	(965,358)	(1,200,485)	(444,511)	(1,084,762)	(2,460,775)	(3,284,931)	220,577	3,428,285
Total district net assets	\$ 40,152,892	\$ 69,092,816	\$ 64,269,280	\$ 66,101,774	\$ 59,740,432	\$ 49,888,902	\$ 40,062,626	\$ 33,219,446	\$ 33,265,321	\$ 31,885,426

Source: District records

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

	Fiscal Year Ending									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities										
Instruction										
Regular	\$ 54,485,361	\$ 49,170,283	\$ 48,324,314	\$ 44,439,883	\$ 40,269,114	\$ 39,456,926	\$ 42,034,478	\$ 40,915,427	\$ 39,627,705	\$ 37,773,743
Special education	13,529,304	12,447,305	10,961,508	13,218,494	12,171,809	11,763,250	11,914,810	11,547,550	11,197,330	10,457,469
Other special education	5,962,898	5,401,364	4,686,742	5,097,221	4,772,290	4,707,949	5,603,790	5,089,034	4,932,419	4,446,132
Support Services:										
Tuition	10,166,875	10,295,921	9,445,410	8,520,729	8,653,880	9,483,964	9,445,718	10,482,987	9,818,373	8,522,758
Student & instruction related services	18,435,952	17,078,673	16,636,113	14,217,567	13,281,322	13,331,568	13,353,313	12,946,409	13,160,789	12,792,609
General administrative services	2,419,878	2,135,657	1,888,240	2,842,029	3,993,956	4,030,020	3,884,239	3,888,673	4,191,775	1,991,402
School administrative services	7,254,800	6,537,416	5,127,509	4,249,741	3,066,135	2,734,388	2,566,446	2,870,231	2,106,523	3,932,478
Central services	1,838,711	1,644,255	1,481,497	1,726,508	2,343,169	2,178,154	2,219,141	2,407,439	2,416,158	2,383,909
Administrative technology information	1,750,992	1,943,306	1,602,136	712,181						
Plant operations and maintenance	16,909,597	15,768,285	14,984,469	12,539,958	11,936,965	10,829,430	10,808,967	11,033,676	11,321,583	10,492,364
Student transportation	6,785,683	6,220,332	5,456,872	3,653,543	3,542,594	3,612,377	3,930,625	5,606,426	5,321,099	4,688,001
Special Schools	1,875			105,010	89,898	95,127	138,489	427,642	416,228	344,167
Transfer to Charter Schools	103,201	45,584	72,789	73,245	58,881	42,388				
Debt Service Assessment	47,663				28,662					
Other support services										
Unallocated depreciation										
Total governmental activities expenses	139,692,789	128,734,043	120,667,600	111,396,109	104,208,674	102,265,541	105,900,017	107,015,493	104,509,982	97,826,138
Business-type activities:										
Food service	2,655,897	2,781,491	2,631,659	2,630,216	2,507,973	2,452,901	2,465,780	2,344,410	2,419,705	2,266,910
Day Care	175,089	183,627	104,859							
Aftercare	144,724									
MacBooks	1,485									
Total business-type activities expense	2,977,195	2,965,118	2,736,518	2,630,216	2,507,973	2,452,901	2,465,780	2,344,410	2,419,705	2,266,910
Total district expenses	142,669,985	131,699,161	123,404,118	114,026,325	106,716,647	104,718,442	108,365,797	109,359,904	106,929,686	100,093,048
Program Revenues										
Governmental activities:										
Operating grants and contributions	24,659,531	19,514,164	8,130,862	15,428,212	13,253,102	13,288,426	12,859,738	11,685,699	19,752,356	19,130,781
Total governmental activities program revenues	24,659,531	19,514,164	8,130,862	15,428,212	13,253,102	13,288,426	12,859,738	11,685,699	19,752,356	19,130,781
Business-type activities:										
Charges for services	1,543,280	1,098,854	1,045,183	988,307	940,731	927,053	918,861	987,571	1,012,352	986,013
Total business type activities program revenues	1,543,280	1,098,854	1,045,183	988,307	940,731	927,053	918,861	987,571	1,012,352	986,013
Total district program revenues	26,202,810	20,613,018	9,176,045	16,416,518	14,193,833	14,215,479	13,778,599	12,673,269	20,764,708	20,116,794
Net (Expense)/Revenue										
Governmental activities	(115,033,259)	(109,219,879)	(112,536,738)	(95,967,898)	(90,955,572)	(88,977,115)	(93,040,279)	(95,329,795)	(84,757,626)	(78,695,357)
Business-type activities	(1,433,915)	(1,866,264)	(1,691,335)	(1,641,909)	(1,567,241)	(1,525,848)	(1,546,919)	(1,356,840)	(1,407,353)	(1,280,897)
Total district-wide net expense	\$ (116,467,174)	\$ (111,086,143)	\$ (114,228,073)	\$ (97,609,807)	\$ (92,522,813)	\$ (90,502,963)	\$ (94,587,198)	\$ (96,686,634)	\$ (86,164,979)	\$ (79,976,254)

