

NORTH BERGEN BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

North Bergen, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

North Bergen Board of Education

North Bergen, New Jersey

For The Fiscal Year Ended June 30, 2011

Prepared by

Business Office

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INTRODUCTORY SECTION



NORTH BERGEN BOARD OF EDUCATION

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KANAIYALAL PATEL
PRESIDENT

CHARLOTTE DIGENNARO
VICE PRESIDENT

HUGO D. CABRERA
BOARD SECRETARY

ROBERT J. DANDORPH
SUPERINTENDENT

NICHOLAS J. SACCO
ASSISTANT SUPERINTENDENT

VINCENT F. ASCOLESE
ASSISTANT SUPERINTENDENT OF
BUSINESS

STEVEN SOMICK
BUSINESS ADMINISTRATOR

November 3, 2011

Honorable President and Members
of the Board of Education
North Bergen, New Jersey

The New Jersey Department of Education statutes require that all school districts publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the North Bergen Board of Education for the fiscal year ended June 30, 2011.

The report consists of management's representations concerning the finances of the North Bergen Board of Education. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the North Bergen Board of Education has established a comprehensive internal control framework that is designed both to protect the Board's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the North Bergen Board of Education's financials statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the North Bergen Board of Education's comprehensive framework or internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The North Bergen Board of Education's financial statements have been audited by Lerch, Vinci & Higgins, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Board for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the North Bergen Board of Education's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the North Bergen Board of Education as part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grant agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the Board's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. North Bergen Board of Education’s MD&A can be found immediately following the report of the independent auditors.

The North Bergen 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 K through 12. These include regular and vocational, as well as special education for handicapped students. The District completed the 2010/2011 fiscal year with an enrollment of 8,061 students, which is 224 students more than the previous year’s enrollment. The following details the changes in the student enrollment of the District over the last ten years.

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-2011	8,061	2.86%
2009-2010	7,837	4.38%
2008-2009	7,508	1.01%
2007-2008	7,424	-.32%
2006-2007	7,448	-.93%
2005-2006	7,518	-.58%
2004-2005	7,562	1.18%
2003-2004	7,474	1.03%
2002-2003	7,398	1.57%
2001-2002	7,284	2.55%

ECONOMIC CONDITION AND OUTLOOK

North Bergen’s economy is greatly affected by the New York metropolitan area. New development projects along the Hudson River area will continue to attract new business, industry and residents into the Township. These projects could also increase enrollment in a District. The Board of Trustees, School administrative staff and Township officials are currently analyzing the need for more classroom space. The District’s five-year facility plan has received State Department of Education approval. The project being considered in that plan is the construction of a new high school, conversion of the existing high school to a middle school for grades 6-8 and the conversation of all elementary schools from K-8 to K-5. The Board is aggressively pursuing potential funding sources for this project including the School Construction Financing Program or other State and Federal funding sources.

MAJOR INITIATIVES

The North Bergen Board of Education has conducted district and school level meetings to determine the educational needs to meet AYP for individual schools and district. QAAR school level objectives have been formulated for each school. District staff will conduct school level/district meetings to implement and evaluate student progress toward meeting objectives through analysis of district testing information. All district tests are being aligned to the revised core curriculum standards.

Six literacy coaches were hired to support classroom LAL/Math teaching strategies and content. The district hired Dr. D. Gess and Cindy Bratterson to do approximately 40 workshops to address the districts NJASK deficiencies. The District also retained Dr. Champion as a consultant to address Special Education deficiencies.

Over 91.1% of North Bergen High School 2010 graduates went on to post secondary education.

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 the 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 in 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 that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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 Board of Trustees. Annual appropriated budgets are adopted for the general, special revenue and the debt service funds. 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 reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as either commitments or as assigned fund balance at June 30, 2011.

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. These funds are explained in the "Notes to the Basic Financial Statements".

CASH MANAGEMENT

The investment policy of North Bergen is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements". The District has adopted a cash management plan which requires it to deposit public funds 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.

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.

OTHER INFORMATION

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Higgins, LLP, was selected by the Board. 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 as amended and the related OMB Circular A-133 and New Jersey OMB Circular 04-04. The auditor’s report on the basic financial statements is included in the financial section of this report. The auditor’s report related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the North Bergen School Board 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. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,



Robert J. Dandorph
Superintendent

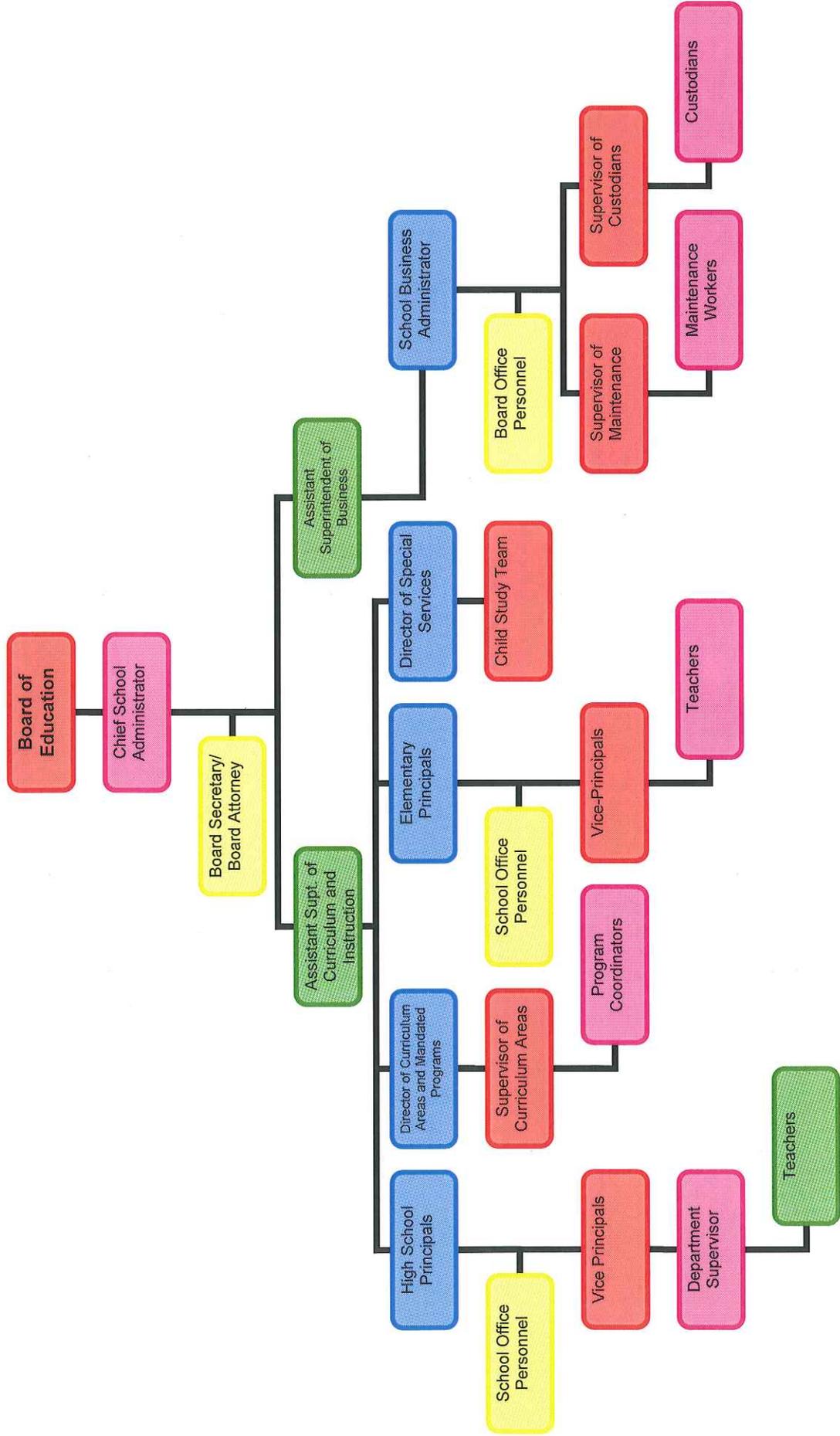


Hugo Cabrera
Board Secretary

NORTH BERGEN SCHOOL DISTRICT



ORGANIZATIONAL FLOW CHART



**NORTH BERGEN BOARD OF EDUCATION
 ROSTER OF OFFICIALS
 JUNE 30, 2011**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Kanaiyalal Patel, President	2014
Charlotte Di Gennaro – Vice President	2013
Luis Diaz	2014
Miguel Hector	2013
Edward La Tour	2013
Maurena Luzzi	2012
Julio Marengo	2012
Elaine Nicolliello	2014
Ruth Shaw	2012
Gonzalo Perez (Guttenberg)	

Other Officials

Robert J. Dandorph, Superintendent of Schools
 Nicholas J. Sacco, Assistant Superintendent of Schools
 Vincent Ascolese, Assistant Superintendent – Business
 Steven Somick, School Business Administrator
 Hugo Cabrera, Board Secretary
 Robert Pittfield, Treasurer
 William B. Mitchell, Jr. – Director of Finance

**NORTH BERGEN BOARD OF EDUCATION
Consultants and Advisors**

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333 Meadowland Parkway
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REGISTERED MUNICIPAL ACCOUNTANTS

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PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA
EDWARD N. KERE, CPA

INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Trustees
North Bergen Board of Education
North Bergen, New Jersey

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 North Bergen Board of Education as of and for the fiscal year ended June 30, 2011, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education's management. 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; the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the North Bergen Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously 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 North Bergen Board of Education as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 16, 2011 on our consideration of the North Bergen Board of Education'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Bergen Board of Education's basic financial statements as a whole. The introductory section, combining fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are also not a required part of the basic financial statements. The combining fund financial statements and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 16, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTH BERGEN BOARD OF EDUCATION

Management Discussion and Analysis

This section of North Bergen Board of Education's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

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

- The assets of the North Bergen Board of Education exceeded its liabilities at the close of the fiscal year by \$38,991,844 (net assets).
- Overall District revenues were \$121,621,494. General revenues accounted for \$89,494,410 or 74% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$32,127,084 or 26% of total revenues.
- The School District had \$111,958,876 in expenses for governmental activities; only \$29,275,488 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$89,494,410 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$10,092,980 an increase of \$3,137,180 when compared to the ending Fund balance at June 30, 2010 of \$6,955,800.
- The General Fund unassigned fund balance at June 30, 2011 was in a deficit position of \$2,813,482, a decrease of \$494,030 when compared with the ending fund balance deficit of \$3,307,512 at June 30, 2010.
- The General Fund unassigned budgetary fund balance at June 30, 2011 was \$2,626,401 which represents an increase of \$121,500 when compared to the ending fund balance at June 30, 2010 of \$2,504,901.

NORTH BERGEN BOARD OF EDUCATION

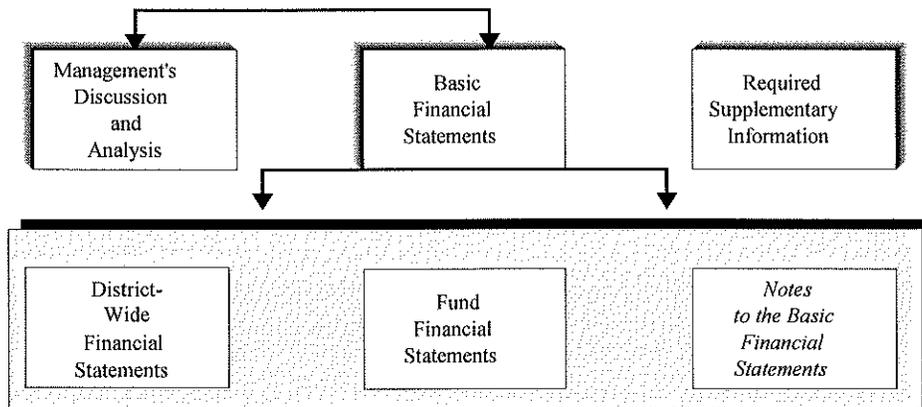
Management Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor’s Report, required supplementary information which includes the management’s discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district wide financial statements that provide both short-term and long-term information about the District’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District’s operations in more detail than the district-wide statements.
 - The governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending.
 - Proprietary funds statements offer short-term and long-term financial information about the activities the district operated like businesses.
 - Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



NORTH BERGEN BOARD OF EDUCATION

Management Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain are summarized below. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities for the district that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds	Instances in which the district administers resources on behalf of someone else, such as Unemployment, Payroll Agency, and Student Activities
Required financial statements	Statements of Net Assets Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Assets Statement of Revenues, Expenses, and Changes in Fund Net Assets Statement of Cash Flows	Statements of Fiduciary Net Assets Statement of Changes in Fiduciary Net Assets
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting And economic resources Focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term Funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and dedications during the year, regardless of when cash is received or paid.

NORTH BERGEN BOARD OF EDUCATION

Management Discussion and Analysis

District-Wide Financial Statements

The district-wide statements report information about the North Bergen Board of Education as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net assets and how they have changed. Net assets – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts finance most of these activities.
- *Business type activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or “major” funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

NORTH BERGEN BOARD OF EDUCATION

Management Discussion and Analysis

Fund Financial Statements (Continued)

The District has three kinds of funds:

- **Governmental funds** – Most of the District’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

- **Proprietary funds** – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

Enterprise Funds – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has an enterprise fund for the food service operations.

- **Fiduciary funds** – The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District’s fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the basic financial statements can be found following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District’s budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons if required.

NORTH BERGEN BOARD OF EDUCATION

Management Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$38,991,844 and \$32,107,260 as of June 30, 2011 and 2010, respectively, as shown below.

By far the largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its 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.

Net Assets as of June 30, 2011 and 2010

	Governmental		Business-Type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Assets						
Current and Other Assets	\$ 18,897,827	\$ 15,248,009	\$ 303,641	\$ 277,197	\$ 19,201,468	\$ 15,525,206
Capital Assets	<u>55,866,990</u>	<u>53,443,055</u>	<u>24,908</u>	<u>12,800</u>	<u>55,891,898</u>	<u>53,455,855</u>
Total Assets	<u>74,764,817</u>	<u>68,691,064</u>	<u>328,549</u>	<u>289,997</u>	<u>75,093,366</u>	<u>68,981,061</u>
Liabilities						
Long-Term Liabilities	27,512,733	28,611,854			27,512,733	28,611,854
Other Liabilities	<u>8,489,520</u>	<u>8,114,614</u>	<u>99,269</u>	<u>147,333</u>	<u>8,588,789</u>	<u>8,261,947</u>
Total Liabilities	<u>36,002,253</u>	<u>36,726,468</u>	<u>99,269</u>	<u>147,333</u>	<u>36,101,522</u>	<u>36,873,801</u>
Net Assets						
Invested in Capital Assets Net of Related Debt	40,581,140	36,835,059	24,908	12,800	40,606,048	36,847,859
Restricted	6,114,077	2,108,738			6,114,077	2,108,738
Unrestricted	<u>(7,932,653)</u>	<u>(6,979,201)</u>	<u>204,372</u>	<u>129,864</u>	<u>(7,728,281)</u>	<u>(6,849,337)</u>
Total Net Assets	<u>\$ 38,762,564</u>	<u>\$ 31,964,596</u>	<u>\$ 229,280</u>	<u>\$ 142,664</u>	<u>\$ 38,991,844</u>	<u>\$ 32,107,260</u>

NORTH BERGEN BOARD OF EDUCATION

Management Discussion and Analysis

The changes in net assets for fiscal years 2011 and 2010 are as follows:

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues						
Program Revenues						
Charges for Services	\$ 4,509,007	\$ 3,955,375	\$ 734,672	\$ 741,010	\$ 5,243,679	\$ 4,696,385
Operating Grants and Contributions	23,564,868	33,902,773	2,116,924	2,109,478	25,681,792	36,012,251
Capital Grants and Contributions	1,201,613	1,415,573			1,201,613	1,415,573
General Revenues						
Local Tax Levy	40,978,062	39,894,184			40,978,062	39,894,184
State Aid	47,784,311	39,421,628			47,784,311	39,421,628
Investment Earnings	15,034	23,024			15,034	23,024
Miscellaneous	717,003	610,062	-	-	717,003	610,062
Total Revenues	<u>118,769,898</u>	<u>119,222,619</u>	<u>2,851,596</u>	<u>2,850,488</u>	<u>121,621,494</u>	<u>122,073,107</u>
Expenses						
Instruction						
Regular	44,937,810	45,774,580			44,937,810	45,774,580
Special Education	13,750,989	14,858,496			13,750,989	14,858,496
Other Instruction	8,184,243	8,330,203			8,184,243	8,330,203
School Sponsored Activities and Athletics	1,688,966	1,711,124			1,688,966	1,711,124
Support Services						
Student and Instruction Related Services	13,829,858	13,785,679			13,829,858	13,785,679
General Administration Services	2,712,890	2,637,217			2,712,890	2,637,217
School Administration Services	7,012,372	6,378,395			7,012,372	6,378,395
Plant Operation and Maintenance	12,543,652	12,375,525			12,543,652	12,375,525
Pupil Transportation	3,727,566	3,528,580			3,727,566	3,528,580
Business Services	2,605,588	2,422,790			2,605,588	2,422,790
Interest on Long-Term Debt	964,942	1,081,169			964,942	1,081,169
Food Service	-	-	2,778,034	2,667,679	2,778,034	2,667,679
Total District-Wide	<u>111,958,876</u>	<u>112,883,758</u>	<u>2,778,034</u>	<u>2,667,679</u>	<u>114,736,910</u>	<u>115,551,437</u>
Increase (Decrease) in Net Assets	6,811,022	6,338,861	73,562	182,809	6,884,584	6,521,670
Transfers	(13,054)	(12,800)	13,054	12,800		
Beginning of Year, Net Assets	<u>31,964,596</u>	<u>25,638,535</u>	<u>142,664</u>	<u>(52,945)</u>	<u>32,107,260</u>	<u>25,585,590</u>
End of Year, Net Assets	<u>\$ 38,762,564</u>	<u>\$ 31,964,596</u>	<u>\$ 229,280</u>	<u>\$ 142,664</u>	<u>\$ 38,991,844</u>	<u>\$ 32,107,260</u>

NORTH BERGEN BOARD OF EDUCATION

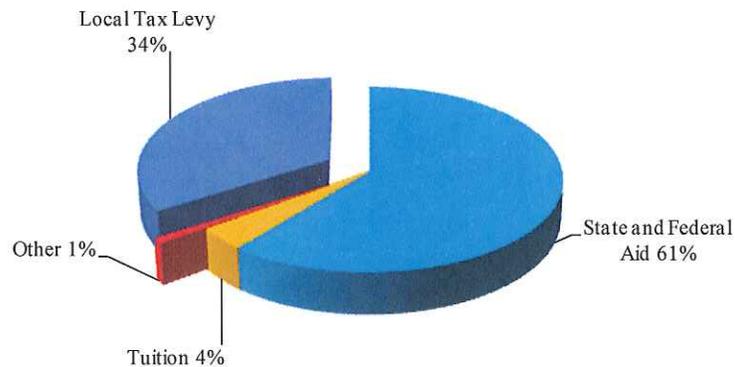
Management Discussion and Analysis

Governmental Activities. The District's total governmental activities revenues were \$118,769,898 for the year ended June 30, 2011. Tuition and other charges accounted for \$4,509,007 representing 4% of total revenues. Local Tax levy was \$40,978,062 representing 34% of total revenues and state and federal aid were \$72,550,792 representing 61% of total revenue for the year. Investment earnings and the miscellaneous revenues accounted for 1% of the District's revenues.

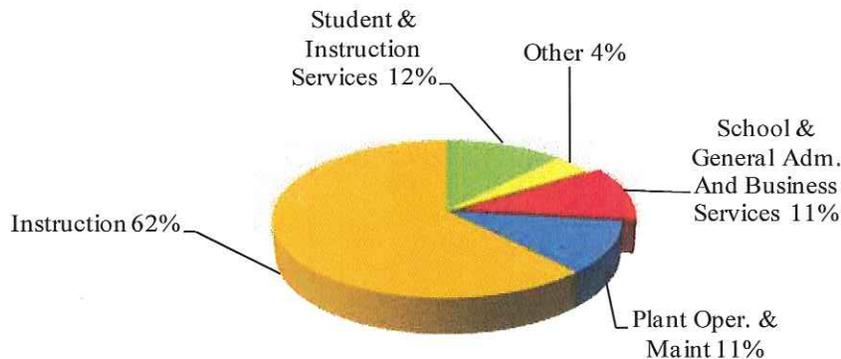
The total cost of all governmental activities programs and services were \$111,958,876. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$68,562,008 (62%) of total expenditures. Support services totaled \$42,431,926 (37%) of total expenditures and the remainder of expenditures were for interest and other charges on long-term debt totaling \$964,942 (1%). The District transferred \$13,054 to the Food Service Enterprise Fund for the acquisition of capital assets.

