

**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, 2017**

**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 3, 2017

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

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



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

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

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

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

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

- 3) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. The voters of the municipality adopt annual appropriated budgets. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2017.
- 4) **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.
- 5) **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.
- 6) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute and detailed in "Notes to the financial statements", Note 2. The District requires that all public funds be deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

7) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The School Business Administrator/Board Secretary has established a Risk Management Committee made up of the School Business Administrator, Principal, School Nurse, Supervisor of Building and Grounds and the SAIF Insurance Agent.


8) **OTHER INFORMATION:**

A) Independent Audit – State statutes requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney, and Company, CPA’s, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor’s report on the basic financial statements and combining and individual funds statement and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit and included in the single audit section of this report.

9) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Linden Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,

  
\_\_\_\_\_  
Danny A. Robertozzi, Ed.D.  
Superintendent

  
\_\_\_\_\_  
Kathleen A. Gaylord  
Business Administrator/Board Secretary

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

ROSTER OF OFFICIALS  
JUNE 30, 2017

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
John S. Kolibas, President	2017
Tracey Birch, Vice President	2017
Alexander Alvarez	2018
Dawn Beviano	2019
Gregory Martucci	2019
Lolita Slater	2017
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, 2017

**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 Law Group  
629 Parsippany Road  
Parsippany, New Jersey 07054

Scarinci Hollenbeck  
1100 Valley Brook Avenue  
Lyndhurst, NJ 07071

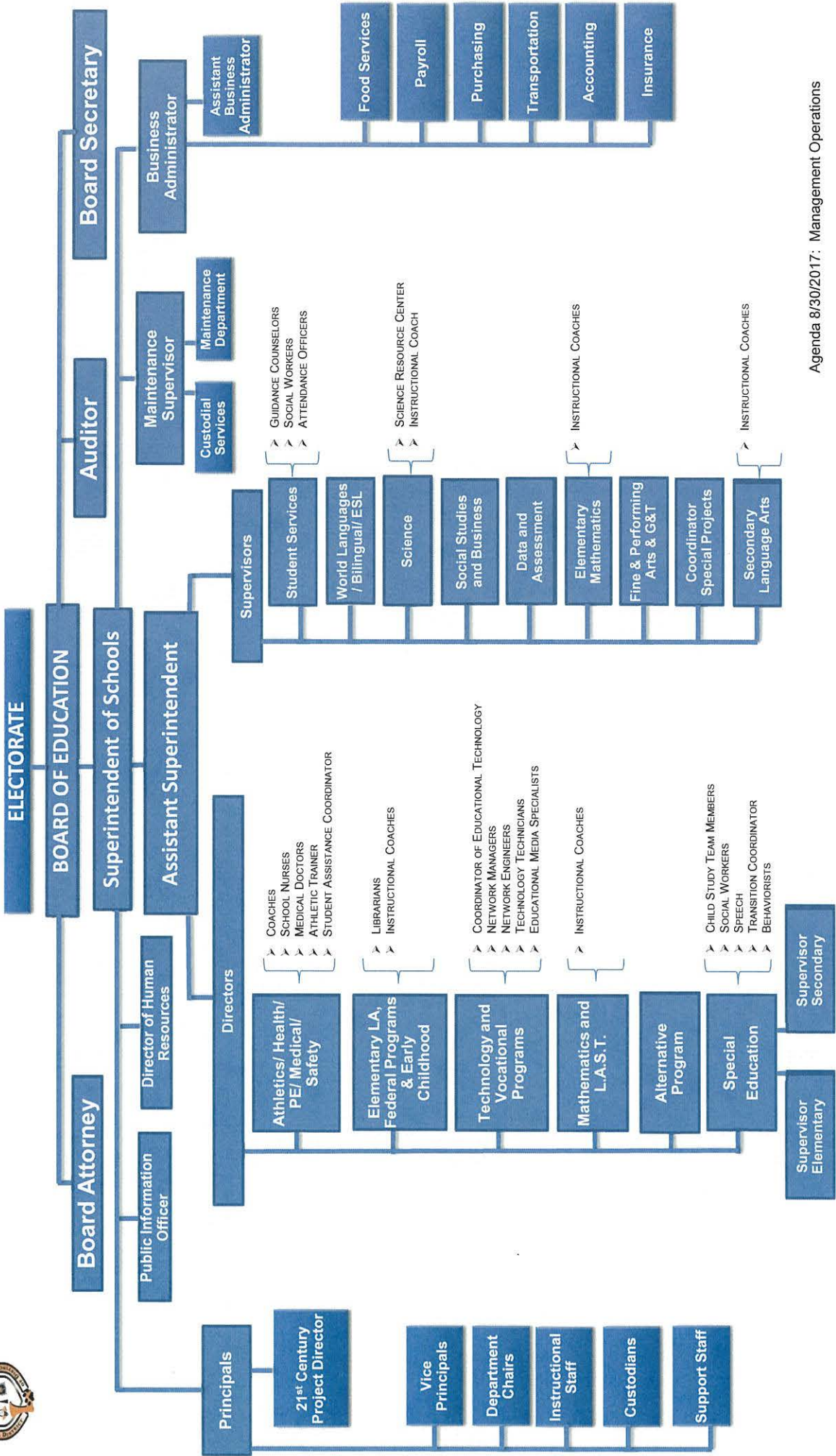
**Official Depositories**

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](mailto: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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***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, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***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 3, 2017 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 3, 2017

**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, 2017**

**(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, 2017. 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 (2016-2017) and the prior fiscal year (2015-2016) 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, 2017

(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 provide 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, 2017

(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 2016-2017 fiscal years include the following:

The total of the government and business-type activities net position increased \$7,646.67 in 2016-2017.

The local tax levy of \$89,814,375 was increased from 86,380,964 for 2015-2016, or \$3,433,411.

The Food Services and Day Care Enterprise Funds' net position was \$1,687,697 as compared to \$1,317,431 for 2015-2016.

# CITY OF LINDEN BOARD OF EDUCATION

## Management's Discussion and Analysis

Fiscal Year Ended June 30, 2017

(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:

<b>Assets</b>	<b>2017</b>	<b>2016</b>
Current and Other Assets	\$ 26,933,931.15	\$ 25,931,219.45
Capital Assets	<u>55,097,082.21</u>	<u>52,220,761.82</u>
<b>Total Assets</b>	<b>\$ <u>82,031,013.36</u></b>	<b>\$ <u>78,151,981.27</u></b>
 <b>Deferred Outflows of Resources</b>		
Pension Related	\$ <u>16,766,809.00</u>	<u>7,745,219.00</u>
 <b>Liabilities</b>		
Long-Term Liabilities	\$ 55,300,247.02	\$ 41,983,284.96
Other Liabilities	<u>3,261,162.93</u>	<u>3,080,739.48</u>
<b>Total Liabilities</b>	<b>\$ <u>58,561,409.95</u></b>	<b>\$ <u>45,064,024.44</u></b>
 <b>Deferred Inflow of Resources</b>		
Pension Related	\$ <u>                    </u>	<u>595,172.00</u>
<b>Total Deferred Inflow of Resources</b>	<b>\$ <u>                    </u></b>	<b>\$ <u>595,172.00</u></b>
 <b>Net Position</b>		
Net Investment in Capital Assets	\$ 52,222,082.21	\$ 49,125,761.82
Restricted	23,545,089.51	23,136,219.46
Unrestricted (Deficit)	<u>(35,530,759.31)</u>	<u>(32,023,977.45)</u>
<b>Total Net Position</b>	<b>\$ <u><u>40,236,412.41</u></u></b>	<b>\$ <u><u>40,238,003.83</u></u></b>

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, 2017

(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, 2017 and 2016 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.

<b>Revenues</b>	<b>2017</b>	<b>2016</b>
Program Revenues:		
Charges for Services	\$ 1,965,950.16	\$ 1,543,279.91
Operating Grants and Contributions	36,587,560.32	26,527,484.58
General Revenues:		
Property Taxes	89,814,375.00	86,380,964.00
Grants and Entitlements	28,525,046.64	28,629,683.94
Other	<u>844,271.00</u>	<u>870,418.16</u>
<b>Total Revenues</b>	<b>\$ <u>157,737,203.12</u></b>	<b>\$ <u>143,951,830.59</u></b>
<b>Program Expenses</b>		
Instruction	\$ 82,161,005.11	\$ 73,977,562.68
Support Services:		
Tuition	10,626,290.19	10,166,875.44
Student and Instruction Related	20,066,615.95	18,435,951.67
General and School Administration	14,360,345.73	13,264,380.68
Plant Operations and Maintenance	18,750,652.63	16,909,597.25
Student Transportation	7,785,652.59	6,785,682.77
Other	311,926.28	105,112.72
Debt Service Assessment	47,663.00	47,663.00
Business Type Activities	<u>3,619,404.97</u>	<u>2,977,195.21</u>
<b>Total Expenses</b>	<b>\$ <u>157,729,556.45</u></b>	<b>\$ <u>142,670,021.42</u></b>
<b>Change in Net Position</b>	<b>\$ <u><u>7,646.67</u></u></b>	<b>\$ <u><u>1,281,809.17</u></u></b>

Also, as previously noted, the information for FY2017 and FY 2016 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, 2017

(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, 2017 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.

	2016 - 2017			
	<u>Revenue</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from FY 2016</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 90,658,646.00	68.59%	\$3,407,263.84	3.91%
State Sources	37,706,269.18	28.53%	\$1,606,581.21	4.45%
Federal Sources	3,800,522.83	2.88%	(\$117,239.67)	-2.99%
	<u>\$ 132,165,438.01</u>	<u>100.00%</u>	<u>\$4,896,605.38</u>	<u>3.85%</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, 2017

(Unaudited)

## Capital Asset and Debt Administration

### Capital Assets

At June 30, 2016, the District has capital assets in excess of \$54 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	\$ 1,590,208.00	\$
Construction in Progress	18,021,575.94	
Site Improvements	355,378.45	
Building and Building Improvements	32,807,263.69	
Machinery , Equipment and Vehicles	<u>2,163,423.42</u>	<u>159,232.71</u>
Total	<u>\$ 54,937,849.50</u>	<u>\$ 159,232.71</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, 2017 as follows:

Lease Purchase Payable	\$ 2,875,000.00
Net Pension Liability	50,423,611.00
Compensated Absences	<u>2,166,636.02</u>
Total	<u>\$ 55,465,247.02</u>

# **CITY OF LINDEN BOARD OF EDUCATION**

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2017

(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, 2017.

## **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, 2017

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 7,257,478.79	\$ 1,487,579.68	\$ 8,745,058.47
Receivables, net	1,761,726.79	119,765.95	1,881,492.74
Inventory		17,718.05	17,718.05
Restricted assets:			
Restricted cash and cash equivalents	16,289,661.89		16,289,661.89
Capital assets:			
Not being depreciated	19,611,783.94		19,611,783.94
Other capital assets, net of depreciation	<u>35,326,065.56</u>	<u>159,232.71</u>	<u>35,485,298.27</u>
 Total Assets	 <u>\$ 80,246,716.97</u>	 <u>\$ 1,784,296.39</u>	 <u>\$ 82,031,013.36</u>
 <b>DEFERRED OUTFLOWS:</b>			
Related to pensions	<u>\$ 16,766,809.00</u>	<u>\$ _____</u>	<u>\$ 16,766,809.00</u>
 <b>LIABILITIES:</b>			
Accounts payable	\$ 1,520,052.00	\$ 91,846.42	\$ 1,611,898.42
Payable to state government	53,169.77		53,169.77
Unearned revenue	1,426,341.82	4,752.92	1,431,094.74
Noncurrent liabilities:			
Due within one year:			
Capital leases payable	165,000.00		165,000.00
Due beyond one year:			
Net Pension Liability	50,423,611.00		50,423,611.00
Capital leases payable	2,710,000.00		2,710,000.00
Compensated absences payable	<u>2,166,636.02</u>		<u>2,166,636.02</u>
 Total liabilities	 <u>\$ 58,464,810.61</u>	 <u>\$ 96,599.34</u>	 <u>\$ 58,561,409.95</u>
 <b>NET POSITION:</b>			
Net investment in capital assets	\$ 52,062,849.50	\$ 159,232.71	\$ 52,222,082.21
Restricted for:			
Capital projects fund	79,135.45		79,135.45
Other purposes	23,465,954.06		23,465,954.06
Unrestricted (deficit)	<u>(37,059,223.65)</u>	<u>1,528,464.34</u>	<u>(35,530,759.31)</u>
 Total net position	 <u>\$ 38,548,715.36</u>	 <u>\$ 1,687,697.05</u>	 <u>\$ 40,236,412.41</u>

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

CITY OF LINDEN SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
JUNE 30, 2017

Functions/Programs	EXPENSES	INDIRECT EXPENSES ALLOCATION	PROGRAM REVENUES AND CONTRIBUTIONS		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	
			CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
<b>Governmental activities:</b>						
Instruction:						
Regular	\$ 35,153,567.65	\$ 25,321,339.65	\$ 14,879,746.05		\$ (45,595,161.25)	\$ (45,595,161.25)
Special	8,964,899.46	6,196,712.60	3,641,415.15		(11,540,196.91)	(11,540,196.91)
Other Instruction	3,854,996.92	2,649,488.84	1,556,936.63		(4,947,549.13)	(4,947,549.13)
Support services:						
Tuition	10,626,290.19				(10,626,290.19)	(10,626,290.19)
Student and instruction related services	12,690,918.17	7,385,697.78	4,340,106.37		(15,726,509.58)	(15,726,509.58)
General and business administrative services	1,391,672.50	1,067,451.91	627,273.82		(1,831,850.59)	(1,831,850.59)
School administrative services	4,981,708.03	2,898,661.75	1,703,359.74		(6,177,010.04)	(6,177,010.04)
Central services	1,238,872.26	837,513.79	492,153.76		(1,584,232.29)	(1,584,232.29)
Administrative information technology	1,038,752.72	905,712.76	532,229.98		(1,412,235.50)	(1,412,235.50)
Plant operations and maintenance	10,279,696.52	8,470,956.11	4,977,843.89		(13,772,808.74)	(13,772,808.74)
Student transportation	4,700,797.14	3,084,855.45	1,812,773.98		(5,972,878.61)	(5,972,878.61)
Unused vacation Pay to Terminated/Retired Staff	154,244.28				(154,244.28)	(154,244.28)
Unallocated benefits	31,550,439.65	(31,550,439.65)				
Transfer to Charter Schools	157,682.00	(1,889,121.99)			(157,682.00)	(157,682.00)
Unallocated Depreciation	1,889,121.99					
Debt Service Assessment	47,663.00				(47,663.00)	(47,663.00)
Total governmental activities	\$ 128,731,322.48	\$ 25,378,829.00	\$ 34,563,839.37		\$ (119,546,312.11)	\$ (119,546,312.11)
<b>Business-type activities:</b>						
Food service:	\$ 2,920,889.61		\$ 958,622.34	\$ 2,023,720.95	\$ 61,453.68	\$ 61,453.68
Day Care	201,583.50		225,446.00		23,862.50	23,862.50
After Care	471,161.20		655,054.34		183,893.14	183,893.14
Macbooks	25,770.66		126,827.48		101,056.82	101,056.82
Total business-type activities	\$ 3,619,404.97		\$ 1,965,950.16	\$ 2,023,720.95	\$ 370,266.14	\$ 370,266.14
Total primary government	\$ 132,350,727.45	\$ 25,378,829.00	\$ 36,587,560.32		\$ (119,546,312.11)	\$ (119,176,045.97)
<b>General Revenues:</b>						
<b>Taxes:</b>						
			Property taxes, levied for general purposes, net		\$ 89,814,375.00	\$ 89,814,375.00
			Federal and state aid not restricted - net		22,216,219.30	22,216,219.30
			Federal and state aid restricted		6,308,827.34	6,308,827.34
			Tuition		28,947.22	28,947.22
			Tuition from Other LEAs		157,765.61	157,765.61
			Tuition from Other Sources		28,945.95	28,945.95
			Miscellaneous income		628,612.22	628,612.22
			Total general revenues, special items and transfers		\$ 119,183,692.64	\$ 119,183,692.64
			Change in Net Position		\$ (362,619.47)	\$ 7,646.67
			Net Position - beginning (As restated)		38,911,334.83	40,228,765.74
			Net Position - ending		38,548,715.36	40,236,412.41

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, 2017

	<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>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 6,582,602.47	\$ 526,783.73	\$ 148,092.59	\$ 7,257,478.79
Cash, capital reserve	15,364,354.67			15,364,354.67
Cash, emergency reserve	925,307.22			925,307.22
Accounts receivable:				
Federal		948,248.49		948,248.49
State	734,439.57	1,247.80		735,687.37
Other	77,790.93	3,231.57		81,022.50
	<u>23,684,494.86</u>	<u>1,479,511.59</u>	<u>148,092.59</u>	<u>25,312,099.04</u>
Total assets	\$ <u>23,684,494.86</u>	\$ <u>1,479,511.59</u>	\$ <u>148,092.59</u>	\$ <u>25,312,099.04</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Interfund payable	\$ 3,231.57	\$	\$	\$ 3,231.57
Intergovernmental payables:				
State		53,169.77		53,169.77
Unearned revenue		1,426,341.82		1,426,341.82
	<u>3,231.57</u>	<u>1,479,511.59</u>	<u></u>	<u>1,482,743.16</u>
Total liabilities	\$ <u>3,231.57</u>	\$ <u>1,479,511.59</u>	\$ <u></u>	\$ <u>1,482,743.16</u>
<b>Fund balances:</b>				
<b>Restricted for:</b>				
Excess surplus-current year	2,885,600.97			2,885,600.97
Designated for subsequent years expenditures -				
Excess surplus-Prior year	2,171,156.46			2,171,156.46
Capital reserve account	15,364,354.67			15,364,354.67
Emergency reserve account	925,307.22			925,307.22
Capital Projects Fund			79,135.45	79,135.45
<b>Assigned to:</b>				
Designated for subsequent years expenditures	408,456.54			408,456.54
Year end encumbrances	1,642,121.06		68,957.14	1,711,078.20
Unassigned	284,266.37			284,266.37
	<u>23,681,263.29</u>	<u></u>	<u>148,092.59</u>	<u>23,829,355.88</u>
Total fund balances	\$ <u>23,681,263.29</u>	\$ <u></u>	\$ <u>148,092.59</u>	\$ <u>23,829,355.88</u>
Total liabilities and fund balances	\$ <u>23,684,494.86</u>	\$ <u>1,479,511.59</u>	\$ <u>148,092.59</u>	\$ <u>25,312,099.04</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, 2017

Total Fund Balances (Brought Forward)	\$	23,829,355.88
<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	\$	87,861,807.53
Accumulated Depreciation		<u>(32,923,958.03)</u>
		54,937,849.50
<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	\$	(50,423,611.00)
Capital leases payable		(2,875,000.00)
Compensated absences payable		<u>(2,166,636.02)</u>
		(55,465,247.02)
<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	\$	15,246,757.00
Employer Contribution related to pensions		<u>1,520,052.00</u>
		16,766,809.00
Deferred Inflows:		
Pension expense		
<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>(1,520,052.00)</u>
Net Position of Governmental Activities	\$	<u><u>38,548,715.36</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, 2017