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

	Fiscal Year Ending									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 86,380,964	\$ 84,115,176	\$ 81,257,451	\$ 79,664,168	78,533,587	77,779,082	\$ 74,190,234	\$ 71,631,468	\$ 71,756,468	\$ 68,458,631
Federal and State aid not restricted- Net	22,050,080	22,303,062	21,865,712	21,965,186	21,358,881	19,362,646	25,032,634	23,001,732	13,281,024	12,609,933
Federal and State aid restricted	6,494,492	5,874,744	7,049,032							
Special Item - Capital & Maintenance Invest										
Tuition Received	243,358	107,403	151,625	46,835	152,476	46,702	24,437	94,244	27,456	40,047
Investment earnings			102,120	92,427	122,092	102,731	121,937	30,640	577,835	759,591
Disposal of Fixed Assets							(25,185)	(407)		
Miscellaneous income	627,061	1,278,863	178,963	499,341	563,689	536,567	430,170	713,173	543,832	656,254
Total governmental activities	115,795,954	113,679,247	110,604,903	102,267,957	100,730,725	97,827,728	99,774,228	95,470,850	86,186,615	82,524,456
Business-type activities:										
Federal and State aid not restricted	1,867,954	1,782,453	1,791,492	1,710,529	1,643,610	1,574,299	1,656,443	1,410,060	1,411,765	1,339,312
Investment earnings	1,867,954	1,782,453	1,791,492	7	8	48	(294)	524	2,011	2,599
Total business-type activities	117,663,908	115,461,700	112,396,395	1,710,536	1,643,618	1,574,347	1,656,150	1,410,584	1,413,776	1,341,911
Total district-wide				103,978,493	102,374,343	99,402,075	101,430,378	96,881,434	87,600,392	83,866,367
Change in Net Assets										
Governmental activities	762,695	4,459,369	(1,931,835)	6,300,059	9,775,153	8,850,614	6,733,949	141,055	1,428,990	3,829,099
Business-type activities	434,039	(83,811)	100,157	68,628	76,377	48,499	109,231	53,745	6,423	61,014
Total district	\$ 1,196,734	\$ 4,375,557	\$ (1,831,678)	\$ 6,368,686	\$ 9,851,530	\$ 8,899,112	\$ 6,843,180	\$ 194,800	\$ 1,435,413	\$ 3,890,112

Source: District records

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

UNAUDITED

	2016	2015	2014	2013	2012	2011
General Fund						
Restricted for:						
Excess Surplus- Prior year	\$ 2,171,156	\$ 2,270,789	\$ 2,858,467	\$ 1,758,388	\$ 2,399,071	\$ 2,399,071
Excess Surplus- current year	2,368,129	2,368,129	270,789	2,858,467	1,758,388	2,399,071
Capital Reserve Account	16,118,764	9,025,290	6,025,290	2,625,290	13,123,739	8,122,898
Maintenance reserve					173	26,842
Emergency Reserve	924,382	923,476	923,476	923,476	923,390	923,274
Committed to:						
Designated for Subsequent years Expenditures	111,817	1,054,658	1,000,501	2,145,297	600,929	3,000,000
Year End Encumbrances	1,441,971	4,091,679	7,171,675	16,279,579	3,461,496	2,266,055
Unassigned						
General Fund	125,960	191,223	186,722		527,615	159,030
Total General Fund	<u>23,262,180</u>	<u>19,925,245</u>	<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		2,085,870	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>\$ 0</u>	<u>\$ 2,085,870</u>	<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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Tax levy	\$ 86,380,964	\$ 84,115,176	\$ 81,257,451	\$ 79,664,168	\$ 78,533,587	\$ 77,779,082	\$ 74,190,234	\$ 71,631,468	\$ 71,756,468	\$ 68,458,631
Tuition charges	243,358	107,403	151,625	46,835	152,476	46,702	24,437	94,244	27,456	40,048
Interest earned on capital reserve funds	7,604				116	2,935	10,063	25,167	65,588	95,545
Interest earned on emergency reserve funds	906			87	1	784	2,102	5,213		
Interest earned on maintenance reserve funds					841	972	972	260		
Miscellaneous	618,544	1,278,863	281,083	591,681	684,824	634,607	538,970	713,173	1,262,652	1,604,046
State sources	36,099,688	34,314,127	32,541,151	33,105,157	29,864,228	27,389,836	29,227,030	30,350,762	27,982,684	26,562,140
Federal sources	3,832,651	3,356,746	4,504,454	4,288,241	4,747,755	5,261,236	8,665,343	4,336,669	4,846,541	4,891,827
Special revenue sources										
Total revenue	127,183,714	123,172,314	118,735,765	117,696,168	113,983,828	111,116,154	112,659,151	107,156,956	105,941,389	101,655,237
Expenditures										
Instruction										
Regular instruction	34,803,417	32,764,969	37,080,253	31,592,251	29,023,605	28,412,258	31,087,241	30,208,795	29,146,352	28,100,767
Special education instruction	8,712,681	8,432,549	8,209,828	8,042,612	7,641,368	7,313,722	7,504,533	7,234,205	7,015,517	6,603,602
Other special instruction	3,903,485	3,684,800	3,510,224	3,421,264	3,305,328	3,267,186	4,175,737	3,692,368	3,579,093	3,197,920
Other instruction										
Support Services:										
Tuition	10,166,875	10,295,921	9,445,410	8,520,729	8,653,880	9,483,964	9,445,718	10,482,987	9,818,373	8,522,758
Student & instruction related services	12,695,146	12,293,591	13,356,459	11,827,368	11,189,186	11,276,797	11,316,667	10,954,526	11,215,404	11,001,676
General administrative Services	1,590,162	1,444,071	1,414,233	1,394,328	1,798,966	1,489,850	1,332,886	1,663,784	1,544,387	1,474,356
School administrative services	5,001,708	4,659,417	3,840,345	3,567,043	3,413,897	3,460,321	3,319,566	3,136,410	3,003,652	2,835,239
Central services	1,187,722	1,101,642	1,109,595	1,179,985	1,139,836	1,120,435	1,178,242	1,188,718	1,123,354	1,174,067
Administrative information technology	1,046,993	1,356,509	1,189,950	712,181	724,962	587,892	575,217	763,274	717,883	689,943
Plant operations and maintenance	10,325,235	10,278,080	11,222,901	10,607,708	10,245,670	9,168,341	9,162,532	9,423,427	8,892,155	8,175,941
Pupil transportation	4,387,865	4,221,700	4,087,027	3,624,299	3,516,997	3,687,237	3,905,707	5,582,056	5,283,953	4,650,851
Unallocated employee benefits	29,356,334	25,582,785	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
Charter Schools										
Capital outlay	2,370,555	5,323,351	6,835,276	2,703,429	6,735,929	4,881,905	2,266,758	4,320,996	521,257	2,168,833
Capital outlay - Debt Service Assessment	47,663	47,663	47,663	47,663	28,662	42,388				
Capital outlay - lease principal	160,000	155,000	1,316,387	1,807,671	1,754,607	1,702,929	2,187,976	1,642,819	1,133,145	1,096,768
Special Schools Local	1,875									
Transfer to Charter Schools	103,201	45,564	72,789	73,245	58,881					
Reimbursed TPAF SS										
Total expenditures	125,860,918	121,687,631	126,904,999	114,013,170	111,603,395	107,499,434	108,966,533	111,386,104	104,769,031	99,722,491
Excess (Deficiency) of revenues over (under) expenditures	1,322,796	1,484,683	(8,169,234)	3,682,998	2,380,432	3,616,721	3,692,618	(4,229,148)	1,172,357	1,932,746
Other Financing sources (uses)										
Transfer to Capital Projects Fund										
Transfer to/(from) Capital Reserve Fund									1,901,276	765,437
Capital Leases (non budgeted)							5,000,000		(1,901,276)	(765,437)
Total other financing sources (uses)							5,000,000		2,500,000	
Net change in fund balances	\$ 1,322,796	\$ 1,484,683	\$ (8,169,234)	\$ 3,682,998	\$ 2,380,432	\$ 3,616,721	\$ 8,692,618	\$ (4,229,148)	\$ 3,672,357	\$ 1,932,746
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: District records