Total governmental activities revenues surpassed expenses and other items, increasing net assets by \$6,797,968 over the previous year.

**Revenues by Source- Governmental Activities
For Fiscal Year 2011**



**Expenditures by Type- Governmental Activities
For Fiscal Year 2011**



NORTH BERGEN BOARD OF EDUCATION

Management Discussion and Analysis

Total and Net Cost of Governmental Activities. The District's total cost of services was \$111,958,876 for the fiscal year ended June 30, 2011. After applying program revenues, derived from charges for services of \$4,509,007; operating grants and contributions of \$23,564,868; and capital grants and contributions of \$1,201,613, the net cost of services of the District is \$82,683,388. The following is a comparative analysis of the net cost of governmental activities for the fiscal years ended June 30, 2011 and 2010.

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
	Instruction			
Regular	\$ 44,937,810	\$ 45,774,580	\$ 33,301,649	\$ 28,183,003
Special Education	13,750,989	14,858,496	6,030,286	5,999,994
Other Instruction	8,184,243	8,330,203	5,215,919	4,114,920
School Sponsored Activities and Athletics	1,688,966	1,711,124	1,556,247	1,569,751
Support Services				
Student and Instruction Related Services	13,829,858	13,785,679	9,282,900	10,176,756
General Administration	2,712,890	2,637,217	2,589,007	2,493,774
School Administration Services	7,012,372	6,378,395	6,591,271	5,968,487
Plant Operation and Maintenance	12,543,652	12,375,525	11,196,777	8,751,846
Pupil Transportation	3,727,566	3,528,580	3,348,802	2,847,547
Business Services	2,605,588	2,422,790	2,605,588	2,422,790
Interest and Other Charges on Long-Term Debt	964,942	1,081,169	964,942	1,081,169
Total	\$ 111,958,876	\$ 112,883,758	\$ 82,683,388	\$ 73,610,037

Business-Type Activities – The District's total business-type activities revenues were \$2,851,596 for the fiscal year ended June 30, 2011. Charges for services accounted for 26% or \$734,672 of total revenues. Operating grants and contributions accounted for 74% or \$2,116,924 of total revenue for the year.

The total cost of all business-type activities programs and services was \$2,778,034 for the fiscal year ended June 30, 2011. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District.

Total business-type activities revenues and transfers were greater than expenses, increasing net assets by \$86,616.

NORTH BERGEN BOARD OF EDUCATION

Management Discussion and Analysis

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. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$10,092,980, an increase of \$3,137,180 from last year's fund balance of \$6,955,800.

Revenues for the District's governmental funds were \$118,769,898, total expenditures were \$115,866,971.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

The following schedule presents a comparison of General Fund Revenues.

	<u>Year Ended</u> <u>June 30, 2011</u>	<u>Year Ended</u> <u>June 30, 2010</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u>
Local Sources:				
Local Tax Levy	\$ 39,301,311	\$ 38,342,841	\$ 958,470	2.50%
Tuition	4,509,007	3,955,375	553,632	14.00%
Miscellaneous	731,473	560,777	170,696	30.44%
State/Federal Sources	<u>59,575,517</u>	<u>61,539,446</u>	<u>(1,963,929)</u>	-3.19%
Total General Fund Revenues	<u>\$ 104,117,308</u>	<u>\$ 104,398,439</u>	<u>\$ (281,131)</u>	<u>-0.27%</u>

Total General Fund Revenues decreased slightly by \$281,131 or .3% over the previous year.

NORTH BERGEN BOARD OF EDUCATION

Management Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

Local property taxes increased \$958,470 or 2.5% over the previous year. State and federal aid decreased 3%. Tuition charges increased \$553,632 or 14% over the prior year.

Miscellaneous revenues increased 30% due to solar energy agreements.

The following schedule presents a summary of General Fund Expenditures.

	<u>Year Ended</u> <u>June 30, 2011</u>	<u>Year Ended</u> <u>June 30, 2010</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u>
Instruction	\$ 61,323,424	\$ 63,380,557	\$ (2,057,133)	-3.25%
Support Services	37,430,340	36,675,663	754,677	2.06%
Debt Service	334,646	600,507	(265,861)	-44.27%
Capital Outlay	<u>1,455,362</u>	<u>1,326,092</u>	<u>129,270</u>	9.75%
Total Expenditures	<u>\$ 100,543,772</u>	<u>\$ 101,982,819</u>	<u>\$ (1,439,047)</u>	<u>-1.41%</u>

Total General Fund expenditures decreased \$1,439,047 or 1% from the previous year. The decreases are primarily due to retirements of district personnel.

For the fiscal year ended June 30, 2011 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$2,654,675. After deducting statutory reserves and designations in the amount of \$8,517,820, the unassigned fund balance at June 30, 2011 was in a deficit position of \$2,813,482, a decrease of \$494,030 from the June 30, 2010 fund balance deficit of \$3,307,512.

NORTH BERGEN BOARD OF EDUCATION

Management Discussion and Analysis

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into two categories

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2010 reserve for encumbrances.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were \$11,222,704, for the fiscal year ended June 30, 2011. State sources in the amount of \$3,912,774 accounted for 35% of the total revenue and federal sources in the amount of \$7,253,366 accounted for 65% of the total revenue in the special revenue fund.

Total Special Revenue Fund revenues increased \$103,818 or 1% from the previous year. State sources decreased \$603,484, while Federal sources decreased by \$496,449.

Expenditures of the Special Revenue Fund were \$10,813,960. Instructional expenditures were \$7,014,925 or 65%, expenditures for support services were \$3,048,055 or 28%, and expenditures for capital outlay were \$750,980 for the fiscal year ended June 30, 2011.

Capital Projects - The capital projects revenues and other financing sources exceeded expenditures and other financing uses by \$477,166 increasing the fund balance from \$3,797,400 at June 30, 2010 to \$4,274,566 at June 30, 2011. The increase was due to a project approved by the Schools Development Authority for improvements within the District which will be funded by State aid.

Proprietary Funds

The District maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services program. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

NORTH BERGEN BOARD OF EDUCATION

Management Discussion and Analysis

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2011 amounts to \$55,891,898 (net of accumulated depreciation). The capital assets consist of land, land improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2010-2011 amounted to \$1,843,661 for governmental activities. Depreciation expense for the Business-Type activities was \$946 for 2010-2011. The following is a comparative analysis of capital assets at June 30, 2011 and 2010.

Capital Assets at June 30, 2011 and 2010
(Net of Accumulated Depreciation)

	<u>Governmental</u>		<u>Business- Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 2,688,797	\$ 2,688,797			\$ 2,688,797	\$ 2,688,797
Land Improvements	92,639	94,592			92,639	94,592
Building	48,851,573	45,574,231			48,851,573	45,574,231
Machinery and Equipment	357,340	356,561	\$ 24,908	\$ 12,800	382,248	369,361
Construction in Progress	<u>3,876,641</u>	<u>4,728,874</u>	<u>-</u>	<u>-</u>	<u>3,876,641</u>	<u>4,728,874</u>
Total	<u>\$ 55,866,990</u>	<u>\$ 53,443,055</u>	<u>\$ 24,908</u>	<u>\$ 12,800</u>	<u>\$ 55,891,898</u>	<u>\$ 53,455,855</u>

Additional information on the District's capital assets are presented in the Notes of the Basic Financial Statements.

LONG TERM LIABILITIES

At June 30, 2011, the District's long-term liabilities consisted of compensated absences payable of \$7,378,792, serial bonds of \$5,886,119 (net of unamortized premium), Intergovernmental Loan Payable of \$70,850 and obligations under lease purchase agreements of \$14,176,972 (net of unamortized discount) totaling \$27,512,733. This is in comparison to long-term liabilities at June 30, 2010 of \$28,611,854, or a decrease of \$1,099,121.

Additional information on the District's long-term liabilities are presented in the Notes of the Basic Financial Statements.

NORTH BERGEN BOARD OF EDUCATION

Management Discussion and Analysis

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2010-2011 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were also considered when adopting the budget for fiscal year 2011-2012. Budgeted expenditures in the General Fund increased in this year's school year to fund contractual salary increases and increases in the premiums for employee benefits.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, North Bergen Board of Education, 7317 Kennedy Boulevard, North Bergen, NJ 07047.

BASIC FINANCIAL STATEMENTS

NORTH BERGEN BOARD OF EDUCATION
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,423,154	\$ 23	\$ 3,423,177
Receivables, Net	14,722,708	386,304	15,109,012
Internal Balances	115,686	(115,686)	
Other Receivables	114,046		114,046
Prepaid Items	79,000		79,000
Other Assets	20,000		20,000
Inventory		33,000	33,000
Deferred Charges	411,425		411,425
Restricted Assets			
Cash and Cash Equivalents	11,808		11,808
Capital Assets			
Not Being Depreciated	6,565,438		6,565,438
Being Depreciated, Net	49,301,552	24,908	49,326,460
	<u>74,764,817</u>	<u>328,549</u>	<u>75,093,366</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	3,863,548	92,031	3,955,579
Accrued Interest Payable	96,098		96,098
Payable to Other Governments	431,185		431,185
Unearned Revenue	4,098,689	7,238	4,105,927
Noncurrent Liabilities			
Due Within One Year	2,105,850		2,105,850
Due Beyond One Year	25,406,883	-	25,406,883
	<u>36,002,253</u>	<u>99,269</u>	<u>36,101,522</u>
NET ASSETS			
Invested in Capital Assets, net of Related Debt	40,581,140	24,908	40,606,048
Restricted for:			
Capital Projects	4,000,001		4,000,001
Debt Service	105,295		105,295
Other Purposes	2,008,781		2,008,781
Unrestricted	(7,932,653)	204,372	(7,728,281)
	<u>\$ 38,762,564</u>	<u>\$ 229,280</u>	<u>\$ 38,991,844</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**NORTH BERGEN BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 44,937,810	\$ 4,509,007	\$ 7,127,154		\$ (33,301,649)		\$ (33,301,649)
Special Education	13,750,989		7,720,703		(6,030,286)		(6,030,286)
Other Instruction	8,184,243		2,968,324		(5,215,919)		(5,215,919)
School Sponsored Activities and Athletics	1,688,966		132,719		(1,556,247)		(1,556,247)
Support Services:							
Student and Instruction Related Services	13,829,858		4,546,958		(9,282,900)		(9,282,900)
General Administrative Services	2,712,890		123,883		(2,589,007)		(2,589,007)
School Administrative Services	7,012,372		421,101		(6,591,271)		(6,591,271)
Plant Operations and Maintenance	12,543,652		145,262	\$ 1,201,613	(11,196,777)		(11,196,777)
Pupil Transportation	3,727,566		378,764		(3,348,802)		(3,348,802)
Business Services	2,605,588				(2,605,588)		(2,605,588)
Interest on Long-Term Debt	964,942				(964,942)		(964,942)
Total Governmental Activities	<u>111,958,876</u>	<u>4,509,007</u>	<u>23,564,868</u>	<u>1,201,613</u>	<u>(82,683,388)</u>	<u>-</u>	<u>(82,683,388)</u>
Business-Type Activities:							
Food Service	<u>2,778,034</u>	<u>734,672</u>	<u>2,116,924</u>	<u>-</u>	<u>-</u>	<u>73,562</u>	<u>73,562</u>
Total Business-Type Activities	<u>2,778,034</u>	<u>734,672</u>	<u>2,116,924</u>	<u>-</u>	<u>-</u>	<u>73,562</u>	<u>73,562</u>
Total Primary Government	<u>\$ 114,736,910</u>	<u>\$ 5,243,679</u>	<u>\$ 25,681,792</u>	<u>\$ 1,201,613</u>	<u>(82,683,388)</u>	<u>73,562</u>	<u>(82,609,826)</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**NORTH BERGEN BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Net (Expense) Revenue and
Changes in Net Assets**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues			
Taxes			
Property Taxes, Levied for General Purposes, net	\$ 39,301,311		\$ 39,301,311
Property Taxes, Levied for Debt Service, net	1,676,751		1,676,751
State Aid - Unrestricted	47,233,353		47,233,353
State Aid - Restricted for Debt Service	550,958		550,958
Investment Earnings	15,034		15,034
Miscellaneous Income	717,003		717,003
Transfers	(13,054)	13,054	-
	<u>\$ 89,481,356</u>	<u>13,054</u>	<u>\$ 89,494,410</u>
Total General Revenues and Transfers			
Change in Net Assets	6,797,968	86,616	6,884,584
Net Assets-Beginning of Year	<u>31,964,596</u>	<u>142,664</u>	<u>32,107,260</u>
Net Assets-End of Year	<u>\$ 38,762,564</u>	<u>\$ 229,280</u>	<u>\$ 38,991,844</u>

FUND FINANCIAL STATEMENTS

**NORTH BERGEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 1,559,303		\$ 1,820,383	\$ 43,468	\$ 3,423,154
Receivables From Other Governments	3,190,121	\$ 6,330,304	5,202,283		14,722,708
Other Receivables	17,620	84,637			102,257
Prepaid Items	79,000				79,000
Other Assets	20,000				20,000
Due From Other Funds	4,472,763			50,019	4,522,782
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	-	-	-	11,808	11,808
Total Assets	<u>\$ 9,338,807</u>	<u>\$ 6,414,941</u>	<u>\$ 7,022,666</u>	<u>\$ 105,295</u>	<u>\$ 22,881,709</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 2,544,366	\$ 613,295	\$ 116,958		\$ 3,274,619
Accrued Salaries and Wages	1,001,044				1,001,044
Deferred Revenue	75,059	1,447,507	2,576,123		4,098,689
Payables to Other Governments		70	5,000		5,070
Other Payables	14,000				14,000
Due To Other Funds	-	4,345,288	50,019	-	4,395,307
Total Liabilities	<u>3,634,469</u>	<u>6,406,160</u>	<u>2,748,100</u>	<u>-</u>	<u>12,788,729</u>
Fund Balances:					
Restricted					
Capital Reserve	4,000,001				4,000,001
Maintenance Reserve	1,000,000				1,000,000
Emergency Reserve	1,000,000				1,000,000
Excess Surplus Designated for Subsequent Year's Budget	435,175				435,175
Excess Surplus	759,105				759,105
Preschool Program		8,781			8,781
Capital Projects Fund			4,274,566		4,274,566
Debt Service Fund				\$ 105,295	105,295
Committed					
Year End Encumbrances	104,291				104,291
Assigned					
Designated for Subsequent Year's Budget	618,195				618,195
Year End Encumbrances	601,053				601,053
Unassigned					
General Fund	(2,813,482)	-	-	-	(2,813,482)
Total Fund Balances	<u>5,704,338</u>	<u>8,781</u>	<u>4,274,566</u>	<u>105,295</u>	<u>10,092,980</u>
Total Liabilities and Fund Balances	<u>\$ 9,338,807</u>	<u>\$ 6,414,941</u>	<u>\$ 7,022,666</u>	<u>\$ 105,295</u>	

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$75,435,977 and the accumulated depreciation is \$19,568,987. 55,866,990

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (96,098)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds

Bonds Payable (Net)	\$ 5,886,119	
Intergovernmental Loan	70,850	
Certificates of Participation (Net)	14,176,972	
Compensated Absences	7,378,792	
Less: Deferred Amounts for Debt Issuance Costs	(411,425)	
		<u>(27,101,308)</u>

Net Assets of Governmental Activities \$ 38,762,564

**NORTH BERGEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Property Tax Levy	\$ 39,301,311			\$ 1,676,751	\$ 40,978,062
Tuition	4,509,007				4,509,007
Interest	15,023		\$ 11		15,034
Miscellaneous	716,450	\$ 56,564	-	553	773,567
Total - Local Sources	<u>44,541,791</u>	<u>56,564</u>	<u>11</u>	<u>1,677,304</u>	<u>46,275,670</u>
State Sources	59,376,505	3,912,774	1,201,613	550,958	65,041,850
Federal Sources	199,012	7,253,366	-	-	7,452,378
Total Revenues	<u>104,117,308</u>	<u>11,222,704</u>	<u>1,201,624</u>	<u>2,228,262</u>	<u>118,769,898</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	42,084,060	2,630,091			44,714,151
Special Education Instruction	11,703,721	2,047,268			13,750,989
Other Instruction	5,846,677	2,337,566			8,184,243
School Sponsored Activities and Athletics	1,688,966				1,688,966
Community Service Programs					-
Support Services					
Student and Instruction Related Services	10,966,224	2,829,354			13,795,578
General Administrative Services	2,577,112				2,577,112
School Administrative Services	6,924,399				6,924,399
Plant Operations and Maintenance	10,982,784				10,982,784
Pupil Transportation	3,486,105	218,701			3,704,806
Business Services	2,493,716				2,493,716
Debt Service					
Principal	268,691			1,385,850	1,654,541
Interest and Other Charges	65,955			826,636	892,591
Costs of Issuance				189,516	189,516
Advance Refunding Escrow				45,983	45,983
Capital Outlay	<u>1,455,362</u>	<u>750,980</u>	<u>2,061,254</u>	<u>-</u>	<u>4,267,596</u>
Total Expenditures	<u>100,543,772</u>	<u>10,813,960</u>	<u>2,061,254</u>	<u>2,447,985</u>	<u>115,866,971</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,573,536</u>	<u>408,744</u>	<u>(859,630)</u>	<u>(219,723)</u>	<u>2,902,927</u>
OTHER FINANCING SOURCES (USES)					
Payments to Refunding Escrow Agent				(5,310,000)	(5,310,000)
Refunding Bond Proceeds				5,590,000	5,590,000
Discount on Issuance of Refunding Bonds				(32,693)	(32,693)
Transfers In	431,000		1,336,807	11	1,767,818
Transfers Out	<u>(1,349,861)</u>	<u>(431,000)</u>	<u>(11)</u>	<u>-</u>	<u>(1,780,872)</u>
Total Other Financing Sources and Uses	<u>(918,861)</u>	<u>(431,000)</u>	<u>1,336,796</u>	<u>247,318</u>	<u>234,253</u>
Net Change in Fund Balances	2,654,675	(22,256)	477,166	27,595	3,137,180
Fund Balance, Beginning of Year	<u>3,049,663</u>	<u>31,037</u>	<u>3,797,400</u>	<u>77,700</u>	<u>6,955,800</u>
Fund Balance, End of Year	<u>\$ 5,704,338</u>	<u>\$ 8,781</u>	<u>\$ 4,274,566</u>	<u>\$ 105,295</u>	<u>\$ 10,092,980</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**NORTH BERGEN BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 3,137,180

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 depreciation exceeded capital outlay in the period.

Capital Outlays	\$ 4,267,596	
Depreciation Expense	<u>(1,843,661)</u>	2,423,935

The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Additionally, governmental funds report the effect of issuance costs, premiums, discounts and similar items when the debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount represents the net effect of these activities:

Principal Repayments		
Capital Leases	23,855	
Sales Leaseback	244,836	
Loans	70,850	
General Obligation Bonds	485,000	
Amortization		
Premium	9,101	
Deferred Charge on Refunding	(6,344)	
Certificates of Participation	830,000	
Amortization		
Discount	(11,624)	
Deferred Charge on Refunding	<u>(75,935)</u>	1,569,739

Issuance of debt is an other financing source in the governmental funds, but the issuance increases long-term liabilities in the statement of net assets and is not reported in the statement of activities

Refunding Bond Proceeds	(5,590,000)	
Add: Payments to Refunding Escrow	5,310,000	
Add: Discount	32,693	
Add: Amortization of Discount	<u>(7,697)</u>	(255,004)

Payments related to the issuance of long term debt are shown as expenditures in the governmental funds, but are not reported in the statement of activities.

Bond Issuance Costs	189,516	
Deferred Charge on Refunding	45,983	
Less: Amortization of Deferred Amount on Refunding	<u>(10,826)</u>	224,673

In the statement of activities, debt issuance costs are amortized over the life of the related debt issued. Amortization of debt issuance costs do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds

(82,758)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

30,974

In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).

