

**NORTH BERGEN BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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, 2015**

**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

PATRICIA BARTOLI  
PRESIDENT

LUIS RABELO  
VICE PRESIDENT

HUGO D. CABRERA  
BOARD SECRETARY

GEORGE J. SOLTER, Jr., Ed.D.  
SUPERINTENDENT

NICHOLAS J. SACCO  
DIRECTOR OF  
ELEMENTARY & SECONDARY EDUCATION

STEVEN P. SOMICK  
BUSINESS ADMINISTRATOR

December 18, 2015

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, 2015.

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, 2015, 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 unmodified opinion that the North Bergen Board of Education's financial statements for the fiscal year ended June 30, 2015, 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 and state financial assistance.

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 Pre-K through 12. These include regular and vocational, Early Childhood Development, as well as special education for handicapped students. The District completed the 2014/2015 fiscal year with an enrollment of 7,761 students, which is 287 students less than the previous year’s enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	7,761	-3.57%
2013-2014	8,048	-.01%
2012-2013	8,068	-.01%
2011-2012	8,201	1.74%
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%

**ECONOMIC CONDITION AND OUTLOOK**

North Bergen’s economy is greatly affected by the New York metropolitan area. New development projects along the Hudson River and two areas, which are dedicated redevelopment zones, 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 and we continue to try to fund building projects. 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 District is in discussions to move to a full day Pre-K program on a current site in the North Hudson Park. The Board is aggressively pursuing potential funding sources for these projects including the School Construction Financing Program or other State and Federal funding sources.

**MAJOR INITIATIVES**

The North Bergen School district, in compliance with both required policies and best practices, has maintained a process of systematic evaluations to assess the needs of the district. The superintendent has developed many committees to lend guidance when setting the direction in developing new programs of instruction, providing professional development, analyzing data from assessments, and creating the message to the stakeholders. The committees include a data team, a curriculum team, a District Evaluation Advisory Committee (DEAC), School Improvement Panel (ScIP), and a leadership team.

## **MAJOR INITIATIVES (Continued)**

New programs for the 2015-2016 school year include the following: Expanding the scholastic book rooms, further development of staff using the scholastic reading evaluation kits, Pre., mid year, and Post diagnostic assessments in grades 2 to 11 in mathematics and English Language Arts (ELA), the Link-it system to deliver diagnostic, formative, and summative assessments, Benchmark assessments in subjects other than math and ELA, expanding the use of our student information system (SIS) Realtime to include evaluations, Professional Development Plans (PDP), Student Growth Objectives (SGO), Individual Education Plans (IEP), administrator leadership goals, using a writers workshop in all elementary grade classes, and further developing an understanding of the Danielson '07 evaluation for teachers and Marshall evaluation for administrators.

The technology infrastructure has been upgraded to help prepare the students for 21<sup>st</sup> century learning skills. All schools have received an upgrade and increased bandwidth has been installed during this school year to help with instruction and to be compliant with the Partnership Assessment for Readiness of Career and College (PARCC). Orders have been placed to purchase additional chromebooks to help with instruction and assessment. Additionally, the district is using the Google platform for communication, operations, assessment, feedback, and instruction.

Lastly, the district is updating our communication methodology that will include social media and technology advances. Our SIS Realtime has the ability for parents and students to log on and view any school activity such as grades, discipline records, absences and communicate with the teachers. The district will use Facebook and twitter to disseminate information to parents, students, staff, and residents concerning school activities. The goal is to create new avenues of communication with the public to enhance involvement as well as to have an informed community.

## **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 committed or assigned fund balance at June 30, 2015.

## 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 Financial Statements".

## CASH MANAGEMENT

The investment policy of North Bergen is guided in large part by state statute as detailed in "Notes to the 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.

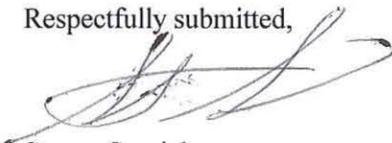
## OTHER INFORMATION

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 15-08. 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.

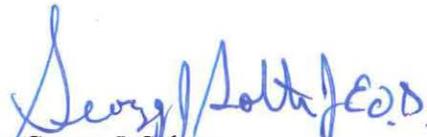
## ACKNOWLEDGEMENTS

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,

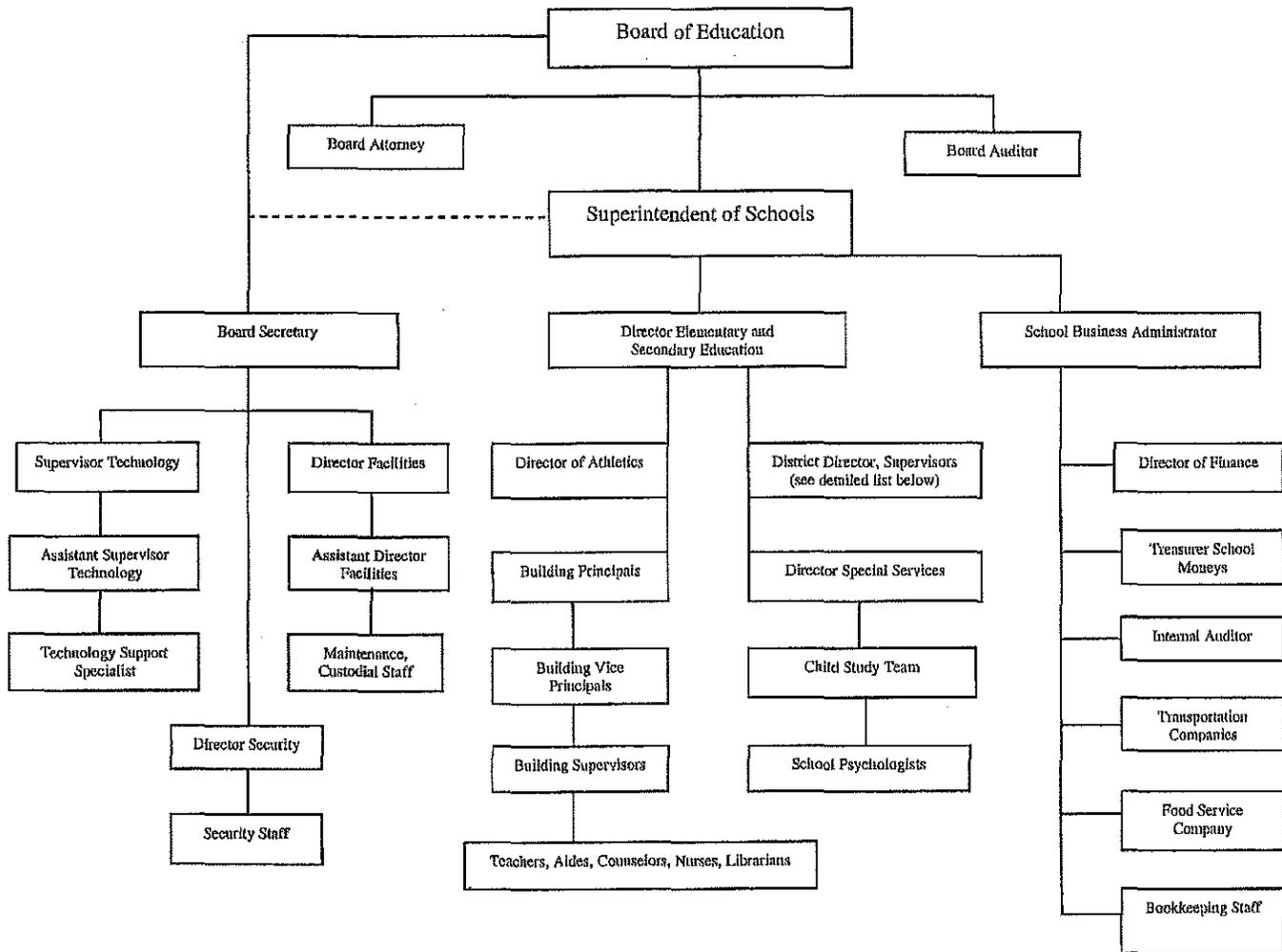


Steven Somick  
School Business Administrator



George J. Solter  
Superintendent of Schools

# NORTH BERGEN BOARD OF EDUCATION ORGANIZATIONAL CHART



**NORTH BERGEN BOARD OF EDUCATION  
ROSTER OF OFFICIALS  
JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Patricia Bartoli, President	2016
Luis Rabelo, Vice President	2016
Edward La Tour	2016
Luis Diaz	2017
Elaine Nicoliello	2017
Kanaiyalal Patel	2017
Claudia Rodriguez	2018
Haissam Jaafar	2018
Ruth Shaw	2018
Gonzalo Perez (Guttenberg)	2018

Other Officials

George J. Solter, Jr. Ed. D., Superintendent of Schools  
Nicholas J. Sacco, Director of Elementary and Secondary Education  
Steven Somick, School Business Administrator  
Hugo Cabrera, Board Secretary  
William B. Mitchell, Jr., Director of Finance  
Robert Pittfield, Treasurer of School Moneys

**NORTH BERGEN BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**ARCHITECT**

Mayo Lynch Associates, Inc.  
333 Meadowland Parkway  
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**AUDIT FIRM**

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Fair Lawn, New Jersey 07410

**ATTORNEY**

Ryglicki, Jimenez & Gillman, P.C.  
9060 Palisades Avenue, Suite C6  
North Bergen, New Jersey 07047

**OFFICIAL DEPOSITORY**

TD Bank North  
Kennedy Blvd.  
North Bergen, NJ



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA

DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
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ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Bergen Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Bergen Board of Education as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Emphasis of Matter*

### *Adoption of New Accounting Pronouncement*

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the North Bergen Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

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. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the North Bergen Board of Education.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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, 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2015 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the North Bergen Board of Education's internal control over financial reporting and compliance.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
December 18, 2015

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# NORTH BERGEN BOARD OF EDUCATION

## Management's 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, 2015. 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 2014-2015 fiscal year include the following:

- The assets and deferred outflows of resources of the North Bergen Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$25,006,503 (net position).
- Overall District revenues were \$145,038,422. General revenues accounted for \$97,428,335 or 67% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$47,610,087 or 33% of total revenues.
- The School District had \$137,560,889 in expenses for governmental activities; only \$44,589,837 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$97,428,209 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 \$18,795,600 an increase of \$251,474 when compared to the ending Fund balance at June 30, 2014 of \$18,544,126.
- The General Fund unassigned fund balance at June 30, 2015 was in a deficit position of \$3,659,697, an increase of \$1,066,430 when compared with the ending fund balance deficit of \$4,726,127 at June 30, 2014.
- The General Fund unassigned budgetary fund balance at June 30, 2015 was \$2,138,403 which represents an increase of \$1,009,966 when compared to the ending unassigned fund balance at June 30, 2014 of \$1,128,437.

# NORTH BERGEN BOARD OF EDUCATION

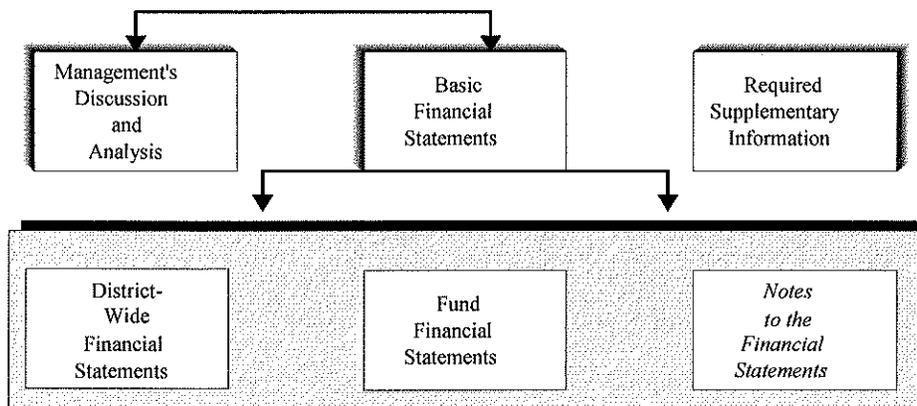
## Management's Discussion and Analysis

### 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's 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 of 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 Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows	Statements of Fiduciary Net Position Statement of Changes In Fiduciary Net Position
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, deferred outflows, liabilities, deferred inflows, 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 there after; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long 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's 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 position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. 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 position and how it has changed. Net position – the difference between the District's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District's financial health or position

- Over time, increases or decreases in the District's net position 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's 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 position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

### Notes to the 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 financial statements can be found following the fund financial statements.