	<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>
<b>REVENUES:</b>				
Local sources:				
Local tax levy	\$ 89,814,375.00	\$	\$	\$ 89,814,375.00
Tuition	28,947.22			28,947.22
Tuition from other LEAs	157,765.61			157,765.61
Tuition from other sources	28,945.95			28,945.95
Miscellaneous	179,767.54	448,844.68		628,612.22
Total - local sources	\$ 90,209,801.32	\$ 448,844.68	\$	\$ 90,658,646.00
State sources	\$ 34,870,324.37	\$ 2,835,944.81	\$	\$ 37,706,269.18
Federal sources	327,640.30	3,472,882.53		3,800,522.83
Total revenues	\$ 125,407,765.99	\$ 6,757,672.02	\$	\$ 132,165,438.01
<b>EXPENDITURES:</b>				
Current expense:				
Regular instruction	\$ 31,102,485.70	\$ 4,051,081.95	\$	\$ 35,153,567.65
Special instruction	8,984,899.46			8,984,899.46
Other Instruction	3,854,996.92			3,854,996.92
Support services:				
Tuition	10,626,290.19			10,626,290.19
Student & instruction related services	9,980,923.10	2,699,995.07		12,680,918.17
General administrative services	1,391,672.50			1,391,672.50
School administrative services	4,981,708.03			4,981,708.03
Central services	1,238,872.26			1,238,872.26
Administrative information technology	1,038,752.72			1,038,752.72
Plant operations and maintenance	10,279,696.52			10,279,696.52
Student transportation	4,700,797.14			4,700,797.14
Unused Vacation Pay to Terminated/Retired Staff	154,244.28			154,244.28
Unallocated benefits	31,419,500.59			31,419,500.59
Capital outlay	3,859,459.62	6,595.00	876,907.41	4,742,962.03
Capital outlay - debt service assessment	47,663.00			47,663.00
Capital outlay - lease principal	165,000.00			165,000.00
Transfer to charter schools	157,682.00			157,682.00
Total expenditures	\$ 123,984,644.03	\$ 6,757,672.02	\$ 876,907.41	\$ 131,619,223.46
Excess (deficiency) of revenues over (under) expenditures	\$ 1,423,121.96	\$	\$ (876,907.41)	\$ 546,214.55
Other financing sources (uses):				
Transfers to capital projects from general fund	\$ (1,025,000.00)	\$	\$ 1,025,000.00	\$
Capital lease refunding	(54,912.04)			
Total other financing sources (uses)	\$ (1,079,912.04)	\$	\$ 1,025,000.00	\$
Net change in fund balances	\$ 343,209.92	\$	\$ 148,092.59	\$ 546,214.55
Fund balances June 30, 2016 (as restated)	23,338,053.37	-0-	-0-	23,338,053.37
Fund balances June 30, 2017	\$ 23,681,263.29	\$ -0-	\$ 148,092.59	\$ 23,884,267.92

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, 2017

Total net change in fund balances - governmental funds (from B-2) \$ 546,214.55

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	\$ (\$1,889,121.99)	
Capital outlays	<u>4,742,962.03</u>	2,853,840.04

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		165,000.00
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In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

(130,939.06)

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	\$ 1,512,490.00	
Less: Pension expense	<u>(5,309,225.00)</u>	<u>(3,796,735.00)</u>

Change in net position of governmental activities		\$ <u><u>(362,619.47)</u></u>
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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, 2017

		<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS NON-MAJOR</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$	1,487,579.68
Accounts receivable:		
Federal		117,684.28
State		2,081.67
Inventories		<u>17,718.05</u>
Total current assets	\$	<u>1,625,063.68</u>
Noncurrent assets:		
Furniture, machinery & equipment	\$	899,913.82
Less accumulated depreciation		<u>(740,681.11)</u>
Total noncurrent assets	\$	<u>159,232.71</u>
Total assets	\$	<u>1,784,296.39</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$	91,846.42
Deferred revenue		<u>4,752.92</u>
Total current liabilities	\$	<u>96,599.34</u>
Total liabilities	\$	<u>96,599.34</u>
<b>NET POSITION</b>		
Restricted for:		
Net Investment in capital asset	\$	159,232.71
Unrestricted		<u>1,528,464.34</u>
Total net position	\$	<u><u>1,687,697.05</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, 2017

		<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS NON-MAJOR</u>
<b>OPERATING REVENUES:</b>		
Charges for services:		
Daily sales- reimbursable Programs	\$	\$220,881.01
Daily sales- non-reimbursable Programs		<u>1,745,069.15</u>
<b>Total operating revenues</b>	<b>\$</b>	<b><u>1,965,950.16</u></b>
<b>OPERATING EXPENSES:</b>		
Cost of sales- reimbursable Programs	\$	971,183.00
Cost of sales- non-reimbursable Programs		138,600.00
Salaries and employee benefits		1,701,008.61
Other Purchased Service		14,294.24
Cleaning, Repairs and Maintenance		157,842.43
Insurance		80,163.39
Supplies and materials		147,023.94
Other Expenses		115,083.93
National food distribution		277,186.37
Depreciation		<u>17,019.06</u>
<b>Total operating expenses</b>	<b>\$</b>	<b><u>3,619,404.97</u></b>
<b>Net operating income (loss)</b>	<b>\$</b>	<b><u>(1,653,454.81)</u></b>
<b>NONOPERATING REVENUE (EXPENSE):</b>		
State Sources		
State School Lunch Program	\$	31,684.06
Federal Sources		
National School Lunch Program		1,415,079.90
National School Lunch Program- HHFKA		37,748.28
National School Breakfast Program		248,779.15
National School Snack Program		15,734.56
National food distribution commodities		272,506.25
Other Income		<u>2,188.75</u>
<b>Total nonoperating revenue (expense)</b>	<b>\$</b>	<b><u>2,023,720.95</u></b>
<b>Change in net position</b>	<b>\$</b>	<b>370,266.14</b>
<b>Total net position - beginning</b>		<u>1,317,430.91</u>
<b>Total net position - ending</b>	<b>\$</b>	<b><u><u>\$1,687,697.05</u></u></b>

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, 2017

		<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u> <u>ENTERPRISE</u> <u>FUNDS</u> <u>NON-MAJOR</u>
Cash flows from operating activities:		
Receipts from customers	\$	2,243,136.53
Payments to employees and employee benefits		(1,663,827.03)
Payments to suppliers		<u>(1,903,810.71)</u>
Net cash provided (used) by operating activities	\$	<u>(1,324,501.21)</u>
Cash flows from noncapital financing activities:		
State sources	\$	37,672.32
Federal sources		<u>1,911,567.08</u>
Net cash provided (used) by noncapital financing activities	\$	<u>1,949,239.40</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets		<u>(40,049.04)</u>
Net cash provided (used) by capital and related financing activities	\$	<u>(40,049.04)</u>
Net increase in cash and cash equivalents	\$	584,689.15
Cash and cash equivalents, June 30, 2016	\$	<u>902,890.53</u>
Cash and cash equivalents, June 30, 2017	\$	<u><u>1,487,579.68</u></u>
Operating income(loss)	\$	(1,653,454.81)
Adjustments to reconcile operating income (loss)		
to cash provided (used) by operating activities:		
Depreciation and net amortization		17,019.06
Federal commodities		71,783.53
Change in assets and liabilities:		
(Increase) Decrease in Accounts Receivable		203,421.07
(Increase) Decrease in inventories		(3,567.69)
Increase (Decrease) in Deferred Revenue		4,680.12
Increase (Decrease) in accounts payable		<u>35,067.85</u>
Net cash provided (used) by operating activities	\$	<u><u>(1,324,501.21)</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, 2017

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>AGENCY FUNDS</u>	<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ <u>44,142.44</u>	\$ <u>193,786.47</u>	\$ <u>36,854.77</u>
Total assets	\$ <u><u>44,142.44</u></u>	\$ <u><u>193,786.47</u></u>	\$ <u><u>36,854.77</u></u>
<b>LIABILITIES</b>			
Payroll deductions and withholdings Due to student groups	\$ _____	\$ <u>284.61</u> <u>193,501.86</u>	\$ _____
Total liabilities	\$ _____	\$ <u><u>193,786.47</u></u>	\$ _____
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	\$ <u>44,142.44</u>	\$ _____	\$ <u>36,854.77</u>
Total net position	\$ <u><u>44,142.44</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>36,854.77</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, 2017

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>	<u>TOTAL</u>
ADDITIONS:			
Contributions:			
Employee	\$ 104,213.33	\$	\$ 104,213.33
Local	<u>                    </u>	<u>10,698.14</u>	<u>10,698.14</u>
Total contributions	\$ <u>104,213.33</u>	\$ <u>10,698.14</u>	\$ <u>114,911.47</u>
Total additions	\$ <u>104,213.33</u>	\$ <u>10,698.14</u>	\$ <u>114,911.47</u>
DEDUCTIONS			
Other purposes	\$	\$ 6,000.00	\$ 6,000.00
Unemployment claims	<u>113,577.84</u>	<u>                    </u>	<u>113,577.84</u>
Total deductions	\$ <u>113,577.84</u>	\$ <u>6,000.00</u>	\$ <u>119,577.84</u>
Change in net position	\$ (9,364.51)	\$ 4,698.14	\$ (4,666.37)
Net position beginning of year	<u>53,506.95</u>	<u>32,156.63</u>	<u>85,663.58</u>
Net position end of year	\$ <u><u>44,142.44</u></u>	\$ <u><u>36,854.77</u></u>	\$ <u><u>80,997.21</u></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, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

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

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

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

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

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

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

**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, 2017**

**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, 2017**

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

**Proprietary Fund**

**Enterprise Fund** - The enterprise fund accounts for all revenues and expenses pertaining to the District's Food Service operations, after care Fund, Mac Book Fund, 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, 2017**

**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, 2017**

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

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. 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. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. No Budget amendments were approved and amounted to \$1,441,970.67 for the year ended June 30, 2017.

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 fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of one or more deferred State Aid payments for budgetary purposes only due to the State deferral of such payments into the subsequent budget year and the accounting treatment of encumbrances in the special revenue fund as described 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, 2017**

**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, 2017**

**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.

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

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

**Compensated Absences**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the "vesting method" for estimating its accrued sick and vacation leave liability. District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service. The liability for vested compensated absences of the District is recorded in the government-wide financial statements and includes salary related payments.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**Compensated Absences (Continued)**

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the 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.

**Unearned Revenue**

Unearned revenue in the special revenue and proprietary 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 an allowable practice under generally accepted accounting principles. Unearned revenue in the Proprietary Fund represents deposits from students for future program fees.

**Accrued Liabilities and Long-Term Obligations**

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

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**Net Position**

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

**Fund Balance Restrictions**

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

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

Non-Spendable – 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

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

**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.

**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, 2017**

**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 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 in 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, 2017**

**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 accounting principles generally accepted in the United States 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 1<sup>st</sup> of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The governmental fund financial statements reflect 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, 2017**

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

**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.

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

**Deposits**

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

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**Deposits (Continued)**

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

<u>Fund</u>	<u>Cash In</u> <u>Bank</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled</u> <u>Balance</u>
General	\$ 27,621,790.49	\$	\$ (4,749,812.11)	\$ 22,871,978.38
Special Revenue	526,783.73			526,783.73
Capital Fund	148,092.59			148,092.59
Enterprise	1,487,865.66			1,487,865.66
Fiduciary:				
Student Activities	217,502.07		(24,000.21)	193,501.86
Scholarship Account	36,854.77			36,854.77
Unemployment Account	58,033.88		(13,891.44)	44,142.44
Payroll Agency Account	1,669,413.57		(1,669,128.96)	284.61
	<u>\$ 31,766,336.76</u>	<u>\$ 0.00</u>	<u>\$ (6,456,832.72)</u>	<u>\$ 25,309,504.04</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, 2017 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 \$31,766,336.76, \$500,000.00 was covered by Federal Depository Insurance, \$31,266,336.76 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, 2017**

**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, 2017**

**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, 2017, 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, 2017**

**NOTE 3: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017 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	\$ 728,786.00	\$	\$ 1,590,208.00
Construction In Progress	17,873,454.53	148,121.41	_____	18,021,575.94
Total capital assets that are not depreciated	<u>\$ 18,734,876.53</u>	<u>\$ 876,907.41</u>	<u>\$</u>	<u>\$ 19,611,783.94</u>
Capital assets being depreciated:				
Land improvements	\$ 1,383,310.99	\$	\$	\$ 1,383,310.99
Building and building improvements	54,731,713.45	3,332,625.33	_____	58,064,338.78
Machinery and equipment	8,268,944.51	533,429.31	_____	8,802,373.82
Total capital assets being depreciated	<u>\$ 64,383,968.95</u>	<u>\$ 3,866,054.64</u>	<u>\$</u>	<u>\$ 68,250,023.59</u>
Total gross assets	<u>\$ 83,118,845.48</u>	<u>\$ 4,742,962.05</u>	<u>\$</u>	<u>\$ 87,861,807.53</u>
Less: accumulated depreciation for:				
Land improvements	\$ (994,774.14)	\$ (33,158.40)	\$	\$ (1,027,932.54)
Building and Building Improvements	(24,078,648.16)	(1,178,426.93)	_____	(25,257,075.09)
Machinery and Equipment	(5,961,413.74)	(677,536.66)	_____	(6,638,950.40)
	<u>\$ (31,034,836.04)</u>	<u>\$ (1,889,121.99)</u>	<u>\$</u>	<u>\$ (32,923,958.03)</u>
Total Capital Assets being depreciated, net of accumulated depreciation	<u>\$ 33,349,132.91</u>	<u>\$ 1,976,932.65</u>	<u>\$</u>	<u>\$ 35,326,065.56</u>
Governmental activities capital assets, net	<u>52,084,009.44</u>	<u>2,853,840.06</u>	<u>_____</u>	<u>54,937,849.50</u>
Business type activities:				
Machinery and equipment	\$ 900,500.72	\$ 40,049.03	\$ (40,635.93)	\$ 899,913.82
Less: accumulated depreciation	(763,748.32)	(17,019.06)	40,086.27	(740,681.11)
Proprietary fund capital assets, net	<u>\$ 136,752.40</u>	<u>\$ 23,029.97</u>	<u>\$ (\$549.66)</u>	<u>\$ 159,232.71</u>

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

Depreciation Expense was charged to governmental expenses as follows:

Governmental Activities:	
Instruction:	
Regular	\$ 813,267.74
Special	199,025.27
Other Instruction	85,095.96
Support services:	
Student & instruction related services	237,212.95
General administrative services	34,284.29
School administrative services	93,098.87
Central services	26,899.17
Administrative technology information	29,089.57
Plant operations and maintenance	272,069.15
Student transportation	<u>99,079.02</u>
 Total	 \$ <u><u>1,899,121.99</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, 2017, 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, 2017**

**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, 2017.

	<u>Capital Leases Payable</u>	<u>Compensated Absences Payable</u>	<u>Net Pension Liability</u>	<u>Total</u>
Balance June 30, 2016	\$3,095,000.00	\$2,035,696.96	\$37,017,588.00	\$42,148,284.96
Additions/ Issued	2,875,000.00	130,939.06	13,406,023.00	\$16,411,962.06
Reductions	<u>3,095,000.00</u>	<u>                    </u>	<u>                    </u>	<u>3,095,000.00</u>
Balance June 30, 2017	<u>\$2,875,000.00</u>	<u>\$2,166,636.02</u>	<u>\$50,423,611.00</u>	<u>\$55,465,247.02</u>
Amounts Due within one year	<u>\$165,000.00</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, 2017, 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>
2014	\$ 4,827,349,778.00
2015	5,230,985,294.00
2016	<u>5,421,503,109.00</u>
	<u>\$ 15,479,838,181.00</u>
Average equalized valuation of property	\$ 5,159,946,060.33
School borrowing margin ( 4% of \$5,159,946,060.33 )	206,397,842.41
Net bonded school debt as of June 30, 2017	<u>-0-</u>
School borrowing power available	<u>\$ 206,397,842.41</u>

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**Capital Leases Payable**

The District 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 refinanced in August, 2016 and matures annually through December 31, 2030, bearing interest rates of between 2.0% and 4.0%. The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 2017:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$165,000.00	\$51,300.00	\$216,300.00
2018	170,000.00	99,300.00	269,300.00
2019	170,000.00	94,200.00	264,200.00
2020	175,000.00	87,400.00	262,400.00
2021	185,000.00	80,400.00	265,400.00
2022	195,000.00	73,000.00	268,000.00
2023	200,000.00	65,200.00	265,200.00
2024	205,000.00	57,200.00	262,200.00
2025	215,000.00	49,000.00	264,000.00
2026	220,000.00	40,400.00	260,400.00
2027	235,000.00	31,600.00	266,600.00
2028	240,000.00	22,200.00	262,200.00
2029	245,000.00	15,000.00	260,000.00
2030	<u>255,000.00</u>	<u>7,650.00</u>	<u>262,650.00</u>
	<u>\$2,875,000.00</u>	<u>\$773,850.00</u>	<u>\$3,648,850.00</u>
Total minimum lease payments		\$3,648,850.00	
Less: Amount representing interest		<u>(773,850.00)</u>	
Present value of net minimum lease payment		<u>\$2,875,000.00</u>	



**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

**NOTE 5: PENSION PLANS**

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

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

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

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

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

**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.

As a result of these changes 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, 2017**

**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**

<b><u>Year</u></b>	<b><u>Annual Pension</u></b>	<b><u>Percentage of</u></b>	<b><u>Net Pension</u></b>
<b><u>Funding</u></b>	<b><u>Cost (APC)</u></b>	<b><u>APC Contributed</u></b>	<b><u>Obligation</u></b>
6/30/2017	\$1,520,785	100%	\$1,520,785
6/30/2016	\$1,417,730	100%	\$1,417,730
6/30/2015	\$1,339,885	100%	\$1,339,885

For the fiscal years ended June 30, 2017, 2016, and 2015 the State of New Jersey contributed \$5,156,898.00 \$3,621,963.00 and \$2,366,654.00, 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 \$3,517,474.37 during the year ended June 30, 2017 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**Public Employees Retirement System (PERS)**

At June 30, 2017, the District reported a liability of \$14,961,593.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The District's proportion of the net pension liability 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 members, actuarially determined. At June 30, 2016, the District's proportion was 0.1702514990 percent, which was an increase of 0.0053477472 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$5,309,225.00 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date.

At June 30, 2017, 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		\$937,726.00
Changes of assumptions		10,445,079.00
Net difference between projected and actual earnings on pension plan investments		1,922,698.00
Changes in proportion and differences between District contributions and proportionate share of contributions		1,941,254.00
District contributions subsequent to the measurement date		1,520,052.00
		\$16,766,809.00

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

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

The \$1,520,052.00 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, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

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>
2018	\$3,491,913.00
2019	\$3,491,913.00
2020	\$3,945,283.00
2021	\$3,265,508.00
2022	\$1,052,140.00

**Actuarial Assumptions**

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

Inflation	3.08 Percent
Salary Increases	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.65 Percent

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates the larger the impact on future financial statements.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

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

**Actuarial Assumptions (Continued)**

**Mortality Rates**

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016 and 7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

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

**Long-Term Rate of Return (Continued)**

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

**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 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and 7.90%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employer contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the 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, 2016 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:

	1% Decrease <u>2.98%</u>	At Current Discount Rate <u>3.98%</u>	1% Increase <u>4.98%</u>
District's proportionate share of the pension liability	\$61,788,250.00	\$50,423,611.00	\$41,041,116.00



**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

**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). 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>.

**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, 2017 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$355,874,164</u>
	<u><u>\$355,874,164</u></u>

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. 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, 2016, the proportion of the TPAF net pension liability associated with the District was .4523841353% which was an increase of .0146309392 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized on-behalf pension expense and revenue of \$26,738,992.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

**Actuarial Assumptions**

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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	7.65%

**Mortality Rate**

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

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

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

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

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return**

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

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

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

**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 3.22% and 4.13% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and 7.90, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

**Sensitivity of the 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, 2017**

**NOTE 7: GASB 45 – 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, 2016, there were 110,512 retirees receiving post-retirement medical benefits. The cost of these benefits and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical 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 \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

**NOTE 7: GASB 45 – 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, 2017, 2016 and 2015 were \$4,296,870.00, \$4,312,758.00 and \$3,757,065.00 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, 2017 consisted of the following:

Food and Supplies	<u>\$17,718.05</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, 2017**

**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 2016-2017 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>
2016-2017	\$ -0-	\$ 104,213.33	\$ 113,577.84	\$ 44,142.44
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

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

**NOTE 12: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$	\$ 3,231.57
Special Revenue Fund	3,231.57	
	\$ 3,231.57	\$ 3,231.57

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, 2017, 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, 2017**

**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 \$23,681,263.29 General Fund balance at June 30, 2017, \$1,642,121.06 is assigned for year-end encumbrances, \$15,364,354.67 has been restricted in the Capital Reserve Account; \$925,307.22 is restricted for emergencies, \$5,465,213.97 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, of which \$2,579,613.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2017 and \$284,266.37.00 is unassigned.