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>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>
2007	\$ 659,879		\$	\$	\$ 226,222	\$ 716,778	\$ 1,602,879
2008	577,835		6,077	35,097		429,689	1,048,698
2009	140,009		1,289	30,690		361,373	533,361
2010	121,937			45,140		385,030	552,107
2011	102,731			36,853		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
2015	88,290	596,599		31,120	26,352	379,044	1,121,404
2016	104,936	146,383		37,607	64,440	63,176	416,542

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	
District Property										
Vacant Land	\$84,879,000	\$91,623,300	\$89,900,800	\$78,444,500	\$74,639,600	\$74,086,000	\$72,262,700	\$38,205,600	\$36,702,400	
Residential	1,352,966,900	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	
Commercial	401,929,100	425,402,300	424,620,800	428,621,800	444,248,400	446,742,200	448,667,100	448,356,300	454,439,100	
Industrial	791,368,400	779,632,400	783,826,900	783,499,800	780,710,600	785,901,200	806,985,600	849,638,100	888,980,500	
Apartment	71,475,900	66,085,200	65,749,300	65,727,500	67,154,000	68,339,100	69,036,200	68,622,300	68,398,100	
Total Assesd Value	\$2,702,619,300	\$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	
Public Utilities	4,067,026	4,101,474	4,298,874	5,159,106	4,803,534	4,881,400	4,548,144	4,538,742	4,736,166	
Net Valuation Taxable	\$2,706,686,326	\$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	

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

Fiscal Year Ended June 30	Linden Board of Education			Overlapping Rates		Total Direct Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service	Total Direct	City of Linden	County	
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
2014	3.035	0	3.035	2.108	1.012	6.155
2015	3.148	0	3.148	2.162	0.967	6.277

Source: Municipal Tax Collector

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

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

Taxpayer	2016			2006		
	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	\$273,272,200.00	1	10.046%	***	1	***
Merck & Co.	78,986,700.00	2	2.904%	***	2	***
Infineum USA LP	63,152,200.00	3	2.321%	***	3	***
Avation Tower LLC	43,968,600.00	4	1.616%	***	4	***
Citgo Petroleum	39,332,500.00	5	1.446%	***	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)	28,761,600.00	9	1.057%	***	9	***
Linden Route One Associates	20,597,500.00	10	0.757%	***	10	***
Total	\$ 643,951,700		23.672%	\$ -		0.000%