### Other Information

In addition to the 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's Discussion and Analysis

### DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$25,006,503 and \$20,474,128 (as restated) as of June 30, 2015 and 2014, respectively, as shown below.

By far the largest portion of the District's net position 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 Position as of June 30, 2015 and 2014

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Assets</b>						
Current and Other Assets	\$ 28,493,485	\$ 30,139,731	\$ 921,061	\$ 827,194	\$ 29,414,546	\$ 30,966,925
Capital Assets	56,423,327	53,003,066	31,513	34,275	56,454,840	53,037,341
<b>Total Assets</b>	<u>84,916,812</u>	<u>83,142,797</u>	<u>952,574</u>	<u>861,469</u>	<u>85,869,386</u>	<u>84,004,266</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amounts on Net Pension Liability	1,271,546				1,271,546	
Deferred Amounts on Refunding of Debt	444,013	517,966	-	-	444,013	517,966
<b>Total Deferred Outflows</b>	<u>1,715,559</u>	<u>517,966</u>	<u>-</u>	<u>-</u>	<u>1,715,559</u>	<u>517,966</u>
<b>Total Assets and Deferred Outflows</b>	<u>86,632,371</u>	<u>83,660,763</u>	<u>952,574</u>	<u>861,469</u>	<u>87,584,945</u>	<u>84,522,232</u>
<b>Liabilities</b>						
Long-Term Liabilities	51,069,935	25,369,491			51,069,935	25,369,491
Other Liabilities	9,757,861	11,660,938	142,557	127,592	9,900,418	11,788,530
<b>Total Liabilities</b>	<u>60,827,796</u>	<u>37,030,429</u>	<u>142,557</u>	<u>127,592</u>	<u>60,970,353</u>	<u>37,158,021</u>
<b>Deferred Inflows of Resources</b>						
Deferred Amounts on Net Pension Liability	1,598,955				1,598,955	-
Deferred Commodities Revenue	-	-	9,134	8,212	9,134	8,212
<b>Total Deferred Inflows</b>	<u>1,598,955</u>	<u>-</u>	<u>9,134</u>	<u>8,212</u>	<u>1,608,089</u>	<u>8,212</u>
<b>Total Liabilities and Deferred Inflows</b>	<u>62,426,751</u>	<u>37,030,429</u>	<u>151,691</u>	<u>135,804</u>	<u>62,578,442</u>	<u>37,166,233</u>
<b>Net Position</b>						
Net Investment in Capital Assets	45,233,311	40,601,409	31,513	34,275	45,264,824	40,635,684
Restricted	10,301,109	14,765,943			10,301,109	14,765,943
Unrestricted	(31,328,800)	(35,618,889)	769,370	691,390	(30,559,430)	(34,927,499)
<b>Total Net Position</b>	<u>\$ 24,205,620</u>	<u>\$ 19,748,463</u>	<u>\$ 800,883</u>	<u>\$ 725,665</u>	<u>\$ 25,006,503</u>	<u>\$ 20,474,128</u>

**NORTH BERGEN BOARD OF EDUCATION**

**Management's Discussion and Analysis**

The changes in net position for fiscal years 2015 and 2014 are as follows:

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 4,293,630	\$ 4,389,854	\$ 603,366	\$ 596,612	\$ 4,896,996	\$ 4,986,466
Operating Grants and Contributions	38,311,398	23,763,862	2,416,884	2,460,891	40,728,282	26,224,753
Capital Grants and Contributions	1,984,809	84,373			1,984,809	84,373
General Revenues						
Property Taxes	45,084,571	43,735,129			45,084,571	43,735,129
State Aid	51,560,650	51,408,732			51,560,650	51,408,732
Investment Earnings	19,253	18,341	126	131	19,379	18,472
Miscellaneous	763,735	306,307			763,735	306,307
Other - Donation of Capital Asset	-	10,000	-	-	-	10,000
<b>Total Revenues</b>	<u>142,018,046</u>	<u>123,716,598</u>	<u>3,020,376</u>	<u>3,057,634</u>	<u>145,038,422</u>	<u>126,774,232</u>
<b>Expenses</b>						
Instruction						
Regular	56,216,853	48,062,992			56,216,853	48,062,992
Special Education	20,000,057	16,364,077			20,000,057	16,364,077
Other Instruction	9,742,185	9,400,836			9,742,185	9,400,836
School Sponsored Activities and Athletics	2,284,648	2,087,712			2,284,648	2,087,712
Support Services						
Student and Instruction Related Services	15,204,154	13,433,274			15,204,154	13,433,274
General Administration Services	2,527,627	2,446,297			2,527,627	2,446,297
School Administration Services	9,453,664	8,005,807			9,453,664	8,005,807
Plant Operation and Maintenance	14,147,869	14,789,426			14,147,869	14,789,426
Pupil Transportation	4,019,075	3,796,694			4,019,075	3,796,694
Business Services	3,145,017	2,716,209			3,145,017	2,716,209
Interest and Other Chgs on Long-Term Debt	819,740	910,459			819,740	910,459
Food Service	-	-	2,945,158	2,903,222	2,945,158	2,903,222
<b>Total Expenses</b>	<u>137,560,889</u>	<u>122,013,783</u>	<u>2,945,158</u>	<u>2,903,222</u>	<u>140,506,047</u>	<u>124,917,005</u>
<b>Change in Net Position</b>	4,457,157	1,702,815	75,218	154,412	4,532,375	1,857,227
<b>Net Position, Beginning of Year</b>	19,748,463	44,927,519	725,665	571,253	20,474,128	45,498,772
<b>Prior Period Adjustment - Pension Liability</b>	-	(26,881,871)	-	-	-	(26,881,871)
<b>Net Position, End of Year</b>	<u>\$ 24,205,620</u>	<u>\$ 19,748,463</u>	<u>\$ 800,883</u>	<u>\$ 725,665</u>	<u>\$ 25,006,503</u>	<u>\$ 20,474,128</u>

# NORTH BERGEN BOARD OF EDUCATION

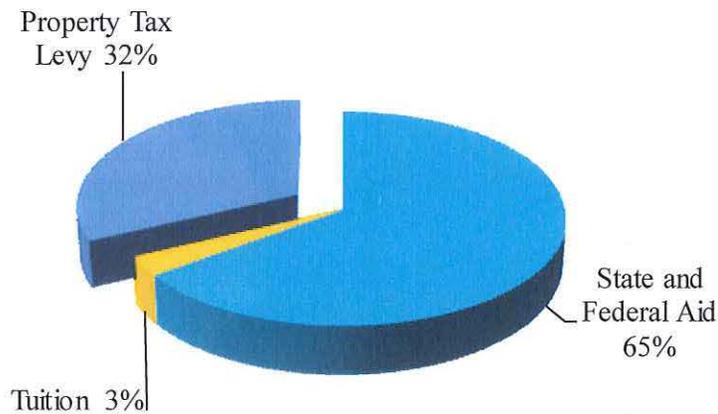
## Management's Discussion and Analysis

**Governmental Activities.** The District's total governmental activities revenues were \$142,018,046 for the fiscal year ended June 30, 2015. Tuition accounted for \$4,293,630 representing 3% of total revenues. Local property taxes were \$45,084,571 representing 32% of total revenues. State and federal aid revenues were \$91,856,857 representing 65% of total revenue for the year. Investment earnings and the miscellaneous revenues accounted for less than 1% of the District's revenues.

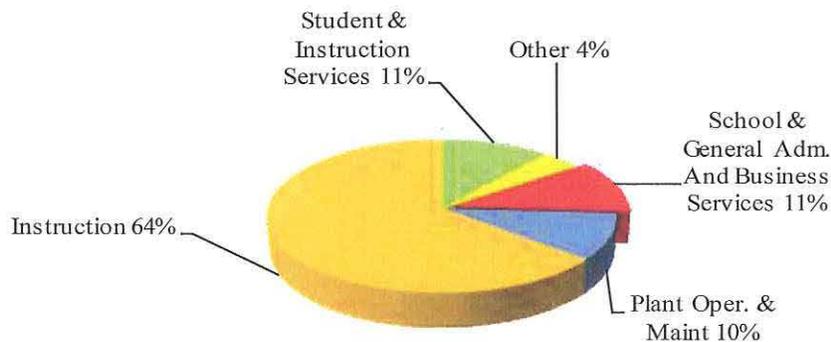
The total cost of all governmental activities programs and services were \$137,560,889. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$88,243,743 (64%) of total expenditures. Support services totaled \$48,497,406 (35%) of total expenditures and the remainder of expenditures were for interest and other charges on long-term debt totaling \$819,740 (1%).

Total governmental activities revenues surpassed expenses and other items, increasing net position by \$4,457,157 over the previous year.

**Revenues by Source- Governmental Activities  
For Fiscal Year 2014/15**



**Expenses by Type- Governmental Activities  
For Fiscal Year 2014/15**



# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$137,560,889 for the fiscal year ended June 30, 2015. After applying program revenues, derived from charges for services of \$4,293,630; operating grants and contributions of \$38,311,398; and capital grants and contributions of \$1,984,809, the net cost of services of the District is \$92,971,052. The following is a comparative analysis of the net cost of governmental activities for the fiscal years ended June 30, 2015 and 2014.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Instruction				
Regular	\$ 56,216,853	\$ 48,062,992	\$ 35,650,188	\$ 35,399,777
Special Education	20,000,057	16,364,077	9,172,222	8,244,569
Other Instruction	9,742,185	9,400,836	5,389,167	6,291,565
School Sponsored Activities and Athletics	2,284,648	2,087,712	1,850,520	1,901,131
Support Services				
Student and Instruction Related Services	15,204,154	13,433,274	11,590,406	11,146,882
General Administration	2,527,627	2,446,297	2,153,793	2,293,402
School Administration Services	9,453,664	8,005,807	8,000,776	7,455,965
Plant Operation and Maintenance	14,147,869	14,789,426	11,328,558	13,860,667
Pupil Transportation	4,019,075	3,796,694	3,870,665	3,555,068
Business Services	3,145,017	2,716,209	3,145,017	2,716,209
Interest and Other Charges on Long-Term Debt	<u>819,740</u>	<u>910,459</u>	<u>819,740</u>	<u>910,459</u>
<b>Total</b>	<b><u>\$ 137,560,889</u></b>	<b><u>\$ 122,013,783</u></b>	<b><u>\$ 92,971,052</u></b>	<b><u>\$ 93,775,694</u></b>

**Business-Type Activities** – The District's total business-type activities revenues were \$3,020,376 for the fiscal year ended June 30, 2015. Charges for services accounted for 20% or \$603,366 of total revenues. Operating grants and contributions accounted for 80% or \$2,416,884 of total revenue for the year.

The total cost of all business-type activities programs and services was \$2,945,158 for the fiscal year ended June 30, 2015. 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 were greater than expenses, increasing net position by \$75,218.

# NORTH BERGEN BOARD OF EDUCATION

## Management's 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 \$18,795,600, an increase of \$251,474 from last year's fund balance of \$18,544,126.

Revenues for the District's governmental funds were \$129,425,836, total expenditures were \$129,174,362.

**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, 2015</u>	Fiscal Year Ended <u>June 30, 2014</u>	Amount of Increase (Decrease)	<u>Percent</u>
Local Sources:				
Property Tax Levy	\$ 43,507,740	\$ 42,141,260	\$ 1,366,480	3.24%
Tuition	4,293,630	4,389,854	(96,224)	-2.19%
Miscellaneous	782,988	324,648	458,340	141.18%
State/Federal Sources	<u>68,703,801</u>	<u>67,074,676</u>	<u>1,629,125</u>	2.43%
 Total General Fund Revenues	 <u>\$ 117,288,159</u>	 <u>\$ 113,930,438</u>	 <u>\$ 3,357,721</u>	 <u>2.95%</u>

Total General Fund Revenues increased by \$3,357,721 or 2.95% over the previous year.

Local property taxes increased \$1,366,480 over the previous year. State and federal aid increased 2%, primarily due to the State of New Jersey increasing their On-Behalf TPAF Funding to the District. Tuition charges decreased \$96,224. Miscellaneous revenues increased primarily due to the write off of prior year residual balances in other funds.

# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

The following schedule presents a summary of General Fund Expenditures.

	Fiscal Year Ended <u>June 30, 2015</u>	Fiscal Year Ended <u>June 30, 2014</u>	Amount of Increase (Decrease)	<u>Percent</u>
Instruction	\$ 70,731,139	\$ 70,623,066	\$ 108,073	0.15%
Support Services	42,233,115	40,552,010	1,681,105	4.15%
Debt Service	593,612	459,542	134,070	29.17%
Capital Outlay	<u>1,905,838</u>	<u>137,369</u>	<u>1,768,469</u>	1287.39%
Total Expenditures	<u>\$ 115,463,704</u>	<u>\$ 111,771,987</u>	<u>\$ 3,691,717</u>	<u>3.30%</u>

Total General Fund expenditures increased \$3,691,717 or 3% from the previous year due to salary and other contractual increases and capital expenditures.

For the fiscal year ended June 30, 2015 General Fund expenditures and other financing uses exceeded revenues and other financing sources by \$540,379. After deducting statutory reserves and designations in the amount of \$17,969,343, the unassigned fund balance at June 30, 2015 was in a deficit position of \$3,659,697. This deficit occurs because the State has delayed the District's final state aid payments until July 2015. Had these payments been received prior to June 30, 2015, the District would have ended the year with an unassigned fund balance (Budgetary Basis) of \$2,138,403.

**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 \$8,025,988, for the fiscal year ended June 30, 2015. State sources in the amount of \$2,718,402 accounted for 34% of the total revenue and federal sources in the amount of \$5,258,898 accounted for 66% of the total revenue in the special revenue fund.

Total Special Revenue Fund revenues increased \$478,897 or 6% from the previous year. State sources decreased \$45,736, while Federal sources increased by \$526,028.

Expenditures of the Special Revenue Fund were \$8,025,988. Instructional expenditures were \$6,336,836 or 79%, expenditures for support services were \$1,689,152 or 21%, for the fiscal year ended June 30, 2015.

# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

**Capital Projects** - The capital projects revenues and other financing sources exceeded expenditures by \$796,852 increasing the fund balance from \$3,680,626 at June 30, 2014 to \$4,477,478 at June 30, 2015. The increase was due to new capital projects and ongoing progress on the district's prior year 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.
- Reappropriation of June 30, 2014 encumbrances.
- Appropriation of Capital Reserve funds to finance Capital Projects.

### CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2015 amounts to \$56,423,327 and \$31,513 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2014-2015 amounted to \$2,038,368 for governmental activities and \$2,762 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2015 and 2014.

	<b>Governmental</b>		<b>Business- Type</b>		<b>Total</b>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 4,488,797	\$ 2,688,797			\$ 4,488,797	\$ 2,688,797
Construction in Progress	3,693,316	2,613,559	-	-	3,693,316	2,613,559
Site Improvements	75,431	80,516			75,431	80,516
Building	47,819,761	47,229,505			47,819,761	47,229,505
Machinery and Equipment	<u>346,022</u>	<u>390,689</u>	<u>\$ 31,513</u>	<u>\$ 34,275</u>	<u>377,535</u>	<u>424,964</u>
<b>Total</b>	<u>\$ 56,423,327</u>	<u>\$ 53,003,066</u>	<u>\$ 31,513</u>	<u>\$ 34,275</u>	<u>\$ 56,454,840</u>	<u>\$ 53,037,341</u>

# **NORTH BERGEN BOARD OF EDUCATION**

## **Management's Discussion and Analysis**

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

### **LONG TERM LIABILITIES**

At June 30, 2015, the District's long-term liabilities consisted of compensated absences payable of \$7,302,938, serial bonds of \$3,871,784 (including unamortized premium), obligations under lease purchase agreements of \$11,354,660 (net of unamortized discount) and Sales/Leaseback obligations of \$1,710,000 and net pension liability of \$26,830,553 totaling \$51,069,935. This is in comparison to long-term liabilities at June 30, 2014 (as restated) of \$52,251,362, or a decrease of \$1,181,427.

During the 2014/15 school year, the District implemented Government Accounting Standards Board ("GASB") Statement No. 68, "Accounting and Financial Reporting of Pensions". In conjunction with the implementation, the District was required to restate the June 30, 2014 financial statements.

Additional information on the District's long-term liabilities are presented in the Notes to the 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 2014-2015 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 2015-2016. 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.

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**FINANCIAL STATEMENTS**

**NORTH BERGEN BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 16,344,401		\$ 16,344,401
Receivables, Net	11,278,542	\$ 212,374	11,490,916
Internal Balances	(653,694)	653,694	
Other Receivables	11,789	3,939	15,728
Prepaid Items	746,280		746,280
Other Assets	20,000		20,000
Inventory		51,054	51,054
Restricted Assets			
Cash and Cash Equivalents	746,167		746,167
Capital Assets			
Not Being Depreciated	8,182,113		8,182,113
Being Depreciated, Net	<u>48,241,214</u>	<u>31,513</u>	<u>48,272,727</u>
Total Assets	<u>84,916,812</u>	<u>952,574</u>	<u>85,869,386</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	1,271,546		1,271,546
Deferred Amounts on Refunding of Debt	<u>444,013</u>	<u>-</u>	<u>444,013</u>
Total Deferred Outflows of Resources	<u>1,715,559</u>	<u>-</u>	<u>1,715,559</u>
Total Assets and Deferred Outflows of Resources	<u>86,632,371</u>	<u>952,574</u>	<u>87,584,945</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	3,905,030	142,557	4,047,587
Accrued Interest Payable	59,976		59,976
Payable to Other Governments	369,368		369,368
Unearned Revenue	5,423,487		5,423,487
Noncurrent Liabilities			
Due Within One Year	4,080,417		4,080,417
Due Beyond One Year	<u>46,989,518</u>	<u>-</u>	<u>46,989,518</u>
Total Liabilities	<u>60,827,796</u>	<u>142,557</u>	<u>60,970,353</u>

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

**NORTH BERGEN BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	\$ 1,598,955		\$ 1,598,955
Deferred Commodities Revenue	<u>-</u>	<u>\$ 9,134</u>	<u>9,134</u>
Total Deferred Inflows of Resources	<u>1,598,955</u>	<u>9,134</u>	<u>1,608,089</u>
Total Liabilities and Deferred Inflows of Resources	<u>62,426,751</u>	<u>151,691</u>	<u>62,578,442</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	45,233,311	31,513	45,264,824
Restricted for:			
Capital Projects	8,567,006		8,567,006
Other Purposes	1,734,103		1,734,103
Unrestricted	<u>(31,328,800)</u>	<u>769,370</u>	<u>(30,559,430)</u>
Total Net Position	<u>\$ 24,205,620</u>	<u>\$ 800,883</u>	<u>\$ 25,006,503</u>

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

**NORTH BERGEN BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 56,216,853	\$ 4,293,630	\$ 16,273,035		\$ (35,650,188)		\$ (35,650,188)
Special Education	20,000,057		10,827,835		(9,172,222)		(9,172,222)
Other Instruction	9,742,185		4,353,018		(5,389,167)		(5,389,167)
School Sponsored Activities and Athletics	2,284,648		434,128		(1,850,520)		(1,850,520)
Support Services:							
Student and Instruction Related Services	15,204,154		3,613,748		(11,590,406)		(11,590,406)
General Administrative Services	2,527,627		373,834		(2,153,793)		(2,153,793)
School Administrative Services	9,453,664		1,452,888		(8,000,776)		(8,000,776)
Plant Operations and Maintenance	14,147,869		834,502	\$ 1,984,809	(11,328,558)		(11,328,558)
Pupil Transportation	4,019,075		148,410		(3,870,665)		(3,870,665)
Business Services	3,145,017				(3,145,017)		(3,145,017)
Interest on Long-Term Debt	819,740	-	-	-	(819,740)	-	(819,740)
<b>Total Governmental Activities</b>	<b>137,560,889</b>	<b>4,293,630</b>	<b>38,311,398</b>	<b>1,984,809</b>	<b>(92,971,052)</b>	<b>-</b>	<b>(92,971,052)</b>
Business-Type Activities:							
Food Service	2,945,158	603,366	2,416,884	-	-	\$ 75,092	75,092
<b>Total Business-Type Activities</b>	<b>2,945,158</b>	<b>603,366</b>	<b>2,416,884</b>	<b>-</b>	<b>-</b>	<b>75,092</b>	<b>75,092</b>
<b>Total Primary Government</b>	<b>\$ 140,506,047</b>	<b>\$ 4,896,996</b>	<b>\$ 40,728,282</b>	<b>\$ 1,984,809</b>	<b>(92,971,052)</b>	<b>75,092</b>	<b>(92,895,960)</b>
General Revenues							
Property Taxes							
Levied for General Purposes					43,507,740		43,507,740
Levied for Debt Service					1,576,831		1,576,831
State Aid - Unrestricted					51,010,601		51,010,601
State Aid - Restricted for Debt Service					550,049		550,049
Investment Earnings					19,253		19,253
Miscellaneous Income					763,735	126	763,861
<b>Total General Revenues and Other Items</b>					<b>97,428,209</b>	<b>126</b>	<b>97,428,335</b>
Change in Net Position					4,457,157	75,218	4,532,375
Net Position-Beginning of Year (Restated)					19,748,463	725,665	20,474,128
Net Position-End of Year					\$ 24,205,620	\$ 800,883	\$ 25,006,503

The accompanying Notes to the 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, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 14,979,735	\$ 1,364,666			\$ 16,344,401
Receivables From Other Governments	1,063,815	1,431,633	\$ 8,783,094		11,278,542
Prepaid Items	746,280				746,280
Other Assets	20,000				20,000
Due From Other Funds	1,307,183				1,307,183
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	734,359	-	-	\$ 11,808	746,167
<b>Total Assets</b>	<b>\$ 18,851,372</b>	<b>\$ 2,796,299</b>	<b>\$ 8,783,094</b>	<b>\$ 11,808</b>	<b>\$ 30,442,573</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 3,704,190	\$ 78,554	\$ 8,503		\$ 3,791,247
Unearned Revenue	75,059	2,348,377	3,000,051		5,423,487
Payables to Other Governments		369,368			369,368
Other Payables	18,500		5,000		23,500
Due To Other Funds	743,977	-	1,292,062	\$ 3,332	2,039,371
<b>Total Liabilities</b>	<b>4,541,726</b>	<b>2,796,299</b>	<b>4,305,616</b>	<b>3,332</b>	<b>11,646,973</b>
<b>Fund Balances:</b>					
<b>Nonspendable</b>					
Prepays	746,280				746,280
<b>Restricted</b>					
Capital Reserve	7,092,006				7,092,006
Capital Reserve-Designated for Subsequent Year's Budget	1,475,000				1,475,000
Maintenance Reserve	700,000				700,000
Maintenance Reserve-Designated for Subsequent Year's Budget	300,000				300,000
Emergency Reserve	1,000,000				1,000,000
Excess Surplus	2,168,392				2,168,392
Legally Restricted - Sale/Leaseback Reserve	734,103				734,103
Capital Projects Fund			4,477,478		4,477,478
Debt Service				8,476	8,476
<b>Committed</b>					
Encumbrances	57,114				57,114
<b>Assigned</b>					
Designated for Subsequent Year's Budget	3,370,202				3,370,202
ARRA/SEMI Designated for Subsequent Year's Budget	91,673				91,673
Encumbrances	234,573				234,573
<b>Unassigned</b>					
General Fund	(3,659,697)	-	-	-	(3,659,697)
<b>Total Fund Balances</b>	<b>14,309,646</b>	<b>-</b>	<b>4,477,478</b>	<b>8,476</b>	<b>18,795,600</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 18,851,372</b>	<b>\$ 2,796,299</b>	<b>\$ 8,783,094</b>	<b>\$ 11,808</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$84,895,555 and the accumulated depreciation is \$28,472,228

56,423,327

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

(59,976)

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

Bonds Payable	\$ 3,870,000
Deferred Amount on Bond Refundings	(28,626)
Unamortized Bond Premium	1,784
Sale/Leaseback Obligations Payable	1,710,000
Certificates of Participation (COPS)	11,425,000
Deferred Amount on COPS Refunding	(415,387)
Unamortized COPS Discount	(70,340)
Compensated Absences	7,302,938
Net Pension Liability	26,830,553
Deferred Amounts on Net Pension Liability	
Deferred Inflows	1,598,955
Deferred Outflows	(1,271,546)