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

**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, 2017 is \$2,885,600.97.

FY 2017 Total General Fund Expenditures		\$ 123,984,644.03
Increased by:		
Transfer from Capital Reserve to Capital Projects		<u>1,025,000.00</u>
		\$ 125,009,644.03
Decrease by		
On-Behalf TPAF Pension	\$ 5,156,898.00	
On-Behalf TPAF Post		
Retirement Medical Contribution	4,296,870.00	
On-Behalf of Term Disability Insurance	10,503.00	
On-Behalf of Social Security	<u>3,517,474.37</u>	
		<u>12,981,745.37</u>
Adjusted General Fund Expenditures		\$ 112,027,898.66
Applicable Excess Surplus Percentage		<u>0.02</u>
2% of Adjusted 2015-2016 General Fund Expenditures		\$ <u>2,240,557.97</u>
Higher of line above or \$250,000.00		\$ 2,240,557.97
Increased by:		
Extraordinary Aid		108,225.00
Allowable Adjustment- Unappropriated State Aid		<u>28,379.00</u>
Maximum Unreserved/ Undesignated Fund Balance		\$ 2,377,161.97
Actual Unreserved/ Undesignated Fund Balance		<u>5,262,762.94</u>
Excess Surplus-Budgetary Basis		<u><u>\$ 2,885,600.97</u></u>

**City of Linden School District**  
**Notes to the Financial Statements**  
**June 30, 2017**

**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, 2016		\$	16,118,763.90
Increased by:			
Transfers In	\$		3,000,000.00
Interest			<u>10,590.77</u>
			<u>3,010,590.77</u>
		\$	<u>19,129,354.67</u>
Decreased by:			
Budgeted Withdrawals	\$		2,740,000.00
Transfers to Capital Fund			<u>1,025,000.00</u>
			<u>3,765,000.00</u>
Balance June 30, 2017		\$	<u><u>15,364,354.67</u></u>

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2017 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, 2017**

**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, 2017 is as follows:

Balance June 30, 2016	\$ 924,382.43
Increased by:	
Interest	924.79
Balance June 30, 2017	\$ 925,307.22

**NOTE 19: SUBSEQUENT EVENTS**

The District has evaluated material subsequent events occurring after the financial statement date through November 3, 2017 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, 2017 was restated as follows:

	<u>Governmental Activities</u>
Beginning Net Position 6/30/16	\$ 38,920,5572.92
Adjustments:	
Cancelled Accounts Receivables	(9,238.09)
Beginning Net Position 06/30/16 (As restated)	\$ 38,911,334.83

**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, 2017

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$89,814,375.00		\$89,814,375.00	\$89,814,375.00	
Tuition	30,000.00		30,000.00	28,947.22	(\$1,052.78)
Tuition from other LEAs	92,000.00		92,000.00	157,765.61	65,765.61
Tuition from other sources	500.00		500.00	28,945.95	28,945.95
Interest earned on emergency reserve funds	3,000.00		3,000.00	924.79	424.79
Interest earned on capital reserve funds	500,000.00		500,000.00	10,590.77	7,590.77
Miscellaneous				168,251.98	(331,748.02)
<b>Total - local sources</b>	<u>90,439,875.00</u>		<u>90,439,875.00</u>	<u>90,209,801.32</u>	<u>(230,073.68)</u>
State sources:					
Extraordinary Aid	426,123.00		426,123.00	534,348.00	108,225.00
Categorical Special Education Aid	3,637,033.00		3,637,033.00	3,637,033.00	
Equalization Aid	16,893,594.00		16,893,594.00	16,893,594.00	
Categorical Security Aid	407,427.00		407,427.00	407,427.00	
Categorical Transportation Aid	231,526.00		231,526.00	231,526.00	
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	
Professional Learning Community Aid	57,890.00		57,890.00	57,890.00	
Other State Aids	186,319.00		186,319.00		(186,319.00)
Non-Public School Transportation Aid (non-budgeted)				28,379.00	28,379.00
On-behalf TPAF Pension Contributions (non-budgeted)				5,156,898.00	5,156,898.00
On-behalf TPAF Post Retirement Medical Cont. (non-budgeted)				4,296,870.00	4,296,870.00
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				10,503.00	10,503.00
Reimbursed TPAF Social Security cont. (non-budgeted)				3,517,474.37	3,517,474.37
<b>Total - state sources</b>	<u>21,955,392.00</u>		<u>21,955,392.00</u>	<u>34,887,422.37</u>	<u>12,932,030.37</u>
Federal sources:					
Medicaid Reimbursement	178,962.00		178,962.00	305,061.45	126,099.45
AARA/SEMI	178,962.00		178,962.00	22,578.85	22,578.85
<b>Total revenues</b>	<u>\$112,574,229.00</u>		<u>\$112,574,229.00</u>	<u>\$125,424,863.99</u>	<u>\$12,850,634.99</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, 2017

	<u>ADOPTED</u> <u>BUDGET</u>	<u>BUDGET</u> <u>TRANSFERS AND</u> <u>AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE/</u> <u>(UNFAVORABLE)</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	\$1,474,482.00		\$1,474,482.00	\$1,385,589.74	\$88,892.26
Grades 1-5	11,846,434.00	(\$233,999.00)	11,612,435.00	11,289,512.28	322,922.72
Grades 6-8	6,326,050.00	(282,307.00)	6,043,743.00	5,599,839.30	443,903.70
Grades 9-12	8,094,832.00	196,087.00	8,290,919.00	8,133,388.93	157,530.07
Regular programs - home instruction:					
Salaries of teachers	138,985.00	(7,745.00)	131,240.00	131,237.50	2.50
Purchased professional educational services	60,000.00	(12,273.00)	47,727.00	19,671.76	28,055.24
Regular programs - undistributed instruction:					
Other salaries for instruction	1,475,275.00	24,499.00	1,499,774.00	1,450,182.03	49,591.97
Unused vacation pay to Terminated/Retired Staff	75,000.00	(35,415.00)	39,585.00		39,585.00
Purchased professional - educational services	21,500.00	8,073.50	29,573.50	22,729.50	6,844.00
Other purchased services (400 - 500 series)	1,637,958.00	301,306.30	1,939,264.30	1,805,416.00	133,848.30
General supplies	1,175,012.00	778,621.23	1,953,633.23	1,203,006.22	750,627.01
Textbooks	92,200.00	(48,644.86)	43,555.14	28,461.29	15,093.85
Other objects	40,900.00	8,698.00	49,598.00	33,451.15	16,146.85
<b>Total regular programs</b>	<u>32,458,628.00</u>	<u>696,901.17</u>	<u>33,155,529.17</u>	<u>31,102,485.70</u>	<u>2,053,043.47</u>
<b>Learning and/or language disabilities:</b>					
Salaries of teachers	972,251.00	(60,665.00)	911,586.00	899,204.29	12,381.71
Other salaries for instruction	296,164.00		296,164.00	279,257.55	16,906.45
Other purchased services (400 - 500 series)		1,276.00	1,276.00	1,275.89	0.11
<b>Total learning and/or language disabilities</b>	<u>\$1,268,415.00</u>	<u>(\$59,389.00)</u>	<u>\$1,209,026.00</u>	<u>\$1,179,737.73</u>	<u>\$29,288.27</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, 2017

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
(Continued from prior page)					
Behavioral disabilities:					
Salaries of teachers	\$413,883.00	(\$128,255.00)	\$285,628.00	\$233,550.75	\$52,077.25
Other salaries for instruction	132,054.00	\$8,717.00	140,771.00	100,036.18	40,734.82
General supplies	10,500.00	452.40	10,952.40	7,039.82	3,912.58
Other objects	5,500.00		5,500.00	1,804.86	3,695.14
Total behavioral disabilities	561,937.00	(119,085.60)	442,851.40	342,431.61	100,419.79
Multiple disabilities:					
Salaries of teachers	334,477.00	209,612.00	544,089.00	544,088.80	0.20
Other salaries for instruction	166,727.00	10,129.00	176,856.00	176,813.42	42.58
General supplies	1,000.00		1,000.00	914.03	85.97
Total multiple disabilities	502,204.00	219,741.00	721,945.00	721,816.25	128.75
Resource room:					
Salaries of teachers	4,425,961.00	12,051.00	4,438,012.00	4,435,810.66	2,201.34
Other salaries for instruction	836,460.00	48,556.00	885,016.00	883,687.56	1,328.44
General supplies	29,140.00	(17,959.98)	11,180.02	11,136.97	43.05
Total resource room	5,291,561.00	42,647.02	5,334,208.02	5,330,635.19	3,572.83
Autism:					
Salaries of teachers	422,965.00		422,965.00	422,522.98	442.02
Other salaries for instruction	215,336.00	(42,000.00)	173,336.00	172,842.00	494.00

LINDEN BOARD OF EDUCATION  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEARS ENDED JUNE 30, 2017

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
(Continued from prior page)					
General supplies	\$2,000.00	(\$1,000.00)	\$1,000.00	\$481.91	\$518.09
Total autism	640,301.00	(43,000.00)	597,301.00	595,846.89	1,454.11
Preschool disabilities - full-time:					
Salaries of teachers	551,962.00		551,962.00	503,747.65	48,214.35
Other salaries for instruction	350,745.00	(300.00)	350,445.00	269,883.14	80,561.86
General supplies	1,000.00		1,000.00	1,000.00	
Total preschool disabilities - full time	903,707.00	(300.00)	903,407.00	774,630.79	128,776.21
Home instruction:					
Purchased professional-educational services	10,000.00	33,506.00	43,506.00	39,801.00	3,705.00
Total home instruction	10,000.00	33,506.00	43,506.00	39,801.00	3,705.00
Total special education	9,178,125.00	74,119.42	9,252,244.42	8,964,899.46	267,344.96
Basic skills/remedial:					
Salaries of teachers	398,971.00	31,349.00	430,320.00	430,318.87	1.13
General supplies	1,999.00	(69.00)	1,930.00	860.97	1,069.03
Total basic skills/remedial	400,970.00	31,280.00	432,250.00	431,179.84	1,070.16
Bilingual education:					
Salaries of teachers	1,262,841.00	9,504.00	1,272,345.00	1,272,344.69	0.31
Other salaries for instruction	139,455.00	(23,238.00)	116,217.00	115,874.33	342.67
Total bilingual education	\$1,402,296.00	(\$13,734.00)	\$1,388,562.00	\$1,388,219.02	\$342.98

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, 2017

	<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)					
Vocational programs - local - instruction:					
Salaries of teachers	\$919,273.00	(\$14,259.00)	\$905,014.00	\$723,772.68	\$181,241.32
General supplies	55,000.00	(\$2,584.00)	52,416.00	51,434.49	981.51
Textbooks	8,750.00	5,214.00	13,964.00	13,963.75	0.25
Other objects	3,000.00	193.00	3,193.00	3,055.00	138.00
<b>Total vocational programs - local - instruction</b>	<b>986,023.00</b>	<b>(11,436.00)</b>	<b>974,587.00</b>	<b>792,225.92</b>	<b>182,361.08</b>
School sponsored cocurricular activities - instruction:					
Salaries of teachers	287,003.00	2,755.00	289,758.00	120,663.81	169,094.19
Purchased services (300 - 500 series)	10,450.00	(2,100.00)	8,350.00	8,257.88	92.12
Supplies and materials	10,510.00	6,733.80	17,243.80	14,461.66	2,782.14
Other objects	400.00	(400.00)			
<b>Total school sponsored cocurricular activities instruction</b>	<b>308,363.00</b>	<b>6,988.80</b>	<b>315,351.80</b>	<b>143,383.35</b>	<b>171,968.45</b>
School sponsored athletics:					
Salaries	550,000.00	65,973.00	615,973.00	615,973.00	
Purchased services (300 - 500 series)	68,350.00	(8,135.47)	60,214.53	58,489.95	1,724.58
Supplies and materials	150,000.00	24,763.88	174,763.88	161,114.38	13,649.50
Other objects	50,000.00	(6,250.00)	43,750.00	42,872.62	877.38
Transfer to cover deficit (Agency Funds)	35,000.00	(4,000.00)	31,000.00	22,232.00	8,768.00
<b>Total school sponsored athletics</b>	<b>\$853,350.00</b>	<b>\$72,351.41</b>	<b>\$925,701.41</b>	<b>\$900,681.95</b>	<b>\$25,019.46</b>

LINDEN BOARD OF EDUCATION  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEARS ENDED JUNE 30, 2017

	<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)					
Summer School:					
Salaries	\$100,000.00	\$23,671.03	\$123,671.03	\$123,670.77	\$0.26
Other salaries for instruction	60,000.00		60,000.00	59,633.27	366.73
General supplies	500.00		500.00	123.01	376.99
Total Summer School	160,500.00	23,671.03	184,171.03	183,427.05	743.98
Alternative Education Program - Instruction					
Salaries of teachers	173,840.00	(173,416.00)	424.00		424.00
General supplies		16,673.11	16,673.11	15,552.90	1,120.21
Other objects		326.89	326.89	326.89	
Total alternative Education Program - Instruction	173,840.00	(156,416.00)	17,424.00	15,879.79	1,544.21
Total other instructional programs	4,285,342.00	(47,294.76)	4,238,047.24	3,854,996.92	383,050.32
Total - instruction	45,922,095.00	723,725.83	46,645,820.83	43,942,382.08	2,703,438.75
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	65,120.00		65,120.00	62,177.53	2,942.47
Tuition to other LEA's within the state-special	2,981,648.00	49,765.16	3,031,413.16	3,031,288.78	124.38
Tuition to county vocational school district-regular	765,000.00	(38,576.00)	726,424.00	705,750.00	20,674.00
Tuition to county vocational school district-special	152,000.00	(8,000.00)	144,000.00	90,100.00	53,900.00
Tuition to CSSD & reg. day schools	92,138.00	68,603.00	160,741.00	118,364.00	42,377.00
Tuition to private schools for the disabled w/in state	7,068,389.00	(548,803.17)	6,519,585.83	5,955,725.88	563,859.95
Tuition-state facilities	200,282.00	(30,448.00)	169,834.00	164,817.00	5,017.00
Tuition-other	672,799.00	(38,155.00)	634,644.00	498,067.00	136,577.00
Total undistributed expenditures - instruction	\$11,932,256.00	(\$480,494.01)	\$11,451,761.99	\$10,626,290.19	\$825,471.80

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, 2017

	<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)					
Attendance and social work services:					
Salaries	\$193,484.00	(\$3,000.00)	\$190,484.00	\$165,509.32	\$24,974.68
Other Purchased services (400 - 500 series)	9,000.00	(3,037.00)	5,963.00	2,488.34	3,474.66
Supplies and materials	700.00		700.00	700.00	
Total attendance and social work services	<u>203,184.00</u>	<u>(6,037.00)</u>	<u>197,147.00</u>	<u>168,697.66</u>	<u>28,449.34</u>
Health services:					
Salaries	1,409,840.00	12,850.00	1,422,690.00	1,416,217.59	6,472.41
Purchased professional and technical services	31,000.00	(2,517.00)	28,483.00	17,000.00	11,483.00
Other Purchased services (400 - 500 series)	7,025.00	(3,333.00)	3,692.00	2,317.74	1,374.26
Supplies and materials	19,450.00	(723.04)	18,726.96	14,125.39	4,601.57
Other objects	2,500.00	725.63	3,225.63	3,003.50	222.13
Total health services	<u>1,469,815.00</u>	<u>7,002.59</u>	<u>1,476,817.59</u>	<u>1,452,664.22</u>	<u>24,153.37</u>
Other support services - student related services:					
Salaries	849,485.00		849,485.00	790,319.25	59,165.75
Purchased professional - educational services	845,000.00	(181,000.00)	664,000.00	571,294.08	92,705.92
Supplies and materials	3,000.00		3,000.00	3,000.00	3,000.00
Total other support services - students related services	<u>1,697,485.00</u>	<u>(181,000.00)</u>	<u>1,516,485.00</u>	<u>1,361,613.33</u>	<u>154,871.67</u>
Other support services - students - regular:					
Salaries of other professional staff	761,823.00	(6,010.00)	755,813.00	713,837.31	41,975.69
Salaries of secretarial and clerical assistants	214,153.00	(500.00)	213,653.00	189,651.09	24,001.91
Unused vacation Pay to Terminated/Retired Staff		1,830.76	1,830.76	1,830.36	
Other Purchased services (400 - 500 series)	1,000.00	14,887.00	15,887.00	14,508.47	1,378.53
Supplies and materials	30,000.00	5,203.98	35,203.98	29,415.95	5,788.03
Total other support services - students - regular	<u>\$1,006,976.00</u>	<u>\$15,411.74</u>	<u>\$1,022,387.74</u>	<u>\$949,243.18</u>	<u>\$73,144.16</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, 2017

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other support services - students - special services:					
Salaries of other professional staff	\$1,926,449.00	\$69,769.14	\$1,996,218.14	\$1,980,402.91	\$15,815.23
Salaries of secretarial and clerical assistants	360,448.00	526.00	360,974.00	360,901.74	72.26
Purchased professional - educational services		158,135.00	158,135.00	125,084.00	33,051.00
Other Purchased services (400 - 500 series)	13,000.00	(2,022.17)	10,977.83	8,846.41	2,131.42
Misc pur serv (400-500 series O/than resid costs)	226,000.00		226,000.00	145,987.79	80,012.21
Supplies and materials	24,000.00	8,076.93	32,076.93	31,963.12	113.81
Other objects	1,000.00		1,000.00	664.00	336.00
<b>Total other support services - students - special services</b>	<b>2,550,897.00</b>	<b>234,484.90</b>	<b>2,785,381.90</b>	<b>2,653,849.97</b>	<b>131,531.93</b>
Improvement of instruction services/ other support services-instructional staff:					
Salaries of supervisors of instruction	1,070,875.00	54,235.00	1,125,110.00	1,101,465.27	23,644.73
Salaries of other professional staff	166,936.00		166,936.00	166,935.84	0.16
Salaries of secretarial and clerical assistants	484,646.00	(500.00)	484,146.00	396,971.45	87,174.55
Salaries of Facilitators, Math/Lit.Coaches	1,022,069.00	1,356.00	1,023,425.00	922,622.80	100,802.20
Unused Vacation Payment to Terminated/Retired Staff	27,500.00	(620.82)	26,879.18		
Purchased professional - educational services	11,650.00	(9,968.00)	1,682.00	913.00	769.00
Other Purchased services (400 - 500 series)	181,655.00	(48,477.29)	133,177.71	111,428.56	21,749.15
Supplies and materials	38,676.00	44,901.76	83,577.76	63,980.31	19,597.45
Other objects	10,950.00	(1,690.00)	9,260.00	4,498.43	4,761.57
<b>Total improvement of instruction services/ other support services-instructional staff</b>	<b>3,014,957.00</b>	<b>39,236.65</b>	<b>3,054,193.65</b>	<b>2,768,815.66</b>	<b>258,498.81</b>
Educational media services/school library:					
Salaries	374,256.00		374,256.00	351,385.87	22,870.13
Salaries of Technology Coordinators	102,205.00		102,205.00	102,204.96	0.04
Purchased professional and Technical Services	500.00		500.00	500.00	500.00
Other purchased services (400 - 500 series)	5,500.00	(3,689.00)	1,811.00	1,240.60	570.40
Supplies and materials	\$69,300.00	23,924.92	93,224.92	51,496.62	41,728.30