Compensated Absences		<u>(250,771)</u>
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Change in Net Assets of Governmental Activities (Exhibit A-2)

\$ 6,797,968

**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET ASSETS
 AS OF JUNE 30, 2011**

		<u>Business-Type Activities Food Service Enterprise Fund</u>
ASSETS		
Cash and Cash Equivalents	\$	23
Intergovernmental Receivable		
State		6,493
Federal		379,811
Inventories		<u>33,000</u>
Total Current Assets		<u>419,327</u>
Capital Assets		
Equipment		116,661
Accumulated Depreciation		<u>(91,753)</u>
Total Capital Assets		<u>24,908</u>
Total Assets		<u>444,235</u>
LIABILITIES		
Current Liabilities		
Accounts Payable		92,031
Due to Other Funds		115,686
Unearned Revenue		<u>7,238</u>
Total Current Liabilities		<u>214,955</u>
NET ASSETS		
Invested in Capital Assets		24,908
Unrestricted		<u>204,372</u>
Total Net Assets	\$	<u>229,280</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Business-Type Activities Food Service Enterprise Fund</u>
OPERATING REVENUES	
Local Sources	
Daily Sales	\$ 675,419
Special Functions	59,253
	734,672
Total Operating Revenues	734,672
OPERATING EXPENSES	
Salaries and Wages	1,052,662
Employee Benefits	159,018
Cost of Sales	1,149,574
Other Purchased Services	322,791
Supplies and Materials	93,043
Depreciation	946
	2,778,034
Total Operating Expenses	2,778,034
Operating Income (Loss)	(2,043,362)
NONOPERATING REVENUES	
State Sources	
State School Lunch Program	30,880
Federal Sources	
School Breakfast Program	416,084
National School Lunch Program	1,651,462
Special Milk Program	3,352
After School Snack Program	15,094
Interest	52
	2,116,924
Total Nonoperating Revenues	2,116,924
Net Income (Loss)	73,562
Transfer In	13,054
Net Assets, Beginning of Year	142,664
Net Assets, End of Year	\$ 229,280

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**NORTH BERGEN BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Business-Type Activities Food Service Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 734,672
Cash Payments for Employees Salaries & Benefits	(1,211,680)
Cash Payments to Suppliers for Goods and Services	<u>(1,510,127)</u>
Net Cash (Used) for Operating Activities	<u>(1,987,135)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Payments for Interfund Transactions	169,378
Cash Received from State and Federal Subsidy Reimbursements	<u>1,817,727</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,987,105</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received on Deposits	<u>52</u>
Net Cash Provided by Investing Activities	<u>52</u>
Net Change in Cash and Cash Equivalents	22
Cash and Cash Equivalents, Beginning of Year	<u>1</u>
Cash and Cash Equivalents, End of Year	<u>\$ 23</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Income (Loss)	<u>\$ (2,043,362)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	946
Non-Cash Federal Assistance-Food Distribution Program	108,281
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	(48,544)
(Increase)/Decrease in Inventory	(4,936)
Increase/(Decrease) in Unearned Revenue	<u>480</u>
Total Adjustments	<u>56,227</u>
Net Cash (Used) for Operating Activities	<u>\$ (1,987,135)</u>
Non-Cash Investing, Capital and Financing Activities	
Value Received - Food Distribution Program	\$ 108,761
Equipment Purchased by General Fund	13,054

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2011**

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 408,917	\$ 2,886,183
Investments		90,260
Intergovernmental Receivable	23,354	
Due From Other Funds	88,944	-
	<hr/>	<hr/>
Total Assets	521,215	\$ 2,976,443
LIABILITIES		
Payroll Deductions and Withholdings		\$ 23,312
Accrued Salaries and Wages		2,578,137
Intergovernmental Payable	32,873	
Due to Student Groups		274,261
Due to Other Funds	-	100,733
	<hr/>	<hr/>
Total Liabilities	32,873	\$ 2,976,443
NET ASSETS		
Held in Trust for Unemployment Claims	\$ 488,342	

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Board Contribution	\$ 382,931
Employee Deductions	87,333
Interest	<u>61</u>
Total Additions	<u>470,325</u>
DEDUCTIONS	
Unemployment Claims	<u>436,414</u>
Total Deductions	<u>436,414</u>
Change in Net Assets	33,911
Net Assets, Beginning of Year	<u>454,431</u>
Net Assets, End of Year	<u>\$ 488,342</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The North Bergen Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and one appointed official from the Guttenberg Board of Education. The Board 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. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the North Bergen Board of Education this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. Basic Financial Statements

The basic financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements. Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities.

The district-wide financial statements report information on all of the nonfiduciary activities of the Board of Education. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District considers all of its governmental and enterprise funds to be major funds.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due.

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal and state financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of major capital facilities and other capital assets.

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The District reports the following major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

Additionally, the District reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow private-sector guidance issued subsequent to December 1, 1989.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

1. *Deposits and Investments*

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2009-2010 and 2010-2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenue is recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred revenues. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. Inventories

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as unearned revenue.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

5. Restricted Assets

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and/or their use is limited by state or county regulations for capital projects and/or Lease-Purchase Agreements for capital projects and/or certificates of participation, principal and interest.

6. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	40
Building Improvements	20
Heavy Equipment	15
Office Equipment and Furniture	5-15
Computer Equipment	5

7. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation, personal, and sick leave benefits. A long-term liability of accumulated vacation, personal and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation, personal and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

8. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and refunding gains or losses. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Fund Equity

Beginning with fiscal year 2011, the District implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Reserved Excess Surplus – Designated for Subsequent Year's Budget - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2010 audited excess surplus that was appropriated in the 2011/2012 original budget certified for taxes.

Reserved Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2011 audited excess surplus that is required to be appropriated in the 2012/2013 original budget certified for taxes.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2.)

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education.

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

9. Fund Equity (Continued)

Reserved for Early Childhood/Preschool Programs – This restriction was created to represent the unbudgeted proceeds from the Economic Development Agency Grant for reimbursement of Early Childhood capital project expenses.

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2011/2012 District budget certified for taxes.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Unassigned Fund Balance – 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.

10. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent and is voted upon at the annual school election on the third Tuesday in April. Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2010/2011. During 2010/2011 the Board increased the original budget by \$3,529,235. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or assigned 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 which are reappropriated and honored during the subsequent fiscal year.

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Capital Outlay			
Facilities Acquisition and Construction			
Other Objects	<u>\$ -</u>	<u>\$61,287</u>	<u>\$61,287</u>

The above variances were offset with other available resources.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Deficit Fund Equity

The District has an unassigned deficit fund balance of \$2,813,482 in the General Fund as of June 30, 2011 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2010/2011 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund balance deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund balance deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$2,813,482 in the General Fund is less than the delayed state aid payments.

D. Capital Reserve

A capital reserve account was established by the District on September 20, 2000. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve 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 or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. 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. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the fiscal year ended June 30, 2011 is as follows:

Balance, July 1, 2010	\$ 1,000,001
Increased by	
Deposits Approved by Board Resolution	3,000,000
Balance, June 30, 2011	\$ 4,000,001

**E. NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved 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 in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2011 is \$1,194,280. Of this amount, \$435,175 was designated and appropriated in the 2011/2012 original budget certified for taxes and the remaining amount of \$759,105 will be appropriated in the 2012/2013 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2011, the book value of the Board's deposits was \$6,730,085 and bank balances of the Board's cash and deposits amounted to \$9,267,738. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	<u>\$ 9,267,738</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2011 the Board's bank balance were not exposed to custodial credit risk.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2011, the Board had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
MBIA Class Account	\$ <u>90,260</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial risk. As of June 30, 2011, \$90,260 of the Board’s investments was exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Fair Value</u>
Uninsured and Collateralized: Collateral Held by pledging financial institution's trust department or agent in the Board's name	\$ <u>90,260</u>

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Investments (Continued)

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

The fair value of the above-listed investment was based on quoted market prices.

Investment and interest earnings in the Capital Projects Fund are assigned to the Debt Service Fund in accordance with Board policy.

B. Receivables

Receivables as of June 30, 2011 for the district’s individual major funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Other Funds</u>	<u>Total</u>
Receivables:						
Intergovernmental	\$ 3,190,121	\$ 6,330,304	\$ 5,202,283	\$ 386,304	\$ 23,354	\$ 15,132,366
Other	<u>17,620</u>	<u>84,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,257</u>
Gross Receivables	3,207,741	6,414,941	5,202,283	386,304	23,354	15,234,623
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 3,207,741</u>	<u>\$ 6,414,941</u>	<u>\$ 5,202,283</u>	<u>\$ 386,304</u>	<u>\$ 23,354</u>	<u>\$ 15,234,623</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
General Fund	
Economic Development Authority School Facility Grants	\$ 75,059
Special Revenue Fund	
Unencumbered Grant Draw Downs	1,361,829
Grant Draw Downs Reserved for Encumbrances	85,678
Capital Projects Fund	
Secure Our Schools Grant	23,871
Unrealized School Facilities Grant (SDA)	<u>2,552,252</u>
Total Deferred Revenue for Governmental Funds	<u>\$ 4,098,689</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

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

	Balance <u>July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2011</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,688,797			\$ 2,688,797
Construction in Progress	<u>4,728,874</u>	\$ 4,125,700	\$(4,977,933)	<u>3,876,641</u>
Total Capital Assets, Not Being Depreciated	<u>7,417,671</u>	<u>4,125,700</u>	<u>(4,977,933)</u>	<u>6,565,438</u>
Capital Assets, Being Depreciated:				
Buildings	61,395,957	4,977,933		66,373,890
Land Improvements	135,054			135,054
Machinery and Equipment	<u>2,329,442</u>	141,896	(109,743)	<u>2,361,595</u>
Total Capital Assets Being Depreciated	<u>63,860,453</u>	<u>5,119,829</u>	<u>(109,743)</u>	<u>68,870,539</u>
Less Accumulated Depreciation for:				
Buildings	(15,821,726)	(1,700,591)		(17,522,317)
Land Improvements	(40,462)	(1,953)		(42,415)
Machinery and Equipment	<u>(1,972,881)</u>	<u>(141,117)</u>	109,743	<u>(2,004,255)</u>
Total Accumulated Depreciation	<u>(17,835,069)</u>	<u>(1,843,661)</u>	<u>109,743</u>	<u>(19,568,987)</u>
Total Capital Assets, Being Depreciated, net	<u>46,025,384</u>	<u>3,276,168</u>	<u>-</u>	<u>49,301,552</u>
Governmental Activities Capital Assets, net	<u>\$ 53,443,055</u>	<u>\$ 7,401,868</u>	<u>\$(4,977,933)</u>	<u>\$ 55,866,990</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 103,607	\$ 13,054	-	\$ 116,661
Total Capital Assets Being Depreciated	<u>103,607</u>	<u>13,054</u>	<u>-</u>	<u>116,661</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(90,807)</u>	<u>(946)</u>	<u>-</u>	<u>(91,753)</u>
Total Accumulated Depreciation	<u>(90,807)</u>	<u>(946)</u>	<u>-</u>	<u>(91,753)</u>
Total Capital Assets, Being Depreciated, net	<u>12,800</u>	<u>12,108</u>	<u>-</u>	<u>24,908</u>
Business-Type Activities Capital Assets, net	<u>\$ 12,800</u>	<u>\$ 12,108</u>	<u>\$ -</u>	<u>\$ 24,908</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

Instruction	
Regular	\$ 20,809
Total Instruction	<u>20,809</u>

Support Services	
Support Services-Students and Instruction Related Services	34,280
School Administration	16,221
Operations and Maintenance of Plant	1,749,591
Pupil Transportation	<u>22,760</u>

Total Support Services	<u>1,822,852</u>
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Total Depreciation Expense - Governmental Activities	<u>\$ 1,843,661</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 946</u>
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Construction Commitments

The District has the following active construction projects as of June 30, 2011:

<u>Project</u>	<u>Remaining Commitment</u>
Window Replacement and Exterior Doors - Horace Mann	<u>\$ 2,310,000</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 4,345,288
General Fund	Payroll Agency Fund	11,789
Debt Service Fund	Capital Projects Fund	50,019
General Fund	Food Service Fund	115,686
Unemployment Compensation Trust Fund	Payroll Agency Fund	<u>88,944</u>
 Total		 <u>\$ 4,611,726</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

Interfund Transfers

	<u>Transfer In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Food Service Fund</u>	
Transfer Out:					
General Fund		\$ 1,336,807		\$ 13,054	\$ 1,349,861
Special Revenue Fund	\$ 431,000				431,000
Capital Projects Fund	-	-	\$ 11	-	11
	<u>\$ 431,000</u>	<u>\$ 1,336,807</u>	<u>\$ 11</u>	<u>\$ 13,054</u>	<u>\$ 1,780,872</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases (Continued)

Lease Purchase Agreements

The District has entered into lease purchase agreements and issued certificates of participation (“COPS”) as follows:

<u>Series</u>	<u>Date of Issuance</u>	<u>Certificates Issued</u>	<u>Lessor</u>	<u>Agent</u>
Improvements to Various Schools	8/1/98	\$9,000,000*	FFL Savings Corp.	Trust Company of NJ
Improvements to Various Schools	1/5/00	\$10,000,000**	FFL Savings Corp.	Trust Company of NJ

*On July 1, 2010 the District refunded a portion of the original certificates issued.

**On February 1, 2005 the District refunded a portion of the original certificates issued.

The proceeds from the sale of the certificates were allocated as follows:

Construction	\$18,510,543
Costs of Issuance	356,817
Certificate of Insurance Premium	153,138
Reserve Account – Surety Premium	<u>52,284</u>
	<u>\$19,072,782</u>

The unexpended proceeds from the sale of the certificates, including interest earned on balances which remain on deposit are held with the respective agents. The following is a summary of balances by account type as of June 30, 2011:

Debt Service Reserve	\$ 11,808
Pooled Cash – Capital Projects Fund	<u>991,666</u>
	<u>\$1,003,474</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases (Continued)

Lease Purchase Agreements

The maturity schedule of the remaining lease payments for principal and interest is as follows:

Governmental Activities:

Year Ended June 30,	<u>Certificates of Participation</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 855,000	\$ 531,026	\$ 1,386,026
2013	885,000	504,057	1,389,057
2014	915,000	478,163	1,393,163
2015	950,000	450,963	1,400,963
2016	990,000	420,037	1,410,037
2017-2021	6,905,000	1,459,958	8,364,958
2022-2026	<u>3,530,000</u>	<u>145,300</u>	<u>3,675,300</u>
	<u>\$ 15,030,000</u>	<u>\$ 3,989,504</u>	<u>\$ 19,019,504</u>

F. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2011 are comprised of the following issues:

\$4,250,000, Pension Obligation Bonds Series 2003, due in annual installments of \$160,000 to \$310,000 through April 1, 2026, interest at 4.95% to 5.60%	\$3,445,000
\$3,125,000, 2009 Refunding Bonds, due in annual installments of \$335,000 to \$365,000 through March, 2018, interest at 2.5% to 4.0%	<u>2,435,000</u>
	<u>\$5,880,000</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Intergovernmental Loan Payable

The Board has entered into loan agreements with the New Jersey Economic Development Agency to provide funds for the acquisition and construction of major capital facilities.

Loans payable at June 30, 2011 are comprised of the following:

\$708,500, 2001 Loan due in Semi-annual installments of \$70,850 interest free \$70,850

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Year Ending June 30,	<u>Serial Bonds</u>		<u>Intergovernmental</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Loan Principal</u>		
2012	\$ 495,000	\$ 266,358	\$ 70,850	\$	832,208
2013	505,000	249,983			754,983
2014	520,000	231,533			751,533
2015	530,000	212,520			742,520
2016	545,000	192,920			737,920
2017-2021	1,850,000	630,275			2,480,275
2022-2026	<u>1,435,000</u>	<u>243,763</u>	<u>-</u>		<u>1,678,763</u>
	<u>\$ 5,880,000</u>	<u>\$ 2,027,352</u>	<u>\$ 70,850</u>	<u>\$</u>	<u>7,978,202</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2011 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 229,849,454
Less: Net Debt	<u>2,505,850</u>
Remaining Borrowing Power	<u>\$ 227,343,604</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2011, was as follows:

	Balance <u>July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2011</u>	Due Within <u>One Year</u>
Governmental Activities:					
Obligations Under Lease-					
Purchase Agreement	\$ 15,580,000	\$ 5,590,000	\$ 6,140,000	\$ 15,030,000	\$ 855,000
Less:					
Unamortized Discount	(116,885)	(32,693)	(19,321)	(130,257)	
Unamortized Amount on Refunding	<u>(763,549)</u>	<u>(45,983)</u>	<u>(86,761)</u>	<u>(722,771)</u>	<u>-</u>
	<u>14,699,566</u>	<u>5,511,324</u>	<u>6,033,918</u>	<u>14,176,972</u>	<u>855,000</u>
 Bonds Payable	 6,365,000		485,000	5,880,000	495,000
Add:					
Unamortized Premium	29,302		9,101	20,201	
Less:					
Unamortized Amount on Refunding	<u>(20,426)</u>	<u>-</u>	<u>(6,344)</u>	<u>(14,082)</u>	<u>-</u>
	<u>6,373,876</u>	<u>-</u>	<u>487,757</u>	<u>5,886,119</u>	<u>495,000</u>
 Intergovernmental Loans Payable	 141,700		70,850	70,850	70,850
Capital Leases Payable	23,855		23,855	-	
Sales/Leaseback Contract	244,836		244,836	-	
Compensated Absences	<u>7,128,021</u>	<u>762,025</u>	<u>511,254</u>	<u>7,378,792</u>	<u>685,000</u>
	<u>\$ 28,611,854</u>	<u>\$ 6,273,349</u>	<u>\$ 7,372,470</u>	<u>\$ 27,512,733</u>	<u>\$ 2,105,850</u>

For the governmental activities, compensated absences are liquidated by the general fund.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board is a member of the New Jersey Educational Insurance Fund administered by New Jersey School Boards Association Insurance Group. The Fund provides insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

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

The Fund provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

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

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 following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

<u>Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ 382,931	\$ 87,333	\$ 436,414	\$ 488,342
2010		81,245	198,942	454,431
2009		189,697	117,951	572,128

B. Contingent Liabilities – Pending Litigation

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

C. Contingent Liabilities – Federal and State Awards

The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2011, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

D. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2011, the District has not estimated its arbitrage earnings due to the IRS, if any.

E. Employee Retirement Systems and Pension Plans

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Significant Legislation

P.L. 2010, c. 1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement system.

This new legislation changed the membership eligibility criteria for new members of TPAF and PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of TPAF and PERS to 1/60 from 1/55, and it provided that new members of TPAF and PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of TPAF and PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the prosecutor's part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in Fiscal Year 2012.

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Funding Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 66.0 percent with an unfunded actuarial accrued liability of \$45.8 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 62.0 percent and \$30.7 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 72.1 percent and \$15.1 billion.

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

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

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

In the June 30, 2009 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 5.5% for the PERS and TPAF Plans.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the fiscal year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2011, 2010 and 2009 the Board was required to contribute for PERS and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>
2011	\$ 974,415	\$ 151,894
2010	762,439	162,706
2009	636,131	152,669

During the last three fiscal years the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed \$151,894, \$162,706 and \$152,669 during 2010/2011, 2009/2010 and 2008/2009, respectively, for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$3,781,322 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

F. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost sharing multiple employer defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 514 state and local participating employers and contributing entities for Fiscal Year 2010.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

P.L. 2010, c.2 effective May 21, 2010, makes changes to the SHBP-State/Local Government/Local Education concerning eligibility, cost sharing, choice of a plan, the application of benefit changes, the waiver of coverage, and multiple coverage under such plans. It also requires contributions toward the cost of health care benefits coverage by public employees and certain retirees.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

F. Post-Retirement Medical Benefits (Continued)

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the State had a \$56.8 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$20.5 billion for state active and retired members and \$36.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

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

Actuarial Methods and Assumptions

In the June 30, 2009, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2010, there were 87,288 retirees receiving post-retirement medical benefits and the State contributed \$883.8 million on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits 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 with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

F. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions (Continued)

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2011, 2010 and 2009 were \$3,226,234, \$3,055,845 and \$2,912,537, 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.