(50,953,331)

Net Position of Governmental Activities

\$ 24,205,620

**NORTH BERGEN BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources:					
Property Taxes	\$ 43,507,740			\$ 1,576,831	\$ 45,084,571
Tuition	4,293,630				4,293,630
Interest	19,253				19,253
Miscellaneous	763,735	\$ 48,688	-	-	812,423
Total - Local Sources	<u>48,584,358</u>	<u>48,688</u>	<u>-</u>	<u>1,576,831</u>	<u>50,209,877</u>
State Sources	68,372,713	2,718,402	\$ 1,984,809	550,049	73,625,973
Federal Sources	331,088	5,258,898	-	-	5,589,986
Total Revenues	<u>117,288,159</u>	<u>8,025,988</u>	<u>1,984,809</u>	<u>2,126,880</u>	<u>129,425,836</u>
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	46,153,382	2,105,183			48,258,565
Special Education Instruction	16,189,965	1,864,411			18,054,376
Other Instruction	6,330,953	2,367,242			8,698,195
School Sponsored Activities and Athletics	2,056,839				2,056,839
Support Services					
Student and Instruction Related Services	12,429,175	1,688,982			14,118,157
General Administrative Services	2,277,885				2,277,885
School Administrative Services	8,433,338				8,433,338
Plant Operations and Maintenance	12,078,308				12,078,308
Pupil Transportation	4,017,176	170			4,017,346
Business Services	2,997,233				2,997,233
Debt Service					
Principal	470,000			1,515,000	1,985,000
Interest and Other Charges	123,612			616,879	740,491
Capital Outlay	1,905,838	-	3,552,791	-	5,458,629
Total Expenditures	<u>115,463,704</u>	<u>8,025,988</u>	<u>3,552,791</u>	<u>2,131,879</u>	<u>129,174,362</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,824,455</u>	<u>-</u>	<u>(1,567,982)</u>	<u>(4,999)</u>	<u>251,474</u>
Other Financing Sources (Uses)					
Transfers Out	(2,364,834)				(2,364,834)
Transfers In	-	-	2,364,834	-	2,364,834
Total Other Financing Sources (Uses)	<u>(2,364,834)</u>	<u>-</u>	<u>2,364,834</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(540,379)	-	796,852	(4,999)	251,474
Fund Balance, Beginning of Year	<u>14,850,025</u>	<u>-</u>	<u>3,680,626</u>	<u>13,475</u>	<u>18,544,126</u>
Fund Balance, End of Year	<u>\$ 14,309,646</u>	<u>\$ -</u>	<u>\$ 4,477,478</u>	<u>\$ 8,476</u>	<u>\$ 18,795,600</u>

The accompanying Notes to the 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, 2015**

**Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ 251,474

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.

Capital Outlay	\$ 5,458,629	
Depreciation Expense	<u>(2,038,368)</u>	
		3,420,261

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 position. 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		
General Obligation Bonds	565,000	
Amortization		
Premium	2,325	
Deferred Charge on Refunding	(4,111)	
Certificates of Participation	950,000	
Amortization		
Discount	(12,978)	
Deferred Charge on Refunding	(69,842)	
Sales/Leaseback Obligations	<u>470,000</u>	
		1,900,394

In the statement of activities, pension expenses are measured by the liability accrued during the year. In the governmental funds, however, expenditures are reported in the amount of financial resources used (paid)

(Increase) Decrease in Pension Expense - Public Employees' Retirement System	(276,091)
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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.

5,357

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>(844,238)</u>
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**Change in Net Position of Governmental Activities ( Exhibit A-2)** \$ 4,457,157

**NORTH BERGEN BOARD OF EDUCATION  
 PROPRIETARY FUND  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2015**

**ASSETS**

Intergovernmental Receivable		
State	\$	3,866
Federal		208,508
Accounts Receivable		3,939
Inventories		51,054
Due from Other Funds		<u>653,694</u>
 Total Current Assets		 <u>921,061</u>
 Capital Assets		
Equipment		132,236
Accumulated Depreciation		<u>(100,723)</u>
 Total Capital Assets		 <u>31,513</u>
 Total Assets		 <u>952,574</u>

**LIABILITIES**

Current Liabilities		
Accounts Payable		<u>142,557</u>
 Total Current Liabilities		 <u>142,557</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred Commodities Revenue		<u>9,134</u>
 Total Deferred Inflows of Resources		 <u>9,134</u>
 Total Liabilities and Deferred Inflows of Resources		 <u>151,691</u>

**NET POSITION**

Net Investment in Capital Assets		31,513
Unrestricted		<u>769,370</u>
 Total Net Position	\$	 <u>800,883</u>

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

**NORTH BERGEN BOARD OF EDUCATION  
 PROPRIETARY FUND  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**OPERATING REVENUES**

Local Sources	
Daily Sales	\$ 573,343
Special Functions	<u>30,023</u>
 Total Operating Revenues	 <u>603,366</u>

**OPERATING EXPENSES**

Salaries and Wages	1,126,508
Employee Benefits	199,540
Cost of Sales	1,179,855
Other Purchased Services	350,391
Supplies and Materials	86,102
Depreciation	<u>2,762</u>
 Total Operating Expenses	 <u>2,945,158</u>

Operating Income (Loss)	<u>(2,341,792)</u>
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**NONOPERATING REVENUES**

State Sources	
State School Lunch Program	32,878
Federal Sources	
School Breakfast Program	493,599
National School Lunch Program	1,873,900
Special Milk Program	6,351
After School Snack Program	10,156
Interest	<u>126</u>
 Total Nonoperating Revenues	 <u>2,417,010</u>

Change in Net Position	75,218
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Net Position, Beginning of Year	<u>725,665</u>
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Net Position, End of Year	<u>\$ 800,883</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

**NORTH BERGEN BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from Customers	\$ 602,722
Cash Payments for Employees Salaries & Benefits	(1,326,048)
Cash Payments to Suppliers for Goods and Services	<u>(1,458,184)</u>
Net Cash (Used) by Operating Activities	<u>(2,181,510)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Cash Payments for Interfund Transactions	(96,055)
Cash Received from State and Federal Subsidy Reimbursements	<u>2,274,201</u>
Net Cash Provided by Noncapital Financing Activities	<u>2,178,146</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest Received on Deposits	<u>126</u>
Net Cash Provided by Investing Activities	<u>126</u>

Net Change in Cash and Cash Equivalents	(3,238)
Cash and Cash Equivalents, Beginning of Year	<u>3,238</u>
Cash and Cash Equivalents, End of Year	<u>\$ -</u>

**Reconciliation of Operating (Loss) to Net Cash  
(Used) by Operating Activities**

Operating Income (Loss)	\$ <u>(2,341,792)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities	
Depreciation	2,762
Non-Cash Federal Assistance-Food Distribution Program	153,005
Change in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	(644)
Increase/(Decrease) in Accounts Payable	14,965
(Increase)/Decrease in Inventory	(10,728)
Increase/(Decrease) in Deferred Commodities Revenue	<u>922</u>
Total Adjustments	<u>160,282</u>
Net Cash (Used) by Operating Activities	<u>\$ (2,181,510)</u>
Non-Cash Investing, Capital and Financing Activities	
Value Received - Food Distribution Program	<u>\$ 153,927</u>

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

**NORTH BERGEN BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2015**

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 987,757	\$ 3,269,166
Accounts Receivable	27,719	
Due From Other Funds	<u>99,512</u>	<u>90,283</u>
Total Assets	<u>1,114,988</u>	<u>\$ 3,359,449</u>
<b>LIABILITIES</b>		
Payroll Deductions and Withholdings		\$ 26,265
Accrued Salaries and Wages		2,939,225
Intergovernmental Payable	11,357	
Due to Student Groups		282,658
Due to Other Funds	<u>-</u>	<u>111,301</u>
Total Liabilities	<u>11,357</u>	<u>\$ 3,359,449</u>
<b>NET POSITION</b>		
Held in Trust for Unemployment Compensation Claims	<u>\$ 1,103,631</u>	

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

**NORTH BERGEN BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS</b>	
Employee Deductions	\$ 100,744
Interest	<u>813</u>
Total Additions	<u>101,557</u>
<b>DEDUCTIONS</b>	
Unemployment Claims	<u>59,803</u>
Total Deductions	<u>59,803</u>
Change in Net Position	41,754
Net Position, Beginning of Year	<u>1,061,877</u>
Net Position, End of Year	<u>\$ 1,103,631</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 from North Bergen and one appointed representative from the Guttenburg 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. New Accounting Standards**

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**C. Basis of Presentation - Financial Statements**

The 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. Fiduciary funds are excluded from the district-wide financial statements.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**District-Wide Financial Statements**

The district-wide financial statements (i.e., the statement of net position 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 position, 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.

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.

**Fund Financial Statements**

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. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

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, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

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 government 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.

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".

**Reclassifications**

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

**D. Measurement Focus and Basis of Accounting**

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, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. 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.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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.

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.

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

***1. Cash, Cash Equivalents 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***

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

***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 and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. 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 deferred inflows of resources.

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**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
Equipment and Furniture	5-15
Computer Equipment	5

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**7. *Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items, which arise under the accrual basis of accounting that qualify for reporting in this category. One item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item that qualifies is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

**8. *Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation, personal, and sick leave benefits. A long-term liability of accumulated vacation, personal and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds do not permit the accrual of unused vacation, personal and sick leave. 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.

**9. *Pensions***

In the district-wide financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**9. *Pensions (Continued)***

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

**10. *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 position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows or resources. Bond premiums and discounts 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. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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.

**11. *Net Position/Fund Balance***

**District-Wide Statements**

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**11. Net Position/Fund Balance (Continued)**

**Governmental Fund Statements**

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.

**Nonspendable Fund Balance** – Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

*Prepays* – Represents the portion of fund balance not available for future spending related to costs associated with and chargeable to future accounting periods.

**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.

*Capital Reserve - Designated for Subsequent Year's Budget* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2015/2016 District budget certified for taxes.

*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.

*Maintenance Reserve - Designated for Subsequent Year's Budget* – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2015/2016 District budget certified for taxes.

*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* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that is required to be appropriated in the 2016/2017 original budget certified for taxes.

*Legally Restricted – Sale/Lease Back Reserve* – This restriction was created in accordance with NJSA 18A:7F-7(e) to represent the unexpended proceeds of a sale/lease back transaction.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**11. Net Position/Fund Balance (Continued)**

**Governmental Fund Statements (Continued)**

**Restricted Fund Balance (Continued)**

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 2015/2016 District budget certified for taxes.

ARRA/SEMI – Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of the ARRA/SEMI revenue that is unexpended at June 30, 2015 that will be appropriated either by Board resolution into the 2015/2016 budget or in the adopted 2016/2017 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.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

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.

**2. *Property Taxes***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are 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 inflows of resources. 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 1<sup>st</sup> 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. *Tuition Revenues and Expenditures***

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 2013-2014 and 2014-2015 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.

**4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

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.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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. The annual budget 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 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$2,352,845. The increase was funded by capital reserve funds appropriated, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year, the Board authorized and approved the appropriation of \$368,000 from the general fund capital reserve.

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.

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**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			
Other Retirement Contributions-PERS	\$917,142	\$1,181,383	\$264,241

The above variances were offset with other available resources.

**C. Deficit Fund Equity**

The District has an unassigned fund deficit of \$3,659,697 in the General Fund as of June 30, 2015 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 2014/2015 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 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 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 \$3,659,697 in the General Fund is less than the delayed state aid payments.