*** 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>	
2016	\$ 86,380,964	\$ 86,380,964	100.00%	
2015	84,115,176	84,115,176	100.00%	
2014	81,257,451	81,257,451	100.00%	
2013	79,664,168	79,664,168	100.00%	
2012	78,533,587	78,533,587	100.00%	
2011	77,779,082	77,779,082	100.00%	
2010	74,190,234	74,190,234	100.00%	
2009	71,631,468	71,631,468	100.00%	
2008	71,756,468	71,756,468	100.00%	
2007	68,458,631	68,458,631	100.00%	

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 ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)					
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	
2015		3,255,000.00			3,255,000.00		N/A	N/A	
2016		3,095,000.00			3,095,000.00		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 ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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
2015	-0-	-0-	-0-	0.00%	0.00
2016	-0-	-0-	-0-	0.00%	0.00

Source: District records

CITY OF LINDEN SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016
UNAUDITED

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
City of Linden	\$59,526,069.73	100.000%	\$59,526,069.73
County of Union	535,238,701.44	8.040%	43,033,191.60
Subtotal, overlapping debt			<u>102,559,261.33</u>
City of Linden School District Direct Debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$102,559,261.33</u></u>

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

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

Legal Debt Margin Calculation for Calendar Year 2014

	Equalized valuation basis	
	2015	\$5,230,985,294.00
	2014	\$4,827,349,778.00
	2013	\$5,189,312,821.00
	[A]	<u>\$15,247,647,893.00</u>
Average equalized valuation of taxable property	[A/3]	\$5,082,549,297.67
Debt limit (4 % of average equalization value)	[B]	\$203,301,971.91
Total net debt applicable to limit	[C]	-
Legal debt margin	[B-C]	<u>\$203,301,971.91</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
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%
2015	\$205,302,309.03		\$205,302,309.03	0.00%
2016	\$203,301,971.91		\$203,301,971.91	0.00%

Source: District records

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

Source: CAFR report Kathy Gaylord/Pam Caporale

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

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>County of Union Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2006	39,054	\$ 1,324,495,137.00	\$ 50,806.00	4.40%
2007	38,998	2,004,224,214.00	51,393.00	4.40%
2008	39,054	2,064,824,034.00	52,871.00	5.30%
2009	39,432	1,980,984,816.00	50,238.00	10.10%
2010	40,573	2,084,965,324.00	51,388.00	9.60%
2011	40,725	2,179,031,850.00	53,506.00	10.90%
2012	40,880	2,234,051,120.00	54,649.00	10.60%
2013	41,301	2,266,970,589.00	54,889.00	9.30%
2014	41,651	2,386,852,206.00	57,306.00	7.30%
2015	42,021	**	**	6.50%

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

** Not Available

CITY OF LINDEN SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT AND 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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction										
Regular	515	454.5	456.1	420.5	433	486	505	510	540	525
Special education	198	198	188.5	170	177	155	180	112	92	89
Other special education	39	35	34.5	43.5	28	13	10	16	16	9
Vocational	12	12	10	10	10	9	12	12	10	9
Other instruction							0	0	0	8
Nonpublic school programs	2	2	2	2	2	2	0	0	0	0.5
Adult/continuing education programs							2	2	2	2
Support Services:										
Tuition										
Student & instruction related services	107	88	86	78.5	109	108	106	140	140	136
General administration	4	4	5	5	6	6	6	7	7	7
School administrative services	51	54	45	38	39	21	21	20	21	43
Other administrative services	18	18	25	22	23	20	20	25	22	22
Central services	12.5	11	11	11	10	11	11	11	11	11
Administrative information technology	10	8	8	7	7	8	8	9	8	7
Plant operations and maintenance	77	72	74	86	84	91	96	96	86	78
Pupil transportation	1.5	2	2	2	2	2	2	2	2	2
Other support services	12						29	35	33	9
Special Schools										42
Food Service										0
Child Care	6	5	4	4						
Total	1065	963.5	951.1	899.5	930	932	1008	997	990	999.5

Source: District Personnel Records

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Enrollment	6011	6052	6020	5946	5906	6187	6301	6382	6138	6,130
Operating Expenditures	\$123,282,700	\$116,161,617	\$118,705,673	\$109,454,407	\$103,084,198	\$100,872,212	\$104,511,799	\$105,422,289	\$103,114,629	\$96,456,890
Cost per Pupil	\$13,767.00	\$15,807.00	\$15,478.00	\$15,348.00	\$13,325.00	\$12,775.00	\$12,987.00	\$12,677.00	\$11,844.00	\$11,858.00
Percentage Change	-14.82%	2.08%	0.84%	13.18%	4.13%	-1.66%	2.39%	6.57%	-0.12%	-21.01%
Teaching Staff	622	652	635	588	592	636	580	867	825	850
Pupil/Teacher Ratio - Elementary	7.23%	7.53%	9.76%	10.31%	12.1	9.78	10.35	11.1	12.6	11.58
Pupil/Teacher Ratio - Middle School	8.71%	8.33%	8.04%	8.40%	11.2	9.45	9.44	9.7	10.29	11.25
Pupil/Teacher Ratio - High School	7.69%	7.69%	10.34%	9.75%	12.0	11.8	12.03	15.5	15.53	12.50
Average Daily Enrollment	5,967.39	6,012.42	5,955.50	5,805.40	6,003.60	5,951.09	6,063.90	6,162.90	6,159.50	6,220.50
Average Daily Attendance	5,664.22	5,696.67	5,708.50	5,649.20	5,745.40	5,624.10	5,714.60	5,801.88	5,774.90	5,858.20
% Change in Daily Enrollment	2.82%	2.82%	2.52%	-3.41%	0.87%	-1.90%	-1.63%	0.06%	-0.99%	#REF!
Student Attendance %	94.92%	94.75%	95.85%	97.31%	95.70%	94.51%	94.24%	94.14%	93.76%	94.18%