BUDGETARY COMPARISON SCHEDULES

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 39,301,311		\$ 39,301,311	\$ 39,301,311	
Tuition	4,929,200		4,929,200	4,509,007	\$ (420,193)
Interest	20,000		20,000	15,023	(4,977)
Miscellaneous	385,000		385,000	716,450	331,450
State Sources					
Special Education Aid	2,542,857		2,542,857	4,194,147	1,651,290
Equalization Aid	48,563,451		48,563,451	46,912,161	(1,651,290)
Extraordinary Aid				615,659	615,659
Non-Public Transportation Aid				116,058	116,058
Other State Aid				6,500	6,500
TPAF Pension Contribution (Non Budgeted)					
NCGI Premium				151,894	151,894
Post Retirement				3,226,234	3,226,234
TPAF Social Security Contribution (Non Budgeted)				3,781,322	3,781,322
Federal Sources					
Medicaid Reimbursement Program	157,357	-	157,357	199,012	41,655
Total Revenues	<u>95,899,176</u>	<u>-</u>	<u>95,899,176</u>	<u>103,744,778</u>	<u>7,845,602</u>
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Preschool/Kindergarten	1,835,900	\$ (244,855)	1,591,045	1,573,598	17,447
Grades 1-5	9,390,400	334,624	9,725,024	9,649,474	75,550
Grades 6-8	4,743,200	883,077	5,626,277	5,620,614	5,663
Grades 9-12	10,105,000	1,490,476	11,595,476	11,594,645	831
Regular Programs - Home Instruction					
Salaries of Teachers	100,000	24,200	124,200	124,187	13
Purchased Professional Educational Services	35,500	4,848	40,348	39,735	613
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	505,000	53,900	558,900	545,885	13,015
Purchased Professional Educational Services	120,000	57,000	177,000	106,042	70,958
Other Purchased Services	260,000	(46,426)	213,574	182,422	31,152
General Supplies	835,000	(178,480)	656,520	654,320	2,200
Textbooks	765,000	(278,970)	486,030	466,503	19,527
Other Objects	1,000	-	1,000	-	1,000
Total Regular Programs	<u>28,696,000</u>	<u>2,099,394</u>	<u>30,795,394</u>	<u>30,557,425</u>	<u>237,969</u>
Special Education					
Cognitive - Moderate					
Salaries of Teachers	58,800	84,706	143,506	68,738	74,768
General Supplies	1,600	-	1,600	-	1,600
Total Cognitive - Moderate	<u>60,400</u>	<u>84,706</u>	<u>145,106</u>	<u>68,738</u>	<u>76,368</u>
Learning and Learning Disabilities					
Salaries of Teachers	2,250,800	(896,209)	1,354,591	1,348,743	5,848
Other Salaries for Instruction	412,000	25,000	437,000	434,441	2,559
Other Purchased Services		19,885	19,885		19,885
General Supplies	9,800	138	9,938	4,069	5,869
Textbooks	10,100	-	10,100	1,430	8,670
Total Learning and Learning Disabilities	<u>2,682,700</u>	<u>(851,186)</u>	<u>1,831,514</u>	<u>1,788,683</u>	<u>42,831</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Resource Room / Resource Center					
Salaries of Teachers	\$ 3,232,600	\$ 113,012	\$ 3,345,612	\$ 3,345,496	\$ 116
Total Resource Room / Resource Center	<u>3,232,600</u>	<u>113,012</u>	<u>3,345,612</u>	<u>3,345,496</u>	<u>116</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	155,000	50,555	205,555	204,790	765
Other Salaries for Instruction	263,000	23,000	286,000	284,577	1,423
General Supplies	13,000	(3,000)	10,000	-	10,000
Total Preschool Disabilities - Part-Time	<u>431,000</u>	<u>70,555</u>	<u>501,555</u>	<u>489,367</u>	<u>12,188</u>
Home Instruction					
Salaries of Teachers	111,000	92,000	203,000	202,998	2
Purchased Professional Educational Services	35,000	22,672	57,672	34,784	22,888
Total Home Instruction	<u>146,000</u>	<u>114,672</u>	<u>260,672</u>	<u>237,782</u>	<u>22,890</u>
Total Special Education	<u>6,552,700</u>	<u>(468,241)</u>	<u>6,084,459</u>	<u>5,930,066</u>	<u>154,393</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,390,000	(55,708)	1,334,292	1,323,560	10,732
Other Salaries for Instruction	10,000	6,000	16,000	14,651	1,349
Purchased Professional Educational Services	177,000	(61,851)	115,149		115,149
Other Purchased Services	25,000	1,059	26,059	11,509	14,550
General Supplies	434,000	(326,100)	107,900	11,954	95,946
Other Objects	5,000	-	5,000	-	5,000
Total Basic Skills/Remedial - Instruction	<u>2,041,000</u>	<u>(436,600)</u>	<u>1,604,400</u>	<u>1,361,674</u>	<u>242,726</u>
Bilingual Education					
Salaries of Teachers	2,900,665	(162,693)	2,737,972	2,737,928	44
Other Salaries for Instruction	125,000	10,100	135,100	128,597	6,503
Purchased Professional Educational Services	4,000		4,000		4,000
Other Purchased Services	8,000	72	8,072	1,252	6,820
General Supplies	100,000	(28,215)	71,785	27,656	44,129
Textbooks	100,000	(61,341)	38,659	16,660	21,999
Total Bilingual Education	<u>3,237,665</u>	<u>(242,077)</u>	<u>2,995,588</u>	<u>2,912,093</u>	<u>83,495</u>
School Sponsored Co-Curricular Activities					
Salaries	265,000	-	265,000	248,517	16,483
Purchased Services	90,000	(800)	89,200	77,563	11,637
Supplies and Materials	1,000	800	1,800	1,488	312
Other Objects	1,200	-	1,200	-	1,200
Total School Sponsored Co-Curricular Activities	<u>357,200</u>	<u>-</u>	<u>357,200</u>	<u>327,568</u>	<u>29,632</u>
School Sponsored Athletics - Instruction					
Salaries	679,230	(4,200)	675,030	606,585	68,445
Purchased Services	315,000	(4,294)	310,706	267,922	42,784
Supplies and Materials	155,000	20,366	175,366	166,633	8,733
Total School Sponsored Athletics - Instruction	<u>1,149,230</u>	<u>11,872</u>	<u>1,161,102</u>	<u>1,041,140</u>	<u>119,962</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Before/After School Programs - Instructions					
Salaries of Teachers	-	\$ 2,500	\$ 2,500	\$ 2,454	\$ 46
Total Before/After School Programs -Instruct.	-	2,500	2,500	2,454	46
Other Supplemental/At-Risk Programs					
Salaries of Teachers	\$ 270,000	(180,000)	90,000	-	90,000
Total Community Services Programs/Operations	270,000	(180,000)	90,000	-	90,000
Total - Instruction	42,303,795	786,848	43,090,643	42,132,420	958,223
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Special	30,000	163,586	193,586	40,484	153,102
Tuition to County Vocational School/Dist.-Reg.		22,500	22,500		22,500
Tuition to County Vocational School/Dist.-Spec.	3,304,352	(397,283)	2,907,069	2,709,511	197,558
Tuition to Private Schools - Disabled Within State	865,980	1,749	867,729	781,100	86,629
Tuition to Private Schools Disabled and Other LEA's - Outside of State	60,000	4,620	64,620	63,020	1,600
Tuition - State Facilities	145,648	-	145,648	86,431	59,217
Tuition - Other	330,000	(203,891)	126,109	1,292	124,817
Total Undistributed Expenditures - Instruction	4,735,980	(408,719)	4,327,261	3,681,838	645,423
Attendance and Social Work Services					
Salaries	597,000	(23,446)	573,554	573,110	444
Other Purchased Services	1,700	(1,150)	550	439	111
Supplies and Materials	1,000	(600)	400	388	12
Total Attendance and Social Work Services	599,700	(25,196)	574,504	573,937	567
Health Services					
Salaries	910,000	4,763	914,763	910,576	4,187
Purchased Professional Technical Services	13,000	1,140	14,140	13,275	865
Other Purchased Services	8,500	4,297	12,797	4,292	8,505
Supplies and Materials	21,000	(5,383)	15,617	13,975	1,642
Total Health Services	952,500	4,817	957,317	942,118	15,199
Other Support Services-Speech, OT, PT and Related					
Salaries	710,000	(21,285)	688,715	685,180	3,535
Purchased Professional Educational Services	500,000	28,526	528,526	493,964	34,562
Supplies and Materials	6,000	-	6,000	1,122	4,878
Total Other Support Services	1,216,000	7,241	1,223,241	1,180,266	42,975

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Other Support Services - Students - Extra Serv.					
Salaries	\$ 810,000	\$ (65,517)	\$ 744,483	\$ 687,116	\$ 57,367
Purchased Professional Educational Services	215,000	52,975	267,975	188,439	79,536
Total Other Support Services - Students - Extra Serv. -	<u>1,025,000</u>	<u>(12,542)</u>	<u>1,012,458</u>	<u>875,555</u>	<u>136,903</u>
Guidance					
Salaries of Other Professional Staff	1,260,000	(45,107)	1,214,893	1,199,080	15,813
Salaries of Secretarial and Clerical Assistants	180,000	6,182	186,182	183,156	3,026
Other Purchased and Professional Services	10,000	-	10,000	1,000	9,000
Other Purchased Services	25,000	663	25,663	12,589	13,074
Supplies and Materials	4,000	1,000	5,000	4,373	627
Total Guidance	<u>1,479,000</u>	<u>(37,262)</u>	<u>1,441,738</u>	<u>1,400,198</u>	<u>41,540</u>
Other Support Services - Child Study Team					
Salaries of Other Professional Staff	1,605,000	3,792	1,608,792	1,607,544	1,248
Salaries of Secretarial and Clerical Assistants	190,000	(500)	189,500	187,960	1,540
Other Purchased Professional/Technical Services	15,000	95,782	110,782	95,328	15,454
Residential Costs		11,280	11,280		11,280
Misc. Purchased Services	20,000	(8,900)	11,100	9,608	1,492
Supplies and Materials	20,000	(16,530)	3,470	-	3,470
Total Other Support Services - Child Study Team	<u>1,850,000</u>	<u>84,924</u>	<u>1,934,924</u>	<u>1,900,440</u>	<u>34,484</u>
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	500,000	36,434	536,434	536,327	107
Salaries of Other Professional Staff	315,000	(106,434)	208,566	134,913	73,653
Purchased Prof. Educational Services	500	100	600	600	-
Other Purchased Professional/Technical Services	1,000	(100)	900	183	717
Other Purchased Services	2,000	-	2,000	483	1,517
Supplies and Materials	1,000	-	1,000	-	1,000
Total Improvement of Instruction Services	<u>819,500</u>	<u>(70,000)</u>	<u>749,500</u>	<u>672,506</u>	<u>76,994</u>
Educational Media Services/School Library					
Salaries	275,000	(43,716)	231,284	194,463	36,821
Other Purchased Services	18,000	77	18,077	2,560	15,517
Supplies and Materials	54,000	(11,815)	42,185	26,070	16,115
Total Educational Media Services/School Library	<u>347,000</u>	<u>(55,454)</u>	<u>291,546</u>	<u>223,093</u>	<u>68,453</u>
Instructional Staff Training Services					
Salaries of Other Professional Staff	590,000	(43,000)	547,000	433,294	113,706
Salaries of Secretarial and Clerical Assist.		5,000	5,000	5,000	-
Purchased Professional-Educational Serv.	55,000	375	55,375	50,752	4,623
Other Purchased Services	35,000	(19,885)	15,115	1,775	13,340
Supplies and Materials	40,000	(23,000)	17,000		17,000
Other Objects	10,000	-	10,000	-	10,000
Total Instructional Staff Training Services	<u>730,000</u>	<u>(80,510)</u>	<u>649,490</u>	<u>490,821</u>	<u>158,669</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services General Administration					
Salaries	\$ 890,000	\$ (8,000)	\$ 882,000	\$ 798,175	\$ 83,825
Salaries of Attorneys	200,000	(65,000)	135,000	97,750	37,250
Legal Services	500,000	97,322	597,322	545,820	51,502
Audit Fees	100,000	584	100,584	84,711	15,873
Expenditure and Internal Control Audit Fees	5,000	-	5,000	-	5,000
Architectural/Engineering	166,155	45,459	211,614	209,369	2,245
Other Purchased Professional Services	205,000	6,614	211,614	175,426	36,188
Communications/Telephone	240,000	2,724	242,724	224,669	18,055
BOE Other Purchased Services	10,500	1,277	11,777	207	11,570
Other Purchased Services	95,000	(21,627)	73,373	52,415	20,958
Supplies and Materials	45,000	10,875	55,875	52,885	2,990
BOE In-House Training/Meeting Supplies	1,500	-	1,500	-	1,500
Miscellaneous Expenditures	4,500	-	4,500	4,460	40
BOE Membership Dues and Fees	40,000	-	40,000	32,288	7,712
Total Support Services General Administration	2,502,655	70,228	2,572,883	2,278,175	294,708
Support Services School Administration					
Salaries of Principals/Asst. Principals	2,830,000	(111,931)	2,718,069	2,713,131	4,938
Salaries of Other Professional Staff	400,000	264,337	664,337	631,341	32,996
Salaries of Secretarial and Clerical Assistants	1,500,000	41,673	1,541,673	1,467,579	74,094
Purchased Prof. and Tech. Services	5,000	-	5,000	-	5,000
Other Purchased Services	167,500	(3,358)	164,142	120,004	44,138
Supplies and Materials	100,000	175,163	275,163	265,491	9,672
Other Objects	1,000	500	1,500	1,500	-
Total Support Services School Administration	5,003,500	366,384	5,369,884	5,199,046	170,838
Central Services					
Salaries	1,075,000	85,700	1,160,700	1,160,440	260
Purchased Professional Services	60,000	11,655	71,655	55,966	15,689
Purchased Technical Services	34,000	410	34,410	14,000	20,410
Misc. Purchased Services	40,000	(7,500)	32,500	10,503	21,997
Supplies and Materials	25,000	-	25,000	18,298	6,702
Interest on Current Loans	-	40	40	36	4
Interest on Lease Purchase Agreements	50,000	(19,040)	30,960	6,923	24,037
Other Objects	2,000	-	2,000	990	1,010
Total Central Services	1,286,000	71,265	1,357,265	1,267,156	90,109
Admin. Info. Technology					
Salaries	550,000	(25,036)	524,964	523,706	1,258
Purchased Professional Services	68,000	21,959	89,959	89,690	269
Purchased Technical Services	85,000	(2,252)	82,748	42,873	39,875
Other Purchased Services	4,000	904	4,904	3,026	1,878
Supplies and Materials	3,000	-	3,000	1,876	1,124
Total Admin. Info. Technology	710,000	(4,425)	705,575	661,171	44,404
Required Maintenance for School Facilities					
Salaries	1,380,000	(135,034)	1,244,966	1,179,269	65,697
Cleaning, Repair and Maintenance Services	825,000	50,443	875,443	812,973	62,470
General Supplies	170,000	37,523	207,523	197,000	10,523
Total Required Maintenance for School Facilities	2,375,000	(47,068)	2,327,932	2,189,242	138,690

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 3,300,000	\$ 18,980	\$ 3,318,980	\$ 3,279,898	\$ 39,082
Purchased Professional and Technical Services	210,000	(8,930)	201,070	175,893	25,177
Cleaning, Repair and Maintenance	170,000	16,861	186,861	186,825	36
Rental Land and Buildings	280,000	83,879	363,879	363,180	699
Other Purchased Property Services	66,000	21,485	87,485	85,572	1,913
Insurance	540,000	(21,800)	518,200	517,659	541
Miscellaneous Purchased Services	28,000	19,525	47,525	44,514	3,011
General Supplies	190,000	36,440	226,440	213,292	13,148
Energy (Natural Gas)	550,000	71,391	621,391	619,391	2,000
Energy (Electricity)	600,000	91,433	691,433	679,303	12,130
Other Objects	3,000	2,050	5,050	550	4,500
Total Other Operational and Maintenance of Plant	5,937,000	331,314	6,268,314	6,166,077	102,237
Care and Upkeep of Grounds					
Salaries	105,000	(43,000)	62,000	54,293	7,707
Purchased Professional and Technical Services	25,000	7,800	32,800	15,432	17,368
Cleaning, Repair and Maintenance	10,000	(6,420)	3,580	1,359	2,221
Total Care and Upkeep of Grounds	140,000	(41,620)	98,380	71,084	27,296
Security					
Salaries	730,000	39,000	769,000	742,129	26,871
Purchased Professional and Technical Services	10,000	800	10,800	5,797	5,003
Cleaning, Repair and Maintenance	5,000	(575)	4,425	1,418	3,007
General Supplies	-	31,375	31,375	31,201	174
Total Security	745,000	70,600	815,600	780,545	35,055
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	60,000	8,440	68,440	66,885	1,555
Salaries for Pupil Transportation (Between Home and School) - Special	60,000	(18,440)	41,560	20,769	20,791
Other Purchased Prof. and Tech. Serv.	15,000	-	15,000	-	15,000
Cleaning, Repair and Maintenance	15,000	(2,834)	12,166	9,069	3,097
Contracted Services (Between Home and School) - Vendors	993,950	(24,834)	969,116	894,479	74,637
Contracted Services (Between Home and School) - Joint Agreements	163,000	(56,292)	106,708	84,503	22,205
Contracted Services (Other Than Between Home and School) - Vendors	170,255	28,066	198,321	114,607	83,714
Contracted Services (Spec Ed)-Vendors	571,500	135,084	706,584	683,995	22,589
Contracted Services (Spec Ed)-Joint Agreements	1,211,200	7,481	1,218,681	1,166,182	52,499
Misc. Purchased Services - Transportation	3,000	-	3,000	1,385	1,615
General Supplies	10,000	-	10,000	1,034	8,966
Transportation Supplies	5,000	1,060	6,060	5,179	881
Aid in Lieu of Payments - Nonpublic School	450,000	(4,841)	445,159	392,488	52,671
Aid in Lieu of Payments - Charter Schools	20,600	1,740	22,340	15,912	6,428
Total Student Transportation Services	3,748,505	74,630	3,823,135	3,456,487	366,648

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Unallocated Benefits					
Group Insurance	\$ 3,000		\$ 3,000	\$ 2,647	\$ 353
Social Security Contributions	1,100,000	\$ (1,010)	1,098,990	1,067,829	31,161
Other Retirement Contributions-PERS	816,000	112,813	928,813	928,813	-
Other Retirement Contributions-ERIP	40,000	9,729	49,729	39,209	10,520
Other Retirement Contributions-Regular	5,000	-	5,000	-	5,000
Unemployment Compensation		382,931	382,931	382,931	-
Workmen's Compensation	700,000	(90,813)	609,187	608,530	657
Health Benefits	13,200,000	(1,155,439)	12,044,561	11,433,699	610,862
Other Employee Benefits	690,000	(2,418)	687,582	511,254	176,328
Total Unallocated Benefits	16,554,000	(744,207)	15,809,793	14,974,912	834,881
TPAF Pension Contribution (Non Budgeted)					
NCGI Premium				151,894	(151,894)
Post Retirement				3,226,234	(3,226,234)
TPAF Social Security Contribution (Non Budgeted)	-	-	-	3,781,322	(3,781,322)
Total On-Behalf Contributions	-	-	-	7,159,450	(7,159,450)
Total Undistributed Expenditures	52,756,340	(445,600)	52,310,740	56,144,117	(3,833,377)
Total Current Expenditures	95,060,135	341,248	95,401,383	98,276,537	(2,875,154)
CAPITAL OUTLAY					
Equipment					
Grades 1-5	3,000	10,859	13,859	13,859	
Grades 6-8	5,000	8,859	13,859	13,859	
Grades 9-12	38,000	(20,718)	17,282	7,506	9,776
Undistributed Expenditures					
General Administration	15,000	(10,341)	4,659	383	4,276
School Administration	10,000	(10,000)			-
Central Services	10,000	(7,000)	3,000		3,000
Admin. Info. Tech.	10,000	(10,000)			-
Required Maintenance	30,000	14,770	44,770	44,720	50
Custodial		11,000	11,000		11,000
Care and Upkeep	10,000	(100)	9,900		9,900
School Buses	21,600	-	21,600	21,600	-
Total Equipment	152,600	(12,671)	139,929	101,927	38,002
Facilities Acquisition and Construction Services					
Architectural/Engineering	272,000	14,764	286,764	77,053	209,711
Construction Services	2,270,000	(323,384)	1,946,616	1,258,896	687,720
Supplies and Materials		121,745	121,745	116,664	5,081
Other Objects	-	-	-	61,287	(61,287)
Total Facilities Acquis. and Const. Services	2,542,000	(186,875)	2,355,125	1,513,900	841,225
Total Capital Outlay	2,694,600	(199,546)	2,495,054	1,615,827	879,227