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, 2017

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
(Continued from prior page)					
Other objects	\$1,500.00		\$1,500.00	\$610.00	\$890.00
Total educational media services/school library	553,261.00	\$20,235.92	573,496.92	506,938.05	\$66,558.87
Instructional staff training services:					
Other salaries	11,100.00	(5,500.00)	5,600.00	480.00	5,120.00
Purchased professional - educational services	47,200.00	(16,601.00)	30,599.00	13,623.00	16,976.00
Other purchased services (400 - 500 series)	81,330.00	15,345.92	96,675.92	61,819.94	34,855.98
Supplies and materials	4,600.00	39,925.86	44,525.86	41,789.34	2,736.52
Other objects	4,100.00	150.00	4,250.00	1,388.75	2,861.25
Total instructional staff training services	148,330.00	33,320.78	181,650.78	119,101.03	62,549.75
Support services general administration:					
Salaries	346,714.00	54,187.50	400,901.50	361,244.18	39,657.32
Legal services	250,000.00	8,825.76	258,825.76	199,197.58	59,628.18
Audit fees	45,000.00		45,000.00	43,250.00	1,750.00
Architectural/Engineering Services	244,500.00	(46,890.09)	197,609.91	194,793.70	2,816.21
Other purchased professional services	50,000.00	(8,000.00)	42,000.00	1,872.50	40,127.50
Purchased technical services	20,000.00		20,000.00	2,917.20	17,082.80
Communications / telephone	600,000.00		600,000.00	419,505.15	180,494.85
BOE other purchased services	7,000.00	1,116.00	8,116.00	6,715.80	1,400.20
Other purchased services	66,350.00	2,174.00	68,524.00	57,858.90	10,665.10
Supplies and materials	56,000.00	(7,869.50)	48,130.50	26,465.65	21,664.85
BOE in-house training/meeting supplies	7,000.00	(225.00)	6,775.00	3,013.63	3,761.37
Judgments against the school district	100,000.00	(96,000.00)	4,000.00	4,000.00	
Miscellaneous expenditures	50,000.00	2,185.60	52,185.60	44,175.51	8,010.09
BOE membership dues and fees	29,000.00		29,000.00	26,662.70	2,337.30
Total support services general administration	\$1,871,564.00	(\$90,495.73)	\$1,781,068.27	\$1,391,672.50	\$389,395.77

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, 2017

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
(Continued from prior page)					
Support services school administration:					
Salaries of principals/asst. principals	\$3,410,300.00	\$28,118.00	\$3,438,418.00	\$3,418,175.48	\$20,242.52
Salaries of secretarial and clerical assistants	1,328,094.00	26,560.32	1,354,654.32	1,348,662.32	5,992.00
Unused Vacation Payment to Terminated/Retired Staff	65,000.00	(34,678.32)	30,321.68	29,878.34	
Purchased professional and Technical Services	20,300.00	(20,300.00)			
Other purchased services (400 - 500 series)	75,375.00	(2,227.75)	73,147.25	20,843.33	52,303.92
Supplies and materials	83,665.00	100,427.91	184,092.91	154,937.68	29,155.23
Other objects	15,550.00	(3,832.00)	11,718.00	9,210.88	2,507.12
<b>Total support services school administration</b>	<b>4,998,284.00</b>	<b>94,068.16</b>	<b>5,092,352.16</b>	<b>4,981,708.03</b>	<b>110,200.79</b>
Central service:					
Salaries	995,999.00	65.00	996,064.00	992,283.48	3,780.52
Purchased professional services	50,000.00	1,740.80	51,740.80	10,136.87	41,603.93
Purchased technical services	25,000.00	(25,000.00)			
Miscellaneous purchased services (400-500 series)	155,000.00	(25,000.00)	130,000.00	71,600.53	58,399.47
Supplies and materials	60,000.00		60,000.00	23,687.80	36,312.20
Interest on lease purchase agreements	170,000.00	(22,000.00)	148,000.00	136,181.26	11,818.74
Other Objects	15,000.00		15,000.00	4,982.32	10,017.68
<b>Total central services</b>	<b>1,470,999.00</b>	<b>(70,194.20)</b>	<b>1,400,804.80</b>	<b>1,238,872.26</b>	<b>161,932.54</b>
Administrative information technology:					
Salaries	750,787.00	21,965.00	772,752.00	768,956.28	3,795.72
Purchased technical services	7,500.00	(1,539.00)	5,961.00	5,961.00	
Other purchased services (400 - 500 series)	201,618.00	(1,749.00)	199,869.00	197,984.29	1,884.71
Supplies and materials	65,000.00	1,691.60	66,691.60	65,836.15	855.45
Other objects	500.00		500.00	15.00	485.00
<b>Total administrative information technology</b>	<b>\$1,025,405.00</b>	<b>\$20,368.60</b>	<b>\$1,045,773.60</b>	<b>\$1,038,752.72</b>	<b>\$7,020.88</b>



LINDEN BOARD OF EDUCATION  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEARS ENDED JUNE 30, 2017

	<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)					
Required maintenance for school facilities:					
Salaries	\$213,990.00	\$22,560.00	\$236,550.00	\$236,547.83	\$2.17
Cleaning, repair and maintenance services	1,313,000.00	256,915.00	1,569,915.00	1,151,354.00	418,561.00
General supplies	445,000.00	(120,681.07)	324,318.93	265,080.80	59,238.13
Other objects	15,000.00	(4,200.00)	10,800.00	6,560.75	4,239.25
Total required maintenance for school facilities	<u>1,986,990.00</u>	<u>154,593.93</u>	<u>2,141,583.93</u>	<u>1,659,543.38</u>	<u>482,040.55</u>
Other operation and maint. of plant :					
Salaries	4,393,571.00	(61,423.00)	4,332,148.00	4,275,370.01	56,777.99
Purchased professional and technical services	25,000.00	(15,465.00)	9,535.00	9,535.00	0.00
Cleaning, repair and maint. services	141,000.00	14,976.94	155,976.94	135,935.89	20,041.05
Rental of land & building other than lease purchase agreement	786,000.00	(26,007.09)	759,992.91	680,089.81	79,903.10
Other purchased property services	201,000.00	(7,974.00)	193,026.00	176,542.26	16,483.74
Insurance	630,000.00	(1,347.00)	628,653.00	587,941.93	40,711.07
Miscellaneous purchased services	193,500.00	1,238.00	194,738.00	191,986.28	2,751.72
General supplies	201,500.00	56,516.35	258,016.35	251,410.30	6,606.05
Energy (natural gas)	700,000.00	5,381.00	705,381.00	409,996.40	295,384.60
Energy (heat and electricity)	1,300,000.00	8,015.00	1,308,015.00	961,656.98	346,358.02
St. Elizabeth's Fuel Oil		2,697.09	2,697.09	432.86	2,264.23
Energy (Gasoline)	24,000.00		24,000.00	9,290.71	14,709.29
Other objects	1,000.00		1,000.00	1,000.00	0.00
Total other operation and maint. of plant	<u>8,596,571.00</u>	<u>(23,391.71)</u>	<u>8,573,179.29</u>	<u>7,680,653.43</u>	<u>892,525.86</u>
Other care and upkeep of grounds					
Salaries	193,208.00		193,208.00	193,207.68	0.32
General supplies	6,000.00		6,000.00	1,290.75	4,709.25
Total other care and upkeep of grounds	<u>\$199,208.00</u>		<u>\$199,208.00</u>	<u>\$194,498.43</u>	<u>\$4,709.57</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, 2017

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
(Continued from prior page)					
Other security:					
Salaries	\$677,347.00	(\$4,715.00)	\$672,632.00	\$642,415.28	\$30,216.72
Purchased professional and technical services	100,000.00	2,600.00	102,600.00	102,586.00	14.00
Total other security	777,347.00	(2,115.00)	775,232.00	745,001.28	30,230.72
Student transportation services:					
Salaries for pupil transportation (between home and school) - regular	147,761.00	-18,661.00	129,100.00	107,464.79	21,635.21
Management Fee - ESC & CTSA trans. Program	90,000.00	6,711.00	96,711.00	96,698.38	12.62
Cleaning, repair and maintenance services	2,000.00		2,000.00	751.12	
Contracted services - aid in lieu pymts-non public sch	150,000.00	(17,163.00)	132,837.00	114,478.00	18,359.00
Contracted services (between home & school) - vendors	1,140,800.00	(279,550.00)	861,250.00	859,082.03	2,167.97
Contracted services (other than between home and school) - vendors	479,992.00	(38,638.52)	441,353.48	417,839.65	23,513.83
Contracted services (other than between home and school) - joint agreements	24,480.00		24,480.00	24,480.00	
Contracted services (spec ed students) - vendors	1,039,894.00	(339,170.58)	700,723.42	700,722.54	0.88
Contracted services (spec ed students) - joint agreements	1,529,300.00	849,400.00	2,378,700.00	2,378,620.63	79.37
General supplies	1,000.00		1,000.00	1,000.00	
Other objects	825.00		825.00	660.00	165.00
Total student transportation services	4,581,572.00	187,407.90	4,768,979.90	4,700,797.14	66,933.88
Unused vacation Pay to Terminated/Retired Staff:					
Unused vacation pay to Terminated/Retired Staff	85,833.78	85,833.78	85,833.78	85,833.78	
Unused vacation pay to Terminated/Retired Staff	6,107.00	6,107.00	6,107.00	6,106.50	0.50
Unused vacation Pay to Terminated/Retired Staff	9,435.00	9,435.00	9,435.00	9,013.00	422.00
Unused vacation Pay to Terminated/Retired Staff	870.00	870.00	870.00	870.00	
Unused vacation Pay to Terminated/Retired Staff	126.00	126.00	126.00	126.00	
Unused vacation Pay to Terminated/Retired Staff	29,935.00	29,935.00	29,935.00	29,213.00	722.00
Unused vacation Pay to Terminated/Retired Staff	9,870.00	9,870.00	9,870.00	9,870.00	
Unused vacation Pay to Terminated/Retired Staff	8,212.00	8,212.00	13,212.00	13,212.00	
Total Unused vacation Pay to Terminated/Retired Staff:	\$5,000.00	\$150,388.78	\$155,388.78	\$154,244.28	\$1,144.50

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, 2017

	<u>ADOPTED</u>	<u>BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>BUDGET</u>	<u>TRANSFERS AND</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(UNFAVORABLE)</u>
	<u>BUDGET</u>	<u>AMENDMENTS</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(UNFAVORABLE)</u>
(Continued from prior page)					
Unallocated benefits - employee benefits:					
Group insurance	\$25,000.00	\$5,405.00	\$30,405.00	\$822.35	\$29,582.65
Social security contributions	1,300,000.00	80,592.00	1,380,592.00	1,350,221.73	30,370.27
Other retirement contributions - PERS	1,679,000.00	(80,592.00)	1,598,408.00	1,541,311.77	57,096.23
Other retirement contributions - Regular	25,000.00	5,000.00	30,000.00	29,882.59	117.41
Unemployment compensation	400,000.00	(268,650.00)	131,350.00	65.00	131,285.00
Workmen's compensation	739,500.00		739,500.00	536,304.34	203,195.66
Health benefits	16,087,742.00	(301,377.92)	15,786,364.08	14,901,376.33	884,987.75
Other employee benefits	45,000.00	22,375.20	67,375.20	67,375.20	
Unused Sick Payments to Terminated/Retired Staff	40,000.00	5,000.00	45,000.00	10,395.91	34,604.09
Total unallocated benefits - employee benefits:	<u>20,341,242.00</u>	<u>(532,247.72)</u>	<u>19,808,994.28</u>	<u>18,437,755.22</u>	<u>1,371,239.06</u>
Interest earned on current expense emergency reserve	<u>500.00</u>		<u>500.00</u>		<u>500.00</u>
On-behalf TPAF Pension Contributions (non-budgeted)				5,156,898.00	(5,156,898.00)
On-behalf TPAF Post Retirement Medical Cont. (non-budgeted)				4,296,870.00	(4,296,870.00)
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				10,503.00	(10,503.00)
Reimbursed TPAF Social Security cont. (non-budgeted)				3,517,474.37	(3,517,474.37)
Total TPAF Pension/ Social Security				<u>12,981,745.37</u>	<u>(12,981,745.37)</u>
Total undistributed expenditures	<u>68,431,343.00</u>	<u>(429,455.42)</u>	<u>68,001,887.58</u>	<u>75,812,457.33</u>	<u>(7,839,141.55)</u>
TOTAL EXPENDITURES - CURRENT EXPENSE	<u>\$114,353,938.00</u>	<u>\$294,270.41</u>	<u>\$114,648,208.41</u>	<u>\$119,754,839.41</u>	<u>(\$5,135,202.80)</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, 2017

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
(Continued from prior page)					
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Grades 1 - 5	\$104,925.00	(\$3,485.00)	\$101,440.00	\$79,671.55	\$21,768.45
Grades 6 - 8	62,600.00	7,669.00	70,269.00	56,771.27	13,497.73
Grades 9 - 12	129,000.00	(4,990.00)	124,010.00	122,412.77	1,597.23
School Sponsored and Other Instructional program	10,000.00	33,222.66	43,222.66	43,222.66	
UE school admin.		76,593.60	76,593.60	76,593.60	
UE admin info technology	120,000.00		120,000.00	106,424.30	13,575.70
UE required Maintenance for school facilities	25,000.00	31,905.00	56,905.00	37,201.69	19,703.31
UE custodial services	25,000.00		25,000.00	9,603.30	15,396.70
Total equipment	\$476,525.00	\$140,915.26	\$617,440.26	\$531,901.14	\$85,539.12
Facilities acquisition and construction services:					
Architectural/Engineering Services	\$50,000.00	(\$50,000.00)			
Other purchased prof. and tech. services	25,000.00	(25,000.00)			
Construction services	2,540,000.00	1,056,774.00	3,596,774.00	3,327,558.48	269,215.52
Lease purchase agreements - principal	200,000.00	(35,000.00)	165,000.00	165,000.00	
Assessment for debt Service on SDA Funding	47,663.00		47,663.00	47,663.00	
Total facilities acquis. and const. services	2,862,663.00	946,774.00	3,809,437.00	3,540,221.48	269,215.52
Interest deposit to capital reserve	3,000.00	(3,000.00)			
<b>TOTAL CAPITAL OUTLAY</b>	<b>3,342,188.00</b>	<b>1,084,689.26</b>	<b>4,426,877.26</b>	<b>4,072,122.62</b>	<b>354,754.64</b>
<b>TRANSFER OF FUNDS TO CHARTER SCHOOLS</b>	<b>98,049.00</b>	<b>63,011.00</b>	<b>161,060.00</b>	<b>157,682.00</b>	<b>3,378.00</b>
<b>TOTAL EXPENDITURES</b>	<b>\$117,794,175.00</b>	<b>\$1,441,970.67</b>	<b>\$119,236,145.67</b>	<b>\$123,984,644.03</b>	<b>(\$4,777,070.16)</b>

LINDEN BOARD OF EDUCATION  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEARS ENDED JUNE 30, 2017

	<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)					
Excess (deficiency) of revenues over (under) expenditures	(\$5,219,946.00)	(\$1,441,970.67)	(\$6,661,916.67)	\$1,440,219.96	\$8,073,564.83
Other financing sources (uses)					
Transfers to Capital Projects Fund				(1,025,000.00)	(1,025,000.00)
Capital lease refunding				(54,912.04)	(54,912.04)
Total other financing sources				(1,079,912.04)	(1,079,912.04)
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	(\$5,219,946.00)	(\$1,441,970.67)	(\$6,661,916.67)	\$360,307.92	\$6,993,652.79
Fund balances, July 1 (Restated)	25,358,938.93		25,358,938.93	25,413,850.97	(54,912.04)
Fund balances, June 30	<u>\$20,138,992.93</u>	<u>(\$1,441,970.67)</u>	<u>\$18,697,022.26</u>	<u>\$25,774,158.89</u>	<u>\$7,077,136.63</u>
Recapitulation:					
Restricted Fund Balance:				\$925,307.22	
Emergency Reserve				15,364,354.67	
Capital Reserve				2,171,156.46	
Excess Surplus - Designated for Subsequent Year's Expenditure				2,885,600.97	
Excess Surplus Current Year				1,642,121.06	
Committed Fund Balance:					
Year-end encumbrances				408,456.54	
Assigned Fund Balance:				2,377,161.97	
Designated for subsequent year's expenditures				25,774,158.89	
Unassigned fund balance				(2,092,895.60)	
Reconciliation to governmental funds statements (GAAP):					
Last state aid payment not recognized on GAAP basis				<u>\$23,681,263.29</u>	
Fund balance per governmental funds (GAAP)					

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

	BUDGET		FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	TRANSFERS/ AMENDMENTS			
<b>REVENUES:</b>					
Federal sources	\$ 3,001,493.00	\$ 975,126.56	\$ 3,976,619.56	\$ 3,474,477.49	\$ (502,142.07)
State sources	3,388,286.00	(52,859.37)	3,335,426.63	2,827,302.06	(508,124.57)
Local sources	<u>85,000.00</u>	<u>676,254.39</u>	<u>761,254.39</u>	<u>541,559.03</u>	<u>(219,695.36)</u>
Total revenues	\$ <u>6,474,779.00</u>	\$ <u>1,598,521.58</u>	\$ <u>8,073,300.58</u>	\$ <u>6,843,338.58</u>	\$ <u>(1,229,962.00)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	\$ 970,077.00	\$ 282,029.23	\$ 1,252,106.23	\$ 1,033,004.77	\$ 219,101.46
Salaries of teachers	1,912,885.00	(54,360.05)	1,858,524.95	1,665,898.05	192,626.90
Other salaries	666,285.00	1,302.00	667,587.00	667,586.24	0.76
Purchased professional & technical services		193,668.00	193,668.00	129,681.09	63,986.91
Purchased professional & Educational services	2,453.00	(1,633.00)	820.00	820.00	
Other Purchased Services (400-500 series)	74,373.00	71,079.50	145,452.50	124,449.15	21,003.35
General supplies	105,000.00	453,997.22	558,997.22	438,189.03	120,808.19
Textbooks	5,387.00	1,492.07	6,879.07		6,879.07
Other objects	<u>4,000.00</u>	<u>27,817.85</u>	<u>31,817.85</u>	<u>26,081.50</u>	<u>5,736.35</u>
Total instruction	\$ <u>3,740,460.00</u>	\$ <u>975,392.82</u>	\$ <u>4,715,852.82</u>	\$ <u>4,085,709.83</u>	\$ <u>630,142.99</u>
Support services:					
Salaries	\$ 613,681.00	\$ (153,846.23)	\$ 459,834.77	\$ 408,233.99	\$ 51,600.78
Other Salaries		17,096.00	17,096.00	3,439.50	13,656.50
Salaries of program directors	84,295.00		84,295.00	84,294.96	0.04
Salaries of other professional staff	1,178,314.00	(120,598.00)	1,057,716.00	1,048,174.06	9,541.94
Salaries of master teachers	312,000.00		312,000.00	250,710.05	61,289.95
Personal services-employee benefits	502,037.00	627,114.47	1,129,151.47	827,125.01	302,026.46
Purchased professional technical services		28,140.00	28,140.00	16,500.00	11,640.00
Purchased professional educational services	30,992.00	35,440.00	66,432.00	30,957.00	35,475.00
Other purchased services		100,712.29	100,712.29	54,791.02	45,921.27
Travel	8,000.00	6,028.05	14,028.05	4,721.71	9,306.34
General supplies	5,000.00	56,723.31	61,723.31	22,086.45	39,636.86
Other objects		<u>473.87</u>	<u>473.87</u>		<u>473.87</u>
Total support services	\$ <u>2,734,319.00</u>	\$ <u>597,283.76</u>	\$ <u>3,331,602.76</u>	\$ <u>2,751,033.75</u>	\$ <u>580,569.01</u>
Facilities acquisition and const. services:					
Instructional equipment	\$ _____	\$ 25,845.00	\$ 25,845.00	\$ 6,595.00	\$ 19,250.00
Total facilities acquisition and const. services	\$ _____	\$ 25,845.00	\$ 25,845.00	\$ 6,595.00	\$ 19,250.00
Total expenditures	\$ <u>6,474,779.00</u>	\$ <u>1,598,521.58</u>	\$ <u>8,073,300.58</u>	\$ <u>6,843,338.58</u>	\$ <u>1,229,962.00</u>