**D. Capital Reserve**

A capital reserve account was established by the District. 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 FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. Capital Reserve (Continued)**

The activity of the capital reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014		\$ 10,931,840
Increased by		
Balances Restored to Reserve		
Budgeted Transfer to Capital Projects	\$ 503,166	
Capital Outlay	200,000	
Reimbursement from Sale/Leaseback Reserve	<u>1,800,000</u>	
		<u>2,503,166</u>
		13,435,006
Decreased by		
Budgeted Withdrawal in 2014-2015 Budget	4,500,000	
Authorization Approved by Board Resolution	<u>368,000</u>	
		<u>4,868,000</u>
Balance, June 30, 2015		<u>\$ 8,567,006</u>

Analysis of Restricted for Capital Reserve, June 30, 2015

Capital Reserve		\$ 7,092,006
Capital Reserve - Designated for Subsequent Year's Budget		<u>1,475,000</u>
		<u>\$ 8,567,006</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

**E. Maintenance Reserve**

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve 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. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**E. Maintenance Reserve (Continued)**

The activity of the maintenance reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	\$ 1,300,000
Decreased by	
Budgeted Withdrawal in 2014-2015 Budget	<u>300,000</u>
Balance, June 30, 2015	<u>\$ 1,000,000</u>

Analysis of Restricted for Maintenance Reserve, June 30, 2015

Maintenance Reserve	\$ 700,000
Maintenance Reserve - Designated for Subsequent Year's Budget	<u>300,000</u>
	<u>\$ 1,000,000</u>

**F. Emergency Reserve**

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve 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. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	<u>\$ 1,000,000</u>
Balance, June 30, 2015	<u>\$ 1,000,000</u>

**G. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for 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 restrict 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, 2015 is \$2,168,392. The excess surplus will be appropriated in the 2016/2017 original budget certified for taxes.

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash 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, 2015, the book value of the Board's deposits were \$21,347,491 and bank and brokerage firm balances of the Board's deposits amounted to \$25,243,981. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>
Insured	<u>\$ 25,243,981</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, 2015 the Board's bank balances were not exposed to custodial credit.

**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, 2015, the Board had no outstanding investments.

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

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of June 30, 2015 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:						
Accounts				\$ 3,939	\$ 27,719	\$ 31,658
Intergovernmental-						
Federal		\$ 1,428,285		208,508		1,636,793
State	\$ 279,899		\$ 8,783,094	3,866		9,066,859
Local	<u>783,916</u>	<u>3,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>787,264</u>
Gross Receivables	1,063,815	1,431,633	8,783,094	216,313	27,719	11,522,574
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 1,063,815</u>	<u>\$ 1,431,633</u>	<u>\$ 8,783,094</u>	<u>\$ 216,313</u>	<u>\$ 27,719</u>	<u>\$ 11,522,574</u>

**C. Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned 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	2,319,446
Grant Draw Downs Reserved for Encumbrances	28,931
Capital Projects Fund	
Unrealized School Facilities Grant	<u>3,000,051</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 5,423,487</u>

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance <u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2015</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,688,797	\$ 1,800,000		\$ 4,488,797
Construction in Progress	<u>2,613,559</u>	<u>3,488,604</u>	<u>\$(2,408,847)</u>	<u>3,693,316</u>
Total Capital Assets, Not Being Depreciated	<u>5,302,356</u>	<u>5,288,604</u>	<u>(2,408,847)</u>	<u>8,182,113</u>
Capital Assets, Being Depreciated:				
Buildings	71,265,598	2,534,571		73,800,169
Site Improvements	135,054			135,054
Machinery and Equipment	<u>2,733,918</u>	<u>44,301</u>	<u>-</u>	<u>2,778,219</u>
Total Capital Assets Being Depreciated	<u>74,134,570</u>	<u>2,578,872</u>	<u>-</u>	<u>76,713,442</u>
Less Accumulated Depreciation for:				
Buildings	(24,036,093)	(1,944,315)		(25,980,408)
Site Improvements	(54,538)	(5,085)		(59,623)
Machinery and Equipment	<u>(2,343,229)</u>	<u>(88,968)</u>	<u>-</u>	<u>(2,432,197)</u>
Total Accumulated Depreciation	<u>(26,433,860)</u>	<u>(2,038,368)</u>	<u>-</u>	<u>(28,472,228)</u>
Total Capital Assets, Being Depreciated, net	<u>47,700,710</u>	<u>540,504</u>	<u>-</u>	<u>48,241,214</u>
Governmental Activities Capital Assets, net	<u>\$ 53,003,066</u>	<u>\$ 5,829,108</u>	<u>\$(2,408,847)</u>	<u>\$ 56,423,327</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 132,236	-	-	\$ 132,236
Total Capital Assets Being Depreciated	<u>132,236</u>	<u>-</u>	<u>-</u>	<u>132,236</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(97,961)</u>	<u>\$(2,762)</u>	<u>-</u>	<u>(100,723)</u>
Total Accumulated Depreciation	<u>(97,961)</u>	<u>(2,762)</u>	<u>-</u>	<u>(100,723)</u>
Total Capital Assets, Being Depreciated, net	<u>34,275</u>	<u>(2,762)</u>	<u>-</u>	<u>31,513</u>
Business-Type Activities Capital Assets, net	<u>\$ 34,275</u>	<u>\$(2,762)</u>	<u>\$ -</u>	<u>\$ 31,513</u>

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

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

**Governmental Activities:**

Instruction	
Regular	\$ <u>7,415</u>
 Total Instruction	 <u>7,415</u>
 Support Services	
Support Services-Students and Instruction Related	12,217
General Administration	7,550
School Administration	35,733
Operations and Maintenance of Plant	1,975,001
Business Services	<u>452</u>
 Total Support Services	 <u>2,030,953</u>
 Total Governmental Funds	 <u>\$ 2,038,368</u>

**Business-Type Activities:**

Food Service Fund	\$ <u>2,762</u>
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**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2015:

<u>Project</u>	<u>Remaining Commitment</u>
Window Replacement and New Exterior Doors	
Robert Fulton	\$ 501,642
Horace Mann	39,852
North Bergen High School Rehabilitation - Security	
Alarm System Upgrades	473,092
Security Camera Upgrades	<u>31,901</u>
 Total	 <u>\$ 1,046,487</u>

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2015, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 1,292,062
General Fund	Debt Service Fund	3,332
General Fund	Payroll Agency Fund	11,789
Food Service Enterprise Fund	General Fund	653,694
Unemployment Compensation Trust Fund	Payroll Agency Fund	99,512
Student Activity Agency Fund	General Fund	<u>90,283</u>
 Total		 <u>\$ 2,150,672</u>

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

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

**Interfund Transfers**

<u>Transfer Out</u>	<u>Transfer In</u>
	<u>Capital Projects</u>
General Fund	<u>\$ 2,364,834</u>

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

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases**

**Sales/Leaseback**

The District has entered into a contract for the sale/leaseback of textbooks totaling \$2,535,000. The contract is for a term of 5 years. The sale/leaseback contract is being issued to finance the acquisition and improvement of real property for school purposes. Lease payments for the fiscal year ended June 30, 2015 were \$500,896. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2016	\$ 528,447
2017	545,535
2018	547,277
2019	<u>135,520</u>
Total Minimum Lease Payments	1,756,779
Less: Amount Representing Interest	<u>(46,779)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,710,000</u>

**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

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, 2015:

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

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases (Continued)**

**Lease Purchase Agreements (Continued)**

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>	
2016	\$ 990,000	\$ 420,037	\$ 1,410,037
2017	1,030,000	387,360	1,417,360
2018	1,075,000	351,241	1,426,241
2019	1,520,000	303,156	1,823,156
2020	1,615,000	241,900	
2021-2025	<u>5,195,000</u>	<u>321,600</u>	<u>5,516,600</u>
	<u>\$ 11,425,000</u>	<u>\$ 2,025,294</u>	<u>\$ 11,593,394</u>

**G. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. 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, 2015 are comprised of the following issues:

\$3,125,000, 2009 Refunding Bonds, due in annual installments of \$350,000 to \$365,000 through March, 2018, interest at 4.0%	\$1,070,000
\$3,225,000, Pension Obligation Refunding Bonds, due in annual installments of \$220,000 to \$300,000 through April, 2026, interest at 1.777% to 5.054%	<u>2,800,000</u>
Total	<u>\$3,870,000</u>

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (Continued)**

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>	
2016	\$ 570,000	\$ 153,017	\$ 723,017
2017	580,000	135,107	715,107
2018	595,000	115,325	710,325
2019	235,000	93,984	328,984
2020	240,000	86,184	326,184
2021-2025	1,375,000	272,757	1,647,757
2026-2028	<u>275,000</u>	<u>13,899</u>	<u>288,899</u>
	<u>\$ 3,870,000</u>	<u>\$ 870,273</u>	<u>\$ 4,740,273</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 185,914,690
Less: Net Debt	<u>1,070,000</u>
Remaining Borrowing Power	<u>\$ 184,844,690</u>

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Balance <u>July 1, 2014</u> (Restated)	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2015</u>	Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Obligations Under Lease- Purchase Agreement	\$ 12,375,000		\$ 950,000	\$ 11,425,000	\$ 990,000
Less:					
Unamortized Discount	<u>(83,318)</u>	<u>-</u>	<u>(12,978)</u>	<u>(70,340)</u>	<u>-</u>
	<u>12,291,682</u>	<u>-</u>	<u>937,022</u>	<u>11,354,660</u>	<u>990,000</u>
 Bonds Payable	 4,435,000		 565,000	 3,870,000	 570,000
Add:					
Unamortized Premium	<u>4,109</u>	<u>-</u>	<u>2,325</u>	<u>1,784</u>	<u>-</u>
	<u>4,439,109</u>	<u>-</u>	<u>567,325</u>	<u>3,871,784</u>	<u>570,000</u>
 Obligations Under Sales/Leaseback	 2,180,000		 470,000	 1,710,000	 505,000
Compensated Absences Payable	6,458,700	\$ 1,502,228	657,990	7,302,938	770,000
Net Pension Liability	<u>26,881,871</u>	<u>276,091</u>	<u>327,409</u>	<u>26,830,553</u>	<u>1,245,417</u>
	<u>\$ 52,251,362</u>	<u>\$ 1,778,319</u>	<u>\$ 2,959,746</u>	<u>\$ 51,069,935</u>	<u>\$ 4,080,417</u>

For the governmental activities, the liabilities for compensated absences and obligations under lease purchase are generally liquidated by the general fund. In addition, the District's required contribution of the net pension liability is liquidated by the general fund.

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 Group (the "Fund") administered by the 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 management, 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 funds 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</u> <u>June 30,</u>	<u>Board</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2015		\$ 100,744	\$ 59,803	\$ 1,103,631
2014	\$ 254,700	97,709	164,303	1,061,877
2013		94,640	53,241	873,062

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities**

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.

**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, 2015, 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.

**C. 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, 2015, the District has not estimated its arbitrage earnings due to the IRS, if any.

**D. 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. PERS is a cost sharing multi-employer defined benefit pension plan.

**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. TPAF is a cost sharing plan with special funding situations.

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. 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 but are currently suspended as a result of reform legislation.

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](http://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. 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 or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**Funding Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Funding Status and Funding Progress (Continued)**

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 funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2013 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 (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 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 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 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. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

During the fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP 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 June 30,	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2015	\$ 1,181,383	\$ 2,914,871	\$ 5,722
2014	1,051,611	2,281,041	3,257
2013	1,042,411	3,403,239	1,134

For fiscal years 2014/2015 and 2012/2013, the state contributed \$2,914,871 and \$3,403,239, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$2,281,041 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$3,862,079 during the fiscal year ended June 30, 2015 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS)**

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$26,830,553 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the District’s proportionate share was .14330 percent, which was an increase of .00264 percent from its proportionate share measured as of June 30, 2013.

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,457,474 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience		
Changes of Assumptions	\$ 843,697	
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments		\$ 1,598,955
Changes in Proportion and Differences Between		
District Contributions and Proportionate Share		
of Contributions	<u>427,849</u>	<u>-</u>
Total	<u>\$ 1,271,546</u>	<u>\$ 1,598,955</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Amount</u>
2016	\$ (165,999)
2017	(165,999)
2018	(165,999)
2019	(165,999)
2020	233,740
Thereafter	<u>102,847</u>
	<u>\$ (327,409)</u>

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

*Actuarial Assumptions*

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	Based on Age 7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%



**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF)**

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$15,507,081 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$288,185,424. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 -
Study Upon Which Actuarial	June 30, 2012
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

*Discount Rate*

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.68%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit

Payments for which the Following  
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

\* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

*Sensitivity of Net Pension Liability*

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.68%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	<b>1% Decrease (3.68%)</b>	<b>Current Discount Rate (4.68%)</b>	<b>1% Increase (5.68%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 346,612,137</u>	<u>\$ 288,185,424</u>	<u>\$ 239,591,598</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2014. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2014 was not provided by the pension system.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

***Pension Plan Fiduciary Net Position***

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**E. 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 classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

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, 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-Local 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 590 state and local participating employers and contributing entities for Fiscal Year 2014.

