

NORTH BERGEN BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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, 2012

Prepared by

Business Office

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INTRODUCTORY SECTION



NORTH BERGEN BOARD OF EDUCATION

7317 Kennedy Boulevard, North Bergen, New Jersey 07047 • (201) 868-1000

ELAINE NICOLIELLO
PRESIDENT

EDWARD LaTOUR
VICE PRESIDENT

HUGO D. CABRERA
BOARD SECRETARY

ROBERT J. DANDORPH
SUPERINTENDENT

NICHOLAS J. SACCO
ASSISTANT SUPERINTENDENT

STEVEN P. SOMICK
BUSINESS ADMINISTRATOR

December 11, 2012

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 (the "CAFR") of the North Bergen Board of Education for the fiscal year ended June 30, 2012.

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, 2012, 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, 2012, 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 2011/2012 fiscal year with an enrollment of 8,080 students, which is 19 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>
2011-2012	8,080	.24%
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%

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 Cindy Bratterson to do approximately 40 workshops to address the districts NJASK deficiencies. The District also retained Dr. Campion as a consultant to address Special Education deficiencies.

Over 83% of North Bergen High School 2012 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, 2012.

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,



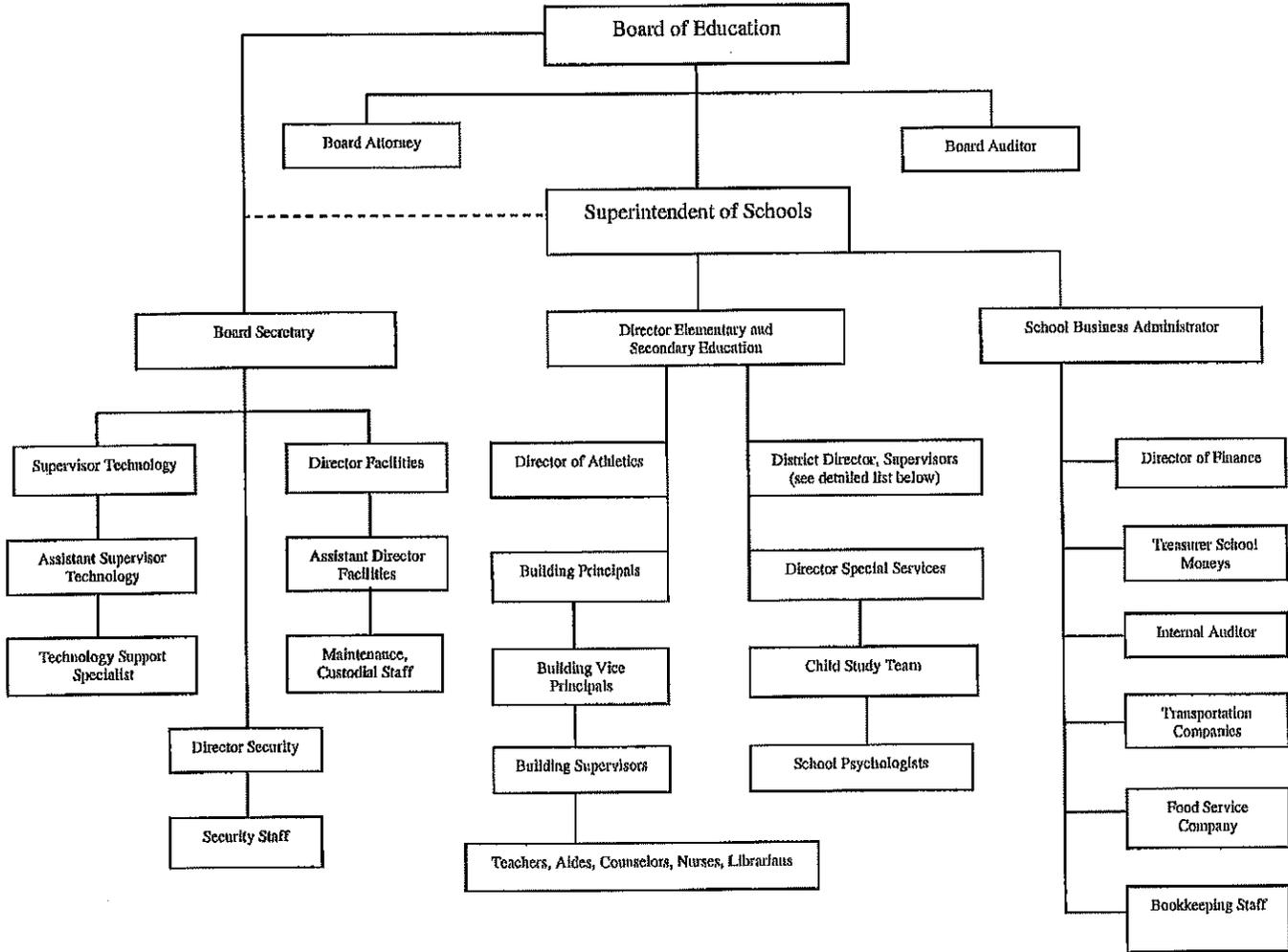
Robert J. Dandorph
Superintendent



Hugo Cabrera
Board Secretary

NORTH BERGEN BOARD OF EDUCATION

ORGANIZATIONAL CHART



Directors	Early Childhood B.S.I.P. Mathematics, N.C.L.B. D.S.M.L.S.	Supervisors	Language Arts, Literary Science Elementary Physical Education Music Foreign Languages Early Childhood Special Services
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Note:
Secretarial & Clerical staff assigned to various departments and administrators district wide

**NORTH BERGEN BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2012**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Elaine Nicolliello, President	2014
Edward La Tour, Vice President	2013
Patricia Bartoli	2013
Luis Rabelo	2013
Kanaiyalal Patel	2014
Luis Diaz	2014
Maurena Luzzi	2015
Julio Marengo	2015
Ruth Shaw	2015
Gonzalo Perez (Guttenberg)	

Other Officials

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

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

ARCHITECT

Mayo Lynch Associates, Inc.
333 Meadowland Parkway
Secaucus, New Jersey 07094

AUDIT FIRM

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115 River Road
Edgewater, New Jersey 07020

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North Bergen, NJ

FINANCIAL SECTION

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REGISTERED MUNICIPAL ACCOUNTANTS

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JEFFREY C. BLISS, CPA, RMA, PSA
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, 2012, 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 Office of School Finance, 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the 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, 2012, and the respective changes in financial position and, where applicable, cash flows 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 December 11, 2012 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining fund financial statements and schedules of expenditures of federal awards and state financial assistance have 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 combining fund financial statements and schedules of expenditures of federal awards and state financial assistance are 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
December 11, 2012

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, 2012. 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 2011-2012 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 \$44,459,173 (net assets).
- Overall District revenues were \$124,830,156. General revenues accounted for \$91,803,170 or 74% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$33,026,986 or 26% of total revenues.
- The School District had \$116,450,857 in expenses for governmental activities; only \$29,934,040 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$91,802,973 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 \$12,792,813 an increase of \$2,699,833 when compared to the ending Fund balance at June 30, 2011 of \$10,092,980.
- The General Fund unassigned fund balance at June 30, 2012 was in a deficit position of \$2,984,615, a decrease of \$171,133 when compared with the ending fund balance deficit of \$2,813,482 at June 30, 2011.
- The General Fund unassigned budgetary fund balance at June 30, 2012 was \$2,638,693 which represents an increase of \$12,292 when compared to the ending fund balance at June 30, 2011 of \$2,626,401.

NORTH BERGEN BOARD OF EDUCATION

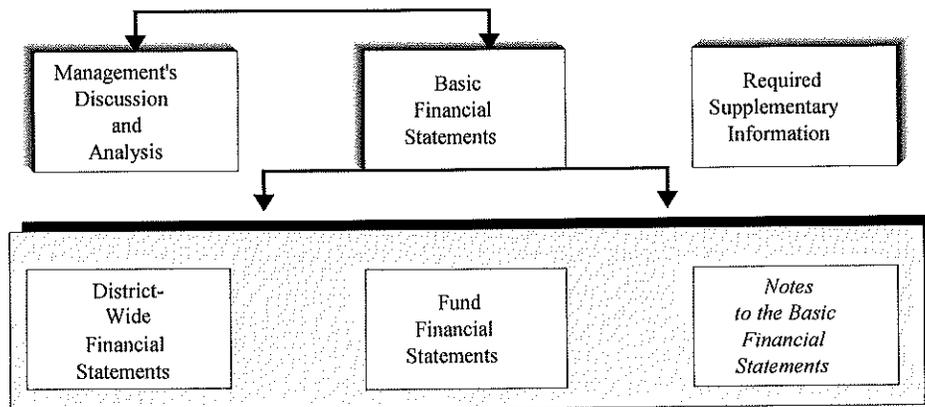
Management Discussion and Analysis

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 \$44,459,173 and \$38,991,844 as of June 30, 2012 and 2011, 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, 2012 and 2011

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets						
Current and Other Assets	\$ 20,673,021	\$ 18,897,827	\$ 520,312	\$ 303,641	\$ 21,193,333	\$ 19,201,468
Capital Assets	<u>56,128,812</u>	<u>55,866,990</u>	<u>23,185</u>	<u>24,908</u>	<u>56,151,997</u>	<u>55,891,898</u>
Total Assets	<u>76,801,833</u>	<u>74,764,817</u>	<u>543,497</u>	<u>328,549</u>	<u>77,345,330</u>	<u>75,093,366</u>
Liabilities						
Long-Term Liabilities	25,129,963	27,512,733			25,129,963	27,512,733
Other Liabilities	<u>7,623,150</u>	<u>8,489,520</u>	<u>133,044</u>	<u>99,269</u>	<u>7,756,194</u>	<u>8,588,789</u>
Total Liabilities	<u>32,753,113</u>	<u>36,002,253</u>	<u>133,044</u>	<u>99,269</u>	<u>32,886,157</u>	<u>36,101,522</u>
Net Assets						
Invested in Capital Assets Net of Related Debt	41,770,687	40,581,140	23,185	24,908	41,793,872	40,606,048
Restricted	8,314,077	6,114,077			8,314,077	6,114,077
Unrestricted	<u>(6,036,044)</u>	<u>(7,932,653)</u>	<u>387,268</u>	<u>204,372</u>	<u>(5,648,776)</u>	<u>(7,728,281)</u>
Total Net Assets	<u>\$ 44,048,720</u>	<u>\$ 38,762,564</u>	<u>\$ 410,453</u>	<u>\$ 229,280</u>	<u>\$ 44,459,173</u>	<u>\$ 38,991,844</u>

NORTH BERGEN BOARD OF EDUCATION

Management Discussion and Analysis

The changes in net assets for fiscal years 2012 and 2011 are as follows:

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues						
Program Revenues						
Charges for Services	\$ 4,022,183	\$ 4,509,007	\$ 723,677	\$ 734,672	\$ 4,745,860	\$ 5,243,679
Operating Grants and Contributions	25,015,529	23,564,868	2,369,269	2,116,924	27,384,798	25,681,792
Capital Grants and Contributions	896,328	1,201,613			896,328	1,201,613
General Revenues						
Local Tax Levy	41,710,604	40,978,062			41,710,604	40,978,062
State Aid	48,922,389	47,784,311			48,922,389	47,784,311
Investment Earnings	12,744	15,034			12,744	15,034
Miscellaneous	1,157,236	717,003	197	-	1,157,433	717,003
Total Revenues	<u>121,737,013</u>	<u>118,769,898</u>	<u>3,093,143</u>	<u>2,851,596</u>	<u>124,830,156</u>	<u>121,621,494</u>
Expenses						
Instruction						
Regular	46,698,490	44,937,810			46,698,490	44,937,810
Special Education	14,935,338	13,750,989			14,935,338	13,750,989
Other Instruction	9,141,683	8,184,243			9,141,683	8,184,243
School Sponsored Activities and Athletics	1,899,603	1,688,966			1,899,603	1,688,966
Support Services						
Student and Instruction Related Services	14,025,679	13,829,858			14,025,679	13,829,858
General Administration Services	2,489,391	2,712,890			2,489,391	2,712,890
School Administration Services	6,818,014	7,012,372			6,818,014	7,012,372
Plant Operation and Maintenance	12,807,210	12,543,652			12,807,210	12,543,652
Pupil Transportation	4,059,359	3,727,566			4,059,359	3,727,566
Business Services	2,650,591	2,605,588			2,650,591	2,605,588
Interest and Other Chgs on Long-Term Debt	925,499	964,942			925,499	964,942
Food Service	-	-	2,911,970	2,778,034	2,911,970	2,778,034
Total District-Wide	<u>116,450,857</u>	<u>111,958,876</u>	<u>2,911,970</u>	<u>2,778,034</u>	<u>119,362,827</u>	<u>114,736,910</u>
Increase (Decrease) in Net Assets	5,286,156	6,811,022	181,173	73,562	5,467,329	6,884,584
Transfers		(13,054)		13,054		
Net Assets, Beginning of Year	<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>
Net Assets, End of Year	<u>\$ 44,048,720</u>	<u>\$ 38,762,564</u>	<u>\$ 410,453</u>	<u>\$ 229,280</u>	<u>\$ 44,459,173</u>	<u>\$ 38,991,844</u>

NORTH BERGEN BOARD OF EDUCATION

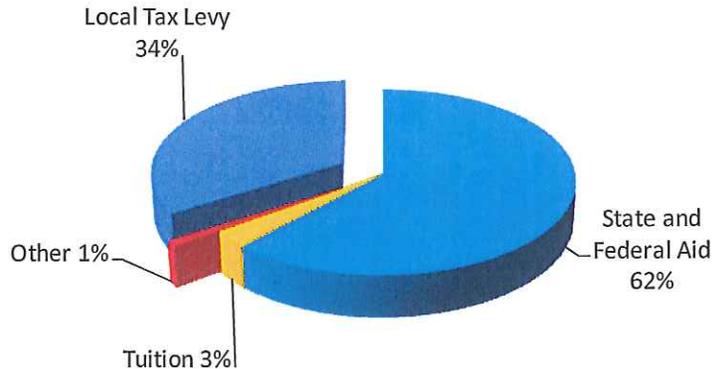
Management Discussion and Analysis

Governmental Activities. The District's total governmental activities revenues were \$121,737,013 for the fiscal year ended June 30, 2012. Tuition accounted for \$4,022,183 representing 3% of total revenues. Local Tax levy was \$41,710,604 representing 34% of total revenues and state and federal aid were \$74,834,246 representing 62% of total revenue for the year. Investment earnings and the miscellaneous revenues accounted for 1% of the District's revenues.

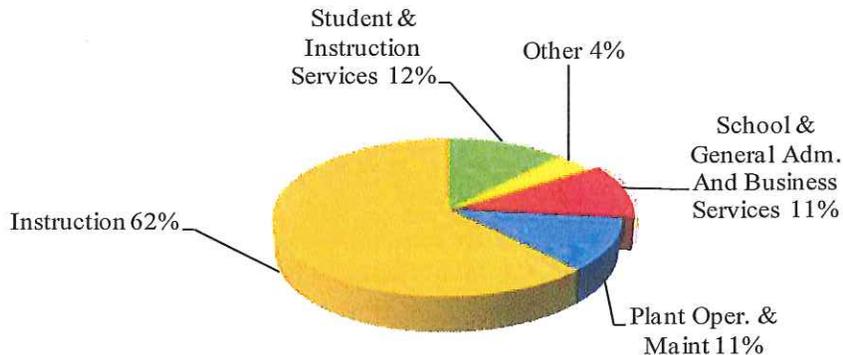
The total cost of all governmental activities programs and services were \$116,450,857. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$72,675,114 (62%) of total expenditures. Support services totaled \$42,850,244 (37%) of total expenditures and the remainder of expenditures were for interest and other charges on long-term debt totaling \$925,499 (1%).

Total governmental activities revenues surpassed expenses and other items, increasing net assets by \$5,286,156 over the previous year.