CITY OF LINDEN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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	\$125,424,863.99	\$6,843,338.58
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.	2,075,797.60	
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)	(2,092,895.60)	
Adjust for encumbrances:		
Add prior year encumbrances		639,425.65
Less prior year encumbrances canceled		(937.54)
Less current year encumbrances		(724,154.67)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$125,407,765.99</u>	<u>\$6,757,672.02</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$123,984,644.03	\$6,843,338.58
Difference - budget to GAAP:		
Adjust for encumbrances:		
Add prior year encumbrances		639,425.65
Less prior year encumbrances canceled		(937.54)
Less current year encumbrances		(724,154.67)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$123,984,644.03</u>	<u>\$6,757,672.02</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

<u>Measurement Date</u> <u>June 30,</u>	<u>District's</u> <u>Proportion Share</u> <u>of the Net Pension</u> <u>Liability (Asset)</u>	<u>District's</u> <u>Proportionate</u> <u>Share of</u> <u>the Net Pension</u> <u>Liability (Asset)</u>	<u>District's</u> <u>Covered-Employee</u> <u>Payroll</u>	<u>District's</u> <u>Proportion Share</u> <u>of the Net Pension</u> <u>Liability (Asset)</u> <u>as a percentage</u> <u>of it's Covered-</u> <u>Employee Payroll</u>	<u>Plan Fiduciary</u> <u>Net Position</u> <u>as a percentage</u> <u>of the total</u> <u>Pension Liability</u>
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%
2016	0.1725149900%	50,423,611	11,798,188.00	427.38%	40.14%

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 June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2014	\$ 1,300,141	\$ 1,300,141	\$ -0-	\$ 11,288,700.00	11.52%
2015	1,339,885	1,339,885	-0-	11,403,646.00	11.75%
2016	1,417,730	1,417,730	-0-	11,798,188.00	12.02%
2017	1,512,490	1,512,490	-0-	11,852,412.00	12.76%

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%
2016	0.4523841353%	-0-	48,001,438.00	-0-	22.33%

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, 2017

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

The discount rate changed from 4.90% to 3.98% as of  
June 30, 2016.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

The discount rate changed from 4.13% to 3.22% as of  
June 30, 2016.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

City of Linden School District  
Special Revenue Fund  
Combining Schedule Of Revenues, And Expenditures - Budgetary Basis  
For The Fiscal Year Ended June 30, 2017

	TITLE I		TITLE II		TITLE III		Totals	
	2016-2017	PART D 2016-2017	PART A 2016-2017	IMMIGRANT 2016-2017	2016-2017	2016-2017	2016-2017	2016
<b>Total Brought Forward (Ex.E-1a)</b>								
\$	2,006,706.76	\$ 1,133,643.36	\$ 126,598.18	\$ 58,467.45	\$ 3,185.19	\$ 3,474,477.49	\$ 2,827,302.06	\$ 2,986,087.59
Federal Sources	541,559.03					541,559.03		244,135.95
State Sources								
Local Sources	5,375,567.85	1,133,643.36	126,598.18	58,467.45	3,185.19	6,843,338.58		6,863,240.72
Total Revenues								
<b>EXPENDITURES:</b>								
Instruction:								
Salaries	233,345.15	727,811.13	38,280.99	32,637.50	930.00	1,033,004.77		838,346.18
Salaries of Teachers	1,636,597.80	29,300.25				1,665,898.05		1,787,960.25
Other Salaries for Instruction	667,586.24	3,082.91	126,598.18			667,586.24		648,013.70
Purchased Professional - Technical Services	820.00					820.00		210,987.58
Purchased Professional - Educational Services	124,449.15	2,970.62				124,449.15		163,936.36
Other Purchased Services (400-500 series)	434,525.71				692.70	438,189.03		145,956.53
General Supplies								6,218.85
Textbooks								
Other Objects	25,433.50				648.00	26,081.50		53,855.35
Total Instruction	3,122,757.55	763,164.91	126,598.18	32,637.50	2,270.70	4,085,709.83		3,855,304.80
Support services:								
Salaries	193,382.51	132,950.88	65,737.00	16,163.60		408,233.99		414,863.08
Other Salaries	84,294.96	3,439.50				3,439.50		2,760.00
Salaries of Program Directors	1,048,174.06					84,294.96		83,937.48
Salaries of Other Professional Staff	250,710.05					1,048,174.06		1,110,678.38
Salaries of Master Teachers	566,417.02	229,890.84		9,666.35		250,710.05		238,214.32
Personal Services - Employee Benefits	12,500.00		21,150.80			827,125.01		915,140.04
Purchased Professional - Technical Services	30,957.00		4,000.00			16,500.00		70,550.00
Other Purchased Professional Services	41,483.91	693.75	11,698.87		914.49	30,957.00		38,350.00
Conf. Services/Trans	4,721.71					54,791.02		90,568.32
Travel	13,574.08	3,503.48	5,008.89			4,721.71		259.68
Supplies & Materials						22,086.45		7,405.72
Other Objects								34,992.02
Total support services	2,246,215.30	370,478.45	107,595.56	25,829.95	914.49	2,751,033.75		3,007,935.92
Facilities acquisition and const. serv.:								
Instructional Equipment	6,595.00					6,595.00		
Total facilities acquisition and const. serv.	6,595.00					6,595.00		
Total Expenditures	5,375,567.85	1,133,643.36	126,598.18	58,467.45	3,185.19	6,843,338.58		6,863,240.72
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, 2017

	Total Brought Forward (Ex.E-1B)	21 CENTURY TEACHING 2016-2017	21 CENTURY TEACHING 2015-2016	21 CENTURY SUPPLEMENT 2016-2017	MOYC	Total Carried Forward
<b>REVENUES:</b>						
Federal Sources	1,545,937.20	\$ 396,884.60	\$ 48,874.26	\$ 15,010.70	\$	2,006,706.76
State Sources	2,827,302.06				500.00	2,827,302.06
Local Sources	541,059.03					541,059.03
<b>Total Revenues</b>	<b>4,914,298.29</b>	<b>396,884.60</b>	<b>48,874.26</b>	<b>15,010.70</b>	<b>500.00</b>	<b>5,375,567.85</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries	270.00					233,345.15
Salaries of Teachers	1,636,597.80	198,261.40	28,081.25	6,732.50		1,636,597.80
Other Salaries for Instruction	667,586.24					667,586.24
Purchased Professional - Technical Services	820.00					820.00
Purchased Professional - Educational Services	124,449.15					124,449.15
Other Purchased Services (400-500 series)	416,118.39	10,644.17		7,763.15		434,525.71
General Supplies						
Textbooks	9,270.00	16,163.50				25,433.50
Other Objects						
<b>Total instruction</b>	<b>2,855,111.58</b>	<b>225,069.07</b>	<b>28,081.25</b>	<b>14,495.65</b>		<b>3,122,757.55</b>
Support services:						
Salaries	61,138.80	114,793.30	17,450.41			193,382.51
Other Salaries						
Salaries of Program Directors	84,294.96					84,294.96
Salaries of Other Professional Staff	1,048,174.06					1,048,174.06
Salaries of Master Teachers	250,710.05					250,710.05
Personal Services - Employee Benefits	529,365.53	34,216.00	2,320.44	515.05		566,417.02
Purchased Professional - Technical Services	30,957.00	12,500.00				43,457.00
Purchased Professional - Educational Services	34,871.49	6,612.42				41,483.91
Contr. Services Trans						
Travel	3,232.61	466.94	1,022.16		500.00	4,721.71
Supplies & Materials	9,847.21	3,226.87				13,074.08
Other Objects						
<b>Total support services</b>	<b>2,052,591.71</b>	<b>171,815.53</b>	<b>20,795.01</b>	<b>515.05</b>	<b>500.00</b>	<b>2,246,215.30</b>
Facilities acquisition and const. serv.:						
Instructional Equipment	6,595.00					6,595.00
Total facilities acquisition and const. serv.	6,595.00					6,595.00
<b>Total Expenditures</b>	<b>4,914,298.29</b>	<b>396,884.60</b>	<b>48,874.26</b>	<b>15,010.70</b>	<b>500.00</b>	<b>5,375,567.85</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>						
	\$	\$	\$	\$	\$	\$

City of Linden School District  
Special Revenue Fund  
Combining Schedule Of Revenues And Expenditures - Budgetary Basis  
For The Fiscal Year Ended June 30, 2017

	Total Brought Forward (Ex. E-1c)	Flow - Thru 2016-2017	I.D.E.A. Part B Pre-School 2016-2017	Learning and Leading	CONOCO	MCMANUS PDSIS	TARGET	STATE FARM YOUTH	Total Carried Forward
<b>REVENUES:</b>									
Federal Sources	\$ 2,827,302.06		\$ 39,061.00	\$	\$	\$	\$	\$	\$ 1,545,937.20
State Sources	404,409.82			4,242.20	128,833.62	2,126.47	139.61	1,307.31	2,827,302.06
Local Sources									541,059.03
Total Revenues	3,231,711.88	1,506,876.20	39,061.00	4,242.20	128,833.62	2,126.47	139.61	1,307.31	4,914,298.29
<b>EXPENDITURES:</b>									
Instruction:									
Salaries	1,503,426.80	133,171.00						270.00	270.00
Other Salaries for Instruction	667,586.24								1,636,597.80
Purchased Professional - Technical Services						720.00	100.00		667,586.24
Purchased Professional - Educational Services	124,449.15								820.00
Other Purchased Services (400-500 series)	295,698.71				119,282.41	1,137.27			124,449.15
General Supplies									416,118.39
Textbooks									
Other Objects	9,270.00								9,270.00
Total Instruction	2,600,430.90	133,171.00			119,282.41	1,857.27	100.00	270.00	2,855,111.58
Support services:									
Salaries	26,380.00		31,001.00	3,757.80					61,138.80
Other Salaries	84,294.96								84,294.96
Salaries of Program Directors	1,620.86	1,046,553.20							1,046,174.06
Salaries of Other Professional Staff	250,710.05								250,710.05
Personal Services - Employee Benefits	214,680.53	306,725.00	8,060.00						529,365.53
Purchased Professional - Technical Services	10,530.00	20,427.00							30,957.00
Purchased Professional - Educational Services	33,285.02				891.66		39.61	655.20	34,871.49
Other Purchased Professional Services									
Contr. Services Trans									
Travel	3,232.61			484.40					3,232.61
Supplies & Materials	2,451.95				6,259.55	269.20		382.11	9,847.21
Other Objects									
Total support services	627,085.98	1,373,705.20	39,061.00	4,242.20	7,151.21	269.20	39.61	1,037.31	2,052,591.71
Facilities acquisition and const. serv.:									
Instructional Equipment	4,195.00				2,400.00	538.40			6,595.00
Total facilities acquisition and const. serv.	4,195.00				2,400.00	538.40			6,595.00
Total Expenditures	3,231,711.88	1,506,876.20	39,061.00	4,242.20	128,833.62	2,126.47	139.61	1,307.31	4,914,298.29
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, 2017

	Total Brought Forward (Ex-E-1d)	CONFUCIUS	Joan K. Shropshire	PREVENT CHILD ABUSE	MERCK CAMS	K KIDS #4	INFINEUM	SOFHL STUDENT ACCOUNT	Total Carried Forward
<b>REVENUES:</b>									
Federal Sources	\$ 2,827,302.06								\$ 2,827,302.06
State Sources	383,392.56	4,959.41	46.00	31.76	5,535.17	457.50	5,000.00	4,987.42	404,409.82
Local Sources		4,959.41	46.00	31.76	5,535.17	457.50	5,000.00	4,987.42	3,231,711.88
<b>Total Revenues</b>	<b>3,210,694.62</b>	<b>4,959.41</b>	<b>46.00</b>	<b>31.76</b>	<b>5,535.17</b>	<b>457.50</b>	<b>5,000.00</b>	<b>4,987.42</b>	<b>3,231,711.88</b>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries	1,503,426.80								1,503,426.80
Salaries of Teachers	667,586.24								667,586.24
Other Salaries for Instruction									
Purchased Professional - Technical Services	124,091.65	240.70	46.00		2,658.67	357.50	5,000.00	3,311.34	124,449.15
Other Purchased Professional - Educational Services	289,342.00					100.00			295,698.71
General Supplies									
Textbooks	4,170.00								4,170.00
Other Objects									
<b>Total Instruction</b>	<b>2,988,616.69</b>	<b>240.70</b>	<b>46.00</b>		<b>2,658.67</b>	<b>457.50</b>	<b>5,000.00</b>	<b>3,411.34</b>	<b>2,600,430.90</b>
Support services:									
Salaries	26,380.00								26,380.00
Other Salaries	84,294.96								84,294.96
Salaries of Program Directors	1,620.86								1,620.86
Salaries of Other Professional Staff	250,710.05								250,710.05
Salaries of Master Teachers	214,580.53								214,580.53
Personal Services - Employee Benefits									
Purchased Professional - Technical Services	10,530.00	1,332.90			2,876.50				10,530.00
Other Purchased Professional - Educational Services	29,075.62								33,285.02
Contr Services Trans	245.00	2,987.61							3,232.61
Travel	445.91	386.20		31.76				1,576.08	2,451.95
Supplies & Materials									
Other Objects									
<b>Total support services</b>	<b>617,882.93</b>	<b>4,718.71</b>		<b>31.76</b>	<b>2,876.50</b>			<b>1,576.08</b>	<b>627,085.98</b>
Facilities acquisition and const. serv.:									
Instructional Equipment	4,195.00								4,195.00
<b>Total facilities acquisition and const. serv.</b>	<b>4,195.00</b>								<b>4,195.00</b>
<b>Total Expenditures</b>	<b>3,210,694.62</b>	<b>4,959.41</b>	<b>46.00</b>	<b>31.76</b>	<b>5,535.17</b>	<b>457.50</b>	<b>5,000.00</b>	<b>4,987.42</b>	<b>3,231,711.88</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$	\$	\$	\$	\$	\$

City of Linden School District  
 Special Revenue Fund  
 Combining Schedule Of Revenues, And Expenditures - Budgetary Basis  
 For The Fiscal Year Ended June 30, 2017

	ROTC	CITGO	MACBOOK	LINDEB CITY MANAGEMENT	SEVIS	TEACHER MENTOR	LEADER IN ME	Total Carried Forward
<b>Total Brought Forward (Ex-E-1e)</b>								
\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES:								
Federal Sources								2,827,302.06
State Sources	26,155.88	249.90	1,789.90	700.00	3,051.00	23,329.00	196.01	383,392.56
Local Sources	26,155.88	249.90	1,789.90	700.00	3,051.00	23,329.00	196.01	3,210,694.62
Total Revenues								
EXPENDITURES:								
Instruction:								
Salaries								1,503,426.80
Salaries of Teachers								667,586.24
Other Salaries for Instruction								
Purchased Professional - Technical Services								
Purchased Professional - Educational Services	1,628.00		1,789.90	700.00				124,091.65
Other Purchased Services (400-500 series)	606.26			700.00				289,342.00
General Supplies								
Textbooks								
Other Objects								4,170.00
Total Instruction	2,234.26		1,789.90	700.00				2,588,616.69
Support services:								
Salaries					3,051.00	23,329.00		26,380.00
Other Salaries								
Salaries of Program Directors								84,294.96
Salaries of Other Professional Staff								1,620.86
Salaries of Master Teachers								250,710.05
Personal Services - Employee Benefits								214,580.53
Purchased Professional - Technical Services								
Purchased Professional - Educational Services	23,921.62							10,530.00
Other Purchased Professional Services								5,154.00
Contr Services Trans								
Travel		249.90						245.00
Supplies & Materials							196.01	445.91
Other Objects								
Total support services	23,921.62	249.90			3,051.00	23,329.00	196.01	617,882.93
Facilities acquisition and const. serv.:								
Instructional Equipment								4,195.00
Total facilities acquisition and const. serv.								4,195.00
Total Expenditures	26,155.88	249.90	1,789.90	700.00	3,051.00	23,329.00	196.01	3,210,694.62
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, 2017

	Total Brought Forward (Ex. E-1f)	LEADERSHIP TRAINING	Baseball Grant	E-RATE	N.J. NONPUBLIC HOME INSTRUCTION AID	N.J. NONPUBLIC NURSING SERVICE	N.J. NONPUBLIC TECHNOLOGY AID	N.J. NONPUBLIC SECURITY AID	Total Carried Forward
<b>REVENUES:</b>									
Federal Sources	\$ 2,812,817.00	\$ 4,170.00	\$ 1,000.00	\$ 322,750.87	\$ 1,247.80	\$ 10,530.00	\$ 2,093.00	\$ 614.26	\$ 2,827,302.06
State Sources									\$ 327,920.87
Local Sources									
<b>Total Revenues</b>	<b>2,812,817.00</b>	<b>4,170.00</b>	<b>1,000.00</b>	<b>322,750.87</b>	<b>1,247.80</b>	<b>10,530.00</b>	<b>2,093.00</b>	<b>614.26</b>	<b>3,155,222.93</b>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries	1,502,179.00				1,247.80				1,503,426.80
Salaries of Teachers	667,586.24								667,586.24
Other Salaries for Instruction									
Purchased Professional - Technical Services	72,337.75			48,336.00					120,673.75
Purchased Professional - Educational Services	14,108.61		1,000.00	270,219.87			2,093.00	614.26	288,035.74
Other Purchased Services (400-500 series)									
General Supplies									
Textbooks									
Other Objects		4,170.00							4,170.00
<b>Total instruction</b>	<b>2,256,211.60</b>	<b>4,170.00</b>	<b>1,000.00</b>	<b>318,555.87</b>	<b>1,247.80</b>		<b>2,093.00</b>	<b>614.26</b>	<b>2,583,892.53</b>
Support services:									
Salaries									
Other Salaries	84,294.96								84,294.96
Salaries of Program Directors	1,620.86								1,620.86
Salaries of Other Professional Staff	250,710.05								250,710.05
Salaries of Master Teachers	214,580.53								214,580.53
Personal Services - Employee Benefits									
Purchased Professional - Technical Services	5,154.00					10,530.00			10,530.00
Purchased Professional - Educational Services									
Other Purchased Professional Services									
Contr Services Trans									
Travel	245.00								245.00
Supplies & Materials									
Other Objects									
<b>Total support services</b>	<b>556,605.40</b>					<b>10,530.00</b>			<b>567,135.40</b>
Facilities acquisition and const. serv.:									
Instructional Equipment				4,195.00					4,195.00
<b>Total facilities acquisition and const. serv.</b>	<b>4,195.00</b>	<b>4,195.00</b>							<b>4,195.00</b>
<b>Total Expenditures</b>	<b>2,812,817.00</b>	<b>4,170.00</b>	<b>1,000.00</b>	<b>322,750.87</b>	<b>1,247.80</b>	<b>10,530.00</b>	<b>2,093.00</b>	<b>614.26</b>	<b>3,155,222.93</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