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	\$ 377,800	\$ 34,070	\$ 411,870	\$ 411,870	
Other Salaries for Instruction	43,200	32	43,232	43,113	\$ 119
Total Summer School - Instruction	<u>421,000</u>	<u>34,102</u>	<u>455,102</u>	<u>454,983</u>	<u>119</u>
Summer School - Support Services					
Salaries of Teachers	14,500	600	15,100	15,100	-
Total Summer School - Support Services	<u>14,500</u>	<u>600</u>	<u>15,100</u>	<u>15,100</u>	<u>-</u>
Total Special Schools	<u>435,500</u>	<u>34,702</u>	<u>470,202</u>	<u>470,083</u>	<u>119</u>
Transfer of Funds To Charter Schools	<u>247,571</u>	<u>-</u>	<u>247,571</u>	<u>181,325</u>	<u>66,246</u>
Total Expenditures	<u>98,437,806</u>	<u>176,404</u>	<u>98,614,210</u>	<u>100,543,772</u>	<u>(1,929,562)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,538,630)</u>	<u>(176,404)</u>	<u>(2,715,034)</u>	<u>3,201,006</u>	<u>5,916,040</u>
Other Financing Sources (Uses)					
Transfer Out - Capital Projects Fund		(1,336,807)	(1,336,807)	(1,336,807)	-
Transfer In - Special Revenue Fund	431,000		431,000	431,000	
Transfer Out - Food Service Enterprise Fund	-	(13,054)	(13,054)	(13,054)	-
Total Other Financing Sources (Uses)	<u>431,000</u>	<u>(1,349,861)</u>	<u>(918,861)</u>	<u>(918,861)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(2,107,630)</u>	<u>(1,526,265)</u>	<u>(3,633,895)</u>	<u>2,282,145</u>	<u>5,916,040</u>
Fund Balances, Beginning of Year	<u>8,862,076</u>	<u>-</u>	<u>8,862,076</u>	<u>8,862,076</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 6,754,446</u>	<u>\$ (1,526,265)</u>	<u>\$ 5,228,181</u>	<u>\$ 11,144,221</u>	<u>\$ 5,916,040</u>
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 4,000,001	
Maintenance Reserve				1,000,000	
Emergency Reserve				1,000,000	
Excess Surplus Designated for Subsequent Years Budget				435,175	
Excess Surplus				759,105	
Committed					
Encumbrances				104,291	
Assigned					
Designated for Subsequent Year's Budget				618,195	
Encumbrances				601,053	
Unassigned				<u>2,626,401</u>	
Fund Balance (Budgetary Basis)				<u>11,144,221</u>	
Less State Aid Revenue Not Recognized on GAAP Basis				<u>(5,439,883)</u>	
Fund Balance (GAAP Basis)				<u>\$ 5,704,338</u>	

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

	<u>Original Budget</u>	(A)	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES						
Intergovernmental						
State	\$ 4,035,882		\$ 36,621	\$ 4,072,503	\$ 3,280,374	\$ (792,129)
Federal	8,123,338		238,066	8,361,404	7,272,926	(1,088,478)
Local Sources						
Miscellaneous	<u>79,615</u>		<u>(1,040)</u>	<u>78,575</u>	<u>43,758</u>	<u>(34,817)</u>
Total Revenues	<u>12,238,835</u>		<u>273,647</u>	<u>12,512,482</u>	<u>10,597,058</u>	<u>(1,915,424)</u>
EXPENDITURES						
Instruction						
Salaries of Teachers	4,791,809		29,847	4,821,656	3,971,305	850,351
Other Salaries for Instruction	200,738		39,900	240,638	214,319	26,319
Purchased Prof. and Tech. Svcs.	336,742		(42,806)	293,936	277,974	15,962
Other Purchased Services	1,958,689		(19,280)	1,939,409	1,914,824	24,585
General Supplies	816,022		16,999	833,021	611,752	221,269
Other Objects	<u>3,000</u>		<u>(2,000)</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Instruction	<u>8,107,000</u>		<u>22,660</u>	<u>8,129,660</u>	<u>6,990,174</u>	<u>1,139,486</u>
Support Services						
Salaries of Supervisors of Instruction/Program Directors	253,538		9,562	263,100	154,271	108,829
Salaries of Other Professional Staff	189,176		31,000	220,176	203,425	16,751
Salaries of Secretaries and Clerical Assistants	169,479		(26,837)	142,642	79,742	62,900
Other Salaries	158,100		50,305	208,405	202,054	6,351
Personal Services-Employee Benefits	1,417,738		134,934	1,552,672	1,440,841	111,831
Purchased Professional/Educational Serv.	566,426		(35,291)	531,135	294,633	236,502
Cleaning, Repair and Maintenance Services	95,300		(3,879)	91,421	41,854	49,567
Rentals	200,000		30,300	230,300	230,300	-
Contracted Services - Transportation	175,800		49,000	224,800	218,701	6,099
Other Purchased Services	78,592		918	79,510	54,340	25,170
Travel	7,198		-	7,198	5,000	2,198
Supplies and Materials	367,049		(3,330)	363,719	224,751	138,968
Other Objects	<u>4,995</u>		<u>(3,995)</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Support Services	<u>3,683,391</u>		<u>232,687</u>	<u>3,916,078</u>	<u>3,149,912</u>	<u>766,166</u>
Facilities Acquisition and Construction Services						
Buildings	5,744		-	5,744	22,256	(16,512)
Instructional Equipment	5,000		-	5,000	5,000	-
Non-Instructional Equipment	<u>6,700</u>		<u>18,300</u>	<u>25,000</u>	<u>20,972</u>	<u>4,028</u>
Total Facilities Acquisition and Construction Services	<u>17,444</u>		<u>18,300</u>	<u>35,744</u>	<u>48,228</u>	<u>(12,484)</u>
Total Expenditures	<u>11,807,835</u>		<u>273,647</u>	<u>12,081,482</u>	<u>10,188,314</u>	<u>1,893,168</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>431,000</u>		<u>-</u>	<u>431,000</u>	<u>408,744</u>	<u>(22,256)</u>
Other Financing Sources (Uses)						
Transfer to General Fund	<u>(431,000)</u>		<u>-</u>	<u>(431,000)</u>	<u>(431,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>-</u>		<u>-</u>	<u>-</u>	<u>(22,256)</u>	<u>(22,256)</u>
Fund Balance, Beginning of Year	<u>31,037</u>		<u>-</u>	<u>31,037</u>	<u>31,037</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 31,037</u>		<u>\$ -</u>	<u>\$ 31,037</u>	<u>\$ 8,781</u>	<u>\$ (22,256)</u>
Early Childhood Programs Unreserved Fund Balance Activity						
Fund Balance June 30, 2010					\$ 31,037	
Less: Funds Utilized					<u>22,256</u>	
Fund Balance June 30, 2011					<u>\$ 8,781</u>	

(A) Original budget as Adopted was \$10,509,512. This budget was increased \$1,729,323 to reflect current year grant allocations.

**NORTH BERGEN BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

The accounting records of the Special Revenue Funds 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 reports.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General <u>Fund</u>	Special Revenue <u>Fund</u>
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule (Exhibits C-1,C-2)	\$ 103,744,778	\$ 10,597,058
Difference - budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2010-2011)	(5,439,883)	
State Aid payment recognized for GAAP statements, not recognized for budgetary purposes (2009-2010)	5,812,413	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2011		(329,529)
Encumbrances, June 30, 2010 (net of cancellations)	<u>-</u>	<u>955,175</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 104,117,308</u>	<u>\$ 11,222,704</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (Exhibits C-1, C-2)	\$ 100,543,772	\$ 10,188,314
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2011		(329,529)
Encumbrances, June 30, 2010 (net of cancellations)	<u>-</u>	<u>955,175</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 100,543,772</u>	<u>\$ 10,813,960</u>

SPECIAL REVENUE FUND

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Preschool Education	SARP	Juvenile Comm. Serv.	Greenhouse Grant	Individualized Education	Subtotal Page 2	Subtotal Page 3	Grand Total
REVENUES								
Intergovernmental	\$ 3,274,643				\$ 5,731	\$ 4,993,447	\$ 2,247,139	\$ 3,280,374
State		9,150	34,608	32,340				7,272,926
Federal								43,758
Other								
Total Revenues	\$ 3,274,643	\$ 9,150	\$ 34,608	\$ 32,340	\$ 5,731	\$ 4,993,447	\$ 2,247,139	\$ 10,597,058
EXPENDITURES								
Instruction								
Salaries of Teachers	\$ 963,375					\$ 3,007,930	\$	\$ 3,971,305
Other Salaries for Instruction	123,681					90,638		214,319
Purchased Prof. and Tech. Svcs.						233,069	44,905	277,974
Other Purchased Services	1,432					4,500	1,908,892	1,914,824
General Supplies	240,701				5,366	238,923	126,762	611,752
Total Instruction	1,329,189				5,366	3,575,060	2,080,559	6,990,174
Support Services								
Salaries of Supervisors of Instruction	99,200					55,071		154,271
Salaries of Other Professional Staff	181,925					21,500		203,425
Salaries of Secretaries and Clerical Assistants	7,100	\$	2,016	7,033		70,626		79,742
Other Salaries	195,021							202,054
Personal Services-Employee Benefits	409,870	\$	3,205	7,564		1,030,971	115,461	1,440,841
Purchased Professional/Educational Serv.						146,983		294,633
Cleaning, Repairs and Maintenance	41,854							41,854
Rentals	230,300							230,300
Contracted Services - Transportation	214,701							214,701
Contracted Transportation Services (Field Trips)	4,000							4,000
Other Purchased Services			7,085	16,410		30,845		54,340
Travel	5,000							5,000
Supplies and Materials	104,511	5,945	4,087	1,333	365	62,391	46,119	224,751
Total Support Services	1,493,482	9,150	34,608	32,340	365	1,418,387	161,580	3,149,912
Facilities Acquisition and Construction Services								
Buildings	22,256							22,256
Instructional Equipment							5,000	5,000
Non Instructional Equipment	20,972							20,972
Total Facilities Acquisition and Construction Services	43,228						5,000	48,228
Total Expenditures	2,865,899	9,150	34,608	32,340	5,731	4,993,447	2,247,139	10,188,314
Excess (Deficiency) of Revenues and Other Financing Sources(Uses) Over/(Under) Expenditures	408,744							408,744
Other Financing Use								
Transfer Out - General Fund	(431,000)							(431,000)
Fund Balance, Beginning of Year	31,037							31,037
Fund Balance, End of Year	\$ 8,781	\$	\$	\$	\$	\$	\$	\$ 8,781

NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

		N.C.L.B. Consolidated						Page
		Title I	Title I - ARRA	Title II A	Title II D	Title III	Title IV	Total
REVENUES								
Intergovernmental								
State								
Federal		\$ 3,201,175	\$ 1,214,196	\$ 451,934	\$ 16,300	\$ 96,762	\$ 13,080	\$ 4,993,447
Other								
Total Revenues		<u>\$ 3,201,175</u>	<u>\$ 1,214,196</u>	<u>\$ 451,934</u>	<u>\$ 16,300</u>	<u>\$ 96,762</u>	<u>\$ 13,080</u>	<u>\$ 4,993,447</u>
EXPENDITURES								
Instruction								
Salaries of Teachers		\$ 2,081,771	\$ 707,849	\$ 218,310				\$ 3,007,930
Other Salaries for Instruction			90,638					90,638
Purchased Prof. and Tech. Serv.		146,051	62,092	23,926	\$	1,000		233,069
Other Purchased Services			4,500					4,500
Tuition		6,047	53,301	101,963	1,156	76,456		238,923
General Supplies								
Total Instruction		<u>2,233,869</u>	<u>918,380</u>	<u>344,199</u>	<u>1,156</u>	<u>77,456</u>	<u>-</u>	<u>3,575,060</u>
Support Services								
Salaries of Supervisors of Instruction		51,574					\$ 3,497	55,071
Salaries of Other Professional Staff		39,059	31,567			12,000	9,500	21,500
Salaries of Secretaries and Clerical Assistants								70,626
Other Salaries								
Personal Services-Employee Benefits		786,834	211,192	31,940		922	83	1,030,971
Purchased Professional/Educational Serv.		59,064	48,500	22,275	15,144	2,000		146,983
Rentals								
Contracted Services - Transportation								
Other Purchased Services		11,964	3,881	15,000				30,845
Supplies and Materials		18,811	676	38,520		4,384		62,391
Other Objects								
Total Support Services		<u>967,306</u>	<u>295,816</u>	<u>107,735</u>	<u>15,144</u>	<u>19,306</u>	<u>13,080</u>	<u>1,418,387</u>
Total Expenditures		<u>3,201,175</u>	<u>1,214,196</u>	<u>451,934</u>	<u>16,300</u>	<u>96,762</u>	<u>13,080</u>	<u>4,993,447</u>
Other Financing Use								
Transfer Out - General Fund								
Fund Balance, Beginning of Year								
Fund Balance, End of Year		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	IDEA				Page Total
	Basic	Basic - ARRA	Preschool	Preschool - ARRA	
REVENUES					
Intergovernmental					
State	\$ 1,590,554	\$ 488,000	\$ 100,232	\$ 68,353	\$ 2,247,139
Federal					
Other					
Total Revenues	<u>\$ 1,590,554</u>	<u>\$ 488,000</u>	<u>\$ 100,232</u>	<u>\$ 68,353</u>	<u>\$ 2,247,139</u>
EXPENDITURES					
Instruction					
Purchased Prof. and Tech. Serv.			\$	\$ 44,905	\$ 44,905
Other Purchased Services	\$ 1,388,622	\$ 420,038	\$ 100,232		\$ 1,908,892
General Supplies	35,352	67,962		23,448	126,762
Total Instruction	<u>1,423,974</u>	<u>488,000</u>	<u>100,232</u>	<u>68,353</u>	<u>2,080,559</u>
Support Services					
Purchased Professional/Educational Serv.	115,461				115,461
Supplies and Materials	46,119				46,119
Total Support Services	<u>161,580</u>				<u>161,580</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	5,000				5,000
Total Facilities Acquisition and Construction Services	<u>5,000</u>				<u>5,000</u>
Total Expenditures	<u>1,590,554</u>	<u>488,000</u>	<u>100,232</u>	<u>68,353</u>	<u>2,247,139</u>
Other Financing Use					
Transfer Out - General Fund					
Fund Balance, Beginning of Year					
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Instruction			
Salaries of Teachers	\$ 1,502,400	\$ 963,375	\$ 539,025
Other Salaries of Instruction	150,000	123,681	26,319
Other Purchased Services	9,457	1,432	8,025
General Supplies	<u>243,125</u>	<u>240,701</u>	<u>2,424</u>
Total Instruction	<u>1,904,982</u>	<u>1,329,189</u>	<u>575,793</u>
Support Services			
Salaries of Program Directors	110,000	99,200	10,800
Salaries of Other Professional Staff	185,000	181,925	3,075
Salaries of Secretaries and Clerical Assistants	70,000	7,100	62,900
Other Salaries	200,000	195,021	4,979
Personal Services - Employee Benefits	482,600	409,870	72,730
Cleaning, Repairs and Maintenance	91,421	41,854	49,567
Rentals	230,300	230,300	-
Contracted Transportation Services	214,800	214,701	99
Contracted Transportation Services (Field Trips)	10,000	4,000	6,000
Travel	5,000	5,000	-
Supplies and Materials	<u>104,900</u>	<u>104,511</u>	<u>389</u>
Total Support Services	<u>1,704,021</u>	<u>1,493,482</u>	<u>210,539</u>
Facilities Acquisition and Construction Services			
Non Instructional Equipment	<u>25,000</u>	<u>20,972</u>	<u>4,028</u>
Total Facilities Acquisition and Construction Services	<u>25,000</u>	<u>20,972</u>	<u>4,028</u>
Transfer of Funds to General Fund	<u>431,000</u>	<u>431,000</u>	<u>-</u>
Total Expenditures	<u>\$ 4,065,003</u>	<u>\$ 3,274,643</u>	<u>\$ 790,360</u>
Total Revised 2010-2011 Preschool Education Aid Allocation		\$ 3,518,382	
Actual Preschool Education Aid Carryover (June 30, 2010)		1,200,863	
Add: Prior Year Cancelled Encumbrances		<u>165</u>	
Total Preschool Education Aid Funds Available for 2010-2011 Budget		4,719,410	
Less: 2010-2011 Budgeted Preschool Education Aid (including prior year budgeted carryover)		<u>4,065,003</u>	
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2011		654,407	
Add: 2010-2011 Unexpended Preschool Education Aid		<u>790,360</u>	
2010-2011 Carryover - Preschool Education Aid/Preschool		<u>\$ 1,444,767</u>	
2010-2011 Preschool Education Aid Carryover Budgeted for Preschool Programs 2011-12		<u>\$ -</u>	

CAPITAL PROJECTS FUND

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>Issue/Project Title</u>	<u>Expenditures to Date</u>			<u>Balance, June 30, 2011</u>
	<u>Modified Appropriations</u>	<u>Prior Years</u>	<u>Current Year</u>	
Lease Purchase 1998- Various Impvts.	\$ 9,000,000	\$ 8,158,822	\$ (15,496)	\$ 856,674
Lease Purchase 1999- Various Impvts.	10,120,852	9,985,860		134,992
Secure Our Schools Equipment Grant	325,000	301,129		23,871
SDA Projects:				
Franklin Elementary School Rehabilitation - Window Replacement	1,973,766	818,203	319,306	836,257
Lincoln Elementary School Rehabilitation - Window Replacement	1,722,617	489,157	468,434	765,026
North Bergen High School Rehabilitation - Maintenance Room Conversion	389,309	140,620		248,689
North Bergen High School Addition and Rehabilitation - Guidance and Health Suites	1,779,212	318,954	819,478	640,780
North Bergen High School Rehabilitation - Brick Façade Repair and Restoration	1,209,875	230,749	347,368	631,758
North Bergen High School - Electrical Upgrades	685,143	441,700	-	243,443
Horace Mann Elementary School Rehabilitation - Window Replacement and Exterior Doors	<u>2,591,363</u>	<u>-</u>	<u>122,164</u>	<u>2,469,199</u>
	<u>\$ 29,797,137</u>	<u>\$ 20,885,194</u>	<u>\$ 2,061,254</u>	<u>\$ 6,850,689</u>
Project Balances				\$ 6,850,689
Deferred Revenue				<u>2,576,123</u>
Fund Balance (GAAP)				<u>\$ 4,274,566</u>
<u>Recapitulation of Fund Balance</u>				
Restricted for Capital Projects				
Year-End Encumbrances				\$ 3,213,446
Available for Capital Projects				<u>1,061,120</u>
Total Fund Balance- Restricted for Capital Projects				<u>\$ 4,274,566</u>

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

REVENUES AND OTHER FINANCING SOURCES

State Sources	
SDA Grants	\$ 1,254,556
Local Sources	
Transfer from Capital Outlay	1,336,807
Interest Earnings	<u>11</u>
 Total Revenues	 <u>2,591,374</u>

EXPENDITURES AND OTHER FINANCING USES

Purchased Professional and Technical Services	293,064
Construction Services	1,768,190
Transfer to Debt Service Fund	<u>11</u>
 Total Expenditures	 <u>2,061,265</u>

Excess of Revenues Over Expenditures	530,109
 Fund Balance, Beginning of Year	 <u>6,296,709</u>
 Fund Balance, End of Year	 <u>\$ 6,826,818</u>

Reconciliation to GAAP

Fund Balance, End of Year (Budgetary Basis)	\$ 6,826,818
Less: School Development Authority (SDA) Deferred Revenue	<u>(2,552,252)</u>
Fund Balance, End of Year (GAAP Basis)	<u>\$ 4,274,566</u>