**Revenues by Source- Governmental Activities
For Fiscal Year 2011/12**



**Expenditures by Type- Governmental Activities
For Fiscal Year 2011/12**



NORTH BERGEN BOARD OF EDUCATION

Management Discussion and Analysis

Total and Net Cost of Governmental Activities. The District's total cost of services was \$116,450,857 for the fiscal year ended June 30, 2012. After applying program revenues, derived from charges for services of \$4,022,183; operating grants and contributions of \$25,015,529; and capital grants and contributions of \$896,328, the net cost of services of the District is \$86,516,817. The following is a comparative analysis of the net cost of governmental activities for the fiscal years ended June 30, 2012 and 2011.

	Total Cost of Services		Net Cost of Services	
	2012	2011	2012	2011
	Instruction			
Regular	\$ 46,698,490	\$ 44,937,810	\$ 33,750,451	\$ 33,301,649
Special Education	14,935,338	13,750,989	7,029,862	6,030,286
Other Instruction	9,141,683	8,184,243	5,906,943	5,215,919
School Sponsored Activities and Athletics	1,899,603	1,688,966	1,737,593	1,556,247
Support Services				
Student and Instruction Related Services	14,025,679	13,829,858	10,562,006	9,282,900
General Administration	2,489,391	2,712,890	2,343,429	2,589,007
School Administration Services	6,818,014	7,012,372	6,329,153	6,591,271
Plant Operation and Maintenance	12,807,210	12,543,652	11,533,684	11,196,777
Pupil Transportation	4,059,359	3,727,566	3,747,606	3,348,802
Business Services	2,650,591	2,605,588	2,650,591	2,605,588
Interest and Other Charges on Long-Term Debt	925,499	964,942	925,499	964,942
Total	\$ 116,450,857	\$ 111,958,876	\$ 86,516,817	\$ 82,683,388

Business-Type Activities – The District's total business-type activities revenues were \$3,093,143 for the fiscal year ended June 30, 2012. Charges for services accounted for 23% or \$723,677 of total revenues. Operating grants and contributions accounted for 77% or \$2,369,269 of total revenue for the year.

The total cost of all business-type activities programs and services was \$2,911,970 for the fiscal year ended June 30, 2012. 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 \$181,173.

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 \$12,792,813, an increase of \$2,699,833 from last year's fund balance of \$10,092,980.

Revenues for the District's governmental funds were \$121,737,013, total expenditures were \$119,037,180.

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.

	Fiscal Year Ended <u>June 30, 2012</u>	Fiscal Year Ended <u>June 30, 2011</u>	Amount of Increase (Decrease)	Percent
Local Sources:				
Local Tax Levy	\$ 40,037,337	\$ 39,301,311	\$ 736,026	1.87%
Tuition	4,022,183	4,509,007	(486,824)	-10.80%
Miscellaneous	1,169,980	731,473	438,507	59.95%
State/Federal Sources	<u>64,476,685</u>	<u>59,575,517</u>	<u>4,901,168</u>	8.23%
Total General Fund Revenues	<u>\$ 109,706,185</u>	<u>\$ 104,117,308</u>	<u>\$ 5,588,877</u>	<u>5.37%</u>

Total General Fund Revenues increased slightly by \$5,588,877 or 5.37% 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 \$736,026 or 2% over the previous year. State and federal aid increased 8%, because the State of New Jersey increased their On-Behalf TPAF Funding and Equalization Aid to the District. Tuition charges decreased \$486,824 because of less students from Guttenberg attending the North Bergen High School.

The following schedule presents a summary of General Fund Expenditures.

	Fiscal Year Ended <u>June 30, 2012</u>	Fiscal Year Ended <u>June 30, 2011</u>	Amount of Increase (Decrease)	<u>Percent</u>
Instruction	\$ 67,553,134	\$ 61,323,424	\$ 6,229,710	10.16%
Support Services	38,333,019	37,430,340	902,679	2.41%
Debt Service	35,641	334,646	(299,005)	-89.35%
Capital Outlay	<u>185,483</u>	<u>1,455,362</u>	<u>(1,269,879)</u>	-87.26%
Total Expenditures	<u>\$ 106,107,277</u>	<u>\$ 100,543,772</u>	<u>\$ 5,563,505</u>	<u>5.53%</u>

Total General Fund expenditures increased \$5,563,505 or 5% from the previous year due to salary increase, increased staffing due to Education Jobs, and increases in the On-Behalf TPAF pension allocation.

For the fiscal year ended June 30, 2012 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$3,598,908. After deducting statutory reserves and designations in the amount of \$12,287,861, the unassigned fund balance at June 30, 2012 was in a deficit position of \$2,984,615, a decrease of \$171,133 from the June 30, 2011 fund balance deficit of \$2,813,482.

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 \$8,916,267, for the fiscal year ended June 30, 2012. State sources in the amount of \$2,960,581 accounted for 33% of the total revenue and federal sources in the amount of \$5,905,989 accounted for 66% of the total revenue in the special revenue fund.

Total Special Revenue Fund revenues decreased \$2,306,437 or 20% from the previous year. State sources decreased \$952,193, while Federal sources decreased by \$1,347,377.

Expenditures of the Special Revenue Fund were \$8,916,267. Instructional expenditures were \$5,902,989 or 66%, expenditures for support services were \$2,992,418 or 33%, and expenditures for capital outlay were \$20,860 for the fiscal year ended June 30, 2012.

NORTH BERGEN BOARD OF EDUCATION

Management Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

Capital Projects - The capital projects expenditures and other financing uses exceeded revenues and other financing sources by \$899,075 decreasing the fund balance from \$4,274,566 at June 30, 2011 to \$3,375,491 at June 30, 2012. The decrease was due to work in progress on the district's construction projects.

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.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Appropriating additional federal and state aid.
- Reappropriation of June 30, 2011 encumbrances.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2012 amounts to \$56,151,997 (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 2011-2012 amounted to \$1,739,924 for governmental activities. Depreciation expense for the Business-Type activities was \$1,723 for 2011-2012.

NORTH BERGEN BOARD OF EDUCATION

Management Discussion and Analysis

The following is a comparative analysis of capital assets at June 30, 2012 and 2011.

Capital Assets at June 30, 2012 and 2011

(Net of Accumulated Depreciation)

	Governmental		Business- Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 2,688,797	\$ 2,688,797			\$ 2,688,797	\$ 2,688,797
Construction in Progress	5,655,724	3,876,641	-	-	5,655,724	3,876,641
Site Improvements	87,554	92,639			87,554	92,639
Building	47,407,940	48,851,573			47,407,940	48,851,573
Machinery and Equipment	288,797	357,340	\$ 23,185	\$ 24,908	311,982	382,248
Total	<u>\$ 56,128,812</u>	<u>\$ 55,866,990</u>	<u>\$ 23,185</u>	<u>\$ 24,908</u>	<u>\$ 56,151,997</u>	<u>\$ 55,891,898</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, 2012, the District's long-term liabilities consisted of compensated absences payable of \$6,318,519, serial bonds of \$5,388,955 (net of unamortized premium) and obligations under lease purchase agreements of \$13,422,489 (net of unamortized discount) totaling \$25,129,963. This is in comparison to long-term liabilities at June 30, 2011 of \$27,512,733, or a decrease of \$2,382,770.

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

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 2011-2012 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 2012-2013. 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, 2012**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 7,705,492	\$ 50	\$ 7,705,542
Receivables, Net	12,760,554	218,656	12,979,210
Internal Balances	(280,520)	280,520	
Other Receivables	29,409		29,409
Prepaid Items	79,000		79,000
Other Assets	20,000		20,000
Inventory		21,086	21,086
Deferred Charges	347,278		347,278
Restricted Assets			
Cash and Cash Equivalents	11,808		11,808
Capital Assets			
Not Being Depreciated	8,344,521		8,344,521
Being Depreciated, Net	47,784,291	23,185	47,807,476
	<u>76,801,833</u>	<u>543,497</u>	<u>77,345,330</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	3,679,263	127,567	3,806,830
Accrued Interest Payable	90,220		90,220
Payable to Other Governments	421,477		421,477
Unearned Revenue	3,432,190	5,477	3,437,667
Noncurrent Liabilities			
Due Within One Year	2,090,000		2,090,000
Due Beyond One Year	23,039,963	-	23,039,963
	<u>32,753,113</u>	<u>133,044</u>	<u>32,886,157</u>
NET ASSETS			
Invested in Capital Assets, net of Related Debt	41,770,687	23,185	41,793,872
Restricted for:			
Capital Projects	6,200,001		6,200,001
Debt Service	105,295		105,295
Other Purposes	2,008,781		2,008,781
Unrestricted	(6,036,044)	387,268	(5,648,776)
	<u>\$ 44,048,720</u>	<u>\$ 410,453</u>	<u>\$ 44,459,173</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, 2012**

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	\$ 46,698,490	\$ 4,022,183	\$ 8,925,856		\$ (33,750,451)	\$	\$ (33,750,451)
Special Education	14,935,338		7,905,476		(7,029,862)		(7,029,862)
Other Instruction	9,141,683		3,234,740		(5,906,943)		(5,906,943)
School Sponsored Activities and Athletics	1,899,603		162,010		(1,737,593)		(1,737,593)
Support Services:							
Student and Instruction Related Services	14,025,679		3,463,673		(10,562,006)		(10,562,006)
General Administrative Services	2,489,391		145,962		(2,343,429)		(2,343,429)
School Administrative Services	6,818,014		488,861		(6,329,153)		(6,329,153)
Plant Operations and Maintenance	12,807,210		377,198	\$ 896,328	(11,533,684)		(11,533,684)
Pupil Transportation	4,059,359		311,753		(3,747,606)		(3,747,606)
Business Services	2,650,591				(2,650,591)		(2,650,591)
Interest on Long-Term Debt	925,499				(925,499)		(925,499)
Total Governmental Activities	116,450,857	4,022,183	25,015,529	896,328	(86,516,817)	-	(86,516,817)
Business-Type Activities:							
Food Service	2,911,970	723,677	2,369,269	-	-	\$ 180,976	180,976
Total Business-Type Activities	2,911,970	723,677	2,369,269	-	-	180,976	180,976
Total Primary Government	\$ 119,362,827	\$ 4,745,860	\$ 27,384,798	\$ 896,328	(86,516,817)	180,976	(86,335,841)
General Revenues							
Taxes							
Property Taxes, Levied for General Purposes, net					40,037,337		40,037,337
Property Taxes, Levied for Debt Service, net					1,673,267		1,673,267
State Aid - Unrestricted					48,377,423		48,377,423
State Aid - Restricted for Debt Service					544,966		544,966
Investment Earnings					12,744	197	12,941
Miscellaneous Income					1,157,236	-	1,157,236
Total General Revenues and Transfers					91,802,973	197	91,803,170
Change in Net Assets					5,286,156	181,173	5,467,329
Net Assets-Beginning of Year					38,762,564	229,280	38,991,844
Net Assets-End of Year					\$ 44,048,720	\$ 410,453	\$ 44,459,173

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

FUND FINANCIAL STATEMENTS

**NORTH BERGEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2012**

	<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	\$ 7,662,024			\$ 43,468	\$ 7,705,492
Receivables From Other Governments	3,772,849	\$ 3,785,422	\$ 5,202,283		12,760,554
Other Receivables	17,620				17,620
Prepaid Items	79,000				79,000
Other Assets	20,000				20,000
Due From Other Funds	1,653,890			50,019	1,703,909
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	-	-	-	11,808	11,808
Total Assets	<u>\$ 13,205,383</u>	<u>\$ 3,785,422</u>	<u>\$ 5,202,283</u>	<u>\$ 105,295</u>	<u>\$ 22,298,383</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 3,531,558	\$ 132,705			\$ 3,664,263
Deferred Revenue	75,059	1,677,336	\$ 1,679,795		3,432,190
Payables to Other Governments		416,477	5,000		421,477
Other Payables	15,000				15,000
Due To Other Funds	280,520	1,550,123	141,997	-	1,972,640
Total Liabilities	<u>3,902,137</u>	<u>3,776,641</u>	<u>1,826,792</u>	<u>-</u>	<u>9,505,570</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	759,105				759,105
Excess Surplus	846,083				846,083
Preschool Program		8,781			8,781
Capital Projects Fund			3,375,491		3,375,491
Debt Service Fund				\$ 105,295	105,295
Committed					
Encumbrances	422,972				422,972
Assigned					
Designated for Subsequent Year's Budget	1,158,408				1,158,408
Capital Reserve-Designated for Subsequent Year's Budget	2,200,000				2,200,000
Encumbrances	901,292				901,292
Unassigned					
General Fund	(2,984,615)	-	-	-	(2,984,615)
Total Fund Balances	<u>9,303,246</u>	<u>8,781</u>	<u>3,375,491</u>	<u>105,295</u>	<u>12,792,813</u>
Total Liabilities and Fund Balances	<u>\$ 13,205,383</u>	<u>\$ 3,785,422</u>	<u>\$ 5,202,283</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 \$77,437,723 and the accumulated depreciation is \$21,308,911. 56,128,812

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (90,220)

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)	\$ 5,388,955	
Certificates of Participation (Net)	13,422,489	
Compensated Absences	6,318,519	
Less: Deferred Charges for Debt Issuance Costs	(347,278)	
	<u>24,782,685</u>	(24,782,685)

Net Assets of Governmental Activities \$ 44,048,720

**NORTH BERGEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<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	\$ 40,037,337			\$ 1,673,267	\$ 41,710,604
Tuition	4,022,183				4,022,183
Interest	12,744				12,744
Miscellaneous	1,157,236	\$ 49,697	-	-	1,206,933
Total - Local Sources	<u>45,229,500</u>	<u>49,697</u>	<u>-</u>	<u>1,673,267</u>	<u>46,952,464</u>
State Sources	62,324,578	2,960,581	\$ 896,328	544,966	66,726,453
Federal Sources	2,152,107	5,905,989	-	-	8,058,096
Total Revenues	<u>109,706,185</u>	<u>8,916,267</u>	<u>896,328</u>	<u>2,218,233</u>	<u>121,737,013</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	45,596,241	1,883,258			47,479,499
Special Education Instruction	13,329,534	1,605,804			14,935,338
Other Instruction	6,727,756	2,413,927			9,141,683
School Sponsored Activities and Athletics	1,899,603				1,899,603
Community Service Programs					-
Support Services					
Student and Instruction Related Services	11,191,439	2,794,287			13,985,726
General Administrative Services	2,464,796				2,464,796
School Administrative Services	6,935,770				6,935,770
Plant Operations and Maintenance	11,142,404				11,142,404
Pupil Transportation	3,861,228	198,131			4,059,359
Business Services	2,737,382				2,737,382
Debt Service					
Principal				1,420,850	1,420,850
Interest and Other Charges	35,641			797,383	833,024
Capital Outlay	185,483	20,860	1,795,403	-	2,001,746
Total Expenditures	<u>106,107,277</u>	<u>8,916,267</u>	<u>1,795,403</u>	<u>2,218,233</u>	<u>119,037,180</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>3,598,908</u>	<u>-</u>	<u>(899,075)</u>	<u>-</u>	<u>2,699,833</u>
Net Change in Fund Balances	3,598,908	-	(899,075)	-	2,699,833
Fund Balance, Beginning 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>
Fund Balance, End of Year	<u>\$ 9,303,246</u>	<u>\$ 8,781</u>	<u>\$ 3,375,491</u>	<u>\$ 105,295</u>	<u>\$ 12,792,813</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, 2012**

Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 2,699,833**

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	\$ 2,001,746	
Depreciation Expense	<u>(1,739,924)</u>	261,822

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		
Loans	70,850	
General Obligation Bonds	495,000	
Amortization		
Premium	7,143	
Amount on Refunding	(4,979)	
Certificates of Participation	855,000	
Amortization		
Discount	(16,787)	
Amount on Refunding	<u>(83,730)</u>	1,322,497

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

(64,147)

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.