Sources: District records

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

District Building	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Elementary										
School 1										
Square Feet	71,750	71,750	71,750	71,750	71,750	71,750	66,950	66,950	66,950	66,950
Capacity (students)	371	371	371	371	371	371	371	371	371	371
Enrollment	437	446	407	390	294	292	402	402	402	434
School 2										
Square Feet	82,102	82,102	82,102	82,102	82,102	48,575	48,575	48,575	48,575	48,575
Capacity (students)	489	489	489	489	489	489	489	489	489	489
Enrollment	611	563	564	493	290	280	264	264	264	307
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	404	409	410	391	423	431	482	482	482	461
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	327	330	287	298	346	341	379	379	379	354
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	342	345	356	368	340	344	328	328	328	347
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	294	289	298	317	330	322	310	310	310	314
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	358	362	373	358	389	386	399	399	399	373
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	280	280	272	279	361	345	369	369	369	356

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Middle School										
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	613	613	661	691	706	739	696	696	696	727
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	623	630	627	660	694	731	687	687	687	677
High School										
School 10										
Square Feet	254,653	254,653	254,653	254,653	254,653	254,653	248,653	248,653	248,653	248,653
Capacity (students)	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396
Enrollment	1,758	1,726	1,765	1,754	1,781	1,799	1,924	1,924	1,924	1,834
Other										
Sunnyside Library										
Square Feet	11,136	11,136	11,136	11,136	11,136	11,136	11,136	11,136	11,136	11,136
Field House										
Square Feet	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400
Maintenance Garage										
Square Feet	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800
Administration building										
Square Feet	10,264	10,264	10,264	10,264	10,264	10,264	10,264	10,264	10,264	10,264

Number of Schools at June 30, 2016
 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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
High School and Academy	50	\$466,905.00	\$586,116.00	\$829,630.00	\$396,356.00	\$593,483.00	\$379,498.00	\$244,911.00	\$284,911.00	\$281,568.00	\$296,837.00
McManus Middle School	60	366,935.00	203,312.00	250,441.00	203,312.00	75,278.00	63,952.00	91,915.00	171,620.00	115,427.00	68,967.00
Soehl Middle School	70	252,044.00	349,855.00	775,756.00	451,329.00	99,030.00	87,738.00	227,378.00	227,378.00	125,052.00	151,662.00
School #1	80	98,683.00	97,060.00	148,523.00	97,060.00	65,630.00	53,666.00	48,523.00	148,523.00	105,646.00	89,348.00
School #2	90	75,967.00	82,522.00	232,176.00	225,853.00	247,709.00	109,665.00	57,783.00	57,783.00	58,003.00	75,873.00
School #4	115	63,876.00	67,329.00	52,806.00	67,329.00	217,038.00	207,664.00	50,083.00	50,083.00	50,368.00	54,013.00
School #5	120	175,947.00	62,318.00	255,646.00	567,704.00	245,760.00	114,176.00	55,646.00	55,646.00	56,981.00	74,805.00
School #6	130	49,047.00	97,060.00	236,509.00	97,060.00	426,975.00	416,541.00	55,295.00	56,295.00	53,586.00	22,857.00
School #8	150	261,065.00	68,719.00	60,436.00	348,719.00	53,811.00	37,732.00	60,436.00	60,436.00	43,271.00	51,153.00
School #9	160	112,774.00	71,060.00	82,382.00	71,060.00	447,161.00	74,302.00	82,382.00	82,382.00	82,601.00	46,852.00
School #10	170	62,521.00	72,065.00	112,636.00	272,065.00	78,659.00	68,050.00	62,309.00	62,309.00	64,549.00	49,522.00
Other Facilities	999	180,801.00	114,626.00	141,198.00	153,626.00	186,999.00	152,316.00	80,930.00	80,930.00	81,020.00	44,213.00
Grand Total		\$2,156,565.00	\$1,872,042.00	\$3,178,139.00	\$2,951,473.00	\$2,737,533.00	\$1,765,300.00	\$1,117,591.00	\$1,337,296.00	\$1,118,072.00	\$1,026,102.00