City of Linden School District  
 Special Revenue Fund  
 Combining Schedule Of Revenues And Expenditures - Budgetary Basis  
 For The Fiscal Year Ended June 30, 2017

	N.J. NONPUBLIC AUXILIARY SERVICES - 192				N.J. NONPUBLIC HANDICAPPED SERVICES Ch. 193		Total Carried Forward
	PRE-SCHOOL	COMPENSATORY EDUCATION	ENGLISH AS A SECOND LANGUAGE	TRANSPORTATION	SUPPLEMENTAL INSTRUCTION	CORRECTIVE SPEECH	
REVENUES:							
Federal Sources	\$ 2,774,596.03	\$ 22,484.58	\$ 2,466.00	\$ 5,154.00	\$ 3,845.03	\$ 1,620.86	\$ 2,812,817.00
State Sources							
Local Sources							
Total Revenues	2,774,596.03	22,484.58	2,466.00	5,154.00	3,845.03	1,620.86	2,812,817.00
EXPENDITURES:							
Instruction:							
Salaries of Teachers	1,470,732.89	22,484.58	2,466.00		3,845.03		1,502,179.00
Other Salaries for Instruction	667,586.24						667,586.24
Purchased Professional - Technical Services							
Purchased Professional - Educational Services	72,337.75						72,337.75
Other Purchased Services (400-500 series)	14,108.61						14,108.61
General Supplies							
Travel							
Other Objects							
Total instruction	2,224,765.49	22,484.58	2,466.00		3,845.03		2,256,211.60
Support services:							
Salaries:							
Other Salaries	84,294.96						84,294.96
Salaries of Program Directors							
Salaries of Other Professional Staff							
Salaries of Secretarial & Clerical Staff						1,620.86	1,620.86
Other Salaries							
Salaries of Master Teachers	260,710.05						260,710.05
Personal Services - Employee Benefits	214,580.53						214,580.53
Purchased Professional - Technical Services							
Purchased Professional - Educational Services							
Other Purchased Professional Services				5,154.00			5,154.00
Purchased Technical Services							
Rentals							
Services, Trans	245.00						245.00
Contr Services Wrap Around Services							
Contr Services Field Trips							
Travel							
Supplies & Materials							
Other Objects							
Total support services	549,830.54			5,154.00		1,620.86	556,605.40
Facilities acquisition and const. serv.:							
Instructional Equipment							
Total facilities acquisition and const. serv.							
Total Expenditures	2,774,596.03	22,484.58	2,466.00	5,154.00	3,845.03	1,620.86	2,812,817.00
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, 2017

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$1,502,175.00	\$1,470,732.89	\$31,442.11
Other Salaries for Instruction	667,587.00	667,586.24	0.76
Other Purchased Services (400-500 Series)	74,373.00	72,337.75	2,035.25
General supplies	20,000.00	14,108.61	5,891.39
Other Objects	4,000.00		4,000.00
<b>Total instruction</b>	<u>2,268,135.00</u>	<u>2,224,765.49</u>	<u>43,369.51</u>
<b>Support Services</b>			
Salaries of Supervisors of Instruction	84,295.00	84,294.96	0.04
Salaries of Master Teachers	312,000.00	250,710.05	61,289.95
Personal Services - Employee Benefits	502,037.00	214,580.53	287,456.47
Purchased Educational Services - Contracted Pre-K	17,000.00		17,000.00
Purchased Professional - Educational Services	5,500.00		5,500.00
Travel	8,000.00	245.00	7,755.00
Supplies & Materials	5,000.00		5,000.00
<b>Total support services</b>	<u>933,832.00</u>	<u>549,830.54</u>	<u>384,001.46</u>
<b>Total expenditures</b>	<u>\$3,201,967.00</u>	<u>\$2,774,596.03</u>	<u>427,370.97</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2016-17 Preschool Education Aid Allocation	\$2,827,594.00
Add: Actual PreK Carryover (June 30, 2016)	<u>631,769.03</u>
Total Preschool Education Funds Available for 2016-17 Budget	3,459,363.03
Less: 2016-17 Budgeted Prek (Including prior year budgeted carryover)	<u>3,201,967.00</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2017	257,396.03
Add: June 30, 2017 Unexpended Preschool Education Aid	<u>427,370.97</u>
2016-17 actual Carryover-Preschool Education Aid	<u>\$684,767.00</u>
2016-17 Preschool Education Aid Carryover Budgeted for Preschool Programs 2017-18	<u>\$684,767.00</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, 2017

<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>	
Soehl School Parking Lot	1/24/2017	\$ <u>1,025,000.00</u>	\$ _____	\$ <u>945,864.55</u>	\$ <u>79,135.45</u>
Totals		\$ <u>1,025,000.00</u>	\$ _____	\$ <u>945,864.55</u>	\$ <u>79,135.45</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, 2017

REVENUES AND OTHER FINANCING SOURCES:	
Transfer from capital reserve and transfers	\$ <u>1,025,000.00</u>
Total revenues and other financing sources	\$ <u>1,025,000.00</u>
EXPENDITURES AND OTHER FINANCING USES:	
Land and improvements	\$ 728,786.00
Construction services	<u>217,078.55</u>
Total expenditures and other financing uses	\$ <u>945,864.55</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 79,135.45
Fund balance - July 1	<u>                    </u>
Fund balance - June 30	\$ <u><u>79,135.45</u></u>

CITY OF LINDEN SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS  
BUDGETARY BASIS - SOEHL SCHOOL PARKING LOT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Transfer from capital reserve and Transfers	\$	\$ 1,025,000.00	\$ 1,025,000.00	\$ 1,025,000.00
Total revenues and other financing sources	\$	\$ 1,025,000.00	\$ 1,025,000.00	\$ 1,025,000.00
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Land and improvements	\$	\$ 728,786.00	\$ 728,786.00	\$ 750,000.00
Construction services		217,078.55	217,078.55	275,000.00
Total expenditures and other financing uses	\$	\$ 945,864.55	\$ 945,864.55	\$ 1,025,000.00
Excess (deficiency) of revenues over (under) expenditures	\$	\$ 79,135.45	\$ 79,135.45	\$
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorized cost	\$	1,025,000.00		
Reduction in authorized cost				
Revised authorized cost	\$	1,025,000.00		
Percentage increase/(decrease) over original authorized cost			%	
Percentage completion		92.28%	%	
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.

<b>FOOD SERVICES FUND:</b>	This fund provides for the operation of food services within the school district.
<b>DAY CARE FUND:</b>	This fund provides for the operation of the Day Care Program within the school district.
<b>AFTER CARE FUND:</b>	This fund provides for the operation of the After Care Program within the school district.
<b>MAC BOOK FUND:</b>	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, 2017

	<u>FOOD SERVICE FUND</u>	<u>DAY CARE FUND</u>	<u>AFTER CARE FUND</u>	<u>MAC BOOK FUND</u>	<u>TOTAL ENTERPRISE</u>
<b>ASSETS:</b>					
Current assets:					
Cash and cash equivalents	\$861,032.38	\$63,962.26	\$239,844.14	\$322,740.90	\$1,487,579.68
Accounts receivable:					
Federal	117,684.28				117,684.28
State	2,081.67				2,081.67
Inventories	17,718.05				17,718.05
Total current assets	<u>998,516.38</u>	<u>63,962.26</u>	<u>239,844.14</u>	<u>322,740.90</u>	<u>1,625,063.68</u>
Noncurrent assets:					
Furniture, machinery & equipment	899,913.82				899,913.82
Less accumulated depreciation	<u>(740,681.11)</u>				<u>(740,681.11)</u>
Total noncurrent assets	<u>159,232.71</u>				<u>159,232.71</u>
Total assets	<u>1,157,749.09</u>	<u>63,962.26</u>	<u>239,844.14</u>	<u>322,740.90</u>	<u>1,784,296.39</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	91,846.42				91,846.42
Deferred revenue	<u>4,752.92</u>				<u>4,752.92</u>
Total current liabilities	<u>96,599.34</u>				<u>96,599.34</u>
Total liabilities	<u>96,599.34</u>				<u>96,599.34</u>
<b>NET POSITION:</b>					
Restricted for:					
Invested in capital assets net of related debt	159,232.71				159,232.71
Unrestricted	<u>901,917.04</u>	<u>63,962.26</u>	<u>239,844.14</u>	<u>322,740.90</u>	<u>1,528,464.34</u>
Total Net Position	<u>\$1,061,149.75</u>	<u>\$63,962.26</u>	<u>\$239,844.14</u>	<u>\$322,740.90</u>	<u>\$1,687,697.05</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, 2017

	FOOD SERVICE FUND	DAY CARE FUND	AFTER CARE FUND	MAC BOOK FUND	TOTAL ENTERPRISE
OPERATING REVENUES:					
Charges for services:					
Daily sales- reimbursable Programs	\$ 220,881.01	\$	\$	\$	220,881.01
Daily sales- non-reimbursable Programs	737,741.33	225,446.00	655,054.34	126,827.48	1,745,069.15
Total operating revenues	\$ 958,622.34	\$ 225,446.00	\$ 655,054.34	\$ 126,827.48	\$ 1,965,950.16
OPERATING EXPENSES:					
Cost of sales- reimbursable Programs	\$ 971,183.00	\$	\$	\$	971,183.00
Cost of sales- non-reimbursable Programs	138,600.00				138,600.00
Salaries and employee benefits	1,056,608.86	201,583.50	442,816.25		1,701,008.61
Other Purchased Service	14,294.24				14,294.24
Cleaning, Repairs and Maintenance	142,185.73			15,656.70	157,842.43
Insurance	80,163.39				80,163.39
Supplies and materials	109,076.76		28,293.97	9,653.21	147,023.94
Other Expenses	114,022.54		50.98	460.75	114,534.27
National food distribution commodities	277,186.37				277,186.37
Depreciation	17,019.06				17,019.06
Disposal of Fixed Asset - Net of Accumulated Depreciation	549.66				549.66
Total operating expenses	\$ 2,920,889.61	\$ 201,583.50	\$ 471,161.20	\$ 25,770.66	\$ 3,619,404.97
Net operating income (loss)	\$ (1,962,267.27)	\$ 23,862.50	\$ 183,893.14	\$ 101,056.82	\$ 1,653,454.81
NONOPERATING REVENUE (EXPENSE):					
State Sources					
State School Lunch Program	\$ 31,684.06	\$	\$	\$	31,684.06
Federal Sources					
National School Lunch Program	1,415,079.90				1,415,079.90
National School Lunch Program- HHFKA	37,748.28				37,748.28
National School Breakfast Program	248,779.15				248,779.15
National School Snack Program	15,734.56				15,734.56
National food distribution commodities	272,506.25				272,506.25
Other Income	2,188.75				2,188.75
Total nonoperating revenue (expense)	\$ 2,023,720.95	\$	\$	\$	2,023,720.95
Change in net position	\$ 61,453.68	\$ 23,862.50	\$ 183,893.14	\$ 101,056.82	\$ 370,266.14
Total net position - beginning	999,696.07	40,099.76	55,951.00	221,684.08	1,317,430.91
Total net position - ending	\$ 1,061,149.75	\$ 63,962.26	\$ 239,844.14	\$ 322,740.90	\$ 1,687,697.05

CITY OF LINDEN SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	FOOD SERVICE FUND	DAY CARE FUND	AFTER CARE FUND	MAC BOOK FUND	TOTAL ENTERPRISE
Cash flows from operating activities:					
Receipts from customers	\$ 1,233,110.38	\$ 225,446.00	\$ 657,752.67	\$ 126,827.48	\$ 2,243,136.53
Payments to employees and employee benefits	(1,019,427.28)	(201,583.50)	(442,816.25)		(1,663,827.03)
Payments to suppliers	<u>(1,849,695.11)</u>		<u>(28,344.94)</u>	<u>(25,770.66)</u>	<u>(1,903,810.71)</u>
Net cash provided (used) by operating activities	\$ <u>(1,636,012.01)</u>	\$ <u>23,862.50</u>	\$ <u>186,591.48</u>	\$ <u>101,056.82</u>	\$ <u>(1,324,501.21)</u>
Cash flows from noncapital financing activities:					
State sources	\$ 37,672.32				\$ 37,672.32
Federal sources	<u>1,911,567.08</u>				<u>1,911,567.08</u>
Net cash provided (used) by noncapital financing activities	\$ <u>1,949,239.40</u>				\$ <u>1,949,239.40</u>
Cash flows from investing activities:					
Interest on investments and deposits	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Net cash provided (used) by investing activities	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Cash flows from capital and related financing activities:					
ARRA equipment assistance grant					
Purchases of capital assets	\$ <u>40,049.04</u>				\$ <u>40,049.04</u>
Net cash provided (used) by capital and related financing activities	\$ <u>40,049.04</u>				\$ <u>40,049.04</u>
Net increase in cash and cash equivalents	\$ 273,178.35	\$ 23,862.50	\$ 186,591.48	\$ 101,056.82	\$ 664,787.23
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>
Cash and cash equivalents, June 30, 2017	<u>\$ 861,032.38</u>	<u>\$ 63,962.26</u>	<u>\$ 239,844.14</u>	<u>\$ 322,740.90</u>	<u>\$ 1,487,579.68</u>
Operating income(loss)	\$ (1,962,267.27)	\$ 23,862.50	\$ 183,893.14	\$ 101,056.82	\$ (1,653,454.81)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:					
Depreciation and net amortization	17,019.06				17,019.06
Disposal of Fixed Asset - Net of Accumulated Depreciation	549.66				549.66
Federal commodities	71,783.53				71,783.53
Change in assets and liabilities:					
(Increase) Decrease in Accounts Receivable	200,722.73		2,698.34		203,421.07
(Increase) Decrease in inventories	(3,567.69)				(3,567.69)
Increase (Decrease) in Deferred Revenue	4,680.12				4,680.12
Increase (Decrease) in accounts payable	35,067.85				35,067.85
Net cash provided (used) by operating activities	<u>\$ (1,636,012.01)</u>	<u>\$ 23,862.50</u>	<u>\$ 186,591.48</u>	<u>\$ 101,056.82</u>	<u>\$ (1,324,501.21)</u>

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

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

**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, 2017

	<u>TOTAL AGENCY TRUST FUNDS</u>			
	<u>AGENCY FUNDS</u>		<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>
	<u>STUDENT ACTIVITY</u>	<u>PAYROLL AGENCY</u>		
<b>ASSETS</b>				
Cash and cash equivalents	\$ 193,501.86	\$ 284.61	\$ 44,142.44	\$ 36,854.77
Total assets	<u>\$ 193,501.86</u>	<u>\$ 284.61</u>	<u>\$ 44,142.44</u>	<u>\$ 36,854.77</u>
<b>LIABILITIES</b>				
Payroll deductions and withholdings		284.61		
Due to student groups	\$ 193,501.86	\$	\$	\$
Total liabilities	<u>\$ 193,501.86</u>	<u>\$ 284.61</u>	<u>\$</u>	<u>\$</u>
<b>NET POSITION</b>				
Held in trust for unemployment claims and other purposes	\$	\$	\$ 44,142.44	\$ 36,854.77
Total net position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 44,142.44</u>	<u>\$ 36,854.77</u>

CITY OF LINDEN SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIVATE PURPOSE SCHOLARSHIP FUNDS</u>	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>TOTAL</u>
ADDITIONS:			
Contributions:			
Employee	\$	\$ 104,213.33	\$ 104,213.33
Local	10,681.60		10,681.60
	<u>10,681.60</u>	<u>104,213.33</u>	<u>114,894.93</u>
Total contributions	\$ <u>10,681.60</u>	\$ <u>104,213.33</u>	\$ <u>114,894.93</u>
Investment earnings:			
Interest earned	\$ 16.54	\$	\$ 16.54
	<u>16.54</u>	<u></u>	<u>16.54</u>
Net investment earnings	\$ <u>16.54</u>	\$ <u></u>	\$ <u>16.54</u>
Total additions	\$ <u>10,698.14</u>	\$ <u>104,213.33</u>	\$ <u>114,911.47</u>
DEDUCTIONS:			
Other purposes	\$ 6,000.00	\$	\$ 6,000.00
Unemployment claims		113,577.84	113,577.84
	<u>6,000.00</u>	<u>113,577.84</u>	<u>119,577.84</u>
Total deductions	\$ <u>6,000.00</u>	\$ <u>113,577.84</u>	\$ <u>119,577.84</u>
Change in net assets	\$ 4,698.14	\$ (9,364.51)	\$ (4,666.37)
Net position beginning of year	<u>32,156.63</u>	<u>53,506.95</u>	<u>85,663.58</u>
Net position end of year	<u><u>36,854.77</u></u>	<u><u>44,142.44</u></u>	<u><u>80,997.21</u></u>

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

	<u>BALANCE</u> <u>JUNE 30, 2016</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
ASSETS:				
Cash and cash equivalents	\$ <u>205,768.34</u>	\$ <u>337,413.87</u>	\$ <u>349,680.35</u>	\$ <u>193,501.86</u>
Total assets	\$ <u><u>205,768.34</u></u>	\$ <u><u>337,413.87</u></u>	\$ <u><u>349,680.35</u></u>	\$ <u><u>193,501.86</u></u>
LIABILITIES:				
Due student groups:				
High school	\$ 197,517.34	\$ 291,995.87	\$ 296,111.35	\$ 193,401.86
Athletic	<u>8,251.00</u>	<u>45,418.00</u>	<u>53,569.00</u>	<u>100.00</u>
	\$ <u><u>205,768.34</u></u>	\$ <u><u>337,413.87</u></u>	\$ <u><u>349,680.35</u></u>	\$ <u><u>193,501.86</u></u>

CITY OF LINDEN SCHOOL DISTRICT  
PAYROLL AGENCY FUNDS  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BALANCE</u> <u>JUNE 30, 2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ <u>1,318.60</u>	\$ <u>75,806,320.57</u>	\$ <u>75,807,354.56</u>	\$ <u>284.61</u>
Total assets	\$ <u><u>1,318.60</u></u>	\$ <u><u>75,806,320.57</u></u>	\$ <u><u>75,807,354.56</u></u>	\$ <u><u>284.61</u></u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$ <u>1,318.60</u>	\$ <u>75,806,320.57</u>	\$ <u>75,807,354.56</u>	\$ <u>284.61</u>
Total liabilities	\$ <u><u>1,318.60</u></u>	\$ <u><u>75,806,320.57</u></u>	\$ <u><u>75,807,354.56</u></u>	\$ <u><u>284.61</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, 2017

<u>SERIES</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2016</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2017</u>
Athletic Fields	\$ <u>3,095,000.00</u>	\$ <u>2,875,000.00</u>	\$ <u>3,095,000.00</u>	\$ <u>2,875,000.00</u>
	\$ <u>3,095,000.00</u>	\$ <u>2,875,000.00</u>	\$ <u>3,095,000.00</u>	\$ <u>2,875,000.00</u>

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





CITY OF LINDEN SCHOOL DISTRICT  
STATISTICAL SECTION

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

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.