5,878

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>1,060,273</u>
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Change in Net Assets of Governmental Activities (Exhibit A-2) **\$ 5,286,156**

**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET ASSETS
 AS OF JUNE 30, 2012**

**Business-Type
 Activities
 Food Service
 Enterprise Fund**

ASSETS

Cash and Cash Equivalents	\$	50
Intergovernmental Receivable		
State		2,450
Federal		216,206
Inventories		21,086
Due from Other Funds		<u>280,520</u>
 Total Current Assets		 <u>520,312</u>
 Capital Assets		
Equipment		116,661
Accumulated Depreciation		<u>(93,476)</u>
 Total Capital Assets		 <u>23,185</u>
 Total Assets		 <u>543,497</u>

LIABILITIES

Current Liabilities		
Accounts Payable		127,567
Unearned Revenue		<u>5,477</u>
 Total Current Liabilities		 <u>133,044</u>

NET ASSETS

Invested in Capital Assets		23,185
Unrestricted		<u>387,268</u>
 Total Net Assets	 \$	 <u>410,453</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, 2012**

	<u>Business-Type Activities Food Service Enterprise Fund</u>
OPERATING REVENUES	
Local Sources	
Daily Sales	\$ 698,949
Special Functions	<u>24,728</u>
 Total Operating Revenues	 <u>723,677</u>
OPERATING EXPENSES	
Salaries and Wages	1,057,826
Employee Benefits	191,020
Cost of Sales	1,222,720
Other Purchased Services	335,671
Supplies and Materials	103,010
Depreciation	<u>1,723</u>
 Total Operating Expenses	 <u>2,911,970</u>
 Operating Income (Loss)	 <u>(2,188,293)</u>
NONOPERATING REVENUES	
State Sources	
State School Lunch Program	35,437
Federal Sources	
School Breakfast Program	461,005
National School Lunch Program	1,856,050
Special Milk Program	4,679
After School Snack Program	12,098
Interest	<u>197</u>
 Total Nonoperating Revenues	 <u>2,369,466</u>
 Net Income	 181,173
 Net Assets, Beginning of Year	 <u>229,280</u>
 Net Assets, End of Year	 <u>\$ 410,453</u>

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, 2012**

	<u>Business-Type Activities Food Service Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 723,677
Cash Payments for Employees Salaries & Benefits	(1,248,846)
Cash Payments to Suppliers for Goods and Services	<u>(1,459,723)</u>
Net Cash (Used) by Operating Activities	<u>(1,984,892)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Payments for Interfund Transactions	(396,206)
Cash Received from State and Federal Subsidy Reimbursements	<u>2,380,928</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,984,722</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received on Deposits	<u>197</u>
Net Cash Provided by Investing Activities	<u>197</u>
Net Change in Cash and Cash Equivalents	27
Cash and Cash Equivalents, Beginning of Year	<u>23</u>
Cash and Cash Equivalents, End of Year	<u>\$ 50</u>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities	
Operating Income (Loss)	<u>\$ (2,188,293)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities	
Depreciation	1,723
Non-Cash Federal Assistance-Food Distribution Program	155,989
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	35,536
(Increase)/Decrease in Inventory	11,914
Increase/(Decrease) in Unearned Revenue	<u>(1,761)</u>
Total Adjustments	<u>203,401</u>
Net Cash (Used) by Operating Activities	<u>\$ (1,984,892)</u>
Non-Cash Investing, Capital and Financing Activities	
Value Received - Food Distribution Program	<u>\$ 154,228</u>

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, 2012**

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>	
ASSETS			
Cash and Cash Equivalents	\$ 868,982	\$ 3,019,781	
Investments		90,270	
Accounts Receivable	24,535		
Due From Other Funds	<u>-</u>	<u>9,033</u>	
 Total Assets	 <u>893,517</u>	 <u>\$ 3,119,084</u>	
LIABILITIES			
Payroll Deductions and Withholdings		\$ 139	
Accrued Salaries and Wages		17,775	
Summer Payroll		2,833,721	
Intergovernmental Payable	53,632		
Due to Student Groups		255,660	
Due to Other Funds	<u>9,033</u>	<u>11,789</u>	
 Total Liabilities	 <u>62,665</u>	 <u>\$ 3,119,084</u>	
NET ASSETS			
Held in Trust for Unemployment Claims	<u>\$ 830,852</u>		

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, 2012**

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Board Contribution	\$ 487,700
Employee Deductions	94,666
Interest	<u>339</u>
Total Additions	<u>582,705</u>
DEDUCTIONS	
Unemployment Claims	<u>240,195</u>
Total Deductions	<u>240,195</u>
Change in Net Assets	342,510
Net Assets, Beginning of Year	<u>488,342</u>
Net Assets, End of Year	<u>\$ 830,852</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, 2012**

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 (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District's enterprise funds.

The district-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. 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, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each 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 accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 capital facilities and other capital assets, other than those financed by the proprietary funds.

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.

The District reports the following major proprietary fund which is 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 2010-2011 and 2011-2012 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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District 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 personal and sick leave benefits. A long-term liability of accumulated 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 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, 2012**

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

With the implementation of GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the 2010/11 fiscal year, fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District 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.

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.

Excess Surplus – Designated for Subsequent Year's Budget - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2011 audited excess surplus that was appropriated in the 2012/2013 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2012 audited excess surplus that is required to be appropriated in the 2013/2014 original budget certified for taxes.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Fund Equity (Continued)*

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.

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 2012/2013 District budget certified for taxes.

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 restricted, committed or assigned to specific purposes within the governmental funds.

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, 2012**

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 for review and approval prior to adoption 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 2011/2012. During 2011/2012 the Board increased the original budget by \$3,610,225. The increase was funded by grant awards, additional state and federal aid, 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>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Unallocated Benefits			
Social Security Contributions	\$1,397,022	\$1,408,766	\$11,744
Capital Outlay			
Facilities Acquisition and Construction			
Other Objects	\$ -	\$35,641	\$35,641

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, 2012**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Deficit Fund Equity

The District has an unassigned deficit fund balance of \$2,984,615 in the General Fund as of June 30, 2012 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 2011/2012 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 \$2,984,615 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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2012 is as follows:

Balance, July 1, 2011	\$ 4,000,001
Increased by	
Deposits Approved by Board Resolution	<u>2,200,000</u>
Balance, June 30, 2012	<u>\$ 6,200,001</u>

Analysis of Capital Reserve, June 30, 2012

Restricted Capital Reserve	\$ 4,000,001
Assigned Capital Reserve - Designated for Subsequent Year's Budget	<u>2,200,000</u>
	<u>\$ 6,200,001</u>

E. Transfers to Capital Outlay

During the 2011/2012 school year, the district transferred \$68,667 to the capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23-8.4.

F. 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, 2012 is \$1,605,188. Of this amount, \$759,105 was designated and appropriated in the 2012/2013 original budget certified for taxes and the remaining amount of \$846,083 will be appropriated in the 2013/2014 original budget certified for taxes.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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 the lesser 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, 2012, the book value of the Board's deposits was \$11,606,113 and bank balances of the Board's cash and deposits amounted to \$13,917,421. 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>\$ 13,917,421</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, 2012 the Board's bank balance were not exposed to custodial credit risk.

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, 2012, the Board had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
MBIA Class Account	<u>\$ 90,270</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Investments (Continued)

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, 2012, \$90,270 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>\$ 90,270</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.

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.

B. Receivables

Receivables as of June 30, 2012 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	\$ 3,772,849	\$ 3,785,422	\$ 5,202,283	\$ 218,656		\$ 12,979,210
Other	<u>17,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,535</u>	<u>42,155</u>
Gross Receivables	3,790,469	3,785,422	5,202,283	218,656	24,535	13,021,365
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 3,790,469</u>	<u>\$ 3,785,422</u>	<u>\$ 5,202,283</u>	<u>\$ 218,656</u>	<u>\$ 24,535</u>	<u>\$ 13,021,365</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables (Continued)

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	
Facilities Grants	\$ 75,059
Special Revenue Fund	
Unencumbered Grant Draw Downs	1,656,392
Grant Draw Downs Reserved for Encumbrances	20,944
Capital Projects Fund	
Secure Our Schools Grant	23,871
Unrealized School Facilities Grants (SDA)	<u>1,655,924</u>
Total Deferred Revenue for Governmental Funds	<u>\$ 3,432,190</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	Balance <u>July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2012</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,688,797			\$ 2,688,797
Construction in Progress	<u>3,876,641</u>	\$ 1,779,083	\$ -	<u>5,655,724</u>
Total Capital Assets, Not Being Depreciated	<u>6,565,438</u>	<u>1,779,083</u>	<u>-</u>	<u>8,344,521</u>
Capital Assets, Being Depreciated:				
Buildings	66,373,890	163,432		66,537,322
Site Improvements	135,054			135,054
Machinery and Equipment	<u>2,361,595</u>	<u>59,231</u>	<u>-</u>	<u>2,420,826</u>
Total Capital Assets Being Depreciated	<u>68,870,539</u>	<u>222,663</u>	<u>-</u>	<u>69,093,202</u>
Less Accumulated Depreciation for:				
Buildings	(17,522,317)	(1,607,065)		(19,129,382)
Site Improvements	(42,415)	(5,085)		(47,500)
Machinery and Equipment	<u>(2,004,255)</u>	<u>(127,774)</u>	<u>-</u>	<u>(2,132,029)</u>
Total Accumulated Depreciation	<u>(19,568,987)</u>	<u>(1,739,924)</u>	<u>-</u>	<u>(21,308,911)</u>
Total Capital Assets, Being Depreciated, net	<u>49,301,552</u>	<u>(1,517,261)</u>	<u>-</u>	<u>47,784,291</u>
Governmental Activities Capital Assets, net	<u>\$ 55,866,990</u>	<u>\$ 261,822</u>	<u>\$ -</u>	<u>\$ 56,128,812</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 116,661	-	-	\$ 116,661
Total Capital Assets Being Depreciated	<u>116,661</u>	<u>-</u>	<u>-</u>	<u>116,661</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(91,753)	\$ (1,723)	-	(93,476)
Total Accumulated Depreciation	<u>(91,753)</u>	<u>(1,723)</u>	<u>-</u>	<u>(93,476)</u>
Total Capital Assets, Being Depreciated, net	<u>24,908</u>	<u>(1,723)</u>	<u>-</u>	<u>23,185</u>
Business-Type Activities Capital Assets, net	<u>\$ 24,908</u>	<u>\$ (1,723)</u>	<u>\$ -</u>	<u>\$ 23,185</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 20,000
Total Instruction	<u>20,000</u>

Support Services	
Support Services-Students and Instruction Related Services	39,953
School Administration	14,713
Operations and Maintenance of Plant	1,664,806
Business Services	<u>452</u>
Total Support Services	<u>1,719,924</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 1,739,924</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 1,723</u>
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Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2012:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Window Replacement and Exterior Doors - Horace Mann	<u>\$ 1,102,941</u>	<u>\$ 1,117,059</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2012, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 1,550,123
General Fund	Capital Projects Fund	91,978
General Fund	Payroll Agency Fund	11,789
Debt Service Fund	Capital Projects Fund	50,019
Food Service Enterprise Fund	General Fund	280,520
Payroll Agency Fund	Unemployment Trust Fund	<u>9,033</u>
 Total		 <u>\$ 1,993,462</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.

E. Long-Term Debt

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, 2011 the District refunded a portion of the original certificates issued.

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt (Continued)

Lease Purchase Agreements (Continued)

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, 2012:

Debt Service Reserve	\$ 11,808
Cash and Cash Equivalents – Capital Projects Fund	<u>821,041</u>
	<u>\$832,849</u>

Lease Purchase Agreements

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

Governmental Activities:

Fiscal Year Ended June 30,	<u>Certificates of Participation</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	1,030,000	387,360	1,417,360
2018-2022	7,605,000	1,180,997	8,785,997
2023-2026	<u>1,800,000</u>	<u>36,900</u>	<u>1,836,900</u>
	<u>\$ 14,175,000</u>	<u>\$ 3,458,477</u>	<u>\$ 17,633,477</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

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, 2012 are comprised of the following issues:

\$4,250,000, Pension Obligation Bonds Series 2003, due in annual installments of \$165,000 to \$310,000 through April 1, 2026, interest at 4.95% to 5.60%	\$3,285,000
\$3,125,000, 2009 Refunding Bonds, due in annual installments of \$340,000 to \$365,000 through March, 2018, interest at 3.0% to 4.0%	<u>2,100,000</u>
	<u>\$5,385,000</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	560,000	168,878	728,878
2018-2022	1,555,000	540,940	2,095,940
2023-2026	<u>1,170,000</u>	<u>164,220</u>	<u>1,334,220</u>
	<u>\$ 5,385,000</u>	<u>\$ 1,760,994</u>	<u>\$ 7,145,994</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2012 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 216,172,145
Less: Net Debt	<u>2,100,000</u>
Remaining Borrowing Power	<u>\$ 214,072,145</u>

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2012, was as follows:

	Balance <u>July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2012</u>	Due Within <u>One Year</u>
Governmental Activities:					
Obligations Under Lease-					
Purchase Agreement	\$ 15,030,000		\$ 855,000	\$ 14,175,000	\$ 885,000
Less:					
Unamortized Discount	(130,257)		(16,787)	(113,470)	
Unamortized Amount on Refunding	<u>(722,771)</u>	<u>-</u>	<u>(83,730)</u>	<u>(639,041)</u>	<u>-</u>
	<u>14,176,972</u>	<u>-</u>	<u>754,483</u>	<u>13,422,489</u>	<u>885,000</u>
 Bonds Payable	 5,880,000		 495,000	 5,385,000	 505,000
Add:					
Unamortized Premium	20,201		7,143	13,058	
Less:					
Unamortized Amount on Refunding	<u>(14,082)</u>	<u>-</u>	<u>(4,979)</u>	<u>(9,103)</u>	<u>-</u>
	<u>5,886,119</u>	<u>-</u>	<u>497,164</u>	<u>5,388,955</u>	<u>505,000</u>
 Intergovernmental Loans Payable	 70,850		 70,850	 -	
Compensated Absences	<u>7,378,792</u>	<u>-</u>	<u>1,060,273</u>	<u>6,318,519</u>	<u>700,000</u>
	<u>\$ 27,512,733</u>	<u>\$ -</u>	<u>\$ 2,382,770</u>	<u>\$ 25,129,963</u>	<u>\$ 2,090,000</u>

For the governmental activities, the liabilities for 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, 2012**

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 (the "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 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>Board Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ 487,700	\$ 94,666	\$ 240,195	\$ 830,852
2011	382,931	87,333	436,414	488,342
2010		81,245	198,942	454,431

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, 2012**

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, 2012, 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, 2012, 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 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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, 2012**

NOTE 4 OTHER INFORMATION (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Funding Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 70.5 percent with an unfunded actuarial accrued liability of \$36.3 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 65.2 percent and \$25.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 78.5 percent and \$10.7 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, 2012**

NOTE 4 OTHER INFORMATION (Continued)

E. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

In the July 1, 2010 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 5.91 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 6.5% 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, 2012 for TPAF, which is a cost sharing plan with special funding situations, the 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.

During the years ended June 30, 2012, 2011 and 2010 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:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>
2012	\$ 1,019,459	\$ 1,630,387
2011	974,415	151,894
2010	762,439	162,706

During the previous two fiscal years the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed \$1,630,387 during 2011/2012 for normal cost pension, accrued liability and the NCGI premium. For fiscal years 2010/2011 and 2009/2010, the State contributed \$151,894 and \$162,706, 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 \$3,792,399 during the year ended June 30, 2012 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, 2012**

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 2011.