Source: District Records

CITY OF LINDEN SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2016
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
New Jersey School Boards Association Insurance Group		
Educational Risk and Insurance Consortium - North (1)		
School Package Policy Declarations		
Property		
Blanket Real and Personal Property	\$400,000,000.00 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	\$25,000,000.00 Per occurrence	
Loss of Rents	Not covered	
Loss of Business Income/Tuition	Not covered	
Builder's Risk	\$5,000.00	
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)	\$20,000,000.00 Per occurrence/ NJSBAIG annual aggregate	\$500,000.00 Per building \$500,000.00 Per building Contents
Accounts Receivable	250,000 Per occurrence	
All Other Flood Zones	\$75,000,000.00 Per occurrence/ NJSBAIG annual aggregate	\$10,000.00 Per member/ per occurrence
Earthquake		
	\$50,000,000.00 Per occurrence/ NJSBAIG annual aggregate	
Terrorism		
	\$1,000,000.00 Per occurrence/ NJSBAIG annual aggregate	
Electronic Data Processing		
Blanket Hardware /Software	2,000,000.00 Per occurrence	1,000.00 Per occurrence
Blanket Extra Expense	Included	
Coverage Extensions:		
Transit	25,000.00	
Loss of Income	10,000.00	
Terrorism	Included in Property	
Special Flood hazard Area Flood Deductible		
		500,000.00 Per building content
All other flood zones deductible		10,000.00 Per member/ per occurrence
Equipment Breakdown:		
Combined Single Limit per Accident for Property Damage and Business Income Sublimits:	100,000,000.00	5,000.00 Per accident for property damage
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, 2016
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>	
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			
Sexual Abuse	11,000,000.00 Annual aggregate		
	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 Auto	1,000,000.00 Combined Single Limit		
Symbol 6 Uninsured/ Underinsured Motorists-All Other Vehicles	15,000.00 Bodily Injury per Person		
	30,000.00 Bodily Injury per Accident		
	5,000.00 Property Damage per Accident		
Symbol 5 Personal Injury Protection (including Pedestrians)	250,000.00		
Medical Paymer	10,000.00 Private Passenger Vehicles		
	5,000.00 All other vehicles		
Terrorism	1,000,000.00 Per occurrence/annual NJSBAIG aggregate		
Physical Damage			
Symbol 7- Comprehensive		1,000.00	
Symbol 7- Collision		1,000.00	
Symbol 7- Hired Car Physical Damage \$115,000.00 Limit		1,000.00	
Symbol 7- Replacement Cost	Not covered		
Garage Keepers	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, 2016
UNAUDITED
COVERAGE

DEDUCTIBLE

Workers Compensation and Employer's Liability Declarations Page(1)		-
Bodily Injury by Accident	\$2,000,000.00 Each accident	
Bodily Injury by Disease	\$2,000,000.00 Each employee	
Bodily Injury by Disease	\$2,000,000.00 Aggregate Limit	
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		
Business Administrator/Secretary/Treasurer- Kathleen Gaylord	\$500,000.00	
RLI Insurance Company		
Superintendent/Danny Robertozzi	500,000.00	

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

**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, 2016, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 1, 2016.

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. 962

November 1, 2016



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND WITH
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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 Federal *OMB 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, 2016. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance*) and New Jersey *OMB 15-08*. Those standards, the Uniform Guidance and New Jersey *OMB 15-08* 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.

SUPLEE, CLOONEY & COMPANY

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.

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, 2016

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 the *Uniform Guidance* and New Jersey *OMB 15-08*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the *Uniform Guidance* and State of New Jersey *OMB 15-08*. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