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

	Fiscal Year Ending									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Net investment in capital assets	\$ 52,062,850	\$ 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
Restricted for:										
Capital Projects	79,135	-	2,085,870	2,089,510	2,105,167	2,126,375				
Other Purposes	23,465,954	23,136,219	19,845,838	18,250,198	26,666,289	22,358,677	22,473,205	20,296,353	12,444,580	13,744,331
Unrestricted (deficit)	(37,059,224)	(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)
Total governmental activities net assets	\$ 38,548,715	\$ 38,835,461	\$ 68,209,424	\$ 63,302,076	\$ 65,234,727	\$ 58,942,013	\$ 49,166,860	\$ 39,389,083	\$ 32,655,133	\$ 32,754,753
Business-type activities										
Net investment in capital assets	\$ 159,233	\$ 136,752	\$ 152,550	\$ 132,310	\$ 135,177	\$ 134,599	\$ 126,456	\$ 124,802	\$ 86,945	\$ 92,711
Unrestricted	1,528,464	1,180,679	730,842	834,894	731,870	663,820	595,587	548,742	477,367	417,857
Total business-type activities net assets	\$ 1,687,697	\$ 1,317,431	\$ 883,392	\$ 967,203	\$ 867,047	\$ 798,419	\$ 722,042	\$ 673,543	\$ 564,313	\$ 510,568
District-wide										
Net investment in capital assets	\$ 52,222,082	\$ 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
Restricted	23,545,089.51	23,136,219.46	21,931,707.76	20,339,708.62	28,771,455.75	24,485,052.33	22,473,204.82	20,296,352.94	12,444,579.79	13,744,331.00
Unrestricted (Deficit)	(35,530,759.31)	(32,109,089.23)	(1,361,106.20)	(965,358.73)	(1,200,485.07)	(444,511.35)	(1,084,762.99)	(2,460,775.11)	(3,284,831.33)	220,577.66
Total district net assets	\$ 40,236,412	\$ 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

Source: District records

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

	Fiscal Year Ending									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 60,474,907	\$ 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
Special education	15,181,612	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
Other special education	6,504,486	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
Support Services:										
Tuition	10,626,290	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
Student & instruction related services	20,066,616	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
General administrative services	2,459,124	2,419,878	2,135,657	1,888,240	2,842,029	3,993,956	4,030,020	3,884,239	3,688,673	4,191,775
School administrative services	7,880,370	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
Central services	2,076,386	1,838,711	1,481,497	1,644,255	1,726,508	2,343,169	2,178,154	2,219,141	2,407,439	2,416,158
Administrative technology information	1,944,465	1,750,992	1,943,306	1,602,136	712,181	11,936,965	10,829,430	10,808,967	11,033,676	11,321,583
Plant operations and maintenance	18,750,653	16,909,597	15,766,285	14,984,469	12,539,958	3,542,594	3,612,377	3,930,625	5,606,426	5,321,099
Student transportation	7,785,653	6,785,683	6,220,332	5,456,872	3,653,543					
Unused vacation Pay to Terminated/Retired Staff	154,244									
Special Schools		1,875			105,010	89,898	95,127	138,489	427,642	416,228
Transfer to Charter Schools	157,682	103,201	45,584	72,789	73,245	58,881	42,388			
Debt Service Assessment	47,663	47,663				28,662				
Total governmental activities expenses	154,110,151	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
<b>Business-type activities:</b>										
Food service	2,920,890	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
Day Care	201,584	175,089	183,627	104,859						
Aftercare	471,161	144,724								
MacBooks	25,771	1,485								
Total business-type activities expense	3,619,405	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
Total district expenses	157,729,556	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
<b>Program Revenues</b>										
Governmental activities:										
Operating grants and contributions	34,563,839	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
Total governmental activities program revenues	34,563,839	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
Business-type activities:										
Charges for services	1,965,950	1,543,280	1,098,854	1,045,183	988,307	940,731	927,053	918,861	987,571	1,012,352
Total business type activities program revenues	1,965,950	1,543,280	1,098,854	1,045,183	988,307	940,731	927,053	918,861	987,571	1,012,352
Total district program revenues	36,529,790	26,202,810	20,613,018	9,176,045	16,416,519	14,193,833	14,215,479	13,778,599	12,673,269	20,764,708
<b>Net (Expense)/Revenue</b>										
Governmental activities	(119,546,312)	(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)
Business-type activities	(1,653,455)	(1,433,915)	(1,866,264)	(1,691,335)	(1,641,909)	(1,567,241)	(1,525,848)	(1,546,919)	(1,366,840)	(1,407,353)
Total district-wide net expense	\$(121,199,767)	\$(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)

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

	Fiscal Year Ending									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 89,814,375	\$ 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
Federal and State aid not restricted- Net	22,216,219	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
Federal and State aid restricted	6,308,827	6,494,492	5,874,744	7,049,032						
Special Item - Capital & Maintenance Invest	215,659	243,358	107,403	151,625	46,835	152,476	46,702	24,437	94,244	27,456
Tuition Received				102,120	92,427	122,092	102,731	121,937	30,640	577,835
Investment earnings								(25,185)	(407)	
Disposal of Fixed Assets										
Miscellaneous income	628,612	627,061	1,278,863	178,963	499,341	563,689	536,567	430,170	713,173	543,832
Total governmental activities	119,183,693	115,795,954	113,679,247	110,804,903	102,267,957	100,730,725	97,827,728	99,774,228	95,470,850	86,186,615
Business-type activities:										
Federal and State aid not restricted	2,023,721	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
Investment earnings					7	8	48	(294)	524	2,011
Total business-type activities	2,023,721	1,867,954	1,782,453	1,791,492	1,710,536	1,643,618	1,574,347	1,656,150	1,410,584	1,413,776
Total district-wide	121,207,414	117,663,908	115,461,700	112,396,395	103,978,493	102,374,343	99,402,075	101,430,378	96,881,434	87,600,392
<b>Change in Net Assets</b>										
Governmental activities	(362,619)	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
Business-type activities	370,266	434,039	(83,811)	100,157	68,628	76,377	48,499	109,231	53,745	6,423
Total district	7,647	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

Source: District records

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

	2017	2016	2015	2014	2013	2012	2011
General Fund							
Restricted for:							
Excess Surplus - Current Year	\$ 2,885,601	\$ 2,171,156	\$ 2,368,129	\$ 2,270,789	\$ 2,858,467	\$ 1,758,388	\$ 2,399,071
Excess Surplus - Prior Year	2,171,156	2,368,129	2,270,789	2,858,467	1,758,388	2,399,071	
Capital Reserve Account	15,364,355	16,118,764	9,025,290	4,025,290	2,625,290	13,123,739	8,122,898
Maintenance Reserve						173	26,842
Emergency Reserve	925,307	924,382	923,476	923,476	923,476	923,390	923,274
Committed to:							
Designated for Subsequent Years Expenditures	408,457	111,817	1,054,658	1,000,501	2,145,297	600,929	3,000,000
Year End Encumbrances	1,642,121	1,441,971	4,091,679	7,171,675	16,279,579	3,461,496	2,266,055
Unassigned							
General Fund	284,266	211,072	191,223	186,722		527,615	159,030
<b>Total General Fund</b>	<b>\$ 23,681,263</b>	<b>\$ 23,347,291</b>	<b>\$ 19,925,245</b>	<b>\$ 18,436,921</b>	<b>\$ 26,590,498</b>	<b>\$ 22,794,800</b>	<b>\$ 16,897,169</b>
All Other Governmental Funds							
Restricted for:							
Capital Purposes	\$ 79,135	\$	\$ 2,085,870	\$ 2,089,510	\$ 2,105,167	\$ 2,126,375	\$ 2,316,841
Committed to:							
Year End Encumbrances	68,957					91,492	3,541,113
<b>Total All Other Governmental Funds</b>	<b>\$ 148,093</b>	<b>\$</b>	<b>\$ 2,085,870</b>	<b>\$ 2,089,510</b>	<b>\$ 2,105,167</b>	<b>\$ 2,217,867</b>	<b>\$ 5,857,955</b>

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

Source: School District Financial Reports

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

	UNAUDITED									
	2016	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues</b>										
Tax levy	\$ 89,814,375	\$ 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
Tuition charges	215,659	243,358	107,403	151,625	46,835	152,476	46,702	24,437	94,244	27,456
Interest earned on capital reserve funds	10,591	7,604				116	2,935	10,063	25,167	66,588
Interest earned on emergency reserve funds	925	906			87	1	784	2,102	5,213	
Interest earned on maintenance reserve funds						841	972	972	260	
Miscellaneous	617,097	618,551	1,278,863	281,083	591,681	684,824	634,607	538,970	713,173	1,262,652
State sources	37,706,269	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
Federal sources	3,800,523	3,917,763	3,356,746	4,504,454	4,288,241	4,747,755	5,261,236	8,665,343	4,336,669	4,846,541
Total revenue	132,165,438	127,268,833	123,172,314	118,735,765	117,698,168	113,983,828	111,116,154	112,658,151	107,156,956	105,941,389
<b>Expenditures</b>										
Instruction		127,268,833								
Regular instruction	35,153,568	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
Special education instruction	8,984,899	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
Other special instruction	3,854,997	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
Support services:										
Tuition	10,626,290	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
Student & instruction related services	12,680,918	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
General administrative services	1,391,673	1,590,162	1,444,071	1,414,233	1,394,328	1,798,966	1,469,850	1,332,886	1,663,784	1,544,387
School administrative services	4,981,708	5,001,708	4,659,417	3,840,345	3,587,043	3,413,897	3,460,321	3,319,566	3,136,410	3,003,652
Central services	1,238,872	1,187,722	1,101,642	1,109,895	1,179,985	1,120,435	1,178,242	1,188,718	1,128,354	1,128,354
Administrative information technology	1,038,753	1,046,993	1,356,509	1,199,950	712,181	724,962	587,892	575,217	763,274	717,883
Plant operations and maintenance	10,279,697	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
Pupil transportation	4,700,797	4,387,865	4,221,700	4,087,027	3,624,299	3,516,997	3,567,237	3,905,707	5,582,056	5,283,953
Unused Vacation Pay to Terminated/Retired Staff	154,244									
Unallocated employee benefits	31,419,501	29,356,334	25,562,785	24,156,657	24,766,383	22,281,723	21,609,081	21,368,262	20,664,099	21,353,278
Special Schools				105,010		89,898	95,127	138,489	427,642	416,228
Charter Schools										
Capital outlay	4,742,962	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
Capital outlay - Debt Service Assessment	47,663	47,663	47,663	47,663	47,663	28,662	42,388			
Capital outlay - lease principal	165,000	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
Special Schools Local	1,875									
Transfer to Charter Schools	157,682	103,201	45,584	72,789	73,245	58,881				
Total expenditures	131,619,223	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
Excess (Deficiency) of revenues over (under) expenditures	546,215	1,407,914	1,484,683	(8,169,234)	3,682,988	2,380,432	3,616,721	3,692,618	(4,229,148)	1,172,357
<b>Other Financing sources (uses)</b>										
Transfer to Capital Projects Fund										
Transfer to/from Capital Reserve Fund										
Capital Leases (non budgeted)										
Total other financing sources (uses)										
Net change in fund balances	\$ 546,215	\$ 1,407,914	\$ 1,484,683	\$ (8,169,234)	\$ 3,682,988	\$ 2,380,432	\$ 3,616,721	\$ 8,692,618	\$ (4,229,148)	\$ 3,672,357
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>
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
2017	92,725			10,171	72,419	4,452	179,767

Source: District Records

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

	FISCAL YEAR ENDED JUNE 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District Property										
Vacant Land	\$92,331,600	\$84,879,000	\$83,311,300	\$91,623,300	\$89,900,800	\$78,444,500	\$74,639,600	\$74,086,000	\$72,262,700	\$38,215,600
Residential	1,347,820,700	1,352,966,900	1,356,795,600	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
Commercial	344,750,000	401,929,100	424,132,100	425,402,300	424,620,800	428,621,800	444,248,400	446,742,200	448,667,100	448,356,300
Industrial	865,844,000	791,368,400	772,857,700	779,501,900	783,826,900	784,123,800	780,710,600	785,901,200	806,985,600	849,638,100
Apartment	66,734,600	71,475,900	66,276,500	66,085,200	65,749,300	65,727,500	67,154,000	68,339,100	69,036,200	68,622,300
Total Assessed Value	\$2,717,480,900	\$2,702,619,300	\$2,703,373,200	\$2,720,211,600	\$2,732,173,200	\$2,747,629,900	\$2,774,168,700	\$2,788,816,300	\$2,814,794,000	\$2,818,604,200
Public Utilities	3,943,779.00	4,067,026.00	4,535,744.00	4,101,474.00	4,298,874.00	5,159,106.00	4,803,534.00	4,881,400.00	4,548,144.00	4,538,742.00
Net Valuation Taxable	\$2,721,424,679	\$2,706,686,326	\$2,707,908,944	\$2,724,313,074	\$2,736,472,074	\$2,752,789,006	\$2,778,972,234	\$2,793,697,700	\$2,819,342,144	\$2,823,142,942



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

Fiscal Year Ended June 30	Linden Board of Education			Overlapping Rates		Total Direct Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service	Total Direct	City of Linden	County	
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
2016	3.255	0	3.255	2.217	1.054	6.526

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	2017			2007		
	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	10.042%	***	1	***
Merck & Co.	78,986,700.00	2	2.902%	***	2	***
Infineum USA LP	63,152,200.00	3	2.321%	***	3	***
Avation Tower LLC	43,968,600.00	4	1.616%	***	4	***
Linden Development LLC ( Duke Realty)	40,685,000.00	9	1.495%	***	9	***
Citgo Petroleum	39,332,500.00	5	1.445%	***	5	***
PSE&G	35,926,000.00	6	1.320%	***	6	***
Co-Gen Technologies	30,600,000.00	7	1.124%	***	7	***
Buckeye Pipeline	29,354,400.00	8	1.079%	***	8	***
Linden Route One Associates	20,597,500.00	10	0.757%	***	10	***
Total	\$ 655,875,100		24.100%	\$ -		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>	
2017	\$ 89,814,375	\$ 89,814,375	100.00%	
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%	

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 the amount voted upon or certified prior to the end of the school year.

EXHIBIT "J-10"

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

Fiscal Year Ended June 30,	Governmental Activities							Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Total District				
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	
2017			2,875,000.00			2,875,000.00	N/A	N/A	

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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
2017	-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, 2017  
UNAUDITED

<u>Governmental Unit</u>	Net Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Debt repaid with property taxes</b>			
City of Linden	\$63,115,387.02	100.000%	\$63,115,387.02
County of Union	582,041,232.57	8.165%	47,521,471.76
Subtotal, overlapping debt			<u>110,636,858.78</u>
<b>City of Linden School District Direct Debt</b>		0.08164623	<u>-</u>
<b>Total direct and overlapping debt</b>			<u><u>\$110,636,858.78</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 2016**

	Equalized valuation basis	
	2016	\$5,421,503,109.00
	2015	\$5,230,985,294.00
	2014	\$4,827,349,778.00
	<b>[A]</b>	<u>\$15,479,838,181.00</u>
Average equalized valuation of taxable property	<b>[A/3]</b>	\$5,159,946,060.33
Debt limit (4 % of average equalization value)	<b>[B]</b>	\$206,397,842.41
Total net debt applicable to limit	<b>[C]</b>	-
Legal debt margin	<b>[B-C]</b>	<u>\$206,397,842.41</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
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%
2017	\$206,397,842.41		\$206,397,842.41	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>
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	2,524,999,869.00	60,089.00	5.80%
2016	42,457	**	**	

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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Instruction	522	515	454.5	456.1	420.5	433	486	505	510	540
Regular	204	198	198	188.5	170	177	155	180	112	92
Special education	42	39	35	34.5	43.5	28	13	10	16	16
Other special education	12	12	12	10	10	10	9	12	12	10
Vocational										
Other instruction										
Nonpublic school programs	0	2	2	2	2	2	2	2	2	2
Adult/continuing education programs										
Support Services:										
Tuition	109	107	88	86	78.5	109	108	106	140	140
Student & instruction related services	4	4	4	5	5	6	6	6	7	7
General administration	55	51	54	45	38	39	21	21	20	21
School administrative services	19	18	18	25	22	23	20	20	25	22
Other administrative services	12.5	12.5	11	11	11	10	11	11	11	11
Central services	10	10	8	8	7	7	8	8	9	8
Administrative information technology	77	77	72	74	86	84	91	96	96	86
Plant operations and maintenance	1.5	1.5	2	2	2	2	2	2	2	2
Pupil transportation	13	12						29	35	33
Other support services										
Special Schools										
Food Service										
Child Care	6	6	5	4	4					
<b>Total</b>	<b>1087</b>	<b>1065</b>	<b>963.5</b>	<b>951.1</b>	<b>899.5</b>	<b>930</b>	<b>932</b>	<b>1008</b>	<b>997</b>	<b>990</b>

Source: District Personnel Records

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Enrollment	5993	6011	6052	6020	5946	5906	6187	6301	6382	6138
Operating Expenditures	\$123,282,700	\$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
Cost per Pupil	\$14,055.00 \$288.00	\$13,767.00 -\$2,040.00	\$15,807.00 \$329.00	\$15,478.00 \$130.00	\$15,348.00 \$2,023.00	\$13,325.00 \$550.00	\$12,775.00 -\$212.00	\$12,987.00 \$310.00	\$12,677.00 \$833.00	\$11,844.00 -\$14.00
Percentage Change	2.05%	-14.82%	2.08%	0.84%	13.18%	4.13%	-1.66%	2.39%	6.57%	-0.12%
Teaching Staff	636	622	652	635	588	592	636	580	867	825
Pupil/Teacher Ratio - Elementary	8.31%	7.23%	7.53%	9.76%	10.31%	12.1	9.78	10.35	11.1	12.6
Pupil/Teacher Ratio - Middle School	10.10%	8.71%	8.33%	8.04%	8.40%	11.2	9.45	9.44	9.7	10.29
Pupil/Teacher Ratio - High School	9.09%	7.69%	7.69%	10.34%	9.75%	12.0	11.8	12.03	15.5	15.53
Average Daily Enrollment	6,039.74	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
	72.3	-45.0	56.9	150.1	-198.2	52.5	-112.8	-99.0	3.4	-61.0
Average Daily Attendance	5,700.93	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
% Change in Daily Enrollment	2.82%	2.82%	2.82%	2.52%	-3.41%	0.87%	-1.90%	-1.63%	0.06%	-0.99%
Student Attendance %	94.39%	94.92%	94.75%	95.85%	97.31%	95.70%	94.51%	94.24%	94.14%	93.76%

Sources: District records

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

District Building	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Elementary</b>										
School 1										
Square Feet	71,750	71,750	71,750	71,750	71,750	71,750	71,750	66,950	66,950	66,950
Capacity (students)	371	371	371	371	371	371	371	371	371	371
Enrollment	449	437	446	407	390	294	292	402	402	402
School 2										
Square Feet	82,102	82,102	82,102	82,102	82,102	82,102	48,575	48,575	48,575	48,575
Capacity (students)	489	489	489	489	489	489	489	489	489	489
Enrollment	659	611	563	564	493	290	280	264	264	264
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	382	404	409	410	391	423	431	482	482	482
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	316	327	330	287	298	346	341	379	379	379
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	352	342	345	356	368	340	344	328	328	328
School 8										
Square Feet	71,220	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	328	294	289	298	317	330	322	310	310	310
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	343	358	362	373	358	389	386	399	399	399
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	274	280	280	272	279	361	345	369	369	369