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 paid 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 paid 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 state 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](http://www.state.nj.us/treasury/pensions).

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**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.

**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, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes 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 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 or 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, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Funded Status and Funding Progress (Continued)**

**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, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion 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 employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

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 fiscal years ended June 30, 2015, 2014 and 2013 were \$4,627,360, \$3,740,050 and \$3,848,203, 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.

**F. Subsequent Events**

On October 21, 2015, the Board approved the issuance of not to exceed \$8,500,000 additional Certificates of Participation in order to currently refund all or a portion of the outstanding 2005 Certificates, issued in the original principal amount of \$10,285,000. As of the date of this report, the refunding has not occurred.

**NOTE 5 RESTATEMENT**

On July 1, 2014, the North Bergen Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The North Bergen Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$26,881,871. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from \$46,630,334 as originally reported to \$19,748,463 as adjusted for the effects of the change in accounting principle.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**NORTH BERGEN BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
<b>Local Sources</b>					
Property Tax Levy	\$ 43,507,740		\$ 43,507,740	\$ 43,507,740	
Tuition - Other LEA's	4,187,619		4,187,619	4,251,230	\$ 63,611
Tuition - Summer School	60,000		60,000	42,400	(17,600)
Interest on Capital Reserve	3,000		3,000		(3,000)
Miscellaneous	425,000	-	425,000	782,988	357,988
<b>Total Local Sources</b>	<u>48,183,359</u>	<u>-</u>	<u>48,183,359</u>	<u>48,584,358</u>	<u>400,999</u>
<b>State Sources</b>					
Special Education Aid	4,568,078		4,568,078	4,568,078	-
Equalization Aid	50,413,223		50,413,223	50,413,223	-
Under Adequacy Aid	500,000		500,000	500,000	-
Security Aid	835,101		835,101	835,101	-
Transportation Aid	138,421		138,421	138,421	-
PARCC Readiness Aid	74,130		74,130	74,130	-
Per Pupil Growth Aid	74,130		74,130	74,130	-
Extraordinary Aid	400,000		400,000	298,938	(101,062)
Non-Public Transportation Aid				9,918	9,918
TPAF On Behalf					
NCGI Premium				196,637	196,637
Pension Contribution				2,718,234	2,718,234
Post Retirement				4,627,360	4,627,360
Social Security Contribution	-	-	-	3,862,079	3,862,079
<b>Total State Source</b>	<u>57,003,083</u>	<u>-</u>	<u>57,003,083</u>	<u>68,316,249</u>	<u>11,313,166</u>
<b>Federal Sources</b>					
Medicaid SEMI/ARRA				91,673	91,673
Medicaid Reimbursement Program	176,803	-	176,803	239,415	62,612
<b>Total Federal Sources</b>	<u>176,803</u>	<u>-</u>	<u>176,803</u>	<u>331,088</u>	<u>154,285</u>
<b>Total Revenues</b>	<u>105,363,245</u>	<u>-</u>	<u>105,363,245</u>	<u>117,231,695</u>	<u>11,868,450</u>
<b>CURRENT EXPENDITURES</b>					
<b>Regular Programs - Instruction</b>					
<b>Salaries of Teachers</b>					
Preschool/Kindergarten	1,750,591	\$ 15,050	1,765,641	1,741,095	24,546
Grades 1-5	10,141,400	160,950	10,302,350	10,297,461	4,889
Grades 6-8	6,108,461	(256,500)	5,851,961	5,782,908	69,053
Grades 9-12	12,197,103	(836,520)	11,360,583	11,075,935	284,648
<b>Regular Programs - Home Instruction</b>					
Salaries of Teachers	169,929	52,300	222,229	222,228	1
Purchased Professional Educational Services	48,500	(9,315)	39,185	24,179	15,006
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	715,353	112,000	827,353	817,203	10,150
Purchased Professional Educational Services	167,500	10,824	178,324	177,704	620
Other Purchased Services	745,000	(40,910)	704,090	689,083	15,007
General Supplies	995,875	76,645	1,072,520	1,046,160	26,360
Textbooks	274,625	17,116	291,741	275,624	16,117
<b>Total Regular Programs</b>	<u>33,314,337</u>	<u>(698,360)</u>	<u>32,615,977</u>	<u>32,149,580</u>	<u>466,397</u>

**NORTH BERGEN BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education					
Cognitive - Moderate					
Salaries of Teachers	\$ 256,029	\$ 66,300	\$ 322,329	\$ 321,427	\$ 902
Other Salaries for Instruction	-	13,000	13,000	10,604	2,396
Total Cognitive - Moderate	<u>256,029</u>	<u>79,300</u>	<u>335,329</u>	<u>332,031</u>	<u>3,298</u>
Learning and Learning Disabilities					
Salaries of Teachers	1,982,482	739,600	2,722,082	2,721,909	173
Other Salaries for Instruction	1,421,767	(53,800)	1,367,967	1,363,637	4,330
Purchased Professional-Educational Services	16,000	-	16,000	6,398	9,602
General Supplies	8,000	427	8,427	1,504	6,923
Textbooks	10,000	(4,050)	5,950	-	5,950
Total Learning and Learning Disabilities	<u>3,438,249</u>	<u>682,177</u>	<u>4,120,426</u>	<u>4,093,448</u>	<u>26,978</u>
Resource Room / Resource Center					
Salaries of Teachers	3,526,955	413,250	3,940,205	3,940,137	68
Total Resource Room / Resource Center	<u>3,526,955</u>	<u>413,250</u>	<u>3,940,205</u>	<u>3,940,137</u>	<u>68</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	233,613	82,900	316,513	316,480	33
Other Salaries for Instruction	276,844	55,700	332,544	330,605	1,939
General Supplies	13,000	(10,000)	3,000	-	3,000
Total Preschool Disabilities - Part-Time	<u>523,457</u>	<u>128,600</u>	<u>652,057</u>	<u>647,085</u>	<u>4,972</u>
Home Instruction					
Salaries of Teachers	190,124	118,020	308,144	308,139	5
Purchased Professional Educational Services	34,100	40,000	74,100	56,492	17,608
Total Home Instruction	<u>224,224</u>	<u>158,020</u>	<u>382,244</u>	<u>364,631</u>	<u>17,613</u>
Total Special Education	<u>7,968,914</u>	<u>1,461,347</u>	<u>9,430,261</u>	<u>9,377,332</u>	<u>52,929</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,780,204	(144,600)	1,635,604	929,565	706,039
Other Salaries for Instruction	30,370	-	30,370	29,234	1,136
Purchased Professional Educational Services	20,000	-	20,000	-	20,000
Other Purchased Services	26,000	2,000	28,000	2,200	25,800
General Supplies	51,000	-	51,000	24,351	26,649
Other Objects	2,000	-	2,000	-	2,000
Total Basic Skills/Remedial - Instruction	<u>1,909,574</u>	<u>(142,600)</u>	<u>1,766,974</u>	<u>985,350</u>	<u>781,624</u>
Bilingual Education					
Salaries of Teachers	3,293,462	(77,730)	3,215,732	3,201,371	14,361
Other Salaries for Instruction	109,705	(9,970)	99,735	96,210	3,525
Other Purchased Services	3,000	3,570	6,570	6,482	88
General Supplies	19,800	10,071	29,871	29,811	60
Textbooks	11,300	(6,941)	4,359	4,358	1
Total Bilingual Education	<u>3,437,267</u>	<u>(81,000)</u>	<u>3,356,267</u>	<u>3,338,232</u>	<u>18,035</u>

**NORTH BERGEN BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
School Sponsored Co-Curricular Activities					
Salaries	\$ 293,940	\$ (120)	\$ 293,820	\$ 272,354	\$ 21,466
Purchased Services	97,100	(1,080)	96,020	95,440	580
Supplies and Materials	1,000	2,175	3,175	3,158	17
Other Objects	1,000	(975)	25	-	25
Total School Sponsored Co-Curricular Activities	<u>393,040</u>	<u>-</u>	<u>393,040</u>	<u>370,952</u>	<u>22,088</u>
School Sponsored Athletics - Instruction					
Salaries	666,595	(22,200)	644,395	630,745	13,650
Purchased Services	494,200	13,726	507,926	474,560	33,366
Supplies and Materials	157,200	9,533	166,733	165,833	900
Other Objects	-	-	-	-	-
Total School Sponsored Athletics - Instruction	<u>1,317,995</u>	<u>1,059</u>	<u>1,319,054</u>	<u>1,271,138</u>	<u>47,916</u>
Total - Instruction	<u>48,341,127</u>	<u>540,446</u>	<u>48,881,573</u>	<u>47,492,584</u>	<u>1,388,989</u>
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Regular	13,680	129,341	143,021	13,130	129,891
Tuition - Other LEA's Within State - Special	533,664	(244,290)	289,374	198,900	90,474
Tuition to County Vocational School/Dist.-Reg.		21,347	21,347	21,347	-
Tuition to CSSD & Reg. Day Schools	2,483,068	(390,457)	2,092,611	1,809,729	282,882
Tuition to Private Schools Disabled W/ State	587,963	87,978	675,941	548,471	127,470
Tuition - State Facilities	68,575	-	68,575	64,612	3,963
Tuition - Other	133,479	34,327	167,806	141,460	26,346
Total Undistributed Expenditures - Instruction	<u>3,820,429</u>	<u>(361,754)</u>	<u>3,458,675</u>	<u>2,797,649</u>	<u>661,026</u>
Attendance and Social Work Services					
Salaries	782,756	(110,000)	672,756	657,720	15,036
Other Purchased Services	1,700	-	1,700	697	1,003
Supplies and Materials	400	-	400	-	400
Total Attendance and Social Work Services	<u>784,856</u>	<u>(110,000)</u>	<u>674,856</u>	<u>658,417</u>	<u>16,439</u>
Health Services					
Salaries	1,026,668	(13,600)	1,013,068	930,833	82,235
Purchased Professional Technical Services	17,600	(443)	17,157	11,381	5,776
Other Purchased Services	7,300	(850)	6,450	4,320	2,130
Supplies and Materials	30,000	3,100	33,100	32,415	685
Total Health Services	<u>1,081,568</u>	<u>(11,793)</u>	<u>1,069,775</u>	<u>978,949</u>	<u>90,826</u>
Other Support Services-Speech, OT, PT and Related					
Salaries	115,126	-	115,126	104,932	10,194
Purchased Professional Educational Services	458,400	(9,350)	449,050	439,129	9,921
Supplies and Materials	6,000	-	6,000	170	5,830
Total Other Support Services	<u>579,526</u>	<u>(9,350)</u>	<u>570,176</u>	<u>544,231</u>	<u>25,945</u>