November 1, 2015

CITY OF LINDEN - SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

FEDERAL CFDA NUMBER	FEDERAL AWARD ID. NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANITOR/PROGRAM TITLE	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2015		CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2016		
					(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE					(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	
93.778	1605NJ5MAP	U.S. Department of Health and Human Services General Fund Passed-through State Department of Education: Medical Assistance Program (SEM)	7/1/2015-6/30/2016	\$ 382,538.65	\$	\$	\$ 297,426.87	\$ (382,538.65)	\$	\$	\$ (85,111.78)	\$	
84.010A	S010A150030	U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund: Title I, Part A	9/1/15 to 8/31/16	909,749.43	\$	\$	\$ 650,431.00	\$ (909,749.43)	\$	\$	\$ (259,318.43)	\$	
84.010A	S010A150030	Title I, Part A, Carryover	9/1/14 to 8/30/15	915,705.10	\$ (261,270.00)	\$	186,270.00	\$	\$	\$	\$ (65,604.00)	\$	
84.013A	S011A150030	Title I, D Carryover	9/1/15 to 8/31/16	204,377.00	\$ (32,897.00)	\$	32,897.00	\$ (204,377.00)	\$	\$	\$	\$	
84.013A	S011A150030	Title I, D Carryover	9/1/14 to 8/30/15	93,529.00	\$ (294,167.00)	\$	\$ 1,083,371.00	\$ (1,114,126.43)	\$	\$	\$ (324,922.43)	\$	
84.367A	S367A150029	Title II, Part A	9/1/15 to 8/31/16	84,712.21	\$	\$	\$ 73,676.00	\$ (84,712.21)	\$	\$	\$ (11,036.21)	\$	
84.367A	S367A150029	Title II, Part A, Carryover	9/1/14 to 8/30/15	184,587.44	\$ (30,422.84)	\$	30,422.84	\$	\$	\$	\$ (11,036.21)	\$	
84.365A	S365A150030	Title III	9/1/15 to 8/31/16	118,516.85	\$ (19,861.00)	\$	\$ 86,109.00	\$ (118,516.85)	\$	\$	\$ (32,407.85)	\$	
84.365A	S365A150030	Title III, Carryover	9/1/14 to 8/31/15	126,453.00	\$ (19,861.00)	\$	19,861.00	\$	\$	\$	\$	\$	
84.365A	S365A150030	Title III Immigrant	9/1/15 to 8/31/16	6,235.00	\$ (7,055.70)	\$	7,055.70	\$ (6,235.00)	\$	\$	\$	\$	
84.365A	S365A150030	Title III Immigrant, Carryover	9/1/14 to 8/30/15	26,188.00	\$ (26,916.70)	\$	\$ 119,260.70	\$ (124,751.85)	\$	\$	\$ (32,407.85)	\$	
84.027	S027A150100	Special Education Cluster	9/1/15 to 8/31/16	1,666,405.28	\$	\$	\$ 1,208,660.00	\$ (1,666,405.28)	\$	\$	\$ (457,745.28)	\$	
84.027	S027A150100	ID.E.A., Part B	9/1/14 to 8/31/15	1,612,564.00	\$ (417,078.62)	\$	417,078.62	\$	\$	\$	\$ (11,075.00)	\$	
84.173	H173A150114	ID.E.A., Part B, Pre School	9/1/15 to 8/31/16	38,610.00	\$ (8,782.99)	\$	27,535.00	\$ (38,610.00)	\$	\$	\$	\$	
84.173	H173A150114	ID.E.A., Part B, Pre School	9/1/14 to 8/31/15	36,877.00	\$ (425,861.61)	\$	\$ 1,662,056.61	\$ (1,705,015.28)	\$	\$	\$ (468,820.28)	\$	
84.413A	B413A120008	Race to Top	9/1/13 to 8/31/14	9,654.00	\$ (4,500.00)	\$	\$ 4,500.00	\$	\$	\$	\$	\$	
84.048A	V048A140030	Perkins Vocational Education - Basic Grants	9/1/14 to 8/31/15	31,092.00	\$ (2,324.49)	\$	\$ 2,324.49	\$	\$	\$	\$	\$	
84.048A	V048A140030	Perkins Vocational Education - Basic Grants	9/1/15 to 8/31/16	31,360.00	\$ 21,347.45	\$	\$ 2,324.49	\$	\$	\$ 21,347.45	\$	\$	
84.287C	S287C150030	21 Century Teaching	9/1/15 to 8/31/16	412,724.56	\$ (76,514.90)	\$	\$ 337,972.00	\$ (412,724.56)	\$	\$	\$ (74,752.56)	\$	
84.287C	S287C150030	21 Century Teaching, Carryover	9/1/14 to 8/31/15	425,000.00	\$ (417,078.62)	\$	417,078.62	\$	\$	\$	\$	\$	
84.287C	S287C150030	21 Century Teaching, Carryover	9/1/15 to 8/31/16	25,447.45	\$ (25,446.00)	\$	25,446.00	\$ (25,447.45)	\$	\$	\$ (1.45)	\$	
84.287C	S287C150030	21 Century Teaching Supplemental	9/1/15 to 8/31/16	32,212.37	\$ (4,447.72)	\$	27,100.00	\$ (32,212.37)	\$	\$	\$ (5,112.37)	\$	
84.287C	S287C150030	21 Century Teaching Supplemental	9/1/14 to 8/31/15	30,000.00	\$ (4,447.72)	\$	4,447.72	\$	\$	\$	\$	\$	
84.287C	S287C150030	21 Century Teaching Supplemental	9/1/15 to 8/31/16	15,433.22	\$ (80,962.62)	\$	\$ 479,534.84	\$ (485,817.60)	\$	\$	\$ (7,379.00)	\$	
84.002	V002A150031	Adult Education	9/1/15 to 8/31/16	118,593.81	\$	\$	\$ 69,820.00	\$ (118,593.81)	\$	\$	\$ (48,773.81)	\$	
84.002	V002A150031	Adult Education	9/1/14 to 8/31/15	115,000.00	\$ (32,135.33)	\$	\$ 32,135.33	\$	\$	\$	\$	\$	
		Total Special Revenue Fund		\$ (875,943.14)	\$	\$	\$ 3,557,101.81	\$ (3,633,017.18)	\$	\$	\$ 21,347.45	\$ (973,205.96)	\$
10.553	1616NJ304N1099	Enterprise Fund: Passed-through State Department of Education: Child Nutrition Cluster School Breakfast Program	7/1/14 to 6/30/15	219,893.91	\$ (19,157.30)	\$	\$ 19,157.30	\$	\$	\$	\$	\$	
10.553	1616NJ304N1099	School Breakfast Program	7/1/15 to 6/30/16	230,264.38	\$	\$	\$ 184,352.75	\$ (230,264.38)	\$	\$	\$ (45,911.63)	\$	
10.555	1616NJ304N1099	National School Lunch Program	7/1/14 to 6/30/15	1,287,370.00	\$ (94,886.50)	\$	94,886.50	\$	\$	\$	\$	\$	
10.555	1616NJ304N1099	National School Lunch Program	7/1/15 to 6/30/16	1,337,613.89	\$	\$	\$ 1,080,994.41	\$ (1,337,613.89)	\$	\$	\$ (256,619.48)	\$	
10.555	1616NJ304N1099	National School Lunch - HHFKA Program	7/1/14 to 6/30/15	38,397.48	\$ (2,830.32)	\$	\$ 2,830.32	\$	\$	\$	\$	\$	
10.555	1616NJ304N1099	National School Lunch - HHFKA Program	7/1/15 to 6/30/16	36,691.62	\$	\$	\$ 29,698.86	\$ (36,691.62)	\$	\$	\$ (6,992.76)	\$	
10.555	1616NJ304N1099	After School Snack Program	7/1/14 to 6/30/15	15,137.20	\$ (1,020.90)	\$	\$ 1,020.90	\$	\$	\$	\$	\$	
10.555	1616NJ304N1099	After School Snack Program	7/1/15 to 6/30/16	15,956.64	\$	\$	\$ 13,571.04	\$ (15,956.64)	\$	\$	\$ (2,385.60)	\$	
10.555	1616NJ304N1099	Food Distribution Program	7/1/14 to 6/30/15	190,989.00	\$ 9,893.56	\$	\$ 205,833.83	\$ (205,761.03)	\$	\$	\$ (0.00)	\$ 72.80	
10.555	1616NJ304N1099	Total Child Nutrition Cluster	7/1/15 to 6/30/16	205,761.03	\$ (108,001.46)	\$	\$ 1,632,345.91	\$ (1,836,181.12)	\$	\$	\$ (311,909.47)	\$ 72.80	
		Total Enterprise Fund		\$ (108,001.46)	\$	\$	\$ 1,632,345.91	\$ (1,836,181.12)	\$	\$	\$ 21,347.45	\$ (311,909.47)	\$ 72.80
		Total Federal Financial Assistance		\$ (983,944.60)	\$	\$	\$ 5,466,874.59	\$ (5,851,736.95)	\$	\$	\$ 21,347.45	\$ (1,370,227.21)	\$ 72.80