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Middle School</b>										
McManus School										
Square Feet	106,772	106,772	106,772	106,772	106,772	106,772	106,772	106,772	106,772	106,772
Capacity (students)	669	669	669	669	669	669	669	669	669	669
Enrollment	700	613	613	661	691	706	739	696	696	696
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	586	623	630	627	660	694	731	687	687	687
<b>High School</b>										
School 10										
Square Feet	254,653	254,653	254,653	254,653	254,653	254,653	254,653	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	1,670	1,758	1,726	1,765	1,754	1,781	1,799	1,924	1,924	1,924
<b>Other</b>										
Sunnyside Library/ Special Services										
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, 2017  
 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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
High School and Academy	50	\$333,959.00	\$456,905.00	\$586,116.00	\$829,630.00	\$386,356.00	\$593,483.00	\$379,498.00	\$244,911.00	\$284,911.00	\$281,568.00
McManus Middle School	60	184,176.00	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
Soehl Middle School	70	215,089.00	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
School #1	80	75,536.00	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
School #2	90	98,623.00	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
School #4	115	86,485.00	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
School #5	120	69,689.00	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
School #6	130	99,074.00	49,047.00	97,060.00	236,509.00	97,060.00	426,975.00	416,541.00	55,295.00	55,295.00	53,586.00
School #8	150	124,642.00	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
School #9	160	53,499.00	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
School #10	170	67,301.00	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
Other Facilities	999	251,471.00	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
<b>Grand Total</b>		<b>\$1,659,544.00</b>	<b>\$2,156,565.00</b>	<b>\$1,872,042.00</b>	<b>\$3,178,139.00</b>	<b>\$2,951,473.00</b>	<b>\$2,737,533.00</b>	<b>\$1,765,300.00</b>	<b>\$1,117,591.00</b>	<b>\$1,337,296.00</b>	<b>\$1,118,072.00</b>

147 Source: District Records

CITY OF LINDEN SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2017  
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	\$450,000,000.00 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	5,000,000.00 Per occurrence	
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)	25,000,000.00 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	6,000,000.00 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	
Computer Virus	250,000.00 (10,000,000 NJSIG annual aggregate)	
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, 2017  
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
Terrorism	1,000,000.00 Per occurrence/annual NJSBAIG aggregate	N/A
Liability		
Automobile (1)		
Combined Single Limit for Bodily Injury and Property Damage	11,000,000.00 Per accident	1,000.00
Symbol 6 Uninsured/ Underinsured Motorists-Private Passenger Auto	1,000,000.00 Combined Single Limit	
Symbol 6 Uninsured/ Underinsured Motorists-All Other Vehicles	15,000.00 Bodily Injury per Person 30,000.00 Bodily Injury per Accident 5,000.00 Property Damage per Accident	
Symbol 5 Personal Injury Protection (Including Pedestrians)	250,000.00	
Medical Payments	10,000.00 Private Passenger Vehicles 5,000.00 All other vehicles	
Terrorism	1,000,000.00 Per occurrence/annual NJSBAIG aggregate	
Physical Damage		
Symbol 7- Comprehensive		1,000.00
Symbol 7- Collision		1,000.00
Symbol 7- Hired Car Physical Damage \$110,000.00 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, 2017  
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
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	5,000,000.00 Benefit Maximum	
Accidental Death and Dismemberment Benefits	Benefit Amount	
Loss of Life	10,000.00	
Loss of Two or More Hands and Feet	10,000.00	
Loss of Sight of Both Eyes	10,000.00	
Loss of One Hand or Foot and Sight of One Eye	10,000.00	
Loss of One Hand and Foot	5,000.00	
Loss of Sight in One Eye	5,000.00	
Loss of Thumb and Index Finger of Either Hand	500.00	
Loss of Life		
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, 2017, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 3, 2017.

***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 3, 2017



**SUPLEE, CLOONEY & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

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

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL  
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND 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, 2017. 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, 2017

## **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 3, 2017

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

FEDERAL CFDA NUMBER	FEDERAL AWARD I.D. NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2016		CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2017	
					(ACCOUNTS RECEIVABLE) UNEARNED REVENUE	(ACCOUNTS RECEIVABLE) UNEARNED REVENUE					(ACCOUNTS RECEIVABLE) UNEARNED REVENUE	(ACCOUNTS RECEIVABLE) UNEARNED REVENUE
		U.S. Department of Health and Human Services General Fund										
93.778	1705NJ5MAP	Passed-through State Department of Education: Medical Assistance Program (SEM)	7/1/2016-6/30/2017	305,061.45	\$	\$	305,061.45	\$	\$	\$	\$	\$
93.778	1605NJ5MAP	Medical Assistance Program (SEM)	7/1/2015-6/30/2016	382,538.65	\$	(85,111.78)	382,538.65	\$	\$	\$	\$	\$
		U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund:										
	84.010A	Title I, Part A	9/1/16 to 8/31/17	1,236,144.49	\$	(259,318.00)	1,236,144.49	\$	\$	\$	\$	\$
	84.010A	Title I, Part A, Carryover	9/1/15 to 8/31/16	909,749.43	\$		909,749.43	\$	\$	\$	\$	\$
	84.013A	Title, ID	9/1/16 to 8/31/17	178,979.00	\$	(65,604.00)	178,979.00	\$	\$	\$	\$	\$
	84.013A	Title, ID Carryover	9/1/15 to 8/31/16	204,377.00	\$	(324,922.00)	204,377.00	\$	\$	\$	\$	\$
	84.367A	Title II, Part A	9/1/16 to 8/31/17	259,759.00	\$	(11,037.00)	259,759.00	\$	\$	\$	\$	\$
	84.367A	Title II, Part A, Carryover	9/1/15 to 8/31/16	84,712.21	\$		84,712.21	\$	\$	\$	\$	\$
	84.365A	Title III	9/1/16 to 8/31/17	107,305.00	\$	(32,407.00)	107,305.00	\$	\$	\$	\$	\$
	84.365A	Title III, Carryover	9/1/15 to 8/31/16	118,516.85	\$		118,516.85	\$	\$	\$	\$	\$
	84.365A	Title III Immigrant	9/1/16 to 8/31/17	12,609.00	\$	(3,185.19)	12,609.00	\$	\$	\$	\$	\$
		Total Title III		\$	\$	(32,407.00)	\$	\$	\$	\$	\$	\$
		Special Education Cluster										
	84.027	ID.E.A., Part B	9/1/16 to 8/31/17	1,518,149.00	\$	(457,745.00)	1,518,149.00	\$	\$	\$	\$	\$
	84.027	ID.E.A., Part B, Carryover	9/1/15 to 8/31/16	1,666,405.28	\$		1,666,405.28	\$	\$	\$	\$	\$
	84.173	ID.E.A., Part B, Pre School	9/1/16 to 8/31/17	39,061.00	\$	(11,075.00)	39,061.00	\$	\$	\$	\$	\$
	84.173	ID.E.A., Part B, Pre School Carryover	9/1/15 to 8/31/16	38,610.00	\$	(488,820.00)	38,610.00	\$	\$	\$	\$	\$
		Total Special Education Cluster		\$	\$	(606,640.00)	\$	\$	\$	\$	\$	\$
	84.287C	21 Century Teaching	9/1/16 to 8/31/17	425,000.00	\$	(73,815.00)	425,000.00	\$	\$	\$	\$	\$
	84.287C	21 Century Teaching, Carryover	9/1/15 to 8/31/16	412,724.56	\$		412,724.56	\$	\$	\$	\$	\$
	84.287C	21 Century Teaching, Carryover	9/1/15 to 8/31/16	57,275.44	\$		57,275.44	\$	\$	\$	\$	\$
	84.287C	21 Century Teaching Supplemental	9/1/16 to 8/31/17	35,000.00	\$	(5,112.00)	35,000.00	\$	\$	\$	\$	\$
	84.287C	21 Century Teaching Supplemental	9/1/16 to 8/31/17	32,212.37	\$	(7,379.00)	32,212.37	\$	\$	\$	\$	\$
	84.287C	21 Century Teaching Supplemental	9/1/15 to 8/31/16	15,433.22	\$	(86,306.00)	15,433.22	\$	\$	\$	\$	\$
		Adult Education	9/1/15 to 8/31/16	118,593.81	\$	(48,774.00)	118,593.81	\$	\$	\$	\$	\$
		Total Special Revenue Fund		\$	\$	(961,229.00)	\$	\$	\$	\$	\$	\$
		Enterprise Fund:										
		U.S. Department of Agriculture Passed-through State Department of Education: Child Nutrition Cluster										
	10.553	School Breakfast Program	7/1/16 to 6/30/17	248,779.15	\$	(45,911.63)	248,779.15	\$	\$	\$	\$	\$
	10.553	School Breakfast Program	7/1/15 to 6/30/16	230,264.38	\$		230,264.38	\$	\$	\$	\$	\$
	10.555	National School Lunch Program	7/1/16 to 6/30/17	1,415,079.90	\$	(256,619.48)	1,415,079.90	\$	\$	\$	\$	\$
	10.555	National School Lunch Program	7/1/15 to 6/30/16	1,337,613.89	\$		1,337,613.89	\$	\$	\$	\$	\$
	10.555	National School Lunch -HHFKA Program	7/1/16 to 6/30/17	37,748.28	\$	(6,992.76)	37,748.28	\$	\$	\$	\$	\$
	10.555	National School Lunch -HHFKA Program	7/1/15 to 6/30/16	36,691.62	\$		36,691.62	\$	\$	\$	\$	\$
	10.555	After School Snack Program	7/1/16 to 6/30/17	15,734.56	\$	(2,385.60)	15,734.56	\$	\$	\$	\$	\$
	10.555	After School Snack Program	7/1/15 to 6/30/16	15,956.64	\$		15,956.64	\$	\$	\$	\$	\$
	10.555	Food Distribution Program	7/1/16 to 6/30/17	277,186.37	\$	(72.80)	277,186.37	\$	\$	\$	\$	\$
	10.555	Food Distribution Program	7/1/15 to 6/30/16	190,989.00	\$	(311,836.67)	190,989.00	\$	\$	\$	\$	\$
		Total Child Nutrition Cluster		\$	\$	(311,836.67)	\$	\$	\$	\$	\$	\$
		Total Enterprise Fund		\$	\$	(1,358,177.45)	\$	\$	\$	\$	\$	\$
		Total Federal Financial Assistance		\$	\$	(6,077,421.68)	\$	\$	\$	\$	\$	\$

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, 2017

STATE GRANTOR/PROGRAM TITLE State Department of Education General Fund:	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2016		CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2017		MEMO CUMULATIVE TOTAL EXPENDITURES
				(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE					(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	
State Aid Cluster			\$ 16,893,594.00	\$	\$	\$	\$ 15,209,001.30	\$ (16,893,594.00)	\$	\$	\$ 1,684,592.70	\$ 16,893,594.00
Equalization Aid	17-495-034-5120-078	7/1/16 to 6/30/17	16,947,876.00	(1,890,020.00)			1,690,020.00					3,637,033.00
Special Education Aid	17-495-034-5120-078	7/1/15 to 6/30/16	3,587,777.00	(318,663.50)			3,309,962.40				(327,070.60)	40,742.70
Special Education Categorical Aid	17-495-034-5120-089	7/1/15 to 6/30/17	353,329.00	(35,332.90)			368,664.30				(40,742.70)	57,740.00
Security Aid	17-495-034-5120-084	7/1/15 to 6/30/17	57,740.00	(5,774.00)			51,966.00				(5,774.00)	57,740.00
PARCC Readiness Aid	17-495-034-5120-098	7/1/15 to 6/30/17	57,740.00	(5,774.00)			51,966.00				(5,774.00)	57,740.00
Per Pupil Growth Aid	17-495-034-5120-097	7/1/15 to 6/30/17	57,740.00	(5,774.00)			51,966.00				(5,774.00)	57,740.00
Professional Learning Community Aid	17-495-034-5120-101	7/1/15 to 6/30/17	57,890.00	(2,055,584.40)			52,101.00				(5,789.00)	57,890.00
Total State Aid Cluster			\$ 231,526.00	\$ (20,233.20)	\$	\$ 206,373.40	\$ (231,526.00)	\$	\$	\$ (23,152.60)	\$ 23,152.60	\$ 231,526.00
Categorical Transportation Aid	17-100-034-5120-014	7/1/16 to 6/30/17	534,348.00	(527,007.00)			527,007.00			(534,348.00)		534,348.00
Extraordinary Aid	16-100-034-5120-473	7/1/15 to 6/30/16	28,379.00	(20,706.00)			20,706.00			(28,379.00)		28,379.00
Non Public Transportation	16-495-034-5120-044	7/1/15 to 6/30/16	20,706.00				20,706.00					5,156,898.00
On-behalf TPAF Pension Contributions	17-495-034-5094-003	7/1/16 to 6/30/17	4,296,870.00				4,296,870.00					4,296,870.00
On-behalf TPAF Post Retirement Medical Contributions	17-495-034-5094-003	7/1/16 to 6/30/17	10,503.00				10,503.00					10,503.00
Reimbursed TPAF Long Term Liability Insurance	17-100-034-5095-051	7/1/16 to 6/30/17	3,517,474.31	(169,747.39)			3,345,761.80				(171,712.57)	3,517,474.37
Reimbursed TPAF Social Security Contributions	16-100-034-5095-051	7/1/15 to 6/30/16	3,453,045.53	(2,793,257.89)			34,853,945.19				(34,887,422.37)	3,517,474.37
Total State Department of Education - General Fund			\$ 3,201,987.00	\$ 2,888,893.45	\$ 397,310.53	\$ 397,310.53	\$ 2,832,291.00	\$ (2,774,596.03)	\$	\$ 455,005.50	\$ 6,744.00	\$ 2,774,596.03
Special Revenue Fund			1,248.00				6,744.00					1,247.80
Preschool Education Aid-PY CO	17-100-034-5120-086	7/1/15 to 6/30/17	10,553.00							(1,247.80)		2,466.00
Non Public Home Instruction	16-100-034-5120-067	7/1/15 to 6/30/16	2,466.00				2,466.00			(6,469.54)		5,154.00
Non Public English as Second Language	17-100-034-5120-067	7/1/16 to 6/30/17	111,676.00				5,154.00					69,206.80
Non Public Handicapped Transportation Aid	16-100-034-5120-068	7/1/15 to 6/30/16	27,958.00				42,998.00					18,754.90
Non Public Compensatory Education	17-100-034-5120-067	7/1/16 to 6/30/17	28,218.00				11,162.00					21,980.16
Non Public Examination & Classification	16-100-034-5120-066	7/1/15 to 6/30/16	11,705.00				7,847.00					8,026.16
Non Public Supplemental Instruction	17-100-034-5120-066	7/1/15 to 6/30/17	8,835.00				8,835.00					10,530.00
Non Public Corrective Speech	16-100-034-5120-066	7/1/15 to 6/30/16	2,886.00				10,530.00					3,042.00
Non Public Nursing	17-100-034-5120-070	7/1/15 to 6/30/17	5,850.00				3,042.00					5,850.00
Non Public Technology	16-100-034-5120-373	7/1/15 to 6/30/16	6,338.00				5,850.00					27,280.00
Non Public Security	17-100-034-5120-509	7/1/15 to 6/30/17	27,280.00				27,280.00					5.63
Non Public Textbooks	16-100-034-5120-064	7/1/14 to 6/30/15										5.63
Anti Bullying Bill of Rights Act	Not available	7/1/15 to 6/30/16										5.63
Anti Bullying Bill of Rights Act	Not available	7/1/15 to 6/30/16										5.63
One Step Beyond Exemplary Program Recognition	Not available	7/1/15 to 6/30/16										5.63
One Step Beyond Exemplary Program Recognition	Not available	7/1/15 to 6/30/16										5.63
Total State Department of Education - Special Revenue Fund			\$ (0.00)	\$ 424,586.15	\$ 124,597.86	\$ 2,936,919.00	\$ (2,827,302.06)	\$	\$ (124,597.00)	\$ 482,291.13	\$ 1,247.80	\$ 2,827,302.06
State Department of Health and Senior Services			298.00									
Retel School Based Tobacco Prevention Program	Not available	7/1/16 to 6/30/17	298.00									
Retel School Based Tobacco Prevention Program	Not available	7/1/15 to 6/30/16										
Total State Department of Health and Senior Services - Special Revenue Fund			\$ (0.00)	\$ 424,894.15	\$ 124,597.86	\$ 2,936,919.00	\$ (2,827,302.06)	\$	\$ (124,597.00)	\$ 482,589.13	\$ 1,247.80	\$ 2,827,302.06

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

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2016		CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS		BALANCE AT JUNE 30, 2017		MEMO	
				(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE				(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	RECEIVABLE	GRANTOR	RECEIVABLE	GRANTOR
State Department of Agriculture														
Enterprise Fund:														
National School Lunch Program (State Share)	17-100-010-3350-023	7/1/16 to 6/30/17	\$ 31,684.06	\$	\$	\$	\$ 29,602.39	\$ (31,684.06)	\$	\$	\$ (2,081.67)	\$	\$ (2,081.67)	\$ 31,684.06
National School Lunch Program (State Share)	16-100-010-3350-023	7/1/15 to 6/30/16	30,809.92	(5,881.18)		5,881.18								
				\$ (5,881.18)	\$	\$	\$ 35,483.57	\$ (31,684.06)	\$	\$	\$ (2,081.67)	\$	\$ (2,081.67)	\$ 31,684.06
Total State Department of Agriculture - Enterprise Fund				\$ (2,799,139.17)	\$ 424,894.15	\$ 124,597.86	\$ 37,825,747.76	\$ (37,746,408.49)	\$ (124,597.00)	\$ 482,589.13	\$ 53,169.77	\$ 2,826,501.30	\$ 37,746,408.49	
Total State Financial Assistance Subject to OMB 15-08														
Less: On-Behalf amounts not utilized for determination of Major Programs:														
On-behalf TPAF Pension Contributions							\$ 5,156,898.00	\$ (5,156,898.00)						
On-behalf TPAF Post Retirement Medical Contributions							4,296,870.00	(4,296,870.00)						
On-behalf TPAF Long Term Disability Insurance							10,503.00	(10,503.00)						
Total State Financial Assistance Subject to Single Audit							\$ 28,361,476.76	\$ (28,282,137.49)						

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, 2017**

**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. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under Uniform Guidance.

**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, 2017**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$17,098.00) for the general fund. The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$85,666.56) 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	\$ 305,061.45	\$ 34,870,324.37	\$ 35,175,385.82
Special Revenue Fund	3,472,882.53	2,835,944.81	6,308,827.34
Food Service Fund	1,989,848.14	31,684.06	2,021,532.20
	<u>\$ 5,767,792.12</u>	<u>\$ 37,737,953.24</u>	<u>\$ 43,505,745.36</u>
GAAP Adjustment	<u>1,594.96</u>	<u>8,455.25</u>	<u>10,050.21</u>
Total Awards & Financial Assistance	<u>\$ 5,769,387.08</u>	<u>\$ 37,746,408.49</u>	<u>\$ 43,515,795.57</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, 2017. 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, 2017.

The amount of TPAF post retirement medical benefits of \$4,296,870.00, TPAF non-contributory insurance of \$5,156,898.00.00 and TPAF long term disability insurance of \$10,503.00 reported in the financial statements represents the amount paid by the state on behalf of the district for the year ended June 30, 2017. 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, 2017**

**NOTE 6: PRIOR PERIOD ADJUSTMENT**

The Schedule of Expenditures of Federal Awards for the year ended June 30, 2017, was adjusted to reflect the cancellation of \$1,012.76 of prior year balances and encumbrances. The Schedule of Expenditures of State Financial Assistance for the year ended June 30, 2017 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, 2017**

**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>
Title I Part A	84.010
Title I Part D	84.013A

- |     |  |              |
|-----|--|--------------|
| (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, 2017

**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                                 17-495-034-5120-078
- (5) Dollar Threshold used to distinguish between type A and Type B programs? \$848,464.00
- (6) Auditee qualified as a low-risk auditee? Yes

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

**Internal Control Findings**

None Reported

**Compliance Findings**

None Reported

**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, 2017**

**Status of Prior Year Audit Findings**

None