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. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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 July 1, 2010, the most recent actuarial valuation date, the State had a \$59.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$21.1 billion for state active and retired members and \$38.2 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 July 1, 2010, 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 93,323 retirees receiving post-retirement medical benefits and the State contributed \$935.5 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 \$144 million toward Chapter 126 benefits for 15,079 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, 2012**

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, 2012, 2011 and 2010 were \$3,277,502, \$3,226,234 and \$3,055,845, 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, 2012**

	<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	\$ 40,037,337		\$ 40,037,337	\$ 40,037,337	
Tuition	4,690,747		4,690,747	4,022,183	\$ (668,564)
Interest	10,000		10,000	12,744	2,744
Miscellaneous	835,000		835,000	1,157,236	322,236
State Sources					
Special Education Aid	4,194,147		4,194,147	4,194,147	-
Equalization Aid	47,914,199	\$ 649,252	48,563,451	48,563,451	-
Security Aid		352,785	352,785	352,785	-
Extraordinary Aid				576,931	576,931
Non-Public Transportation Aid				113,622	113,622
Anti-Bullying Bill of Rights Act				5,408	5,408
Other State Aid				1,371	1,371
TPAF Pension Contribution (Non Budgeted)					
NCGI Premium				158,006	158,006
Pension Contribution				1,472,381	1,472,381
Post Retirement				3,277,502	3,277,502
TPAF Social Security Contribution (Non Budgeted)				3,792,399	3,792,399
Federal Sources					
Education Jobs Fund	1,859,551	58,256	1,917,807	1,917,807	
Medicaid Reimbursement Program	163,100	-	163,100	234,300	71,200
Total Revenues	<u>99,704,081</u>	<u>1,060,293</u>	<u>100,764,374</u>	<u>109,889,610</u>	<u>9,125,236</u>
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Preschool/Kindergarten	1,656,280	199,723	1,856,003	1,772,556	83,447
Grades 1-5	10,141,530	(222,886)	9,918,644	9,760,604	158,040
Grades 6-8	5,668,850	272,275	5,941,125	5,918,150	22,975
Grades 9-12	12,256,280	59,112	12,315,392	12,224,210	91,182
Regular Programs - Home Instruction					
Salaries of Teachers	104,100	140,650	244,750	244,735	15
Purchased Professional Educational Services	44,200	(1,100)	43,100	39,505	3,595
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	572,550	55,700	628,250	576,199	52,051
Purchased Professional Educational Services	190,000	(48,650)	141,350	97,500	43,850
Other Purchased Services	225,680	(8,333)	217,347	181,562	35,785
General Supplies	629,800	172,485	802,285	740,745	61,540
Textbooks	496,300	(60,325)	435,975	338,015	97,960
Other Objects	1,000	-	1,000	-	1,000
Total Regular Programs	<u>31,986,570</u>	<u>558,651</u>	<u>32,545,221</u>	<u>31,893,781</u>	<u>651,440</u>
Special Education					
Cognitive - Moderate					
Salaries of Teachers	241,000	(183,600)	57,400	57,030	370
General Supplies	1,600	(1,600)	-	-	-
Total Cognitive - Moderate	<u>242,600</u>	<u>(185,200)</u>	<u>57,400</u>	<u>57,030</u>	<u>370</u>
Learning and Learning Disabilities					
Salaries of Teachers	1,415,300	123,835	1,539,135	1,515,983	23,152
Other Salaries for Instruction	454,900	597,760	1,052,660	1,048,450	4,210
Other Purchased Services	19,800	(14,500)	5,300	5,221	79
General Supplies	9,900	(500)	9,400	6,834	2,566
Textbooks	10,100	(9,000)	1,100	240	860
Total Learning and Learning Disabilities	<u>1,910,000</u>	<u>697,595</u>	<u>2,607,595</u>	<u>2,576,728</u>	<u>30,867</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<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	\$ 3,478,600	\$ (169,650)	\$ 3,308,950	\$ 3,308,817	\$ 133
Total Resource Room / Resource Center	<u>3,478,600</u>	<u>(169,650)</u>	<u>3,308,950</u>	<u>3,308,817</u>	<u>133</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	214,000	(71,600)	142,400	142,307	93
Other Salaries for Instruction	290,400	29,000	319,400	301,677	17,723
General Supplies	13,000	(7,030)	5,970	5,587	383
Total Preschool Disabilities - Part-Time	<u>517,400</u>	<u>(49,630)</u>	<u>467,770</u>	<u>449,571</u>	<u>18,199</u>
Home Instruction					
Salaries of Teachers	115,500	159,800	275,300	275,205	95
Purchased Professional Educational Services	52,700	(8,349)	44,351	34,928	9,423
Total Home Instruction	<u>168,200</u>	<u>151,451</u>	<u>319,651</u>	<u>310,133</u>	<u>9,518</u>
Total Special Education	<u>6,316,800</u>	<u>444,566</u>	<u>6,761,366</u>	<u>6,702,279</u>	<u>59,087</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,376,500	488,240	1,864,740	1,748,381	116,359
Other Salaries for Instruction	16,700	11,400	28,100	27,940	160
Purchased Professional Educational Services	177,200	(139,650)	37,550	2,200	35,350
Other Purchased Services	26,000	(10,000)	16,000	3,441	12,559
General Supplies	207,900	(144,990)	62,910	2,200	60,710
Other Objects	5,000	-	5,000	-	5,000
Total Basic Skills/Remedial - Instruction	<u>1,809,300</u>	<u>205,000</u>	<u>2,014,300</u>	<u>1,784,162</u>	<u>230,138</u>
Bilingual Education					
Salaries of Teachers	2,843,800	(30,000)	2,813,800	2,800,279	13,521
Other Salaries for Instruction	140,650	-	140,650	111,085	29,565
Purchased Professional Educational Services	4,000	-	4,000	-	4,000
Other Purchased Services	8,070	-	8,070	1,789	6,281
General Supplies	78,000	(400)	77,600	26,204	51,396
Textbooks	36,700	-	36,700	21,055	15,645
Total Bilingual Education	<u>3,111,220</u>	<u>(30,400)</u>	<u>3,080,820</u>	<u>2,960,412</u>	<u>120,408</u>
School Sponsored Co-Curricular Activities					
Salaries	275,900	(600)	275,300	262,205	13,095
Purchased Services	90,000	(11,136)	78,864	75,210	3,654
Supplies and Materials	1,000	720	1,720	1,563	157
Other Objects	1,200	(720)	480	-	480
Total School Sponsored Co-Curricular Activities	<u>368,100</u>	<u>(11,736)</u>	<u>356,364</u>	<u>338,978</u>	<u>17,386</u>
School Sponsored Athletics - Instruction					
Salaries	664,600	(14,381)	650,219	635,602	14,617
Purchased Services	327,000	45,221	372,221	366,520	5,701
Supplies and Materials	155,700	27,294	182,994	177,206	5,788
Total School Sponsored Athletics - Instruction	<u>1,147,300</u>	<u>58,134</u>	<u>1,205,434</u>	<u>1,179,328</u>	<u>26,106</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<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	\$ 5,000		\$ 5,000		\$ 5,000
Other Salaries for Instruction	2,600	-	2,600	-	2,600
Total Before/After School Programs -Instruct.	7,600	-	7,600	-	7,600
Before/After School Programs - Support					
Salaries of Teachers	2,000	-	2,000	-	2,000
Total Before/After School Programs -Support	2,000	-	2,000	-	2,000
Other Supplemental/At-Risk Programs					
Salaries of Teachers		\$ 300,000	300,000		300,000
Supplies and Materials	-	20,000	20,000	-	20,000
Total Other Supplemental/At-Risk Programs	-	320,000	320,000	-	320,000
Total - Instruction	44,748,890	1,544,215	46,293,105	\$ 44,858,940	1,434,165
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Special	225,600	305,664	531,264	489,801	41,463
Tuition to County Vocational School/Dist.-Reg.	22,500	(18,400)	4,100		4,100
Tuition to CSSD & Reg. Day Schools	2,992,800	16,340	3,009,140	2,987,066	22,074
Tuition to Private Schools Disabled W/I State	810,700	(278,328)	532,372	400,838	131,534
Tuition to Private Schools Disabled and Other LEA's - Outside of State	64,700	(64,700)			-
Tuition - State Facilities	51,181	-	51,181	51,181	-
Tuition - Other	228,619	(215,950)	12,669	12,293	376
Total Undistributed Expenditures - Instruction	4,396,100	(255,374)	4,140,726	3,941,179	199,547
Attendance and Social Work Services					
Salaries	584,400	(36,913)	547,487	543,208	4,279
Other Purchased Services	1,700	49	1,749	1,062	687
Supplies and Materials	400	-	400	-	400
Total Attendance and Social Work Services	586,500	(36,864)	549,636	544,270	5,366
Health Services					
Salaries	952,300	31,953	984,253	949,772	34,481
Purchased Professional Technical Services	13,240	7,150	20,390	18,582	1,808
Other Purchased Services	13,700	(5,400)	8,300	4,946	3,354
Supplies and Materials	15,600	3,750	19,350	18,997	353
Total Health Services	994,840	37,453	1,032,293	992,297	39,996
Other Support Services-Speech, OT, PT and Related					
Salaries	648,750	(448,750)	200,000	122,836	77,164
Purchased Professional Educational Services	552,200	(26,950)	525,250	514,067	11,183
Supplies and Materials	6,000	-	6,000	-	6,000
Total Other Support Services	1,206,950	(475,700)	731,250	636,903	94,347

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<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)					
Other Support Services - Students - Extra Serv.					
Salaries	\$ 843,200	\$ (82,000)	\$ 761,200	\$ 644,939	\$ 116,261
Purchased Professional Educational Services	267,500	44,495	311,995	197,440	114,555
Total Other Support Services - Students - Extra Serv. -	1,110,700	(37,505)	1,073,195	842,379	230,816
Guidance					
Salaries of Other Professional Staff	1,280,000	42,973	1,322,973	1,307,533	15,440
Salaries of Secretarial and Clerical Assistants	190,000	(48,043)	141,957	131,333	10,624
Other Purchased and Professional Services	10,000	(9,250)	750		750
Other Purchased Services	26,700	(1,800)	24,900	14,178	10,722
Supplies and Materials	4,000	11,800	15,800	14,706	1,094
Total Guidance	1,510,700	(4,320)	1,506,380	1,467,750	38,630
Other Support Services - Child Study Team					
Salaries of Other Professional Staff	1,654,000	(41,400)	1,612,600	1,612,480	120
Salaries of Secretarial and Clerical Assistants	197,300	30,790	228,090	227,240	850
Other Purchased Professional/Technical Services	94,800	27,675	122,475	117,425	5,050
Residential Costs		11,280	11,280		11,280
Misc. Purchased Services	20,100	(9,985)	10,115	7,801	2,314
Supplies and Materials	6,800	(4,800)	2,000	603	1,397
Total Other Support Services - Child Study Team	1,973,000	13,560	1,986,560	1,965,549	21,011
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	543,000	8,226	551,226	551,137	89
Salaries of Other Professional Staff	232,734	254,836	487,570	487,300	270
Purchased Prof. Educational Services	600	(600)			-
Other Purchased Professional/Technical Services	900	(900)			-
Other Purchased Services	2,000	(1,310)	690	688	2
Supplies and Materials	1,000	(1,000)			-
Total Improvement of Instruction Services	780,234	259,252	1,039,486	1,039,125	361
Educational Media Services/School Library					
Salaries	244,000	(360)	243,640	200,789	42,851
Other Purchased Services	18,100	281	18,381	2,708	15,673
Supplies and Materials	54,200	-	54,200	28,033	26,167
Total Educational Media Services/School Library	316,300	(79)	316,221	231,530	84,691
Instructional Staff Training Services					
Salaries of Other Professional Staff	450,000	55,760	505,760	505,725	35
Salaries of Secretarial and Clerical Assist.	3,100	1,900	5,000	5,000	-
Purchased Professional-Educational Serv.	52,300	(3,560)	48,740	38,336	10,404
Other Purchased Professional and Tech Svcs	4,000	300	4,300	4,258	42
Other Purchased Services	35,100	(35,100)			-
Supplies and Materials	37,000	(37,000)			-
Other Objects	10,000	(10,000)			-
Total Instructional Staff Training Services	591,500	(27,700)	563,800	553,319	10,481

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services General Administration					
Salaries	\$ 950,500	\$ (12,985)	\$ 937,515	\$ 808,874	\$ 128,641
Legal Services	655,000	65,723	720,723	696,709	24,014
Audit Fees	100,600	-	100,600	75,281	25,319
Expenditure and Internal Control Audit Fees	5,000	-	5,000	-	5,000
Architectural/Engineering	120,000	1,562	121,562	15,343	106,219
Other Purchased Professional Services	216,000	(8,567)	207,433	162,679	44,754
Communications/Telephone	243,000	9,566	252,566	204,592	47,974
BOE Other Purchased Services	11,800	-	11,800	-	11,800
Other Purchased Services	96,800	3,344	100,144	67,763	32,381
Supplies and Materials	45,000	11,000	56,000	51,540	4,460
BOE In-House Training/Meeting Supplies	1,500	-	1,500	-	1,500
Miscellaneous Expenditures	4,500	40	4,540	4,460	80
BOE Membership Dues and Fees	40,000	(40)	39,960	34,028	5,932
Total Support Services General Administration	2,489,700	69,643	2,559,343	2,121,269	438,074
Support Services School Administration					
Salaries of Principals/Asst. Principals	2,875,000	(148,938)	2,726,062	2,709,097	16,965
Salaries of Other Professional Staff	690,500	(8,850)	681,650	668,650	13,000
Salaries of Secretarial and Clerical Assistants	1,603,000	-	1,603,000	1,459,552	143,448
Purchased Prof. and Tech. Services	5,000	-	5,000	4,419	581
Other Purchased Services	121,000	(12,549)	108,451	80,531	27,920
Supplies and Materials	70,000	10,196	80,196	74,210	5,986
Other Objects	1,000	1,300	2,300	2,300	-
Total Support Services School Administration	5,365,500	(158,841)	5,206,659	4,998,759	207,900
Central Services					
Salaries	1,136,000	118,400	1,254,400	1,195,610	58,790
Purchased Professional Services	67,000	13,910	80,910	50,299	30,611
Purchased Technical Services	35,000	16,000	51,000	34,095	16,905
Misc. Purchased Services	40,000	728	40,728	15,094	25,634
Supplies and Materials	25,000	2,500	27,500	24,467	3,033
Interest on Current Loans	25,000	(12,600)	12,400	1,703	10,697
Other Objects	2,000	-	2,000	-	2,000
Total Central Services	1,330,000	138,938	1,468,938	1,321,268	147,670
Admin. Info. Technology					
Salaries	547,000	42,131	589,131	588,571	560
Purchased Professional Services	86,300	7,194	93,494	89,660	3,834
Purchased Technical Services	86,500	13,383	99,883	73,171	26,712
Other Purchased Services	4,900	670	5,570	3,372	2,198
Supplies and Materials	3,000	-	3,000	2,007	993
Total Admin. Info. Technology	727,700	63,378	791,078	756,781	34,297
Required Maintenance for School Facilities					
Salaries	1,416,000	(200,485)	1,215,515	1,147,853	67,662
Cleaning, Repair and Maintenance Services	804,000	190,064	994,064	901,870	92,194
General Supplies	170,000	56,643	226,643	209,864	16,779
Total Required Maintenance for School Facilities	2,390,000	46,222	2,436,222	2,259,587	176,635

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<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	\$ 3,436,000	\$ 86,600	\$ 3,522,600	\$ 3,457,700	\$ 64,900
Purchased Professional and Technical Services	190,400	6,047	196,447	170,416	26,031
Cleaning, Repair and Maintenance	170,000	29,000	199,000	198,507	493
Rental Land and Buildings	310,000	33,686	343,686	343,586	100
Other Purchased Property Services	76,000	(6,100)	69,900	62,160	7,740
Insurance	525,000	(10,650)	514,350	513,825	525
Miscellaneous Purchased Services	40,000	53,430	93,430	74,163	19,267
General Supplies	200,000	(1,481)	198,519	192,920	5,599
Energy (Natural Gas)	622,000	(26,600)	595,400	307,373	288,027
Energy (Electricity)	693,000	14,600	707,600	548,273	159,327
Energy (Gasoline)	20,000	5,000	25,000	22,439	2,561
Other Objects	5,000	(1,850)	3,150	-	3,150
Total Other Operational and Maintenance of Plant	6,287,400	181,682	6,469,082	5,891,362	577,720
Care and Upkeep of Grounds					
Salaries	109,000	(8,900)	100,100	3,309	96,791
Purchased Professional and Technical Services	33,000	14,990	47,990	47,625	365
Cleaning, Repair and Maintenance	10,100	425	10,525	8,259	2,266
Total Care and Upkeep of Grounds	152,100	6,515	158,615	59,193	99,422
Security					
Salaries	760,000	124,545	884,545	866,489	18,056
Purchased Professional and Technical Services	11,000	4,687	15,687	6,790	8,897
Cleaning, Repair and Maintenance	5,000	2,654	7,654	1,654	6,000
General Supplies	24,300	(1,000)	23,300	20,906	2,394
Total Security	800,300	130,886	931,186	895,839	35,347
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	62,500	24,900	87,400	73,065	14,335
Salaries for Pupil Transportation (Between Home and School) - Special	52,000	(5,700)	46,300	46,083	217
Other Purchased Prof. and Tech. Serv.	15,000	(15,000)	-	-	-
Cleaning, Repair and Maintenance	17,200	7,700	24,900	13,504	11,396
Contracted Services (Between Home and School) - Vendors	1,000,000	(48,188)	951,812	923,305	28,507
Contracted Services (Between Home and School) - Joint Agreements	110,000	(18,620)	91,380	86,513	4,867
Contracted Services (Other Than Between Home and School) - Vendors	205,000	(51,962)	153,038	120,285	32,753
Contracted Services (Spec Ed)-Vendors	675,000	55,590	730,590	712,360	18,230
Contracted Services (Spec Ed)-Joint Agreements	1,220,000	241,300	1,461,300	1,449,677	11,623
Misc. Purchased Services - Transportation	1,000	200	1,200	701	499
General Supplies	10,000	-	10,000	1,934	8,066
Transportation Supplies	6,100	781	6,881	5,167	1,714
Aid in Lieu of Payments - Nonpublic School	460,000	(85,246)	374,754	372,670	2,084
Aid in Lieu of Payments - Charter Schools	43,000	(30,412)	12,588	11,934	654
Total Student Transportation Services	3,876,800	75,343	3,952,143	3,817,198	134,945