See accompanying notes to schedules of financial assistance.

CITY OF LINDEN - SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Table with columns: STATE GRANTOR/PROGRAM TITLE, GRANT OR STATE PROJECT NUMBER, GRANT PERIOD, AWARD AMOUNT, BALANCE AT JUNE 30, 2015 (Accounts Receivable, Unearned Revenue, Due to Grantor), CARRYOVER (Walkover) Amount, CASH RECEIVED, BUDGETARY EXPENDITURES, ADJUSTMENTS OF PRIOR YEARS BALANCES, BALANCE AT JUNE 30, 2016 (Accounts Receivable, Unearned Revenue, Due to Grantor), BUDGETARY RECEIVABLE, MEMO CUMULATIVE TOTAL EXPENDITURES.

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, 2016

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 the Uniform Guidance. 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, 2016

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$1,854.00 for the general fund. The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$124,612.48 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	\$ 297,426.87	\$ 33,140,419.53	\$ 33,437,846.40
Special Revenue Fund	3,535,223.85	2,959,268.44	6,494,492.29
Food Service Fund	1,836,181.12	30,809.92	1,866,991.04
	<u>\$ 5,668,831.84</u>	<u>\$ 36,130,497.89</u>	<u>\$ 41,799,329.73</u>
GAAP Adjustment	97,793.33	28,673.15	126,466.48
Total Awards & Financial Assistance	<u>\$ 5,766,625.17</u>	<u>\$ 36,159,171.04</u>	<u>\$ 41,925,796.21</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, 2016. 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, 2016.

The amount of TPAF post retirement medical benefits of \$3,621,963.00 and TPAF non-contributory insurance of \$4,312,758.00.00 reported in the financial statements represents the amount paid by the state on behalf of the district for the year ended June 30, 2016. These programs are not subject to the requirements of NJ OMB 15-08.

City of Linden School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2016

NOTE 6: PRIOR PERIOD ADJUSTMENT

The Schedule of Expenditures of Federal Awards for the year ended June 30, 2016, was adjusted to reflect the cancellation of \$15,742.34 of prior year balances and encumbrances. The Schedule of Expenditures of State Financial Assistance for the year ended June 30, 2016 was not adjusted.

City of Linden School District
Union County, New Jersey
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

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 2CFR 200.516a of the Uniform Guidance | No |
| (4) | Identification of Major Federal Program(s): | |

<u>Program</u>	<u>CFDA</u>
Medical Assistance Program (SEMI)	93.778
IDEA Part Basic and Pre-school	84.027

- | | | |
|-----|--|--------------|
| (5) | Dollar Threshold used to distinguish between type A and Type B programs? | \$750,000.00 |
| (6) | Auditee qualified as a low-risk auditee under the Uniform Guidance? | Yes |

City of Linden School District
Union County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

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 15-08 and listed in Section III of this schedule? | No |
| (4) | Identification of Major State Program(s): | |
| | Equalization Aid | 16-495-034-5120-078 |
| | Special Education Categorical Aid | 16-495-034-5120-089 |
| | Categorical Security Aid | 16-495-034-5120-084 |
| | PARCC Rediness Aid | 16-495-034-5120-098 |
| | Per Pupil Growth Aid | 16-495-034-5120-097 |
| | Extraordinary Aid | 16-100-034-5120-473 |
| | Preschool Education Aid | 16-495-034-5120-086 |
| (5) | Dollar Threshold used to distinguish between type A and Type B programs? | \$846,733.50 |
| (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, 2016

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, 2016

Status of Prior Year Audit Findings

None