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
FRANKLIN ELEMENTARY SCHOOL REHABILITATION - WINDOW REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,016,408		\$ 1,016,408	\$ 1,016,408
Local Sources	957,358	-	957,358	957,358
	<u>1,973,766</u>	<u>-</u>	<u>1,973,766</u>	<u>1,973,766</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	108,026	\$ 37,202	145,228	236,852
Construction Services	710,177	282,104	992,281	1,736,914
	<u>818,203</u>	<u>319,306</u>	<u>1,137,509</u>	<u>1,973,766</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,155,563</u>	<u>\$ (319,306)</u>	<u>\$ 836,257</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	3610-060-09-1008			
Grant Date	5/1/2009			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	1,751,403			
Additional Authorized Cost	222,363			
Revised Authorized Cost	1,973,766			
Percentage Increase over Original Authorized				
Cost	13%			
Percentage Completion	58%			
Original Target Completion Date	2/1/11			
Revised Target Completion Date	2/1/11			

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
LINCOLN ELEMENTARY SCHOOL REHABILITATION - WINDOW REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 890,041		\$ 890,041	\$ 890,041
Local Sources	<u>832,576</u>	-	<u>832,576</u>	<u>832,576</u>
 Total Revenues	 <u>1,722,617</u>	 -	 <u>1,722,617</u>	 <u>1,722,617</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	105,258	\$ 29,950	135,208	206,714
Construction Services	<u>383,899</u>	<u>438,484</u>	<u>822,383</u>	<u>1,515,903</u>
 Total Expenditures and Other Financing Uses	 <u>489,157</u>	 <u>468,434</u>	 <u>957,591</u>	 <u>1,722,617</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 1,233,460</u>	 <u>\$ (468,434)</u>	 <u>\$ 765,026</u>	 <u>\$ -</u>
 Additional Project Information:				
Project Number	3610-090-09-1009			
Grant Date	5/1/2009			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	1,533,656			
Additional Authorized Cost	188,961			
Revised Authorized Cost	1,722,617			
 Percentage Increase over Original Authorized				
Cost	12%			
Percentage Completion	56%			
Original Target Completion Date	2/1/11			
Revised Target Completion Date	2/1/11			

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
NORTH BERGEN HIGH SCHOOL REHABILITATION - MAINTENANCE ROOM CONVERSION
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 210,845		\$ 210,845	\$ 210,845
Local Sources	178,464	-	178,464	178,464
	<u>389,309</u>	<u>-</u>	<u>389,309</u>	<u>389,309</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	22,345		22,345	46,717
Construction Services	118,275	-	118,275	342,592
	<u>140,620</u>	<u>-</u>	<u>140,620</u>	<u>389,309</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 248,689</u>	<u>\$ -</u>	<u>\$ 248,689</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	3610-050-09-1013			
Grant Date	7/26/2009			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	363,314			
Additional Authorized Cost	25,995			
Revised Authorized Cost	389,309			
Percentage Increase over Original Authorized				
Cost	7%			
Percentage Completion	36%			
Original Target Completion Date	12/15/10			
Revised Target Completion Date	12/15/10			

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
NORTH BERGEN HIGH SCHOOL ADDITION AND REHABILITATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 827,591		\$ 827,591	\$ 827,591
Local Sources	951,621	-	951,621	951,621
	<u>1,779,212</u>	<u>-</u>	<u>1,779,212</u>	<u>1,779,212</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	69,969	\$ 68,440	138,409	213,505
Construction Services	248,985	751,038	1,000,023	1,565,707
	<u>318,954</u>	<u>819,478</u>	<u>1,138,432</u>	<u>1,779,212</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,460,258</u>	<u>\$ (819,478)</u>	<u>\$ 640,780</u>	<u>\$ -</u>

Additional Project Information:

Project Number	3610-050-09-1010
Grant Date	7/29/2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,499,212
Additional Authorized Cost	280,000
Revised Authorized Cost	1,779,212
Percentage Increase over Original Authorized Cost	
	19%
Percentage Completion	
	64%
Original Target Completion Date	
	12/15/10
Revised Target Completion Date	
	12/31/11

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
NORTH BERGEN HIGH SCHOOL REHABILITATION - BRICK FAÇADE REPAIR AND RESTORATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 626,251		\$ 626,251	\$ 626,251
Local Sources	583,624	-	583,624	583,624
Total Revenues	<u>1,209,875</u>	<u>-</u>	<u>1,209,875</u>	<u>1,209,875</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	82,006	\$ 35,308	117,314	145,185
Construction Services	148,743	312,060	460,803	1,064,690
Total Expenditures and Other Financing Uses	<u>230,749</u>	<u>347,368</u>	<u>578,117</u>	<u>1,209,875</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 979,126</u>	<u>\$ (347,368)</u>	<u>\$ 631,758</u>	<u>\$ -</u>

Additional Project Information:

Project Number	3610-050-09-1007
Grant Date	5/1/2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,079,111
Additional Authorized Cost	130,764
Revised Authorized Cost	1,209,875

Percentage Increase over Original Authorized

Cost	12%
Percentage Completion	48%
Original Target Completion Date	12/15/10
Revised Target Completion Date	12/31/11

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
NORTH BERGEN HIGH SCHOOL ELECTRICAL UPGRADES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 343,746		\$ 343,746	\$ 343,746
Local Sources	341,397	-	341,397	341,397
	<u>685,143</u>	<u>-</u>	<u>685,143</u>	<u>685,143</u>
Total Revenues				
Expenditures and Other Financing Uses				
Architectural/Engineering Services	27,308		27,308	82,217
Other Purchased Professional and Technical Services	-		-	
Construction Services	414,392	-	414,392	602,926
	<u>441,700</u>	<u>-</u>	<u>441,700</u>	<u>685,143</u>
Total Expenditures and Other Financing Uses				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 243,443</u>	<u>\$ -</u>	<u>\$ 243,443</u>	<u>\$ -</u>
 Additional Project Information:				
Project Number	3610-050-09-1001			
Grant Date	2/26/2009			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	592,319			
Additional Authorized Cost	92,824			
Revised Authorized Cost	685,143			
 Percentage Increase over Original Authorized				
Cost	16%			
Percentage Completion	64%			
Original Target Completion Date	10/31/10			
Revised Target Completion Date	10/31/10			

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
HORACE MANN ELEMENTARY SCHOOL REHABILITATION - WINDOW REPLACEMENT AND EXTERIOR DOORS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant		\$ 1,254,556	\$ 1,254,556	\$ 1,254,556
Local Sources	-	1,336,807	1,336,807	1,336,807
	<u>-</u>	<u>2,591,363</u>	<u>2,591,363</u>	<u>2,591,363</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services		122,164	122,164	310,964
Construction Services	-	-	-	2,280,399
	<u>-</u>	<u>122,164</u>	<u>122,164</u>	<u>2,591,363</u>
Total Expenditures and Other Financing Uses	<u>-</u>	<u>122,164</u>	<u>122,164</u>	<u>2,591,363</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 2,469,199</u>	<u>\$ 2,469,199</u>	<u>\$ -</u>

Additional Project Information:

Project Number	3610-070-10-1003
Grant Date	8/31/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	2,269,313
Additional Authorized Cost	322,050
Revised Authorized Cost	2,591,363
Percentage Increase over Original Authorized Cost	14%
Percentage Completion	5%
Original Target Completion Date	6/30/2012
Revised Target Completion Date	6/30/2012

PROPRIETARY FUNDS

**NORTH BERGEN BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY FUND NET ASSETS
AS OF JUNE 30, 2011**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 184,001	\$ 2,702,182	\$ 2,886,183
Investments	90,260	-	90,260
Total Assets	<u>\$ 274,261</u>	<u>\$ 2,702,182</u>	<u>\$ 2,976,443</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 23,312	\$ 23,312
Accrued Salaries and Wages		2,578,137	2,578,137
Due to Other Funds		100,733	100,733
Due to Student Groups	<u>\$ 274,261</u>	<u>-</u>	<u>274,261</u>
Total Liabilities	<u>\$ 274,261</u>	<u>\$ 2,702,182</u>	<u>\$ 2,976,443</u>

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOT APPLICABLE

**STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Balance, July 1, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2011</u>
ELEMENTARY SCHOOLS	\$ 58,105	\$ 154,157	\$ 140,622	\$ 71,640
HIGH SCHOOL				
Athletic	8,825	57,107	61,550	4,382
General	<u>189,128</u>	<u>275,171</u>	<u>266,060</u>	<u>198,239</u>
Total	<u>\$ 256,058</u>	<u>\$ 486,435</u>	<u>\$ 468,232</u>	<u>\$ 274,261</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Balance, July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2011</u>
ASSETS				
Cash	<u>\$ 2,731,922</u>	<u>\$ 92,610,680</u>	<u>\$ 92,640,420</u>	<u>\$ 2,702,182</u>
Total Assets	<u>\$ 2,731,922</u>	<u>\$ 92,610,680</u>	<u>\$ 92,640,420</u>	<u>\$ 2,702,182</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 73,945	\$ 90,032,543	\$ 90,083,176	\$ 23,312
Accrued Salaries and Wages	2,512,651	2,578,137	2,512,651	2,578,137
Due to Other Funds	<u>145,326</u>	<u>88,944</u>	<u>133,537</u>	<u>100,733</u>
Total Liabilities	<u>\$ 2,731,922</u>	<u>\$ 92,699,624</u>	<u>\$ 92,729,364</u>	<u>\$ 2,702,182</u>

LONG-TERM DEBT

NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2011</u>
			<u>Date</u>	<u>Amount</u>					
Pension Obligation Refunding Bonds	5/15/2003	\$ 4,250,000	4/1/2012	\$ 160,000	5.00				
			4/1/2013	165,000	5.00				
			4/1/2014	175,000	4.95				
			4/1/2015	185,000	5.00				
			4/1/2016	195,000	5.10				
			4/1/2017	205,000	5.20				
			4/1/2018	215,000	5.20				
			4/1/2019	225,000	5.45				
			4/1/2020	235,000	5.45				
			4/1/2021	250,000	5.45				
			4/1/2022	265,000	5.45				
			4/1/2023	280,000	5.45				
			4/1/2024	295,000	5.60				
4/1/2025	310,000	5.60							
4/1/2026	285,000	5.60			\$ 3,595,000	\$ 150,000	\$ 3,445,000		
Refunding Bonds	5/21/2009	3,125,000	3/1/2012	335,000	2.50				
			3/1/2013	340,000	3.00				
			3/1/2014	345,000	3.00				
			3/1/2015	345,000	3.00				
			3/1/2016	350,000	4.00				
			3/1/2017	355,000	4.00				
			3/1/2018	365,000	4.00				
						2,770,000			335,000
					\$ 6,365,000	\$ -	\$ 485,000	\$ 5,880,000	

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
OBLIGATIONS UNDER LEASE-PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2011</u>
Certificates of Participation	8/6/98	\$ 9,000,000				\$ 5,310,000		\$ 5,310,000	
Refunding Certificates of Participation	7/1/2010	5,590,000	12/15/2011	\$ 515,000	3.000%				
			12/15/2012	535,000	3.000%				
			12/15/2013	540,000	2.000%				
			12/15/2014	555,000	3.000%				
			12/15/2015	575,000	2.750%				
			12/15/2016	590,000	3.000%				
			12/15/2017	610,000	3.375%				
			12/15/2018	1,155,000	3.750%		\$ 5,590,000	515,000	\$ 5,075,000
Certificates of Participation	1/15/00	10,000,000				185,000		185,000	-
Certificates of Participation	2/1/2005	10,285,000	12/15/2011	\$ 340,000	3.125%				
			12/15/2012	350,000	3.375%				
			12/15/2013	375,000	3.500%				
			12/15/2014	395,000	3.500%				
			12/15/2015	415,000	3.750%				
			12/15/2016	440,000	3.700%				
			12/15/2017	465,000	3.800%				
			12/15/2018	365,000	4.000%				
			12-15/2019	1,615,000	4.000%				
			12/15/2020	1,665,000	4.000%				
			15/15/2021	1,730,000	4.000%				
			12/15/2022	1,800,000	4.100%				
						10,085,000	-	130,000	9,955,000
						\$ 15,580,000	\$ 5,590,000	\$ 6,140,000	\$ 15,030,000

NORTH BERGEN BOARD OF EDUCATION
 LONG-TERM DEBT
 SCHEDULE OF CAPITAL LEASES PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>Series</u>	<u>Year of Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2010</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2011</u>
Two (2) New 2006 Model Type C School Buses	2006	\$ 113,800	5.10%	\$ 23,855	-	\$ 23,855	-
				\$ 23,855	\$ -	\$ 23,855	\$ -

**NORTH BERGEN BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 1,676,751	-	\$ 1,676,751	\$ 1,676,751	
Miscellaneous				553	\$ 553
State Sources					
Debt Service Aid	<u>550,958</u>	<u>-</u>	<u>550,958</u>	<u>550,958</u>	<u>-</u>
Total Revenues	<u>2,227,709</u>	<u>-</u>	<u>2,227,709</u>	<u>2,228,262</u>	<u>553</u>
EXPENDITURES					
Regular Debt Service:					
Interest for Lease Purchase	645,017	\$ (80,000)	565,017	544,404	20,613
Principal for Lease Purchase	750,000	80,000	830,000	830,000	
Interest on Pension Obligation Bonds	191,783		191,783	191,782	1
Principal on Pension Obligation Bonds	150,000		150,000	150,000	
Interest for Bonds and Loan	90,450		90,450	90,450	
Principal for Bonds and Loan	405,850	-	405,850	405,850	
Costs of Issuance				189,516	(189,516)
Advance Refunding Escrow	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,983</u>	<u>(45,983)</u>
Total Expenditures	<u>2,233,100</u>	<u>-</u>	<u>2,233,100</u>	<u>2,447,985</u>	<u>(214,885)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,391)	-	(5,391)	(219,723)	(214,332)
Other Financing Sources					
Payments to Refunding Escrow Agent				(5,310,000)	(5,310,000)
Refunding Bond Proceeds				5,590,000	5,590,000
Discount on Issuance of Refunding Bonds				(32,693)	(32,693)
Transfer In	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>11</u>
				247,318	247,318
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(5,391)	-	(5,391)	27,595	32,986
Fund Balance, Beginning of Year	<u>77,700</u>	<u>-</u>	<u>77,700</u>	<u>77,700</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 72,309</u>	<u>\$ -</u>	<u>\$ 72,309</u>	<u>\$ 105,295</u>	<u>\$ 32,986</u>
Recapitulation of Fund Balance:					
Restricted for Debt Service					
Available for Future Debt Service Expenditures				<u>\$ 105,295</u>	

STATISTICAL SECTION

This part of the North Bergen Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government'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 government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government 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 for the relevant year.

Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 and Gasb No. 44 in 2006 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

NORTH BERGEN BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities									
Invested in Capital Assets, Net of Related Debt	\$ 16,661,184	\$ 20,798,863	\$ 24,359,604	\$ 28,299,362	\$ 29,212,551	\$ 30,824,293	\$ 33,055,459	\$ 36,835,059	\$ 40,581,140
Restricted	9,277,306	5,835,652	3,139,443	476,746	620,269	66,386	1,058,327	2,108,738	6,114,077
Unrestricted	(6,279,703)	(9,170,207)	(9,332,831)	(10,557,630)	(10,180,017)	(11,478,408)	(8,475,251)	(6,979,201)	(7,932,653)
Total Governmental Activities Net Assets	\$ 19,658,787	\$ 17,464,308	\$ 18,166,216	\$ 18,218,478	\$ 19,652,803	\$ 19,412,271	\$ 25,638,535	\$ 31,964,596	\$ 38,762,564
Business-Type Activities									
Invested in Capital Assets	\$ 11,257	\$ 8,532	\$ 6,529	\$ 4,526	\$ 2,523	\$ 520	\$ (52,945)	\$ 12,800	\$ 24,908
Unrestricted	169,975	109,598	32,154	3,612	(3,941)	(40,270)	(52,945)	129,864	204,372
Total Business-Type Activities Net Assets	\$ 181,232	\$ 118,130	\$ 38,683	\$ 8,138	\$ (1,418)	\$ (39,750)	\$ (52,945)	\$ 142,664	\$ 229,280
District-Wide									
Invested in Capital Assets, Net of Related Debt	\$ 16,672,441	\$ 20,807,395	\$ 24,366,133	\$ 28,303,888	\$ 29,215,074	\$ 30,824,813	\$ 33,055,459	\$ 36,847,859	\$ 40,606,048
Restricted	9,277,306	5,835,652	3,139,443	476,746	620,269	66,386	1,058,327	2,108,738	6,114,077
Unrestricted	(6,109,728)	(9,060,609)	(9,300,677)	(10,554,018)	(10,183,958)	(11,518,678)	(8,528,196)	(6,849,337)	(7,728,281)
Total District Net Assets	\$ 19,840,019	\$ 17,582,438	\$ 18,204,899	\$ 18,226,616	\$ 19,651,385	\$ 19,372,521	\$ 25,585,590	\$ 32,107,260	\$ 38,991,844

**NORTH BERGEN BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(Unaudited)
(accrual basis of accounting)**

Fiscal Year Ended June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental Activities									
Instruction									
Regular	\$ 35,292,711	\$ 38,182,246	\$ 39,164,130	\$ 41,032,520	\$ 44,464,574	\$ 46,582,265	\$ 42,407,760	\$ 45,774,580	\$ 44,937,810
Special Education	7,862,006	9,294,372	10,412,111	10,572,640	11,154,966	12,315,857	13,557,808	14,858,496	13,750,989
Other Instruction	2,304,742	3,389,994	3,791,202	3,629,162	3,998,005	4,518,641	8,549,947	8,330,203	8,184,243
School Sponsored Activities And Athletics	1,113,200	1,193,890	1,244,426	1,331,252	1,446,145	1,617,356	1,616,241	1,711,124	1,688,966
Community Services Programs						125,000			
Support Services:									
Student & Instruction Related Services	8,683,900	9,191,742	9,078,249	11,973,523	13,042,658	12,767,171	11,797,283	13,785,679	13,829,858
School Administrative Services	4,990,010	5,298,021	5,826,069	5,884,545	6,024,017	6,037,313	6,375,518	6,378,395	7,012,372
General Administration	2,056,034	2,261,735	2,278,151	2,182,817	2,301,630	2,783,970	2,685,869	2,637,217	2,712,890
Plant Operations And Maintenance	7,716,631	8,303,411	9,400,957	10,562,205	10,707,442	10,867,307	11,834,784	12,375,523	12,543,652
Pupil Transportation	2,563,090	2,674,459	2,983,988	3,021,985	3,004,714	3,367,082	3,626,295	3,528,580	3,727,566
Business and Other Support Services	1,348,136	1,283,865	1,467,930	1,645,514	1,997,109	2,244,450	2,330,808	2,422,790	2,603,588
Interest On Long-Term Debt	1,511,036	1,374,935	1,281,600	1,361,778	1,348,705	1,261,737	1,155,510	1,081,169	964,942
Total Governmental Activities Expenses	75,443,496	82,448,670	86,928,813	93,197,941	99,489,965	104,363,149	106,062,823	112,883,758	111,958,876
Business-Type Activities:									
Food Service	1,510,810	1,671,455	2,038,123	2,212,708	2,284,558	2,552,147	2,642,969	2,667,679	2,778,034
Total Business-Type Activities Expense	1,510,810	1,671,455	2,038,123	2,212,708	2,284,558	2,552,147	2,642,969	2,667,679	2,778,034
Total District Expenses	\$ 76,954,306	\$ 84,120,125	\$ 88,966,936	\$ 95,410,649	\$ 101,774,523	\$ 106,915,296	\$ 108,705,792	\$ 115,551,437	\$ 114,736,910
Program Revenues									
Governmental Activities:									
Charges For Services:									
Regular Instruction	\$ 2,470,143	\$ 2,266,886	\$ 2,990,401	\$ 2,834,398	\$ 2,757,906	\$ 2,638,545	\$ 2,793,292	\$ 3,955,375	\$ 4,509,007
Special Education		354,264							
Operating Grants And Contributions	22,109,436	23,826,763	23,364,258	23,572,333	28,644,682	29,697,505	19,893,303	33,902,773	23,564,868
Capital Grants And Contributions	1,598,536	423,316	3,471,910	310,013	65,501	31,181	-	1,415,573	1,201,613
Total Governmental Activities Program Revenues	26,178,115	26,871,229	29,826,569	26,716,744	31,468,089	32,367,231	22,686,595	39,273,721	29,275,488
Business-Type Activities:									
Charges For Services									
Food Service	\$ 542,714	\$ 532,333	\$ 601,335	\$ 655,914	\$ 676,731	\$ 768,623	\$ 750,148	\$ 741,010	\$ 734,672
Operating Grants And Contributions	953,739	1,076,020	1,357,341	1,526,249	1,598,271	1,745,192	1,879,626	2,109,478	2,116,924
Total Business Type Activities Program Revenues	1,496,453	1,608,353	1,958,676	2,182,163	2,275,002	2,513,815	2,629,774	2,850,488	2,851,596
Total District Program Revenues	\$ 27,674,568	\$ 28,479,582	\$ 31,785,245	\$ 28,898,907	\$ 33,743,091	\$ 34,881,046	\$ 25,316,369	\$ 42,124,209	\$ 32,127,084
Net (Expense)/Revenue									
Governmental Activities	\$ (49,265,381)	\$ (55,577,441)	\$ (57,102,244)	\$ (66,481,197)	\$ (68,021,876)	\$ (71,995,918)	\$ (83,376,228)	\$ (73,610,037)	\$ (82,683,388)
Business-Type Activities	(14,357)	(63,102)	(79,447)	(30,545)	(9,556)	(38,332)	(13,195)	182,809	73,562
Total District-Wide Net Expense	\$ (49,279,738)	\$ (55,640,543)	\$ (57,181,691)	\$ (66,511,742)	\$ (68,031,432)	\$ (72,034,250)	\$ (83,389,423)	\$ (73,427,228)	\$ (82,609,826)
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
General Revenues									
Property Taxes Levied For General Purposes, Net	\$ 30,416,914	\$ 31,507,088	\$ 33,549,318	\$ 35,459,285	\$ 36,770,533	\$ 37,591,021	\$ 37,591,021	\$ 38,342,841	\$ 39,301,311
Taxes Levied For Debt Service	525,872	1,354,794	1,432,672	1,344,959	1,587,116	1,495,965	1,548,488	1,551,343	1,676,751
State Aid - Unrestricted	18,239,861	19,897,298	21,579,509	28,541,273	29,016,534	31,845,214	48,375,682	38,755,559	47,233,353
State Aid - Restricted for Debt Service	246,225	233,763	664,526	663,476	532,391	619,497	646,355	666,069	550,958
Investment Earnings	257,060	89,505	154,301	375,155	545,217	263,800	46,337	23,024	15,034
Miscellaneous Income	379,121	300,514	423,826	166,410	541,466	439,563	1,394,609	610,062	717,003
Loss on Disposal of Assets	-	-	-	(17,099)	(525)	(36,205)	-	-	-
Transfers	-	-	-	-	-	-	-	(12,800)	(13,054)
Total Governmental Activities	50,065,053	53,382,962	57,804,152	66,533,459	68,992,732	72,218,855	89,602,492	79,936,098	89,481,356
Business-Type Activities:									
Transfers	-	-	-	-	-	-	-	12,800	13,054
Total Business Type Activities	-	12,800	13,054						
Total District-Wide	\$ 50,065,053	\$ 53,382,962	\$ 57,804,152	\$ 66,533,459	\$ 68,992,732	\$ 72,218,855	\$ 89,602,492	\$ 79,948,898	\$ 89,494,410
Change in Net Assets									
Governmental Activities	\$ 799,672	\$ (2,194,479)	\$ 701,908	\$ 52,262	\$ 970,856	\$ 222,937	\$ 6,226,264	\$ 6,326,061	\$ 6,797,968
Business-Type Activities	(14,357)	(63,102)	(79,447)	(30,545)	(9,556)	(38,332)	(13,195)	195,609	86,616
Total District	\$ 785,315	\$ (2,257,581)	\$ 622,461	\$ 21,717	\$ 961,300	\$ 184,605	\$ 6,213,069	\$ 6,521,670	\$ 6,884,584