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<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)					
Unallocated Benefits					
Group Insurance	\$ 3,100		\$ 3,100	\$ 1,987	\$ 1,113
Social Security Contributions	1,147,000	\$ 250,022	1,397,022	1,408,766	(11,744)
Other Retirement Contributions-PERS	1,086,485	(2,000)	1,084,485	1,019,459	65,026
Other Retirement Contributions-ERIP	51,700	3,446	55,146	43,386	11,760
Unemployment Compensation	525,000	(37,300)	487,700	487,700	-
Workmen's Compensation	645,800	37,300	683,100	583,318	99,782
Health Benefits	14,203,346	(904,428)	13,298,918	12,763,853	535,065
Other Employee Benefits	685,000	418,094	1,103,094	1,103,021	73
Total Unallocated Benefits	<u>18,347,431</u>	<u>(234,866)</u>	<u>18,112,565</u>	<u>17,411,490</u>	<u>701,075</u>
TPAF Pension Contribution (Non Budgeted)					
NCGI Premium				158,006	(158,006)
Pension Contribution				1,472,381	(1,472,381)
Post Retirement				3,277,502	(3,277,502)
TPAF Social Security Contribution (Non Budgeted)	-	-	-	3,792,399	(3,792,399)
Total On-Behalf Contributions	-	-	-	<u>8,700,288</u>	<u>(8,700,288)</u>
Total Undistributed Expenditures	<u>55,233,755</u>	<u>(208,377)</u>	<u>55,025,378</u>	<u>60,447,335</u>	<u>(5,421,957)</u>
Total Current Expenditures	<u>99,982,645</u>	<u>1,335,838</u>	<u>101,318,483</u>	<u>105,306,275</u>	<u>(3,987,792)</u>
CAPITAL OUTLAY					
Equipment					
Grades 1-5	15,000	-	15,000	2,261	12,739
Grades 6-8	15,000	-	15,000		15,000
Grades 9-12	20,000	-	20,000		20,000
Undistributed Expenditures					
General Administration	15,300	(14,000)	1,300		1,300
School Administration		-			-
Central Services	10,000	-	10,000	5,509	4,491
Admin. Info. Tech.	10,000	-	10,000		10,000
Required Maintenance	27,100	31,685	58,785	48,546	10,239
Custodial		-			-
Care and Upkeep	10,000	(8,685)	1,315		1,315
School Buses	21,600	(9,000)	12,600	-	12,600
Total Equipment	<u>144,000</u>	<u>-</u>	<u>144,000</u>	<u>56,316</u>	<u>87,684</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering	25,000	43,667	68,667	11,180	57,487
Other Purchased Professional Services	25,000	(25,000)			
Construction Services	300,000	89,966	389,966	117,987	271,979
Supplies and Materials	100,000	(39,966)	60,034	13,042	46,992
Other Objects (Debt Service Assessment)	-	-	-	35,641	(35,641)
Total Facilities Acquis. and Const. Services	<u>450,000</u>	<u>68,667</u>	<u>518,667</u>	<u>177,850</u>	<u>340,817</u>
Total Capital Outlay	<u>594,000</u>	<u>68,667</u>	<u>662,667</u>	<u>234,166</u>	<u>428,501</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<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	\$ 430,000	\$ (87,516)	\$ 342,484	\$ 342,482	\$ 2
Other Salaries for Instruction	45,000	15,080	60,080	60,076	4
Total Summer School - Instruction	<u>475,000</u>	<u>(72,436)</u>	<u>402,564</u>	<u>402,558</u>	<u>6</u>
Summer School - Support Services					
Salaries of Teachers	20,000	(4,500)	15,500	15,500	-
Total Summer School - Support Services	<u>20,000</u>	<u>(4,500)</u>	<u>15,500</u>	<u>15,500</u>	<u>-</u>
Total Special Schools	<u>495,000</u>	<u>(76,936)</u>	<u>418,064</u>	<u>418,058</u>	<u>6</u>
Transfer of Funds To Charter Schools	<u>185,806</u>	<u>(5,191)</u>	<u>180,615</u>	<u>148,778</u>	<u>31,837</u>
Total Expenditures	<u>101,257,451</u>	<u>1,322,378</u>	<u>102,579,829</u>	<u>106,107,277</u>	<u>(3,527,448)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,553,370)</u>	<u>(262,085)</u>	<u>(1,815,455)</u>	<u>3,782,333</u>	<u>5,597,788</u>
Other Financing Sources (Uses)					
Transfer Out - Capital Projects Fund		(443,259)	(443,259)		443,259
Transfer In - Special Revenue Fund					
Transfer Out - Food Service Enterprise Fund	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(443,259)</u>	<u>(443,259)</u>	<u>-</u>	<u>443,259</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(1,553,370)</u>	<u>(705,344)</u>	<u>(2,258,714)</u>	<u>3,782,333</u>	<u>6,041,047</u>
Fund Balances, Beginning of Year	<u>11,144,221</u>	<u>-</u>	<u>11,144,221</u>	<u>11,144,221</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 9,590,851</u>	<u>\$ (705,344)</u>	<u>\$ 8,885,507</u>	<u>\$ 14,926,554</u>	<u>\$ 6,041,047</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				759,105	
Excess Surplus				846,083	
Committed					
Encumbrances				422,972	
Assigned					
Designated for Subsequent Year's Budget				1,158,408	
Encumbrances				901,292	
Capital Reserve-Designated for Subsequent Year's Budget				2,200,000	
Unassigned				<u>2,638,693</u>	
Fund Balance (Budgetary Basis)				14,926,554	
Less State Aid Revenue Not Recognized on GAAP Basis				<u>(5,623,308)</u>	
Fund Balance (GAAP Basis)				<u>\$ 9,303,246</u>	

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND - EDUCATION JOBS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Federal Sources					
Education Jobs Fund	\$ 1,859,551	\$ 58,256	\$ 1,917,807	\$ 1,917,807	-
Total Revenues	<u>1,859,551</u>	<u>58,256</u>	<u>1,917,807</u>	<u>1,917,807</u>	<u>-</u>
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Grades 1-5	479,269	(3)	479,266	479,266	-
Grades 6-8	290,325	(1)	290,324	290,324	-
Grades 9-12	580,223	(1)	580,222	580,222	-
Total Regular Programs	<u>1,349,817</u>	<u>(5)</u>	<u>1,349,812</u>	<u>1,349,812</u>	<u>-</u>
Special Education					
Learning and Learning Disabilities					
Salaries of Teachers	74,382	(1)	74,381	74,381	-
Resource Room / Resource Center					
Salaries of Teachers	163,024	-	163,024	163,024	-
Total Special Education	<u>237,406</u>	<u>(1)</u>	<u>237,405</u>	<u>237,405</u>	<u>-</u>
Total - Instruction	<u>1,587,223</u>	<u>(6)</u>	<u>1,587,217</u>	<u>1,587,217</u>	<u>-</u>
Undistributed Expenditures					
Required Maintenance for School Facilities					
Cleaning, Repair and Maintenance Services	-	57,934	57,934	57,934	-
Unallocated Benefits					
Social Security Contributions	120,749	673	121,422	121,422	-
Other Employee Benefits	151,579	(345)	151,234	151,234	-
Total Expenditures	<u>\$ 1,859,551</u>	<u>\$ 58,256</u>	<u>\$ 1,917,807</u>	<u>\$ 1,917,807</u>	<u>\$ -</u>

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 4,295,981	\$ (124,558)	\$ 4,171,423	\$ 2,917,846	\$ (1,253,577)
Federal	4,829,210	1,894,384	6,723,594	5,909,373	(814,221)
Local Sources					
Miscellaneous	-	74,762	74,762	34,388	(40,374)
Total Revenues	<u>9,125,191</u>	<u>1,844,588</u>	<u>10,969,779</u>	<u>8,861,607</u>	<u>(2,108,172)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	3,858,799	69,256	3,928,055	3,577,416	350,639
Other Salaries for Instruction	180,000	75,000	255,000	234,176	20,824
Purchased Prof. and Tech. Svcs.	113,738	6,804	120,542	107,655	12,887
Other Purchased Services	1,529,865	54,375	1,584,240	1,568,950	15,290
General Supplies	458,620	262,683	721,303	432,876	288,427
Other Objects	1,000	-	1,000	-	1,000
Total Instruction	<u>6,142,022</u>	<u>468,118</u>	<u>6,610,140</u>	<u>5,921,073</u>	<u>689,067</u>
Support Services					
Salaries of Supervisors		107,300	107,300	107,200	100
Salaries of Program Directors	105,000	200	105,200	105,100	100
Salaries of Principals and Assistants	102,851	(22,156)	80,695	56,444	24,251
Salaries of Other Professional Staff	202,000	15,576	217,576	135,759	81,817
Salaries of Secretaries and Clerical Assistants	97,480	68,036	165,516	69,010	96,506
Other Salaries	231,000	(33,331)	197,669	179,610	18,059
Salaries of Facilitators		85,000	85,000		85,000
Personal Services-Employee Benefits	778,333	605,273	1,383,606	1,308,991	74,615
Purchased Professional/Educational Serv.	125,929	324,484	450,413	243,491	206,922
Cleaning, Repair and Maintenance Services	95,300	(18,800)	76,500	18,319	58,181
Rentals	350,000	(28,300)	321,700	266,514	55,186
Contracted Services - Transportation	175,800	23,000	198,800	198,131	669
Other Purchased Services	26,003	48,819	74,822	29,451	45,371
Travel	6,000	2,198	8,198	6,021	2,177
Supplies and Materials	186,473	170,171	356,644	193,933	162,711
Other Objects	1,000	(1,000)	-	-	-
Total Support Services	<u>2,483,169</u>	<u>1,346,470</u>	<u>3,829,639</u>	<u>2,917,974</u>	<u>911,665</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	-	30,000	30,000	22,560	7,440
Total Expenditures	<u>8,625,191</u>	<u>1,844,588</u>	<u>10,469,779</u>	<u>8,861,607</u>	<u>1,608,172</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
Other Financing Sources (Uses)					
Transfer to General Fund	(500,000)	-	(500,000)	-	500,000
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-
Fund Balance, Beginning of Year	<u>8,781</u>	<u>-</u>	<u>8,781</u>	<u>8,781</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 8,781</u>	<u>\$ -</u>	<u>\$ 8,781</u>	<u>\$ 8,781</u>	<u>\$ -</u>

Preschool Programs Restricted Fund Balance Activity

Fund Balance June 30, 2011	\$ 8,781
Less: Funds Utilized	-
Fund Balance June 30, 2012	<u>\$ 8,781</u>

**NORTH BERGEN BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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 Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule (Exhibits C-1,C-2)	\$ 109,889,610	\$ 8,861,607
Difference - budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2011-2012)	(5,623,308)	
State Aid payment recognized for GAAP statements, not recognized for budgetary purposes (2010-2011)	5,439,883	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2012		(232,976)
Encumbrances, June 30, 2011 (net of cancellations)	-	<u>287,636</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 109,706,185</u>	<u>\$ 8,916,267</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (Exhibits C-1, C-2)	\$ 106,107,277	\$ 8,861,607
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, 2012		(232,976)
Encumbrances, June 30, 2011 (net of cancellations)	-	<u>287,636</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 106,107,277</u>	<u>\$ 8,916,267</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, 2012**

	Preschool Education	Juvenile Comm. Serv.	Greenhouse Grant	Individualized Education	Subtotal Page 2	Subtotal Page 3	Grand Total
REVENUES							
Intergovernmental							
State	\$ 2,905,483		\$ 17,733	\$ 12,363	\$	\$	\$ 2,917,846
Federal					\$ 4,113,576	\$ 1,778,064	\$ 5,909,373
Other		\$ 34,388					\$ 34,388
Total Revenues	\$ 2,905,483	\$ 34,388	\$ 17,733	\$ 12,363	\$ 4,113,576	\$ 1,778,064	\$ 8,861,607
EXPENDITURES							
Instruction							
Salaries of Teachers	\$ 1,048,968				\$ 2,528,448	\$	\$ 3,577,416
Other Salaries for Instruction	234,176						234,176
Purchased Prof. and Tech. Svcs.			\$ 2,500		105,155		107,655
Other Purchased Services	3,316				13,262	1,552,372	1,568,950
General Supplies	133,468			6,137	213,924	79,347	432,876
Total Instruction	1,419,928			8,637	2,860,789	1,631,719	5,921,073
Support Services							
Salaries of Supervisors of Instruction	107,200						107,200
Salaries of Program Directors	105,100						105,100
Salaries of Principals and Assistants		\$ 5,943			50,501		56,444
Salaries of Other Professional Staff	81,600	2,539			51,620		135,759
Salaries of Secretaries and Clerical Assistants	12,682	840			55,488		69,010
Other Salaries	170,974	3,126	\$ 5,510				179,610
Personal Services-Employee Benefits	370,074				938,917		1,308,991
Purchased Professional/Educational Serv.	22,082		4,630	1,500	110,614	95,206	243,491
Cleaning, Repairs and Maintenance	18,319						18,319
Rentals	266,514						266,514
Contracted Services - Transportation	185,131						185,131
Contracted Transportation Services (Field Trips)	13,000						13,000
Other Purchased Services		5,978	3,077		20,396		29,451
Travel	5,000			136	885		6,021
Supplies and Materials	127,879	6,503	4,516	2,090	24,366	28,579	193,933
Total Support Services	1,485,555	34,388	17,733	3,726	1,252,787	123,785	2,917,974
Facilities Acquisition and Construction Services							
Instructional Equipment						22,560	22,560
Total Facilities Acquisition and Construction Services						22,560	22,560
Total Expenditures	2,905,483	34,388	17,733	12,363	4,113,576	1,778,064	8,861,607
Excess (Deficiency) of Revenues and Other Financing Sources(Uses) Over/(Under) Expenditures							
Other Financing Use							
Transfer Out - General Fund							
Fund Balance, Beginning of Year	8,781						8,781
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, 2012

N.C.L.B. Consolidated

	Title I	Title I.A	Title I.D	Title III	Title III - Immg	Title IV	Page Total
REVENUES							
Intergovernmental							
State							
Federal	\$ 3,515,316	\$ 385,897	\$ 8,301	\$ 147,557	\$ 47,474	\$ 9,031	\$ 4,113,576
Other	-	-	-	-	-	-	-
Total Revenues	\$ 3,515,316	\$ 385,897	\$ 8,301	\$ 147,557	\$ 47,474	\$ 9,031	\$ 4,113,576
EXPENDITURES							
Instruction							
Salaries of Teachers	\$ 2,289,816	\$ 194,532		\$	\$ 44,100	\$	\$ 2,528,448
Other Salaries for Instruction							
Purchased Prof. and Tech. Serv.	78,155	27,000		\$ 13,262			105,155
Other Purchased Services							13,262
Tuition							
General Supplies	39,590	78,485		95,849			213,924
Total Instruction	2,407,561	300,017	-	109,111	44,100	-	2,860,789
Support Services							
Salaries of Supervisors of Instruction						\$ 438	\$ 50,501
Salaries of Principals and Assistants	50,063					7,687	51,620
Salaries of Other Professional Staff	2,000	41,933		15,700			55,488
Salaries of Secretaries and Clerical Assistants	39,788						
Other Salaries							
Personal Services-Employee Benefits	904,583	30,054			3,374	906	938,917
Purchased Professional/Educational Serv.	78,911	13,893	\$ 8,301	9,509			110,614
Rentals							
Contracted Services - Transportation							
Other Purchased Services	20,396						20,396
Travel	885						885
Supplies and Materials	11,129			13,237			24,366
Other Objects							
Total Support Services	1,107,755	85,880	8,301	38,446	3,374	9,031	1,252,787
Total Expenditures	\$ 3,515,316	\$ 385,897	\$ 8,301	\$ 147,557	\$ 47,474	\$ 9,031	\$ 4,113,576
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, 2012