**NORTH BERGEN BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Other Support Services - Students - Extra Serv.					
Salaries	\$ 754,090	\$ (12,200)	\$ 741,890	\$ 535,670	\$ 206,220
Purchased Professional/Educational Services	300,000	9,348	309,348	253,856	55,492
Total Other Support Services - Students - Extra Serv. -	1,054,090	(2,852)	1,051,238	789,526	261,712
Guidance					
Salaries of Other Professional Staff	1,396,409	(2,700)	1,393,709	1,373,662	20,047
Salaries of Secretarial and Clerical Assistants	154,899	3,000	157,899	156,572	1,327
Purchased Professional-Educational Services		-			
Other Purchased Prof. and Tech. Services	25,000	-	25,000	18,934	6,066
Other Purchased Services	25,000	-	25,000	16,362	8,638
Supplies and Materials	15,000	-	15,000	5,589	9,411
Total Guidance	1,616,308	300	1,616,608	1,571,119	45,489
Other Support Services - Child Study Team					
Salaries of Other Professional Staff	2,080,901	117,090	2,197,991	2,194,094	3,897
Salaries of Secretarial and Clerical Assistants	294,766	(19,000)	275,766	273,715	2,051
Other Purchased Professional/Technical Services	108,800	33,160	141,960	140,550	1,410
Residential Costs	10,525	(10,200)	325	325	-
Misc. Purchased Services	18,000	24,250	42,250	41,722	528
Supplies and Materials	9,500	-	9,500	8,707	793
Total Other Support Services - Child Study Team	2,522,492	145,300	2,667,792	2,658,788	9,004
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	226,372	29,650	256,022	176,115	79,907
Salaries of Other Professional Staff	878,164	(29,650)	848,514	783,230	65,284
Purchased Prof. Educational Services	600	438	1,038	438	600
Other Purchased Professional/Technical Services	900	-	900	900	-
Other Purchased Services	2,000	-	2,000	2,000	-
Supplies and Materials	1,000	-	1,000	-	1,000
Total Improvement of Instruction Services	1,109,036	438	1,109,474	959,783	149,691
Educational Media Services/School Library					
Salaries	228,205	15,285	243,490	236,105	7,385
Other Purchased Services	8,400	-	8,400	87	8,313
Supplies and Materials	44,200	(1,824)	42,376	41,829	547
Total Educational Media Services/School Library	280,805	13,461	294,266	278,021	16,245
Instructional Staff Training Services					
Salaries of Other Professional Staff	581,063	(16,285)	564,778	546,012	18,766
Salaries of Secretarial and Clerical Assist.	3,306	3,000	6,306	5,000	1,306
Purchased Professional-Educational Serv.	75,400	16,300	91,700	85,778	5,922
Other Purchased Professional and Tech Svcs	4,000	-	4,000	4,000	-
Other Purchased Services	14,000	-	14,000	14,000	-
Supplies and Materials	11,000	-	11,000	-	11,000
Other Objects	3,800	-	3,800	-	3,800
Total Instructional Staff Training Services	692,569	3,015	695,584	636,790	58,794

**NORTH BERGEN BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Support Services General Administration					
Salaries	\$ 1,007,898	-	\$ 1,007,898	\$ 777,671	\$ 230,227
Legal Services	630,100	\$ 59,933	690,033	522,823	167,210
Audit Fees	100,000	-	100,000	97,669	2,331
Expenditure and Internal Control Audit Fees	5,000	-	5,000		5,000
Architectural/Engineering Services	200,000	29,714	229,714	53,645	176,069
Other Purchased Professional Services	211,000	7,350	218,350	133,341	85,009
Communications/Telephone	266,000	2,679	268,679	143,545	125,134
BOE Other Purchased Services	12,000	-	12,000	5,036	6,964
Other Purchased Services	97,400	3,196	100,596	54,997	45,599
Supplies and Materials	56,000	2,689	58,689	57,732	957
BOE In-House Training/Meeting Supplies	1,500	-	1,500		1,500
Judgments Against The School District	30,300	-	30,300	30,113	187
Miscellaneous Expenditures	7,600	700	8,300	8,226	74
BOE Membership Dues and Fees	60,000	(700)	59,300	35,941	23,359
<b>Total Support Services General Administration</b>	<b>2,684,798</b>	<b>105,561</b>	<b>2,790,359</b>	<b>1,920,739</b>	<b>869,620</b>
Support Services School Administration					
Salaries of Principals/Asst. Principals	2,905,520	290,213	3,195,733	3,022,388	173,345
Salaries of Other Professional Staff	1,278,771	22,787	1,301,558	1,291,988	9,570
Salaries of Secretarial and Clerical Assistants	1,580,168	3,037	1,583,205	1,493,389	89,816
Purchased Prof. and Tech. Services	33,500	9,100	42,600	42,506	94
Other Purchased Services	163,200	(27,293)	135,907	105,253	30,654
Supplies and Materials	59,700	24,240	83,940	76,744	7,196
Other Objects	1,000	-	1,000	-	1,000
<b>Total Support Services School Administration</b>	<b>6,021,859</b>	<b>322,084</b>	<b>6,343,943</b>	<b>6,032,268</b>	<b>311,675</b>
Central Services					
Salaries	1,392,381	(1,000)	1,391,381	1,195,965	195,416
Purchased Professional Services	56,200	2,340	58,540	43,392	15,148
Purchased Technical Services	51,000	(20,000)	31,000	5,152	25,848
Misc. Purchased Services	43,150	2,414	45,564	35,782	9,782
Supplies and Materials	27,800	-	27,800	27,488	312
Interest on Current Loans	25,000	-	25,000	7,684	17,316
Other Objects	2,050	-	2,050	1,980	70
<b>Total Central Services</b>	<b>1,597,581</b>	<b>(16,246)</b>	<b>1,581,335</b>	<b>1,317,443</b>	<b>263,892</b>
Admin. Info. Technology					
Salaries	709,155	67,000	776,155	775,446	709
Purchased Professional Services	90,000	23,217	113,217	106,935	6,282
Purchased Technical Services	78,000	27,555	105,555	76,452	29,103
Other Purchased Services	5,500	600	6,100	1,345	4,755
Supplies and Materials	3,000	882	3,882	2,614	1,268
<b>Total Admin. Info. Technology</b>	<b>885,655</b>	<b>119,254</b>	<b>1,004,909</b>	<b>962,792</b>	<b>42,117</b>
Required Maintenance for School Facilities					
Salaries	1,306,176	(6,144)	1,300,032	1,191,112	108,920
Cleaning, Repair and Maintenance Services	872,000	8,409	880,409	713,442	166,967
General Supplies	186,400	28,057	214,457	208,596	5,861
<b>Total Required Maintenance for School Facilities</b>	<b>2,364,576</b>	<b>30,322</b>	<b>2,394,898</b>	<b>2,113,150</b>	<b>281,748</b>

**NORTH BERGEN BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 3,991,497	\$ (82,900)	\$ 3,908,597	\$ 3,786,556	\$ 122,041
Purchased Professional and Technical Services	190,100	821	190,921	128,295	62,626
Cleaning, Repair and Maintenance	173,292	52,083	225,375	220,996	4,379
Rental Land and Buildings	328,100	65,086	393,186	393,186	-
Other Purchased Property Services	104,640	(899)	103,741	99,707	4,034
Insurance	634,246	19,232	653,478	647,476	6,002
Miscellaneous Purchased Services	50,970	(11,000)	39,970	25,270	14,700
General Supplies	219,000	55,992	274,992	269,206	5,786
Energy (Natural Gas)	484,900	(30,232)	454,668	407,829	46,839
Energy (Electricity)	680,000	(100,064)	579,936	555,980	23,956
Energy (Gasoline)	27,000	106	27,106	21,503	5,603
Other Objects	7,000	1,995	8,995	1,125	7,870
Total Other Operational and Maintenance of Plant	<u>6,890,745</u>	<u>(29,780)</u>	<u>6,860,965</u>	<u>6,557,129</u>	<u>303,836</u>
Care and Upkeep of Grounds					
Salaries	119,725	(34,650)	85,075	20,315	64,760
Purchased Professional and Technical Services	45,000	14,623	59,623	59,493	130
Cleaning, Repair and Maintenance	6,206	176	6,382	1,365	5,017
General Supplies	1,500	298	1,798	549	1,249
Total Care and Upkeep of Grounds	<u>172,431</u>	<u>(19,553)</u>	<u>152,878</u>	<u>81,722</u>	<u>71,156</u>
Security					
Salaries	1,048,288	57,100	1,105,388	1,080,866	24,522
Purchased Professional and Technical Services	9,750	857	10,607	3,447	7,160
Cleaning, Repair and Maintenance	2,100	196	2,296	2,215	81
General Supplies	41,050	(10,600)	30,450	28,915	1,535
Total Security	<u>1,101,188</u>	<u>47,553</u>	<u>1,148,741</u>	<u>1,115,443</u>	<u>33,298</u>
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	100,924	-	100,924	46,165	54,759
Salaries for Pupil Transportation					
(Between Home and School) - Special	67,920	-	67,920	65,017	2,903
Other Purchased Prof. and Tech. Serv.	13,000	-	13,000	-	13,000
Cleaning, Repair and Maintenance	23,700	-	23,700	4,093	19,607
Contracted Services (Between Home and School) - Vendors	1,156,682	21,500	1,178,182	1,101,854	76,328
Contracted Services (Between Home and School) - Joint Agreements	93,481	-	93,481	85,540	7,941
Contracted Services (Other Than Between Home and School) - Vendors	158,712	1,389	160,101	140,424	19,677
Contracted Services (Spec Ed)-Vendors	973,488	10,500	983,988	944,253	39,735
Contracted Services (Spec Ed)-Joint Agreements	1,234,098	(21,500)	1,212,598	1,203,983	8,615
Misc. Purchased Services - Transportation	1,020	-	1,020	635	385
General Supplies	8,000	-	8,000	-	8,000
Transportation Supplies	9,500	742	10,242	5,846	4,396
Aid in Lieu of Payments - Nonpublic School	461,918	-	461,918	366,553	95,365
Aid in Lieu of Payments - Charter Schools	21,205	-	21,205	12,376	8,829
Total Student Transportation Services	<u>4,323,648</u>	<u>12,631</u>	<u>4,336,279</u>	<u>3,976,739</u>	<u>359,540</u>

**NORTH BERGEN BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Unallocated Benefits					
Group Insurance	\$ 3,100	\$ 73,900	\$ 77,000	\$ 1,553	\$ 75,447
Social Security Contributions	1,219,227	144,200	1,363,427	1,362,705	722
Other Retirement Contributions-PERS		917,142	917,142	1,181,383	(264,241)
Other Retirement Contributions-ERIP	53,000	-	53,000	43,546	9,454
Other Retirement Contributions - Deferred PERS		-			-
Other Retirement Contributions - Regular	328,558	(127,100)	201,458	5,722	195,736
Unemployment Compensation	254,700	(254,700)			-
Workmen's Compensation	513,391	-	513,391	499,097	14,294
Health Benefits	16,070,099	(146,000)	15,924,099	14,224,240	1,699,859
Other Employee Benefits	776,600	1,000	777,600	657,990	119,610
<b>Total Unallocated Benefits</b>	<u>20,246,117</u>	<u>(419,000)</u>	<u>19,827,117</u>	<u>17,976,236</u>	<u>1,850,881</u>
TPAF On Behalf (Non-Budget)					
NCGI Premium				196,637	(196,637)
Pension Contribution				2,718,234	(2,718,234)
Post Retirement				4,627,360	(4,627,360)
Social Security Contribution	-	-	-	3,862,079	(3,862,079)
<b>Total TPAF On-Behalf Contributions</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,404,310</u>	<u>(11,404,310)</u>
<b>Total Undistributed Expenditures</b>	<u>59,830,277</u>	<u>(180,409)</u>	<u>59,649,868</u>	<u>65,331,244</u>	<u>(5,681,376)</u>
<b>Total Current Expenditures</b>	<u>108,171,404</u>	<u>360,037</u>	<u>108,531,441</u>	<u>112,823,828</u>	<u>(4,292,387)</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Grades 1-5	15,000	(5,000)	10,000	10,000	-
Grades 6-8		10,000	10,000	10,000	-
Grades 9-12	20,000	(5,001)	14,999	10,935	4,064
Undistributed Expenditures					
General Administration	15,000	(4,320)	10,680		10,680
School Administration		4,320	4,320	4,316	4
Central Services	10,000	-	10,000	2,500	7,500
Admin. Info. Tech.	10,000	-	10,000		10,000
Required Maintenance	45,185	-	45,185	41,401	3,784
Care and Upkeep	8,500	-	8,500		8,500
Security	15,000	-	15,000		15,000
School Buses	12,600	-	12,600	-	12,600
<b>Total Equipment</b>	<u>151,285</u>	<u>(1)</u>	<u>151,284</u>	<u>79,152</u>	<u>72,132</u>
Facilities Acquisition and Construction Services					
Legal Services	5,000	-	5,000		5,000
Architectural/Engineering	37,000	-	37,000		37,000
Construction Services	1,400,000	(1,173,314)	226,686	26,686	200,000
Land and Improvements	600,000	1,200,000	1,800,000	1,800,000	-
Assessment for Debt Service on SDA Funding	92,715	1	92,716	92,716	-
<b>Total Facilities Acquis. and Const. Services</b>	<u>2,134,715</u>	<u>26,687</u>	<u>2,161,402</u>	<u>1,919,402</u>	<u>242,000</u>
<b>Total Capital Outlay</b>	<u>2,286,000</u>	<u>26,686</u>	<u>2,312,686</u>	<u>1,998,554</u>	<u>314,132</u>