NORTH BERGEN BOARD OF EDUCATION
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST NINE FISCAL YEARS

(Unaudited)
 (modified accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved	\$ 57,450	\$ 193,364	\$ 128,211	\$ 427,161	\$ 1,598,446	\$ 275,554	\$ 6,127,537	\$ 5,766,175	
Unreserved	4,867,892	2,018,804	1,026,227	2,930,849	411,402	(199,833)	(2,354,090)	(2,716,512)	
Restricted									\$ 7,194,281
Committed									104,291
Assigned									1,219,248
Unassigned									(2,813,482)
Total General Fund	\$ 4,925,342	\$ 2,212,168	\$ 1,154,438	\$ 3,358,010	\$ 2,009,848	\$ 75,721	\$ 3,773,447	\$ 3,049,663	\$ 5,704,338
All Other Governmental Funds									
Reserved	\$ 7,603,420	\$ 6,468,126	\$ 3,617,301	\$ 782,966	\$ 911,162	\$ 31,037	\$ 31,037	\$ 2,246,942	
Unreserved	1,673,885	257,917	15,588	(288,783)	187,138	(272,039)	1,160,124	1,659,195	
Restricted									\$ 4,388,642
Total All Other Governmental Funds	\$ 9,277,305	\$ 6,706,043	\$ 3,632,889	\$ 494,183	\$ 1,098,300	\$ (241,002)	\$ 1,191,161	\$ 3,906,137	\$ 4,388,642

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

NORTH BERGEN BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

Fiscal Year Ended June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues									
Tax Levy	\$30,942,786	\$ 32,861,882	\$ 34,981,990	\$ 36,804,244	\$ 38,357,649	\$ 39,086,986	\$ 39,139,509	\$ 39,894,184	\$ 40,978,062
Tuition Charges	2,470,143	2,621,150	2,990,401	2,834,398	2,757,906	2,638,545	2,793,292	3,955,375	4,509,007
Interest Earnings	257,060	89,505	154,301	375,155	545,217	263,800	46,337	23,024	15,034
Miscellaneous	431,229	360,866	502,346	221,717	601,835	509,106	1,459,365	669,843	773,567
State Sources	39,467,573	41,070,684	44,794,731	49,031,713	54,116,380	58,201,385	63,742,787	57,817,037	65,041,850
Federal Sources	2,674,377	3,250,104	4,206,953	4,000,075	4,082,359	3,922,469	5,107,797	16,863,156	7,452,378
Total Revenue	76,243,168	80,254,191	87,630,722	93,267,302	100,461,346	104,622,291	112,289,087	119,222,619	118,769,898
Expenditures									
Instruction									
Regular Instruction	35,553,357	38,109,529	38,656,838	41,429,197	44,612,254	46,539,669	42,113,169	45,887,189	44,714,151
Special Education Instruction	7,862,006	9,294,372	10,412,111	10,572,640	11,154,966	12,315,857	13,557,808	14,858,496	13,750,989
Other Instruction	2,304,742	3,389,994	3,791,202	3,629,162	3,998,005	4,518,641	8,549,947	8,330,203	8,184,243
School Sponsored Activities and Athletics	1,113,200	1,193,890	1,244,426	1,331,252	1,446,145	1,617,356		1,711,124	1,688,966
Community Service Programs							125,000		
Support Services:									
Student and Inst. Related Services	8,666,478	9,175,428	9,067,452	11,963,778	13,031,554	12,762,958	11,793,070	13,754,588	13,795,578
General Administration	2,188,122	2,261,490	2,230,477	2,219,397	2,306,920	2,744,069	2,607,565	2,583,442	2,577,112
School Administrative Services	5,020,433	5,205,940	5,629,911	5,962,291	6,011,522	5,976,087	6,242,289	6,376,634	6,924,399
Plant Operations And Maintenance	7,588,989	8,038,051	9,122,406	9,407,978	9,470,372	9,498,010	10,340,302	10,898,201	10,982,784
Pupil Transportation	2,565,090	2,674,459	2,983,988	3,021,985	2,981,954	3,344,322	3,603,535	3,505,820	3,704,806
Business and Other Support Services	1,504,410	1,360,109	1,421,999	1,683,969	2,007,503	2,240,646	2,309,149	2,431,902	2,493,716
Capital Outlay	9,491,649	2,713,678	5,217,966	2,807,802	2,094,181	3,373,635	1,490,525	4,041,211	4,267,596
Debt Service:									
Principal	1,915,348	745,850	775,850	1,147,863	1,434,226	1,559,945	1,687,723	1,864,761	1,654,541
Interest and Other Charges		1,375,837	1,249,378	1,245,882	1,233,058	1,179,106	1,122,875	975,056	892,591
Debt Issuance Cost			286,122				84,911		189,516
Advance Refunding Escrow			1,165,469				45,823		45,983
Total Expenditures	85,773,824	85,538,627	93,255,595	96,423,196	101,782,660	107,670,301	107,289,932	117,218,627	115,866,971
Excess (Deficiency) of Revenues									
Over (Under) Expenditures	(9,530,656)	(5,284,436)	(5,624,873)	(3,155,894)	(1,321,314)	(3,048,010)	4,999,155	2,003,992	2,902,927
Other Financing Sources (Uses)									
Proceeds From Borrowing	4,250,000		10,285,000	2,265,000			3,125,000		5,590,000
Capital Leases (Non-Budgeted)	37,119		42,398		113,800	238,050			
Payment of Unfunded Pension Liability	(4,044,565)								
Premium on Issuance of Bonds							65,734		
Payments to Refunding Escrow Agent			(8,655,000)				(3,060,000)		(5,310,000)
Original Issue Discount			(178,409)						(32,693)
Debt Issuance Costs	(115,435)			(44,240)					
Transfers In	1,380,244	371,918	1,198,592	312,448	62,329	46,917	5,941	4,251,497	1,767,818
Transfers Out	(1,380,244)	(371,918)	(1,198,592)	(312,448)	(62,329)	(46,917)	(5,941)	(4,264,297)	(1,780,872)
Total Other Financing Sources (Uses)	127,119	-	1,493,989	2,220,760	113,800	238,050	130,734	(12,800)	234,253
Net Change in Fund Balances	\$ (9,403,537)	\$ (5,284,436)	\$ (4,130,884)	\$ (935,134)	\$ (1,207,514)	\$ (2,809,960)	\$ 5,129,889	\$ 1,991,192	\$ 3,137,180
Debt Service as a Percentage of									
Noncapital Expenditures	2.51%	2.56%	2.30%	2.56%	2.68%	2.63%	2.66%	2.51%	2.28%

* Noncapital expenditures are total expenditures less capital outlay.

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Refunds</u>	<u>E-Rate</u>	<u>Solar Energy Agmts</u>	<u>Gate Receipts</u>	<u>Miscellaneous</u>	<u>Total</u>
2002	\$ 2,270,668	\$ 536,707	\$ 165,273				\$ 45,052	\$ 3,017,700
2003	2,470,143	215,445	275,445				103,676	3,064,709
2004	2,621,150	84,076	43,637	\$ 165,815		\$ 12,580	78,482	3,005,740
2005	2,990,401	143,058	20,116	171,443		19,148	213,119	3,557,285
2006	2,834,398	352,718	88,774			15,252	62,384	3,353,526
2007	2,757,906	531,767	74,103	322,630		18,407	126,326	3,831,139
2008	2,638,545	245,982	4,678	165,697		9,663	259,525	3,324,090
2009	2,793,292	40,396	20,351	205,965		12,928	175,372	3,248,304
2010	3,955,375	22,998	104,983	102,000	\$ 179,475	6,302	145,019	4,516,152
2011	4,509,007	15,023	22,706	224,648	220,467	11,179	237,450	5,240,480

Source: District records

NORTH BERGEN BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2002	\$ 65,195,600	\$ 1,223,930,700	\$ 534,750,800	\$314,321,600	\$ 170,835,000	\$ 2,309,033,700	\$ 7,194,088	\$ 2,316,227,788	\$2,708,394,061	\$ 1.309
2003	61,851,500	1,249,870,500	538,132,000	317,917,100	172,657,300	2,340,428,400	8,658,997	2,349,087,397	3,074,585,415	1.358
2004	63,317,700	1,268,049,700	552,827,700	310,331,100	176,671,700	2,371,197,900	8,155,805	2,379,353,705	3,408,433,577	1.426
2005	54,858,600	1,280,782,800	626,467,600	308,396,300	182,655,900	2,453,161,200	5,888,575	2,459,049,775	4,008,193,910	1.460
2006	67,293,200	1,304,485,000	620,419,500	317,322,700	177,936,700	2,487,457,100	4,263,763	2,491,720,863	4,849,789,628	1.509
2007	92,345,000	1,346,687,400	583,305,400	278,985,500	173,882,800	2,475,206,100	4,173,014	2,479,379,114	5,487,571,552	1.562
2008	95,489,400	1,369,305,100	572,756,800	276,837,100	171,743,600	2,486,132,000	3,831,745	2,489,963,745	5,567,540,959	1.571
2009	78,959,500	1,442,221,300	534,670,400	294,346,900	169,662,300	2,519,860,400	3,688,259	2,523,548,659	5,782,914,219	1.564
2010	73,579,800	1,474,196,700	545,996,000	274,952,200	153,855,300	2,522,580,000	3,955,900	2,526,535,900	5,863,106,762	1.602
2011	69,433,900	1,486,450,500	539,785,000	274,017,700	158,468,600	2,528,155,700	3,938,089	2,532,093,789	5,537,379,395	1.633

Source: County Abstract of Ratables

^a Tax rates are per \$100

**NORTH BERGEN BOARD OF EDUCATION
PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)**

Year Ended June 30,	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County</u>
2002	\$ 3.710	\$ 1.309	\$ 1.596	\$ 0.805
2003	3.832	1.358	1.613	0.861
2004	3.959	1.426	1.671	0.862
2005	4.071	1.460	1.732	0.879
2006	4.159	1.509	1.748	0.902
2007	4.230	1.562	1.843	0.825
2008	4.362	1.571	1.950	0.841
2009	4.511	1.564	2.020	0.927
2010	4.686	1.602	2.135	0.949
2011	4.843	1.633	2.203	1.007

Source: Abstract of Ratables, County Board of Taxation

**NORTH BERGEN BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	2011		2002	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
FC/Treeco Col. Pk. LLC	\$ 24,962,200	0.99%		
Woodcliff Gardens	23,956,000	0.95%	\$ 23,956,000	1.03%
7912 River Road Apts., LLC	23,250,000	0.92%	23,768,600	1.03%
M-Industries LLC	22,714,700	0.90%		
Hartz Mountain Development	22,252,300	0.88%		
LCI Holding, Inc.	21,526,900	0.85%	60,652,600	2.62%
2220 91St H, LLC	20,300,000	0.95%		
8101 Tonn Ave, LLC	19,000,000	0.92%		
5851 West Side Associates, LLC	20,078,300	0.79%		
Westview Tower Realty Co.	18,000,000	0.71%	18,000,000	0.78%
Ogden Realty			18,000,000	0.78%
Hartz Illinois Ass. LLC				
Hartz Mountain Associates			143,310,300	6.19%
Mack Associates			44,648,500	1.93%
Park Hudson Tenants Corp			15,664,900	0.68%
Bellemeade Dev. Corp.			15,000,000	0.65%
N.B. Plaza - Lowe's Prop Mgt			19,959,000	0.86%
	<u>\$ 216,040,400</u>	<u>8.84%</u>	<u>\$ 335,235,300</u>	<u>14.47%</u>

Source: Municipal Tax Assessor

**NORTH BERGEN BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 29,672,928	\$ 29,672,928	100.00%	N/A
2003	30,942,786	30,942,786	100.00%	N/A
2004	32,861,882	32,861,882	100.00%	N/A
2005	34,981,990	34,981,990	100.00%	N/A
2006	36,804,244	36,804,244	100.00%	N/A
2007	38,357,649	38,357,649	100.00%	N/A
2008	39,086,986	39,086,986	100.00%	N/A
2009	39,139,509	39,139,509	100.00%	N/A
2010	39,894,184	39,894,184	100.00%	N/A
2011	40,978,062	40,978,062	100.00%	N/A

**NORTH BERGEN BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST NINE FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities							Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Inter-governmental Loan	Sales Leaseback	Total District	Population	
2003	\$ 8,840,000	\$ 17,755,000	\$ 173,807	\$ 637,650		\$ 27,406,457	58,678	\$ 467
2004	8,610,000	17,310,000	12,359	566,800		26,499,159	58,038	457
2005	8,370,000	18,475,000	27,111	495,950		27,368,061	57,383	477
2006	8,000,000	17,990,000	14,102	425,100	\$ 2,055,996	28,485,198	57,000	500
2007	7,615,000	17,480,000	88,720	354,250	1,626,802	27,164,772	56,365	482
2008	7,215,000	16,940,000	222,230	283,400	1,182,247	25,842,877	55,326	467
2009	6,865,000	16,295,000	125,823	212,550	721,781	24,220,154	54,986	440
2010	6,365,000	15,580,000	23,855	141,700	244,836	22,355,391	54,912	407
2011	5,880,000	15,030,000		70,850		20,980,850	54,912	382

Source: District records

NORTH BERGEN BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST NINE FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2003	\$ 8,840,000		\$ 8,840,000	0.38%	\$ 151
2004	8,610,000		8,610,000	0.36%	148
2005	8,370,000		8,370,000	0.34%	146
2006	8,000,000		8,000,000	0.32%	140
2007	7,615,000		7,615,000	0.31%	135
2008	7,215,000		7,215,000	0.29%	130
2009	6,865,000		6,865,000	0.27%	125
2010	6,365,000		6,365,000	0.25%	116
2011	5,880,000		5,880,000	0.23%	107

Source: District records

**NORTH BERGEN BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Unaudited)**

Direct Debt:	
North Bergen Board of Education	\$ 20,980,850
Township of North Bergen (1)	<u>55,576,852</u>
Total Direct Debt	<u>76,557,702</u>
Overlapping Debt Apportioned to the Municipality:	
Hudson County: (as of December 31, 2010)	
County of Hudson (A)	30,663,297
North Bergen Municipal Utilities Authority (B)	<u>73,261,396</u>
Total Overlapping Debt	<u>103,924,693</u>
Total Direct and Overlapping Debt	<u>\$ 180,482,395</u>

(A) The debt for this entity was apportioned by dividing the Municipality's 2010 equalized value by the total 2010 equalized value for Hudson County.

(B) Overlapping debt was computed based upon municipal flow to the Authority

Sources:

(1) Township of North Bergen Annual Debt Statement

NORTH BERGEN BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (Unaudited)

	Fiscal Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 96,525,992	\$ 106,579,128	\$ 118,860,302	\$ 136,401,493	\$ 160,325,086	\$ 183,006,899	\$ 203,791,882	\$ 219,818,388	\$ 230,112,398	\$ 229,849,454
Total Net Debt Applicable to Limit	5,518,500	5,227,650	4,926,800	4,615,950	4,295,100	3,964,250	3,623,400	3,337,550	2,911,700	2,505,850
Legal Debt Margin	\$ 91,007,492	\$ 101,351,478	\$ 113,933,502	\$ 131,785,543	\$ 156,029,986	\$ 179,042,649	\$ 200,168,482	\$ 216,480,838	\$ 227,200,698	\$ 227,343,604
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.72%	4.90%	4.15%	3.38%	2.68%	2.17%	1.78%	1.52%	1.27%	1.09%

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized Valuation Basis	
2008	\$ 5,984,910,929
2009	5,790,120,404
2010	5,463,677,713
	<u>\$ 17,238,709,046</u>
Average Equalized Valuation of Taxable Property	\$ 5,746,236,349
Debt Limit (4 % of Average Equalization Value)	229,849,454
Total Net Debt Applicable to Limit	<u>2,505,850</u>
Legal Debt Margin	\$ 227,343,604

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

**NORTH BERGEN BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income *</u>	<u>Population</u>
2001	5.40%	\$ 30,615	59,080
2002	7.10%	31,162	58,678
2003	7.00%	31,897	58,038
2004	5.10%	33,324	57,383
2005	5.40%	35,503	57,000
2006	5.50%	38,377	56,365
2007	5.00%	41,324	55,326
2008	6.70%	43,925	54,986
2009	11.60%	43,388	54,912
2010	11.50%	N/A	54,912

Source: Data provided by State Department of Education

N/A = Not Available

* = Hudson County

**NORTH BERGEN BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

INFORMATION NOT AVAILABLE

NORTH BERGEN BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST SIX FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction						
Regular	408	408	408	444	432	440
Special Education	45	60	62	75	75	75
Other Instruction	82	106	108	112	85	85
Support Services:						
Student and Instruction Related Services	17	17	17	19	19	19
General Administration	7	7	7	7	7	7
School Administrative Services	59	59	59	59	59	59
Other Administrative Services	22	22	22	30	30	30
Central Services	13	13	13	13	13	13
Plant Operations And Maintenance	6	6	6	6	6	6
Pupil Transportation	125	97	99	118	118	118
Other Support Services	45	45	45	72	72	72
Total	<u>829</u>	<u>840</u>	<u>846</u>	<u>955</u>	<u>916</u>	<u>924</u>

Source: District Personnel Records

NORTH BERGEN BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	High School				
2002	7,284	\$ 74,465,358	\$ 10,223	7.09%	574	1:13	1:12	7,284	6,872	2.55%	94.34%
2003	7,398	79,739,667	10,779	5.43%	583	1:16	1:11	7,398	7,000	1.57%	94.62%
2004	7,474	82,172,955	10,995	2.00%	588	1:16	1:11	7,474	7,054	1.03%	94.38%
2005	7,562	88,629,903	11,720	6.60%	588	1:14	1:12	7,562	7,140	1.18%	94.42%
2006	7,518	91,221,649	12,134	3.53%	588	1:13	1:14	7,518	7,368	-0.58%	98.00%
2007	7,448	97,021,195	13,026	7.36%	588	1:14	1:14	7,448	6,998	-0.93%	93.96%
2008	7,424	101,557,615	13,680	5.01%	588	1:13	1:14	7,424	6,984	-0.32%	94.07%
2009	7,508	102,858,075	13,700	0.15%	588	1:12	1:14	7,508	7,060	1.13%	94.03%
2010	7,837	110,337,599	14,079	2.77%	592	1:12	1:14	7,837	7,360	4.38%	93.91%
2011	8,061	108,816,744	13,499	-4.12%	600	1:12	1:14	8,061	7,592	2.86%	94.18%

Sources: District records

Note: a Operating expenditures equal total expenditures less debt service and capital outlay.
b Cost per pupil represents operating expenditures divided by enrollment.