	IDEA					Page Total
	Basic	Basic - ARRA	Preschool	Preschool - ARRA	Preschool - ARRA	Page Total
REVENUES						
Intergovernmental						
State	1,721,208	3,381	51,917	1,558	1,778,064	1,778,064
Federal						
Other						
Total Revenues	<u>1,721,208</u>	<u>3,381</u>	<u>51,917</u>	<u>1,558</u>	<u>1,778,064</u>	<u>1,778,064</u>
EXPENDITURES						
Instruction						
Purchased Prof. and Tech. Serv.					\$ -	
Other Purchased Services	1,500,455		51,917			1,552,372
General Supplies	74,408	3,381		1,558		79,347
Total Instruction	<u>1,574,863</u>	<u>3,381</u>	<u>51,917</u>	<u>1,558</u>		<u>1,631,719</u>
Support Services						
Purchased Professional/Educational Serv.	95,206					95,206
Supplies and Materials	28,579					28,579
Total Support Services	<u>123,785</u>					<u>123,785</u>
Facilities Acquisition and Construction Services						
Instructional Equipment	22,560					22,560
Total Facilities Acquisition and Construction Services	<u>22,560</u>					<u>22,560</u>
Total Expenditures	<u>1,721,208</u>	<u>3,381</u>	<u>51,917</u>	<u>1,558</u>		<u>1,778,064</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
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Instruction			
Salaries of Teachers	\$ 1,202,576	\$ 1,048,968	\$ 153,608
Other Salaries of Instruction	255,000	234,176	20,824
Other Purchased Services	15,000	3,316	11,684
General Supplies	<u>300,000</u>	<u>133,468</u>	<u>166,532</u>
Total Instruction	<u>1,772,576</u>	<u>1,419,928</u>	<u>352,648</u>
Support Services			
Salaries of Supervisors	107,300	107,200	100
Salaries of Program Directors	105,200	105,100	100
Salaries of Other Professional Staff	201,900	81,600	120,300
Salaries of Secretaries and Clerical Assistants	65,000	12,682	52,318
Other Salaries	172,494	170,974	1,520
Salaries of Facilitators	85,000		85,000
Personal Services - Employee Benefits	394,853	370,074	24,779
Other Purchased Professional Educational Services	22,100	22,082	18
Cleaning, Repairs and Maintenance	76,500	18,319	58,181
Rentals	321,700	266,514	55,186
Contracted Transportation Services	185,800	185,131	669
Contracted Transportation Services (Field Trips)	13,000	13,000	-
Travel	5,000	5,000	-
Supplies and Materials	<u>128,000</u>	<u>127,879</u>	<u>121</u>
Total Support Services	<u>1,883,847</u>	<u>1,485,555</u>	<u>398,292</u>
Facilities Acquisition and Construction Services			
Non Instructional Equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>
Transfer of Funds to General Fund	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Total Expenditures	<u>\$ 4,156,423</u>	<u>\$ 2,905,483</u>	<u>\$ 1,250,940</u>
Total Revised 2011-2012 Preschool Education Aid Allocation		\$ 3,095,118	
Actual Preschool Education Aid Carryover (June 30, 2011)		1,512,529	
Add: Prior Year Cancelled Encumbrances		<u>1,486</u>	
Total Preschool Education Aid Funds Available for 2011-2012 Budget		4,609,133	
Less: 2011-2012 Budgeted Preschool Education Aid (including prior year budgeted carryover)		<u>4,156,423</u>	
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2012		452,710	
Add: 2011-2012 Unexpended Preschool Education Aid		<u>1,250,940</u>	
2011-2012 Carryover - Preschool Education Aid/Preschool		<u>\$ 1,703,650</u>	
2011-2012 Preschool Education Aid Carryover Budgeted for Preschool Programs 2012-13		<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, 2012**

<u>Issue/Project Title</u>	<u>Expenditures to Date</u>			<u>Balance, June 30, 2012</u>
	<u>Modified Appropriations</u>	<u>Prior Years</u>	<u>Current Year</u>	
Lease Purchase 1998- Various Impvts.	\$ 9,000,000	\$ 8,143,326	\$ 170,625	\$ 686,049
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	1,137,509	3,890	832,367
Lincoln Elementary School Rehabilitation - Window Replacement	1,722,617	957,591	21,771	743,255
North Bergen High School Rehabilitation - Maintenance Room Conversion	389,309	140,620	27,500	221,189
North Bergen High School Addition and Rehabilitation - Guidance and Health Suites	1,779,212	1,138,432	312,416	328,364
North Bergen High School Rehabilitation - Brick Façade Repair and Restoration	1,209,875	578,117	75,984	555,774
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>122,164</u>	<u>1,183,217</u>	<u>1,285,982</u>
	<u>\$ 29,797,137</u>	<u>\$ 22,946,448</u>	<u>\$ 1,795,403</u>	<u>\$ 5,055,286</u>
Project Balances				\$ 5,055,286
Less: Deferred Revenue				<u>1,679,795</u>
Fund Balance (GAAP)				<u>\$ 3,375,491</u>
<u>Recapitulation of Fund Balance</u>				
Restricted for Capital Projects				
Year-End Encumbrances				\$ 1,699,599
Available for Capital Projects				<u>1,675,892</u>
Total Fund Balance- Restricted for Capital Projects				<u>\$ 3,375,491</u>

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

REVENUES AND OTHER FINANCING SOURCES

State Sources	
SDA Grants	-

Total Revenues	-

EXPENDITURES AND OTHER FINANCING USES

Purchased Professional and Technical Services	\$ 175,958
Construction Services	1,619,445

Total Expenditures	1,795,403

Excess of Expenditures Over Revenues	(1,795,403)
Fund Balance, Beginning of Year	6,826,818

Fund Balance, End of Year	\$ 5,031,415

Reconciliation to GAAP Fund Balance

Fund Balance, Budgetary Basis	\$ 5,031,415
Less: School Development Authority (SDA) Deferred Revenue	(1,655,924)

Fund Balance, GAAP Basis	\$ 3,375,491

**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, 2012**

	<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	145,228	\$ 3,890	149,118	236,852
Construction Services	992,281	-	992,281	1,736,914
	<u>1,137,509</u>	<u>3,890</u>	<u>1,141,399</u>	<u>1,973,766</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 836,257</u>	<u>\$ (3,890)</u>	<u>\$ 832,367</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	2/1/13

**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, 2012**

	<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	135,208	\$ 3,890	139,098	206,714
Construction Services	<u>822,383</u>	<u>17,881</u>	<u>840,264</u>	<u>1,515,903</u>
 Total Expenditures and Other Financing Uses	 <u>957,591</u>	 <u>21,771</u>	 <u>979,362</u>	 <u>1,722,617</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 765,026</u>	 <u>\$ (21,771)</u>	 <u>\$ 743,255</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	57%
Original Target Completion Date	2/1/11
Revised Target Completion Date	2/1/13

**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, 2012**

	<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	<u>178,464</u>	<u>-</u>	<u>178,464</u>	<u>178,464</u>
 Total Revenues	 <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	<u>118,275</u>	<u>\$ 27,500</u>	<u>145,775</u>	<u>342,592</u>
 Total Expenditures and Other Financing Uses	 <u>140,620</u>	 <u>27,500</u>	 <u>168,120</u>	 <u>389,309</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 248,689</u>	 <u>\$ (27,500)</u>	 <u>\$ 221,189</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	43%			
Original Target Completion Date	12/15/10			
Revised Target Completion Date	12/15/11			

**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, 2012**

	<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	<u>951,621</u>	-	<u>951,621</u>	<u>951,621</u>
 Total Revenues	 <u>1,779,212</u>	 -	 <u>1,779,212</u>	 <u>1,779,212</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	138,409	\$ 75,535	213,944	213,505
Construction Services	<u>1,000,023</u>	<u>236,881</u>	<u>1,236,904</u>	<u>1,565,707</u>
 Total Expenditures and Other Financing Uses	 <u>1,138,432</u>	 <u>312,416</u>	 <u>1,450,848</u>	 <u>1,779,212</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 640,780</u>	 <u>\$ (312,416)</u>	 <u>\$ 328,364</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	82%			
Original Target Completion Date	12/15/10			
Revised Target Completion Date	12/31/13			

**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, 2012**

	<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
	<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	117,314	\$ 12,367	129,681	145,185
Construction Services	460,803	63,617	524,420	1,064,690
	<u>578,117</u>	<u>75,984</u>	<u>654,101</u>	<u>1,209,875</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 631,758</u>	<u>\$ (75,984)</u>	<u>\$ 555,774</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	54%
Original Target Completion Date	12/15/10
Revised Target Completion Date	2/1/13

**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, 2012**

	<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>
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>
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	
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, 2012**

	<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>2,591,363</u>	<u>-</u>	<u>2,591,363</u>	<u>2,591,363</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	122,164	\$ 80,276	202,440	310,964
Construction Services	-	1,102,941	1,102,941	2,280,399
	<u>122,164</u>	<u>1,183,217</u>	<u>1,305,381</u>	<u>2,591,363</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,469,199</u>	<u>\$ (1,183,217)</u>	<u>\$ 1,285,982</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	50%
Original Target Completion Date	6/30/2012
Revised Target Completion Date	6/30/2013

PROPRIETARY FUNDS

EXHIBIT G-1

**NORTH BERGEN BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012**

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

EXHIBIT G-2

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

EXHIBIT G-3

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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, 2012**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 165,390	\$ 2,854,391	\$ 3,019,781
Investments	90,270		90,270
Due from Other Funds	-	9,033	9,033
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 255,660</u>	<u>\$ 2,863,424</u>	<u>\$ 3,119,084</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 139	\$ 139
Accrued Salaries and Wages		17,775	17,775
Summer Payroll		2,833,721	2,833,721
Due to Other Funds		11,789	11,789
Due to Student Groups	\$ 255,660	-	255,660
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 255,660</u>	<u>\$ 2,863,424</u>	<u>\$ 3,119,084</u>

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOT APPLICABLE

**STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Balance, July 1, <u>2011</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2012</u>
ELEMENTARY SCHOOLS	\$ 71,640	\$ 185,708	\$ 170,199	\$ 87,149
HIGH SCHOOL				
Athletic	4,382	69,639	71,394	2,627
General	<u>198,239</u>	<u>316,340</u>	<u>348,695</u>	<u>165,884</u>
Total	<u>\$ 274,261</u>	<u>\$ 571,687</u>	<u>\$ 590,288</u>	<u>\$ 255,660</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Balance, July 1, <u>2011</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2012</u>
ASSETS				
Cash	\$ 2,702,182	\$ 84,033,620	\$ 83,881,411	\$ 2,854,391
Due from Other Funds	<u>-</u>	<u>9,033</u>	<u>-</u>	<u>9,033</u>
Total Assets	<u>\$ 2,702,182</u>	<u>\$ 84,042,653</u>	<u>\$ 83,881,411</u>	<u>\$ 2,863,424</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 2,902	\$ 4,833,937	\$ 4,836,700	\$ 139
Accrued Salaries and Wages	20,410	76,276,259	76,278,894	17,775
Summer Payroll	2,578,137	2,830,468	2,574,884	2,833,721
Due to Other Funds	<u>100,733</u>	<u>92,956</u>	<u>181,900</u>	<u>11,789</u>
Total Liabilities	<u>\$ 2,702,182</u>	<u>\$ 84,033,620</u>	<u>\$ 83,872,378</u>	<u>\$ 2,863,424</u>

LONG-TERM DEBT

NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<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, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2012</u>
			<u>Date</u>	<u>Amount</u>					
Pension Obligation Refunding Bonds	5/15/2003	\$ 4,250,000	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		\$ 3,445,000	\$ 160,000	\$ 3,285,000	
Refunding Bonds	5/21/2009	3,125,000	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		2,435,000	335,000	2,100,000	
						\$ 5,880,000	\$ 495,000	\$ 5,385,000	

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
OBLIGATIONS UNDER LEASE-PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<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, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2012</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Certificates of Participation	7/1/2010	\$ 5,590,000	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%	\$ 5,075,000		515,000	\$ 4,560,000
Certificates of Participation	2/1/2005	10,285,000	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%					
						<u>9,955,000</u>	<u>-</u>	<u>340,000</u>	<u>9,615,000</u>
						<u>\$ 15,030,000</u>	<u>\$ -</u>	<u>\$ 855,000</u>	<u>\$ 14,175,000</u>

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF CAPITAL LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOT APPLICABLE

**NORTH BERGEN BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<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	\$ 1,673,267	-	\$ 1,673,267	\$ 1,673,267	
State Sources					
Debt Service Aid	<u>544,966</u>	<u>-</u>	<u>544,966</u>	<u>544,966</u>	<u>-</u>
Total Revenues	<u>2,218,233</u>	<u>-</u>	<u>2,218,233</u>	<u>2,218,233</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service:					
Lease Purchase					
Interest	531,025		531,025	531,025	-
Principal	855,000		855,000	855,000	
Pension Obligation Bonds					
Interest	184,283		184,283	184,283	-
Principal	335,000	\$ (175,000)	160,000	160,000	-
Bonds and Loans					
Interest	82,075		82,075	82,075	
Principal	<u>230,850</u>	<u>175,000</u>	<u>405,850</u>	<u>405,850</u>	<u>-</u>
Total Expenditures	<u>2,218,233</u>	<u>-</u>	<u>2,218,233</u>	<u>2,218,233</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	<u>105,295</u>	<u>-</u>	<u>105,295</u>	<u>105,295</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 105,295</u>	<u>\$ -</u>	<u>\$ 105,295</u>	<u>\$ 105,295</u>	<u>\$ -</u>
Recapitulation of Fund Balance:					
Restricted for Debt Service					
Designated for Subsequent Year's Budget				<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.

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

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 36,833,059	\$ 40,581,140	\$ 41,770,687
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	8,314,077
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)	(6,036,044)
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	\$ 44,048,720
Business-Type Activities										
Invested in Capital Assets	\$ 11,257	\$ 8,532	\$ 6,529	\$ 4,526	\$ 2,523	\$ 520	\$ (52,945)	\$ 12,800	\$ 24,908	\$ 23,185
Unrestricted	169,975	109,598	32,154	3,612	(3,941)	(40,270)	\$ (52,945)	129,864	204,372	387,268
Total Business-Type Activities Net Assets	\$ 181,232	\$ 118,130	\$ 38,683	\$ 8,138	\$ (1,418)	\$ (39,750)	\$ (52,945)	\$ 142,664	\$ 229,280	\$ 410,453
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	\$ 41,793,872
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	8,314,077
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)	(5,648,776)
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	\$ 44,459,173

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

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 46,698,490
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	14,935,338
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	9,141,683
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	1,899,603
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	14,025,679
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	2,489,391
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	6,818,014
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	12,375,525	12,543,652	12,807,210
Pupil Transportation	2,565,090	2,674,459	2,985,988	3,021,985	3,004,714	3,367,082	3,626,295	3,528,580	3,727,566	4,059,359
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	2,605,588	2,650,591
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	925,499
Total Governmental Activities Expenses	<u>75,443,496</u>	<u>82,448,670</u>	<u>86,928,813</u>	<u>93,197,941</u>	<u>99,489,965</u>	<u>104,363,149</u>	<u>106,062,823</u>	<u>112,883,758</u>	<u>111,958,876</u>	<u>116,450,857</u>
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	2,911,970
Total Business-Type Activities Expense	<u>1,510,810</u>	<u>1,671,455</u>	<u>2,038,123</u>	<u>2,212,708</u>	<u>2,284,558</u>	<u>2,552,147</u>	<u>2,642,969</u>	<u>2,667,679</u>	<u>2,778,034</u>	<u>2,911,970</u>
Total District Expenses	<u>\$ 76,954,306</u>	<u>\$ 84,120,125</u>	<u>\$ 88,966,936</u>	<u>\$ 95,410,649</u>	<u>\$ 101,774,523</u>	<u>\$ 106,915,296</u>	<u>\$ 108,705,792</u>	<u>\$ 115,551,437</u>	<u>\$ 114,736,910</u>	<u>\$ 119,362,827</u>
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Instruction	\$ 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	\$ 4,022,183
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	25,015,529
Capital Grants And Contributions	1,598,536	423,316	3,471,910	310,013	65,501	31,181	-	1,415,573	1,201,613	896,328
Total Governmental Activities Program Revenues	<u>26,178,115</u>	<u>26,871,229</u>	<u>29,826,569</u>	<u>26,716,744</u>	<u>31,468,089</u>	<u>32,367,231</u>	<u>22,686,595</u>	<u>39,273,721</u>	<u>29,275,488</u>	<u>29,934,040</u>
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	\$ 723,677
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	2,369,269
Total Business Type Activities Program Revenues	<u>1,496,453</u>	<u>1,608,353</u>	<u>1,958,676</u>	<u>2,182,163</u>	<u>2,275,002</u>	<u>2,513,815</u>	<u>2,629,774</u>	<u>2,850,488</u>	<u>2,851,596</u>	<u>3,092,946</u>
Total District Program Revenues	<u>\$ 27,674,568</u>	<u>\$ 28,479,582</u>	<u>\$ 31,785,245</u>	<u>\$ 28,898,907</u>	<u>\$ 33,743,091</u>	<u>\$ 34,881,046</u>	<u>\$ 25,316,369</u>	<u>\$ 42,124,209</u>	<u>\$ 32,127,084</u>	<u>\$ 33,026,986</u>
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)	\$ (86,516,817)
Business-Type Activities	(14,357)	(63,102)	(79,447)	(30,545)	(9,556)	(38,332)	(13,195)	182,809	73,562	180,976
Total District-Wide Net Expense	<u>\$ (49,279,738)</u>	<u>\$ (55,640,543)</u>	<u>\$ (57,181,691)</u>	<u>\$ (66,511,742)</u>	<u>\$ (68,031,432)</u>	<u>\$ (72,034,250)</u>	<u>\$ (83,389,423)</u>	<u>\$ (73,427,228)</u>	<u>\$ (82,609,826)</u>	<u>\$ (86,335,841)</u>

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

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
General Revenues										
Property Taxes Levied For General Purposes, N	\$ 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	\$ 40,037,337
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	1,673,267
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	48,377,423
State Aid - Restricted for Debt Service	246,225	233,763	664,526	663,476	532,391	619,497	646,355	666,069	550,958	544,966
Investment Earnings	257,060	89,505	154,301	375,155	545,217	263,800	46,337	23,024	15,034	12,744
Miscellaneous Income	379,121	309,514	423,826	166,410	541,466	439,563	1,394,609	610,062	717,003	1,157,236
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	\$ 91,802,973
Business-Type Activities:										
General Revenues	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-	197
Transfers	-	-	-	-	-	-	-	12,800	13,054	-
Total Business Type Activities	-	-	-	-	-	-	-	12,800	13,054	197
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	\$ 91,803,170
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	\$ 5,286,156
Business-Type Activities	(14,557)	(63,102)	(79,447)	(30,545)	(9,556)	(38,332)	(13,195)	195,609	86,616	181,173
Total District	\$ 785,315	\$ (2,257,581)	\$ 622,461	\$ 21,717	\$ 961,300	\$ 184,605	\$ 6,213,069	\$ 6,521,670	\$ 6,884,584	\$ 5,467,329

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

(Unaudited)
 (modified accrual basis of accounting)

	Fiscal Year Ended June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 57,450	\$ 193,364	\$ 128,211	\$ 427,161	\$ 1,598,446	\$ 275,554	\$ 6,127,537	\$ 5,766,175	\$ 7,194,281	\$ 7,605,189
Unreserved	4,867,892	2,018,804	1,026,227	2,930,849	411,402	(199,833)	(2,354,090)	(2,716,512)	104,291	422,972
Restricted	-	-	-	-	-	-	-	-	1,219,248	4,259,700
Committed	-	-	-	-	-	-	-	-	(2,813,482)	(2,984,615)
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
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	\$ 5,704,538	\$ 9,303,246
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	\$ 4,388,642	\$ 3,489,567
Unreserved	1,673,885	237,917	15,588	(288,783)	187,138	(272,039)	1,160,124	1,659,195	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
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	\$ 3,489,567

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 TEN FISCAL YEARS

(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 41,710,604
Tuition Charges	2,470,143	2,621,150	2,990,401	2,834,398	2,757,906	2,638,545	2,793,292	3,595,375	4,509,007	4,022,183
Interest Earnings	257,060	89,505	154,301	375,155	545,217	263,800	46,337	23,024	15,034	12,744
Miscellaneous	431,229	360,866	502,346	221,717	601,835	509,106	1,459,365	669,843	773,567	1,206,933
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	66,726,453
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	8,058,096
Total Revenue	76,243,168	80,254,191	87,650,722	93,267,302	100,461,546	104,622,291	112,289,087	119,222,619	118,769,898	121,737,013
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	47,479,499
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	14,935,338
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	8,184,245	9,141,683
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	1,771,124	1,688,966	1,899,603
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	13,985,726
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	2,464,796
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	6,935,770
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	11,142,404
Pupil Transportation	2,565,090	2,674,459	2,983,988	3,021,985	3,344,322	3,603,535	3,603,320	3,704,806	3,704,806	4,059,359
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	2,737,382
Capital Outlay	9,491,669	2,713,678	5,217,966	2,807,802	2,094,181	3,373,635	1,490,525	4,041,211	4,267,596	2,001,746
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	1,420,850
Interest and Other Charges	1,375,837	1,375,837	1,249,378	1,245,882	1,233,058	1,179,106	1,122,875	975,056	892,591	833,024
Debt Issuance Cost			286,122				84,911		189,516	
Advance Refunding Escrow			1,165,469				45,823			
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	119,037,180
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	2,699,833
Other Financing Sources (Uses)										
Proceeds From Borrowing	4,250,000		10,285,000	2,265,000						
Capital Leases (Non-Budgeted)	37,119		42,398		113,800	238,050			5,990,000	
Payment of Unfunded Pension Liability	(4,044,565)									
Premium on Issuance of Bonds			(8,655,000)				65,734		(5,310,000)	
Payments to Refunding Escrow Agent	(115,435)		(178,409)	(44,240)			(3,060,000)		(32,693)	
Original Issue Discount	1,380,244	371,918	1,198,592	312,448	62,329	46,917	5,941	4,251,497	1,767,818	
Debt Issuance Costs	(1,380,244)	(371,918)	(1,198,592)	(312,448)	(62,329)	(46,917)	(5,941)	(4,251,497)	(1,767,818)	
Transfers In										
Transfers Out										
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	\$(9,403,557)	\$(5,284,436)	\$(4,130,884)	\$(935,134)	\$(1,207,514)	\$(2,809,960)	\$ 5,129,889	\$ 1,991,192	\$ 3,137,180	\$ 2,699,833
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%	1.93%

* 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)**

Fiscal Year Ended June 30,	Tuition	Interest on Investments	Refunds	E-Rate	Solar Energy Agmts	Gate Receipts	Miscellaneous	Total
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
2012	4,022,183	12,744	98,551	239,348	360,500	2,684	456,153	5,192,163

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,	Total Assessed Value							Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
	Vacant Land	Residential	Commercial	Industrial	Apartment						
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	
2012	58,051,700	1,482,388,500	519,215,300	295,515,200	161,338,100	2,516,508,800	4,574,415	2,521,083,215	4,963,050,878	1.671	

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>
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
2012	4.953	1.671	2.260	1.022

Source: Abstract of Ratables, County Board of Taxation

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

Taxpayer	2012		2003	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Hartz Mountain Development	78,708,300	3.12%		
M-Industries LLC	30,214,700	1.20%		
FC/Treeco Col. Pk. LLC	24,962,200	0.99%		
7912 River Road Apts., LLC	24,960,600	0.99%	\$ 23,768,600	1.01%
Woodcliff Gardens	23,956,000	0.95%	23,956,000	1.02%
LCI Holding, Inc.	21,526,900	0.85%	60,652,600	2.58%
5851 West Side Associates, LLC	20,078,000	0.80%		
Westview Tower Realty Co.	18,000,000	0.71%	18,000,000	0.77%
Stone Henge Apartments LLC	15,281,000	0.61%		
Ogden Realty II	15,219,900	0.60%		
Hartz Mountain Associates			143,310,300	6.10%
Mack Associates			44,648,500	1.90%
APA Transport Corporation			30,811,900	1.31%
N.B. Plaza - Lowe's Prop Mgt			19,959,000	0.85%
Park Hudson Tenants Corp			15,664,900	0.67%
Bellemeade Dev. Corp.			15,000,000	0.64%
	<u>\$ 272,907,600</u>	<u>10.83%</u>	<u>\$ 395,771,800</u>	<u>16.85%</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	
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
2012	41,710,604	41,710,604	100.00%	N/A

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

Fiscal Year Ended June 30,	Governmental Activities						Total District	Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Inter-governmental Loan	Sales Leaseback				
2003	\$ 8,840,000	\$ 17,755,000	\$ 173,807	\$ 637,650		\$ 27,406,457	58,038	\$ 472	
2004	8,610,000	17,310,000	12,359	566,800		26,499,159	57,383	462	
2005	8,370,000	18,475,000	27,111	495,950		27,368,061	57,000	480	
2006	8,000,000	17,990,000	14,102	425,100	\$ 2,055,996	28,485,198	56,365	505	
2007	7,615,000	17,480,000	88,720	354,250	1,626,802	27,164,772	55,326	491	
2008	7,215,000	16,940,000	222,230	283,400	1,182,247	25,842,877	54,986	470	
2009	6,865,000	16,295,000	125,823	212,550	721,781	24,220,154	54,912	441	
2010	6,365,000	15,580,000	23,855	141,700	244,836	22,355,391	60,843	367	
2011	5,880,000	15,030,000		70,850		20,980,850	61,444	341	
2012	5,385,000	14,175,000				19,560,000	61,444	318	

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2003	\$ 8,840,000		\$ 8,840,000	0.38%	\$ 152
2004	8,610,000		8,610,000	0.36%	150
2005	8,370,000		8,370,000	0.34%	147
2006	8,000,000		8,000,000	0.32%	142
2007	7,615,000		7,615,000	0.31%	138
2008	7,215,000		7,215,000	0.29%	131
2009	6,865,000		6,865,000	0.27%	125
2010	6,365,000		6,365,000	0.25%	105
2011	5,880,000		5,880,000	0.23%	96
2012	5,385,000		5,385,000	0.21%	88

Source: District records

**NORTH BERGEN BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2011
(Unaudited)**

Direct Debt:	
North Bergen Board of Education (as of June 30, 2012)	\$ 19,560,000
Township of North Bergen (1)	<u>56,567,656</u>
 Total Direct Debt	 <u>76,127,656</u>
 Overlapping Debt Apportioned to the Municipality:	
Hudson County:	
County of Hudson (A)	42,944,531
North Bergen Municipal Utilities Authority (B)	<u>68,989,393</u>
 Total Overlapping Debt	 <u>111,933,924</u>
 Total Direct and Overlapping Debt	 <u>\$ 188,061,580</u>

(A) The debt for this entity was apportioned by dividing the Municipality's 2011 equalized value by the total 2011 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,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 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	\$ 216,172,145
Total Net Debt Applicable to Limit	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	2,100,000
Legal Debt Margin	\$ 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	\$ 214,072,145
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.90%	4.15%	3.38%	2.68%	2.17%	1.78%	1.52%	1.27%	1.09%	0.97%

Legal Debt Margin Calculation for Fiscal Year 2012

Equalized Valuation Basis	
2009	\$ 5,790,120,404
2010	5,463,677,713
2011	4,959,112,789
	<u>\$ 16,212,910,906</u>
Average Equalized Valuation of Taxable Property	\$ 5,404,303,635
Debt Limit (4 % of Average Equalization Value)	216,172,145
Total Net Debt Applicable to Limit	<u>2,100,000</u>
Legal Debt Margin	\$ 214,072,145

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>
2002	7.10%	\$ 30,863	58,678
2003	7.00%	31,301	58,038
2004	5.10%	32,527	57,383
2005	5.40%	34,412	57,000
2006	5.50%	36,976	56,365
2007	5.00%	39,447	55,326
2008	6.70%	42,884	54,986
2009	11.60%	42,824	54,912
2010	11.50%	44,926	60,843
2011	10.70%	N/A	61,444

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 SEVEN FISCAL YEARS
 (Unaudited)

<u>Function/Program</u>	2006	2007	2008	2009	2010	2011	2012
Instruction							
Regular	408	408	408	444	432	440	480
Special Education	45	60	62	75	75	75	75
Other Instruction	82	106	108	112	85	85	85
Support Services:							
Student and Instruction Related Services	17	17	17	19	19	19	18
General Administration	7	7	7	7	7	7	5
School Administrative Services	59	59	59	59	59	59	55
Other Administrative Services	22	22	22	30	30	30	30
Central Services	13	13	13	13	13	13	13
Plant Operations And Maintenance	6	6	6	6	6	6	6
Pupil Transportation	125	97	99	118	118	118	112
Other Support Services	45	45	45	72	72	72	72
Total	829	840	846	955	916	924	951

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				
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%	95.96%
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	110,357,599	14,079	2.77%	592	1:12	1:14	7,837	7,360	4.38%	95.91%
2011	8,061	108,816,744	13,499	-4.12%	600	1:12	1:14	8,061	7,592	2.86%	94.18%
2012	8,201	114,781,560	13,996	3.68%	640	1:12	1:14	8,201	7,836	1.74%	95.55%

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 SEVEN FISCAL YEARS
(Unaudited)**

	2006	2007	2008	2009	2010	2011	2012
<u>District Building</u>							
<u>Elementary</u>							
Robert Fulton/No. 2 (1926)							
Square Feet	97,409	97,409	97,409	97,409	97,409	97,409	97,409
Capacity (students)	784	784	784	784	784	784	784
Enrollment	995	955	955	995	995	995	995
Fulton Annex							
Square Feet	18,800	18,800	18,800	18,800	18,800	18,800	18,800
Capacity (students)	155	155	155	155	155	155	155
Enrollment	144	175	175	144	144	144	144
Franklin School/No. 3 (1919)							
Square Feet	57,434	57,434	57,434	57,434	57,434	57,434	57,434
Capacity (students)	475	475	475	475	475	475	475
Enrollment	575	659	659	575	575	575	575
Franklin Annex (1999)							
Square Feet	6,225	6,225	6,225	6,225	6,225	6,225	6,225
Capacity (students)	80	80	80	80	80	80	80
Enrollment	85	N/A	N/A	85	85	85	85
Lincoln School/No. 5 (1915)							
Square Feet	58,246	58,246	58,246	58,246	58,246	58,246	58,246
Capacity (students)	550	550	550	550	550	550	550
Enrollment	659	682	682	659	659	659	659
Lincoln School/No. 5 Annex (2004)							
Square Feet	62,300	62,300	62,300	62,300	62,300	62,300	62,300
Capacity (students)	352	352	352	352	352	352	352
Enrollment	436	401	401	436	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	94,125
Capacity (students)	662	662	662	662	662	662	662
Enrollment	538	540	540	538	538	538	538
Horace Mann School/No. 9 (1928)							
Square Feet	98,068	98,068	98,068	98,068	98,068	98,068	98,068
Capacity (students)				836	836	836	836
Enrollment	1,023	1,026	1,026	1,023	1,023	1,023	1,023
McKinney School/No. 10 (1919)							
Square Feet	46,050	46,050	46,050	46,050	46,050	46,050	46,050
Capacity (students)				426	426	426	426
Enrollment	419	418	418	419	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	197,973
Capacity (students)	2,416	2,416	2,416	1,377	1,377	1,377	1,377
Enrollment		2,421	2,421	2,416	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	9,267

Number of Schools at June 30, 2012

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)

School Facilities	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
North Bergen High School	\$ 643,284	\$ 703,215	\$ 557,009	\$ 700,837	\$ 544,339	\$ 638,136	\$ 595,942	\$ 464,805	\$ 663,015	\$ 676,438
Franklin School	143,974	150,803	161,508	173,631	207,128	216,426	182,854	354,624	202,033	195,036
Horace Mann	322,507	236,187	233,072	362,657	374,259	281,046	290,332	283,323	270,101	249,303
John F. Kennedy	184,482	207,526	377,503	251,523	259,681	237,094	307,894	298,033	319,207	296,193
Lincoln School	218,903	271,840	272,871	310,059	320,863	300,952	321,977	313,534	370,947	328,705
Mc Kinley	147,106	138,313	123,283	135,939	223,037	149,403	199,474	355,870	184,365	197,378
Robert Fulton	270,057	254,225	262,007	283,741	343,730	273,421	354,955	353,645	367,238	316,534
Total School Facilities	\$ 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	\$ 2,259,587

Source: School District Records

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2012
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property	\$ 174,911,558	\$ 5,000
Environmental	1,000,000	10,000
Extra Expense	50,000,000	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	5,000,000	25,000
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	465,000	

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

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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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, 2012, which collectively comprise the North Bergen Board of Education's basic financial statements and have issued our report thereon dated December 11, 2012. 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 Office of School Finance, 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 previously.