**NORTH BERGEN BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST SIX FISCAL YEARS
(Unaudited)**

	2006	2007	2008	2009	2010	2011
District Building						
<u>Elementary</u>						
Robert Fulton/No. 2 (1926)						
Square Feet	97,409	97,409	97,409	97,409	97,409	97,409
Capacity (students)	784	784	784	784	784	784
Enrollment	995	955	955	995	995	995
Fulton Annex						
Square Feet	18,800	18,800	18,800	18,800	18,800	18,800
Capacity (students)	155	155	155	155	155	155
Enrollment	144	175	175	144	144	144
Franklin School/No. 3 (1919)						
Square Feet	57,434	57,434	57,434	57,434	57,434	57,434
Capacity (students)	475	475	475	475	475	475
Enrollment	575	659	659	575	575	575
Franklin Annex (1999)						
Square Feet	6,225	6,225	6,225	6,225	6,225	6,225
Capacity (students)	80	80	80	80	80	80
Enrollment	85	N/A	N/A	85	85	85
Lincoln School/No. 5 (1915)						
Square Feet	58,246	58,246	58,246	58,246	58,246	58,246
Capacity (students)	550	550	550	550	550	550
Enrollment	659	682	682	659	659	659
Lincoln School/No. 5 Annex (2004)						
Square Feet	62,300	62,300	62,300	62,300	62,300	62,300
Capacity (students)	352	352	352	352	352	352
Enrollment	436	401	401	436	436	436
J.F. Kennedy School/No. 7 (including Annex)						
Square Feet	94,125	94,125	94,125	94,125	94,125	94,125
Capacity (students)	662	662	662	662	662	662
Enrollment	538	540	540	538	538	538
Horace Mann School/No. 9 (1928)						
Square Feet	98,068	98,068	98,068	98,068	98,068	98,068
Capacity (students)				836	836	836
Enrollment	1,023	1,026	1,026	1,023	1,023	1,023
McKinnely School/No. 10 (1919)						
Square Feet	46,050	46,050	46,050	46,050	46,050	46,050
Capacity (students)				426	426	426
Enrollment	419	418	418	419	419	419
<u>High School</u>						
North Bergen High School (1961)						
Square Feet	197,973	197,973	197,973	197,973	197,973	197,973
Capacity (students)	2,416	2,416	2,416	1,377	1,377	1,377
Enrollment		2,421	2,421	2,416	2,416	2,416
<u>Other</u>						
Central Administration (1961)						
Square Feet	9,267	9,267	9,267	9,267	9,267	9,267
Number of Schools at June 30, 2011						
Elementary = 7						
Senior High School = 1						
Other = 1						

Source: District Records

NORTH BERGEN BOARD OF EDUCATION
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST TEN FISCAL YEARS
 (Unaudited)

<u>School Facilities</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
North Bergen High School	\$ 560,539	\$ 643,284	\$ 703,215	\$ 557,009	\$ 700,837	\$ 544,339	\$ 638,136	\$ 595,942	\$ 464,805	\$ 663,015
Franklin School	167,976	143,974	150,803	161,508	173,631	207,128	216,426	182,854	354,624	202,033
Horace Mann	258,770	322,507	236,187	233,072	362,657	374,259	281,046	290,332	283,323	270,101
John F. Kennedy	229,631	184,482	207,526	377,503	251,523	259,681	237,094	307,894	298,033	319,207
Lincoln School	305,153	218,903	271,840	272,871	310,059	320,863	300,952	321,977	313,534	370,947
Mc Kinley	113,598	147,106	138,313	123,283	135,939	223,037	149,403	199,474	355,870	184,365
Robert Fulton	257,031	270,057	254,225	262,007	283,741	343,730	273,421	354,955	353,645	367,238
Total School Facilities	\$ 1,892,698	\$ 1,930,313	\$ 1,962,109	\$ 1,987,253	\$ 2,218,387	\$ 2,273,037	\$ 2,096,478	\$ 2,253,428	\$ 2,423,834	\$ 2,376,906

Source: School District Records

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2011
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property	\$ 174,661,558	\$ 5,000
Environmental	1,000,000	10,000
Extra Expense	25,000,000	5,000
Valuable Papers	10,000,000	5,000
EDP	2,500,000	1,000
Equipment Breakdown	100,000,000	5,000
Crime and Bonds		
Faithful Performance	100,000	500
Forgery and Alteration	100,000	500
Money and Securities	100,000	1,000
Money Orders/Counterfeit	100,000	500
Computer Fraud	100,000	500
Board Administrator	150,000	500
Board Secretary	650,000	1,000
General Liability	16,000,000	
Student Accident		
Basic/Sports/Football	1,000,000	NA
Catastrophic	1,000,000	NA
Automobile Liability	16,000,000	-
Auto Physical Damage	ACV Basis	1,000
Computers and Scheduled Equipment - Selective		
Data Processing Equipment	2,500,000	1,000
Public Employees' Faithful Performance Bonds (Western Surety)		
Treasurer of School Monies	450,000	

Note: Unless otherwise noted all Insurance Policies are with the New Jersey School Boards Assoc. Ins. Group

Source: School District's records

Source: School District's records

SINGLE AUDIT

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

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

Honorable President and Members
of the Board of Trustees
North Bergen Board of Education
North Bergen, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Bergen Board of Education as of and for the fiscal year ended June 30, 2011, which collectively comprise the North Bergen Board of Education's basic financial statements and have issued our report thereon dated November 16, 2011. We conducted our audit 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 audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the North Bergen Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the North Bergen Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the North Bergen Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the North Bergen Board of Education's internal control over financial reporting.

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

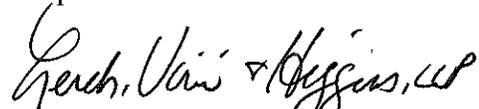
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the North Bergen Board of Education’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

We noted certain matters that we have reported to management of the North Bergen Board of Education in a separate report entitled, “Auditors’ Management Report on Administrative Findings – Financial, Compliance and Performance” dated November 16, 2011.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Gary J. Ninci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 16, 2011

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Independent Auditor's Report

Honorable President and Members
of the Board of Trustees
North Bergen Board of Education
North Bergen, New Jersey

Compliance

We have audited the North Bergen Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of North Bergen Board of Education's major federal and state programs for the fiscal year ended June 30, 2011. North Bergen Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the North Bergen Board of Education's management. Our responsibility is to express an opinion on North Bergen Board of Education's compliance based on our audit.

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; audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and circulars 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 North Bergen Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on North Bergen Board of Education's compliance with those requirements.

In our opinion, North Bergen Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

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

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected on a timely basis.

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

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 16, 2011

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Cancelled Encumbrances	(Accounts Receivable)	Balance, June 30, 2011 Deferred Revenue	Due to Grantor	Memo Cumulative Expenditures
U.S. Department of Agriculture													
Passed-Through State Department of Education Enterprise Fund													
10.553	N/A	7/1/09-6/30/10	\$ 392,758	\$ (41,230)		\$ 41,230				\$ (75,892)			\$ 416,084
10.553	N/A	7/1/10-6/30/11	416,084			340,192	416,084						
10.555	N/A	7/1/09-6/30/10	1,507,773	(145,132)		1,45,132				(300,480)			1,543,181
10.555	N/A	7/1/10-6/30/11	1,543,181			1,242,701	1,543,181			(2,797)			15,094
10.558	N/A	7/1/10-6/30/11	15,094			12,297	15,094						
10.558	N/A	7/1/09-6/30/10	10,810	(708)		708							
10.556	N/A	7/1/09-6/30/10	3,818	(367)		367				(642)			3,352
10.556	N/A	7/1/10-6/30/11	3,352			2,710	3,352						6,758
10.555	N/A	7/1/09-6/30/10	104,001	6,758			6,758						101,523
10.555	N/A	7/1/10-6/30/11	108,761			108,761	101,523				\$ 7,238		
Total U.S. Dept. of Agriculture				(180,679)		1,894,098	2,085,992			(379,811)	7,238		2,085,992
U.S. Dept. of Education Passed-Through State Dept. of Education Special Revenue Fund													
N.C.L.B. Consolidated Grant													
84.010A	NCLB361011	9/1/10-8/31/11	3,740,043							(3,740,043)	714,633		3,025,410
84.010A	NCLB361010	9/1/09-8/31/10	3,161,850	(3,004,302)		2,932,339	3,025,410		\$ 49	(247,679)			175,765
84.389	NCLB361010	9/1/09-8/31/10	2,042,578	(828,382)		1,709,245	1,214,196			(333,333)			1,214,196
84.010A	NCLB361008	9/1/07-8/31/08	55,284	1,174							1,174		
84.367A	NCLB361011	9/1/10-8/31/11	444,297				366,096		2,760	(444,297)	78,201		366,096
84.367A	NCLB361010	9/1/09-8/31/10	415,551	(343,835)		402,612	85,838			(24,301)			85,838
84.318X	NCLB361011	9/1/10-8/31/11	22,800	(30,765)	\$ 1,282	25,725	9,156			(15,478)	15,656		7,144
84.318X	NCLB361010	9/1/09-8/31/10	31,921	(359)	(1,282)					(359)			9,156
84.365	NCLB361009	9/1/08-8/31/09	28,493				37,207		1,391	(235,873)	252,390		37,207
84.365	NCLB361011	9/1/10-8/31/11	289,597	(53,724)	53,724	53,724	59,555			(125,690)			59,555
84.365	NCLB361010	9/1/09-8/31/10	133,915	(67,526)							56,976		
84.365	NCLB361007	9/1/06-8/31/07	91,929	56,976							84,316		
84.365	NCLB361006	9/1/05-8/31/06	169,925	84,316							30,747		
84.186A	NCLB361011	9/1/10-8/31/11	30,747	(29,936)	5,659	35,641	13,080			(25,088)			13,080
84.186A	NCLB361010	9/1/09-8/31/10	46,741	(4)	(5,659)					(13,034)	4		
84.186A	NCLB361007	9/1/06-8/31/07	22,762										
84.027A	FT361011	9/1/10-8/31/11	1,717,363			696,061	1,580,143			(1,021,302)	137,220		1,580,143
84.027A	FT361010	9/1/09-8/31/10	1,657,789	(542,324)		567,379	10,411		1,006	(15,650)			10,411
84.591	FT361010	9/1/09-8/31/10	1,952,353	(320,384)		494,013	488,000		1,900	(315,008)	2,537		488,000
84.175A	PS361011	9/1/10-8/31/11	51,854				51,854			(51,854)			51,854
84.175A	PS361010	9/1/09-8/31/10	48,378			48,378	48,378				3,805		48,378
84.175A	PS361009	9/1/08-8/31/09	48,272	3,805									
84.392	PS361010	9/1/09-8/31/10	70,189	24,716		24,644	68,353			(20,545)	1,552		68,353
26.359	NA	9/1/10-8/31/11		6,890		25,403	32,340			(47)			32,340
Total U.S. Dept. of Education				(4,989,932)		7,015,164	7,272,926		7,106	(6,635,449)	1,394,861		7,272,926
General Fund													
93.778	NA	7/1/10-6/30/11	199,012			164,404	199,012			(34,608)			199,012
93.778	NA	7/1/09-6/30/10	206,037	(40,222)		40,222							
Total Federal Awards				(4,989,932)		9,113,888	9,557,930		7,106	(7,082,713)	1,425,970		9,557,930
Capital Projects Fund													
U.S. Department of Justice													
Community Oriented Policing Services													
2002CKWX0265	7/1/04-6/30/05		325,000	(8,974)		204,626	199,012			(34,608)	23,871		199,012
Total Federal Awards				(8,974)		9,113,888	9,557,930		7,106	(7,082,713)	1,425,970		9,557,930

The Notes to the Schedules of Federal Awards and State Financial Assistance are an Integral Part of this Statement

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2010		Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Balance, June 30, 2011		Memo	
				Deferred Revenue/ (Accrs Rec)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	GAAP Receivable	Cumulative Total Expenditures
General Fund													
State Department of Education													
Equalization Aid	10-495-034-5120-078	7/1/09-6/30/10	\$ 39,155,905	\$ (4,749,506)			\$ 4,749,506			\$ (4,428,314)		\$ 46,912,161	
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	46,912,161			42,483,847	\$ 46,912,161						
Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	445,317	(44,005)		44,005							
Special Education Aid	10-495-034-5120-011	7/1/09-6/30/10	4,073,200	(402,505)		402,505							
Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	4,194,147			3,798,237	4,194,147			(395,910)		4,194,147	
Security Aid	10-495-034-5120-084	7/1/09-6/30/10	1,470,000	(145,262)		145,262							
Other State Aid - Student Learning	N/A	7/1/10-6/30/11	6,500				6,500					6,500	
Extraordinary Aid	10-100-034-5120-473	7/1/09-6/30/10	471,135	(471,135)		471,135				(615,659)		615,659	
Extraordinary Aid	11-100-034-5120-473/	7/1/10-6/30/11	615,659			59,629	615,659						
Nonpublic Transportation Aid	N/A	7/1/09-6/30/10	59,629	(59,629)									
Nonpublic Transportation Aid	N/A	7/1/10-6/30/11	116,058				116,058			(116,058)		116,058	
Reimbursed TPAF Soc. Security Contr.	11-495-034-5095-002	7/1/10-6/30/11	3,781,322			3,403,910	3,781,322			(377,412)		3,781,322	
Reimbursed TPAF Pension	11-495-034-5095-007	7/1/10-6/30/11	151,894			151,894	151,894					151,894	
Non-Contributory Insurance	11-495-034-5095-001	7/1/10-6/30/11	3,226,234			3,226,234	3,226,234					3,226,234	
Post Retirement Contribution													
Total General Fund				(5,872,042)		58,942,664	59,003,975		(5,933,353)		(493,470)	59,003,975	
Special Revenue Fund													
Preschool Education Aid	10-495-034-5120-086	7/1/09-6/30/10	2,962,848	972,340		296,285							
Preschool Education Aid	11-495-034-5120-086	7/1/10-6/30/11	3,518,382		\$ (1,268,625)	296,285							
Character Education Program - Carryover	02-495-034-5120-053	7/1/01-6/30/02	20,020		\$ 15	1,268,625		22,421		(351,838)	\$ 1,512,529		3,296,899
Character Education Program	04-495-034-5120-053	7/1/03-6/30/04	19,375		3								
Character Education Program	05-495-034-5120-053	7/1/04-6/30/05	19,752		52								
Tobacco	N/A	7/1/04-6/30/05	1,000	223							223		
Positive Discipline	N/A	7/1/04-6/30/05	5,000	(1,060)						(1,060)		(1,060)	
Positive Discipline	N/A	7/1/05-6/30/06	5,000	(4,926)						(4,926)		(4,926)	
Positive Discipline	N/A	7/1/06-6/30/07	5,000	(4,704)						(4,704)		(4,704)	
Positive Discipline	N/A	7/1/07-6/30/08	5,000										
NJ Clean Energy Program	N/A	5/1/06-5/1/10/8	1,327,450	1,714							3,842		
NJ Clean Energy Program	N/A	10/23/08-10/23/09	1,331,913	(1,326,169)		302,989				(1,023,180)			(1,023,180)
Individualized Education Plan	N/A	7/1/10-6/30/11	7,500			6,500	5,731				769		5,731
N.J. NonPublic Aid:													
Textbook Aid	05-100-034-5120-064	7/1/04-6/30/05		(5,106)						(5,106)		(5,106)	
Auxiliary Services:													
Compensatory Education	04-100-034-5120-067	7/1/03-6/30/04		(4,894)						(4,894)		(4,894)	
Compensatory Education	05-100-034-5120-067	7/1/04-6/30/05		(56,513)						(56,513)		(56,513)	
ESL	05-100-034-5120-067	7/1/04-6/30/05		(12,740)						(12,740)		(12,740)	
Transportation	05-100-034-5120-068	7/1/04-6/30/05		(5,596)						(5,596)		(5,596)	
Handicapped Services:													
Supplemental Instruction	05-100-034-5120-066	7/1/04-6/30/05		(2,478)						(2,478)		(2,478)	
Examination and Classification	05-100-034-5120-066	7/1/04-6/30/05		(6,505)						(6,505)		(6,505)	
Corrective Speech	05-100-034-5120-066	7/1/04-6/30/05		(930)						(930)		(930)	
Total Special Revenue Fund				(453,502)	70	3,772,318	3,302,630	22,421	(1,480,470)	1,519,077	70	3,302,630	
Debt Service Fund													
Debt Service Aid	11-495-034-5120-075	7/1/10-6/30/11	550,958			550,958	550,958					550,958	
Total State Department of Education				(6,325,544)	70	63,265,940	62,857,563	22,421	(7,413,823)	1,519,077	70	62,857,563	

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the North Bergen Board of Education. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal financial assistance received directly from federal 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 are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related 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 a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments 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 revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$372,530 for the general fund and an increase of \$625,646 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 199,012	\$ 59,376,505	\$ 59,575,517
Special Revenue Fund	7,253,366	3,912,774	11,166,140
Capital Projects Fund		1,201,613	1,201,613
Debt Service Fund		550,958	550,958
Food Service Fund	<u>2,085,992</u>	<u>30,880</u>	<u>2,116,872</u>
Total Financial Assistance	<u>\$ 9,538,370</u>	<u>\$ 65,072,730</u>	<u>\$ 74,611,100</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING

The District's federal and state loans outstanding at June 30, 2011, which are not required to be reported on the schedule of federal awards and state financial assistance, are as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>State</u>
NJEDA		
Underground Storage Tank Removal	N/A	\$ <u>70,850</u>

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$3,781,322 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011. The amount reported as TPAF Pension System Contributions NCGI Premiums in the amount of \$151,894 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$3,226,234 represents the amount paid by the State on behalf of the District for the year ended June 30, 2011.

NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's basic financial statements and the amount subject to State single audit and major program determination.

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to the basic financial statements noted? _____ yes X no

Federal Awards Section

Internal Control over compliance:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? _____ yes X none reported

Type of auditor's report on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section.510(a))? _____ yes X none

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>Title I</u>
<u>84.389</u>	<u>Title I ARRA</u>
<u>84.367</u>	<u>Title II A</u>
<u>84.027</u>	<u>IDEA Basic</u>
<u>84.391</u>	<u>IDEA Basic ARRA</u>
<u>84.173</u>	<u>IDEA Preschool</u>
<u>84.392</u>	<u>IDEA Preschool ARRA</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>10.556</u>	<u>Special Milk Program</u>

Dollar threshold used to distinguish between Type A and Type B Programs \$ 300,000

Auditee qualified as low-risk auditee? X yes _____ no _____

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part 2 - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

THERE ARE NONE.

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Part 3 Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

CURRENT YEAR FEDERAL AWARDS

THERE ARE NONE.

CURRENT YEAR STATE AWARDS

THERE ARE NONE.

**NORTH BERGEN BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

THERE WERE NONE.