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 Office of School Finance, 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 December 11, 2012.

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
 December 11, 2012

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, 2012. 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 Office of School Finance, 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, 2012.

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
 December 11, 2012

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal/Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2011	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Cancelled Encumbrances	(Accounts Receivable)	Balance June 30, 2012 Deferred Revenue	Due to Grantor	Memo Cumulative Expenditures
U.S. Department of Agriculture															
Passed-Through State Department of Education															
Enterprise Fund															
School Breakfast Program	10.553	N/A	7/1/11-6/30/12	\$ 461,005			\$ 364,569	\$ 461,005				\$ (96,436)			\$ 461,005
School Breakfast Program	10.553	N/A	7/1/10-6/30/11	416,084	(75,892)		75,892								
School Breakfast Program	10.555	N/A	7/1/11-6/30/12	1,700,061			1,581,396	1,700,061				(118,665)			1,700,061
NSLP-Cash Assistance	10.555	N/A	7/1/10-6/30/11	1,543,181	(300,480)		300,480								
NSLP-Cash Assistance	10.558	N/A	7/1/10-6/30/11	15,094	(2,797)		2,797								
After School Snack Program	10.558	N/A	7/1/11-6/30/12	12,098			4,679	12,098				(828)			12,098
After School Snack Program	10.558	N/A	7/1/11-6/30/12	4,679	(642)		642					(277)			4,679
Special Milk Program for Children	10.556	N/A	7/1/10-6/30/11	154,228			154,228								154,228
Special Milk Program for Children	10.555	N/A	7/1/11-6/30/12	108,761	7,238			7,238							108,761
NSLP-Non Cash Assistance	10.555	N/A	7/1/10-6/30/11												7,238
Total U.S. Dept. of Agriculture					(372,573)		2,493,676	2,333,832				(216,205)	5,477		2,333,832
U.S. Dept. of Education Passed-Through State Dept. of Education															
Special Revenue Fund															
N.C.L.B. Consolidated Grant															
Title I, Part A	84.010A	NCLB361012	9/1/11-6/30/12	3,267,925			1,540,227	3,054,434	(255,607)			(1,983,305)	469,098		3,054,434
Title I, Part A	84.010A	NCLB361011	9/1/10-8/31/11	3,740,043	(3,025,410)		3,484,436	459,026	255,607						459,026
Title I, Part A	84.010A	NCLB361010	9/1/09-8/31/10	3,161,850	(247,679)		154,720	1,856				(94,785)			1,856
Title I, Part A	84.389	NCLB361010	9/1/09-8/31/10	2,042,578	(333,333)		333,333								
Title I, SIA	84.010A	NCLB361008	9/1/07-8/31/08	55,284	1,174										
Title II, Part A	84.367A	NCLB361012	9/1/11-6/30/12	334,266			120,769	322,317	(14,622)			(228,119)	1,174		322,317
Title II, Part A	84.367A	NCLB361011	9/1/10-8/31/11	444,297	(366,096)		429,676	63,580	14,622				26,571		63,580
Title II, Part A	84.367A	NCLB361010	9/1/09-8/31/10	415,551	(24,301)		49,075					(7,445)			320
Title II, Part D	84.318X	NCLB361012	9/1/11-6/30/12	22,800	(5,862)		13,843	7,981	7,445			(15,478)			7,981
Title II, Part D	84.318X	NCLB361011	9/1/10-8/31/11	31,921	(15,478)							(359)			
Title II, Part D	84.318X	NCLB361010	9/1/09-8/31/10	28,493	(359)										
Title II, Part D	84.365	NCLB361009	9/1/08-8/31/09	141,896	16,517		1,514	70,355	(155,682)			(296,064)	227,223		70,355
Title III	84.365	NCLB361012	9/1/11-6/30/12	289,597	(125,690)		55,397	77,202	155,682			(125,690)			77,202
Title III	84.365	NCLB361011	9/1/10-8/31/11	133,915								(87,073)			
Title III	84.365	NCLB361010	9/1/09-8/31/10	87,073				47,474					39,599		47,474
Title III, Immigrant	84.365	NCLB361007	9/1/06-8/31/07	91,929	56,976								56,976		
Title III, Immigrant, Carryover	84.365	NCLB361006	9/1/05-8/31/06	169,925	84,316								84,316		
Title III, Immigrant, Carryover	84.186A	NCLB361011	9/1/10-8/31/11	30,747	5,659		25,088	9,031	(13,034)				8,682		9,031
Title IV	84.186A	NCLB361010	9/1/09-8/31/10	46,741	(13,034)				13,034						
Title IV	84.186A	NCLB361007	9/1/06-8/31/07	22,762	4								4		
I.D.E.I.A. Part B															
Basic, Regular	84.027A	FT361012	9/1/11-6/30/12	1,763,388			92,476	1,675,414	(92,476)			(1,763,388)	87,974		1,675,414
Basic, Regular	84.027A	FT361011	9/1/10-8/31/11	1,717,363	(884,082)		928,826	45,794	92,476				15,705		45,794
Basic, Regular	84.027A	FT361010	9/1/09-8/31/10	1,657,789	13,650										
Basic, ARRA	84.391	FT361010	9/1/09-8/31/10	1,952,353	(312,471)		315,008	3,381							3,381
Preschool	84.173A	PS361012	9/1/11-6/30/12	51,917				51,917				(51,917)			51,917
Preschool	84.173A	PS361011	9/1/10-8/31/11	51,854	(51,854)										
Preschool	84.173A	PS361009	9/1/08-8/31/09	48,272	3,805								3,805		
Preschool-ARRA	84.392	PS361010	9/1/09-8/31/10	70,189	(18,993)		20,545	1,558					100		1,558
Greenhouse Grant	26.359	NA	9/1/10-8/31/11		(47)			17,733				(17,780)			17,733
Total U.S. Dept. of Education					(5,240,588)		7,524,311	5,909,373				(4,676,691)	1,053,126		5,909,373
Education Jobs Fund															
Spec.Ed. Medicaid Reimbursement	84.410A	NA	7/1/11-6/30/12	1,917,807				1,917,807				(1,917,807)			1,917,807
Spec.Ed. Medicaid Reimbursement	93.778	NA	7/1/10-6/30/11	199,012	(54,608)		34,608								
Spec.Ed. Medicaid Reimbursement	93.778	NA	7/1/11-6/30/12	234,300			183,093	234,300				(51,207)			234,300
Capital Projects Fund															
U.S. Department of Justice															
Community Oriented Policing Services		2002CKWX0265	7/1/04-6/30/05	325,000	(34,608)			217,701				(1,969,014)			2,152,107
Total Federal Awards					(8,974)		10,237,688	10,395,312				(6,894,756)	1,082,474		10,395,312

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2011		Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	(Accounts Receivable)	Balance, June 30, 2012	Deferred Revenue	Due to Grantor	Memo	
				Revenue/ (Accts Rec)	Due to Grantor									GAAP Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund															
Equalization Aid	12-495-034-5120-078	7/1/11-6/30/12	\$ 48,563,451				\$ 43,949,109	\$ 48,563,451		\$ (4,614,342)				\$ 48,563,451	
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	46,912,161	\$ (4,428,314)		4,428,314	4,428,314							4,194,147	
Special Education Aid	12-495-034-5120-011	7/1/11-6/30/12	4,194,147			3,795,633	4,194,147			(398,514)				352,785	
Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	4,194,147	(395,910)		395,910	395,910							1,371	
Security Aid	12-495-034-5120-084	7/1/11-6/30/12	352,785			319,264	352,785			(35,521)				5,408	
Other State Aid - Student Learning	N/A	7/1/11-6/30/12	3,371			1,371	3,371							576,931	
Other State Aid - Anti-Bullying	N/A	7/1/11-6/30/12	5,408			5,408	5,408			(576,931)				113,622	
Extraordinary Aid	12-100-034-5120-473	7/1/11-6/30/12	576,931	(615,659)		615,659	576,931			(113,622)				(192,533)	
Extraordinary Aid	11-100-034-5120-473/	7/1/10-6/30/11	615,659			116,058	615,659							3,792,399	
Nonpublic Transportation Aid	N/A	7/1/11-6/30/12	113,622	(116,058)		116,058	113,622			(192,533)				-	
Nonpublic Transportation Aid	N/A	7/1/10-6/30/11	116,058			3,599,866	116,058							-	
Reimbursed TPAF Soc. Security Contr.	12-495-034-5095-002	7/1/11-6/30/12	3,792,399	(377,412)		3,774,12	3,792,399							-	
Reimbursed TPAF Soc. Security Contr.	11-495-034-5095-002	7/1/10-6/30/11	3,781,322			3,774,12	3,781,322							-	
Reimbursed TPAF Pension	12-495-034-5095-007	7/1/11-6/30/12	158,006			158,006	158,006							158,006	
Non-Contributory Insurance	12-495-034-5095-006	7/1/11-6/30/12	1,472,381			1,472,381	1,472,381							1,472,381	
Pension Contribution	12-495-034-5095-001	7/1/11-6/30/12	3,277,502			3,277,502	3,277,502							3,277,502	
Post Retirement Contribution															
Total General Fund				(5,933,353)		62,511,893	62,508,003	62,508,003		(5,929,463)				(306,155)	62,508,003
Special Revenue Fund															
Preschool Education Aid	12-495-034-5120-086	7/1/11-6/30/12	3,095,118			3,095,118	3,095,118							2,905,483	
Preschool Education Aid	11-495-034-5120-086	7/1/10-6/30/11	3,518,382	1,160,691		3,518,382	3,518,382			(309,512)	\$ 1,703,650			-	
Character Education Program - Carryover	02-495-034-5120-053	7/1/01-6/30/02	20,620		\$ 15							\$ 15			
Character Education Program	04-495-034-5120-053	7/1/03-6/30/04	19,375		3									3	
Character Education Program	05-495-034-5120-053	7/1/04-6/30/05	19,752		52									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	3,842							3,842				
Positive Discipline	N/A	5/1/06-5/1/08	1,327,450	1,714							1,714				
NJ Clean Energy Program	N/A	10/23/08-10/23/09	1,331,913	(1,023,180)		1,032,855	1,032,855				17,376				
Individualized Education Plan	N/A	7/1/10-6/30/11	7,500	769							769				
Individualized Education Plan	N/A	7/1/11-6/30/12	15,000			6,500	15,000			(5,863)				12,363	
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				38,607		4,176,799	4,176,799	4,176,799	18,862	(420,827)	1,737,249		70	(111,315)	2,917,846
Debt Service Fund															
Debt Service Aid	12-495-034-5120-075	7/1/11-6/30/12	544,966			544,966	544,966							544,966	
Total State Department of Education				(5,894,746)		67,233,658	67,233,658	67,233,658	18,862	(6,350,290)	1,737,249		70	(417,470)	65,970,815

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2011		Cash Received	Budgetary Expenditures	Adjustment	Balance, June 30, 2012		Memo		
				Deferred Revenue/ (Accts Rec)	Due to Grantor				(Accounts Receivable)	Deferred Revenue	GAAP Receivable	Cumulative Total Expenditures	
State Department of Agriculture			35,437			32,987	35,437		(2,450)				
Food Service Enterprise Fund		7/1/11-6/30/12	30,880	(6,493)		6,493							
National School Lunch Program		7/1/10-6/30/11											
National School Lunch Program													
Total State Department of Agriculture				(6,493)		39,480	35,437		(2,450)				
Economic Development Authority													
General Fund													
Educational Facilities Construction and Financing Act													
Kennedy Elementary School	SP200260	N/A	1,694,612	33,080				\$ (33,080)					
Horace Mann Elementary School	SP200049	N/A	114,492	1,813		12,695		(14,508)					
Robert Fulton School	SP200650	N/A	115,828	229		11,688		(11,917)					
Lincoln Pre-K Annex	SP200087	N/A	4,952,550	(852,922)		941,364		(88,442)					
Capital Projects Fund													
Franklin School - Windows	3610-060-09-1008	N/A	1,016,408	(660,141)		2,257			(1,016,408)			662,398	
Lincoln School - Windows	3610-090-09-1009	N/A	890,041	(535,727)		12,635			(890,041)			568,362	
North Bergen High School - Maintenance	3610-050-09-1013	N/A	210,845	(81,607)		15,960			(210,845)			97,567	
Room Conversion													
North Bergen High School - Guidance and Health Suites	3610-050-09-1010	N/A	827,591	(660,335)		167,256			(827,591)			827,591	
North Bergen High School - Brick Façade													
Repair and Restoration	3610-050-09-1007	N/A	626,251	(335,504)		44,096			(626,251)			379,600	
North Bergen High School - Electrical	3610-050-09-1001	N/A	343,746	(256,336)					(343,746)			256,336	
Horace Mann- Windows and Doors	3610-070-10-1003	N/A	1,254,556	(67,537)		654,123			(1,254,556)			721,660	
Total Economic Development Authority				(3,434,987)		965,747	896,327	(147,947)	(5,169,438)	1,655,924			
						\$ 68,238,885	\$ 66,902,579	\$ (129,085)	\$ (11,522,178)	\$ 3,393,173	\$ 70	\$ (5,589,358)	\$ 69,519,766
Less: State Aid Not Subject to Single Audit and Major Program Determination													
Reimbursed TPAF Pension													
Non-Contributory Insurance	12-495-034-5095-007	7/1/11-6/30/12				(158,006)	(158,006)						
Pension Contribution	12-495-034-5095-006	7/1/11-6/30/12				(1,472,381)	(1,472,381)						
Post Retirement Contribution	12-495-034-5095-001	7/1/11-6/30/12				(3,277,502)	(3,277,502)						
						\$ 63,330,996	\$ 61,994,690	\$ (129,085)	\$ (11,522,178)	\$ 3,393,173	\$ 70	\$ (5,589,358)	\$ 69,519,766

**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, 2012**

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. The information in these schedules is presented in accordance with requirements of U.S. 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". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or 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 a decrease of \$183,425 for the general fund and an increase of \$54,660 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	\$ 2,152,107	\$ 62,324,578	\$ 64,476,685
Special Revenue Fund	5,905,989	2,960,581	8,866,570
Capital Projects Fund		896,328	896,328
Debt Service Fund		544,966	544,966
Food Service Fund	<u>2,333,832</u>	<u>35,437</u>	<u>2,369,269</u>
 Total Financial Assistance	 <u>\$ 10,391,928</u>	 <u>\$ 66,761,890</u>	 <u>\$ 77,153,818</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, 2012**

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 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 \$3,792,399 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2012. The amount reported as TPAF Pension System Contributions in the amount of \$1,630,387 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$3,277,502 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2012.

NOTE 6 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, 2012

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.410</u>	<u>Education Jobs Fund</u>
<u>84.010</u>	<u>Title I</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> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between Type A and Type B Programs \$ 311,859

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, 2012**

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, 2012**

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, 2012**

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.