NORTH BERGEN BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>SPECIAL SCHOOLS</b>					
Summer School - Instruction					
Salaries of Teachers	\$ 401,530	\$ (35,300)	\$ 366,230	\$ 353,222	\$ 13,008
Other Salaries for Instruction	100,700	(23,000)	77,700	55,795	21,905
Total Summer School - Instruction	502,230	(58,300)	443,930	409,017	34,913
Summer School - Support Services					
Salaries of Teachers	16,735	7,400	24,135	24,043	92
Total Summer School - Support Services	16,735	7,400	24,135	24,043	92
Total Special Schools	518,965	(50,900)	468,065	433,060	35,005
Transfer of Funds To Charter Schools	192,863	15,399	208,262	208,262	-
Total Expenditures	111,169,232	351,222	111,520,454	115,463,704	(3,943,250)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,805,987)	(351,222)	(6,157,209)	1,767,991	7,925,200
Other Financing Sources (Uses)					
Transfer Out	(2,500,000)	(368,000)	(2,868,000)	(2,364,834)	503,166
Total Other Financing Sources (Uses)	(2,500,000)	(368,000)	(2,868,000)	(2,364,834)	503,166
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(8,305,987)	(719,222)	(9,025,209)	(596,843)	8,428,366
Fund Balances, Beginning of Year	20,704,589	-	20,704,589	20,704,589	-
Fund Balances, End of Year	\$ 12,398,602	\$ (719,222)	\$ 11,679,380	\$ 20,107,746	\$ 8,428,366
<b>Recapitulation of Fund Balance</b>					
Nonspendable					
Prepays				\$ 746,280	
Restricted					
Capital Reserve				7,092,006	
Capital Reserve Designated for Subsequent Year's Budget				1,475,000	
Maintenance Reserve				700,000	
Maintenance Reserve Designated for Subsequent Year's Budget				300,000	
Emergency Reserve				1,000,000	
Excess Surplus				2,168,392	
Legally Restricted - Sale/Leaseback Reserve				734,103	
Committed					
Encumbrances				57,114	
Assigned					
Designated for Subsequent Year's Budget				3,370,202	
ARRA/SFMI Designated for Subsequent Year's Expenditures				91,673	
Encumbrances				234,573	
Unassigned				2,138,403	
<b>Fund Balance (Budgetary Basis)</b>				20,107,746	
Less State Aid Revenue Not Recognized on GAAP Basis				(5,798,100)	
<b>Fund Balance (GAAP Basis)</b>				\$ 14,309,646	

**NORTH BERGEN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 4,967,576	\$ 63,982	\$ 5,031,558	\$ 2,745,977	\$ (2,285,581)
Federal	4,119,734	1,536,167	5,655,901	5,266,933	(388,968)
Local Sources					
Miscellaneous	50,000	33,474	83,474	38,720	(44,754)
Total Revenues	<u>9,137,310</u>	<u>1,633,623</u>	<u>10,770,933</u>	<u>8,051,630</u>	<u>(2,719,303)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	2,959,545	229,441	3,188,986	2,872,839	316,147
Other Salaries for Instruction	231,175	-	231,175	211,045	20,130
Purchased Prof. and Tech. Svcs.	75,175	16,586	91,761	88,761	3,000
Other Purchased Services	1,332,920	674,591	2,007,511	1,825,791	181,720
General Supplies	172,905	243,921	416,826	386,471	30,355
Total Instruction	<u>4,771,720</u>	<u>1,164,539</u>	<u>5,936,259</u>	<u>5,384,907</u>	<u>551,352</u>
Support Services					
Salaries of Supervisors	117,300	6,000	123,300	122,167	1,133
Salaries of Program Directors	152,563	16,488	169,051	165,317	3,734
Salaries of Other Professional Staff	392,918	(725)	392,193	111,859	280,334
Salaries of Secretaries and Clerical Assistants	89,892	1,679	91,571	78,587	12,984
Other Salaries	215,192	5,315	220,507	201,036	19,471
Salaries of Master Teachers	72,236	7,000	79,236	78,161	1,075
Personal Services-Employee Benefits	1,360,141	213,687	1,573,828	1,188,339	385,489
Purchased Professional/Educational Serv.	98,793	61,320	160,113	74,573	85,540
Purchased Professional and Educational Services - Contracted Pre-K	10,000	-	10,000	3,645	6,355
Other Purchased Professional Educational Services	66,100	-	66,100	34,550	31,550
Other Purchased Professional Services	250,000	(81,000)	169,000	4,229	164,771
Cleaning, Repair and Maintenance Services	86,425	(3,000)	83,425	69,369	14,056
Rentals	310,000	-	310,000	290,355	19,645
Other Purchased Services	12,100	7,417	19,517	14,796	4,721
Contracted Services - Transportation (Between Home and School)	60,753	(2,000)	58,753	-	58,753
Contracted Services - Transportation (Field Trips)	6,000	-	6,000	510	5,490
Travel	2,500	9,807	12,307	-	12,307
Miscellaneous Purchased Services	8,879	14,000	22,879	16,259	6,620
Supplies and Materials	75,598	220,185	295,783	207,818	87,965
Miscellaneous Expenditures	-	-	-	-	-
Total Support Services	<u>3,387,390</u>	<u>476,173</u>	<u>3,863,563</u>	<u>2,661,570</u>	<u>1,201,993</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	25,200	(7,089)	18,111	5,153	12,958
Non-Instructional Equipment	953,000	-	953,000	-	953,000
Total Facilities Acquisition and Construction Services	<u>978,200</u>	<u>(7,089)</u>	<u>971,111</u>	<u>5,153</u>	<u>965,958</u>
Total Expenditures	<u>9,137,310</u>	<u>1,633,623</u>	<u>10,770,933</u>	<u>8,051,630</u>	<u>2,719,303</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**NORTH BERGEN BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources</b>		
Actual revenue amounts (budgetary basis) (Exhibits C-1,C-2)	\$ 117,231,695	\$ 8,051,630
Difference - budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2014-2015)	(5,798,100)	
State Aid payment recognized for GAAP statements, not recognized for budgetary purposes (2013-2014)	5,854,564	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2015		(36,966)
Encumbrances, June 30, 2014 (net of cancellations)	-	11,324
	<u>                    </u>	<u>                    </u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 117,288,159</u>	<u>\$ 8,025,988</u>
<b>Uses/Outflows of Resources</b>		
Actual expenditure amounts (budgetary basis) (Exhibits C-1, C-2)	\$ 115,463,704	\$ 8,051,630
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, 2015		(36,966)
Encumbrances, June 30, 2014 (net of cancellations)	-	11,324
	<u>                    </u>	<u>                    </u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 115,463,704</u>	<u>\$ 8,025,988</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**NORTH BERGEN BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
Last Two Fiscal Years \***

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.14330%	0.14066%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 26,830,553	\$ 26,881,871
District's Covered-Employee Payroll	\$ 10,021,208	\$ 9,888,563
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	267.74%	271.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**NORTH BERGEN BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
Last Two Fiscal Years

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,181,383	\$ 1,051,611
Contributions in Relation to the Contractually Required Contributions	<u>1,181,383</u>	<u>1,051,611</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	\$ 10,021,208	\$ 9,888,563
Contributions as a Percentage of Covered-Employee Payroll	11.79%	10.63%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**NORTH BERGEN BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

**TEACHERS' PENSION AND ANNUITY FUND  
Last Two Fiscal Years \***

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated With the District	<u>288,185,424</u>	<u>266,185,254</u>
Total	<u>\$ 288,185,424</u>	<u>\$ 266,185,254</u>
District's Covered-Employee Payroll	\$ 53,640,498	\$ 52,784,010
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0	0
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**NORTH BERGEN BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Change of Benefit Terms:**           None.

**Change of Assumptions:**           The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

**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, 2015

	Preschool Education	Juvenile Comm. Serv.	Subtotal Page 2	Subtotal Page 3	Grand Total
<b>REVENUES</b>					
Intergovernmental					
State	\$ 2,745,977				\$ 2,745,977
Federal			\$ 3,336,442	\$ 1,930,491	5,266,933
Other	-	\$ 38,720	-	-	38,720
Total Revenues	2,745,977	38,720	3,336,442	1,930,491	8,051,630
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	983,763		1,889,076		2,872,839
Other Salaries for Instruction	211,045				211,045
Purchased Prof. and Tech. Svcs.			88,761		88,761
Other Purchased Services	4,011		750	1,821,030	1,825,791
General Supplies	39,676	-	306,496	40,299	386,471
Total Instruction	1,238,495	-	2,285,083	1,861,329	5,384,907
Support Services					
Salaries of Supervisors of Instruction	122,167				122,167
Salaries of Program Directors	107,067		58,250		165,317
Salaries of Other Professional Staff	107,134		4,725		111,859
Salaries of Secretaries and Clerical Assistants	39,847		38,740		78,587
Other Salaries	186,955	14,081			201,036
Salaries of Master Teachers	78,161				78,161
Personal Services-Employee Benefits	353,025	624	834,690	-	1,188,339
Purchased Educational Services - Contracted Pre-K	3,645				3,645
Purchased Professional/Educational Serv.	-	11,436	59,619	3,518	74,573
Other Purchased Professional/Educational Serv.	4,229				4,229
Other Purchased Professional Serv.	34,550				34,550
Cleaning, Repairs and Maintenance	69,369				69,369
Rentals	290,355				290,355
Other Purchased Services		7,655	7,141		14,796
Contracted Transportation Services (Field Trips)	510				510
Miscellaneous Purchased Services	16,259	-			16,259
Supplies and Materials	92,167	4,924	48,194	62,533	207,818
Total Support Services	1,505,440	38,720	1,051,359	66,051	2,661,570
Facilities Acquisition and Construction Services					
Instructional Equipment	2,042	-	-	3,111	5,153
Total Facilities Acquisition and Construction Services	2,042	-	-	3,111	5,153
Total Expenditures	2,745,977	38,720	3,336,442	1,930,491	8,051,630
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	-	-	-	-	-
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, 2015**

N.C.L.B. Consolidated					
REVENUES	Title I	Title II A	Title III	Title III Immig	Page Total
Intergovernmental					
Federal	\$ 2,789,729	\$ 314,619	\$ 223,468	\$ 8,626	\$ 3,336,442
Total Revenues	<u>2,789,729</u>	<u>314,619</u>	<u>223,468</u>	<u>8,626</u>	<u>3,336,442</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	1,597,886	186,585	96,592	8,013	1,889,076
Purchased Prof. and Tech. Serv.	88,761				88,761
Other Purchased Services			750		750
General Supplies	189,877	-	116,619	-	306,496
Total Instruction	<u>1,876,524</u>	<u>186,585</u>	<u>213,961</u>	<u>8,013</u>	<u>2,285,083</u>
Support Services					
Salaries of Program Directors	58,250				58,250
Salaries of Other Professional Staff	4,725				4,725
Salaries of Secretaries and Clerical Assistants	36,020		2,720		38,740
Personal Services-Employee Benefits	744,920	82,370	6,787	613	834,690
Purchased Professional/Educational Serv.	13,955	45,664			59,619
Other Purchased Services	7,141				7,141
Supplies and Materials	48,194	-	-	-	48,194
Total Support Services	<u>913,205</u>	<u>128,034</u>	<u>9,507</u>	<u>613</u>	<u>1,051,359</u>
Total Expenditures	<u>2,789,729</u>	<u>314,619</u>	<u>223,468</u>	<u>8,626</u>	<u>3,336,442</u>
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTH BERGEN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	IDEA		
<b>REVENUES</b>	<u>Basic</u>	<u>Preschool</u>	<u>Page Total</u>
Intergovernmental Federal	\$ 1,887,187	\$ 43,304	\$ 1,930,491
Total Revenues	<u>1,887,187</u>	<u>43,304</u>	<u>1,930,491</u>
 <b>EXPENDITURES</b>			
Instruction			
Other Purchased Services	1,777,726	43,304	1,821,030
General Supplies	40,299	-	40,299
Total Instruction	<u>1,818,025</u>	<u>43,304</u>	<u>1,861,329</u>
Support Services			
Purchased Professional/Educational Serv. Supplies and Materials	3,518		3,518
	62,533	-	62,533
Total Support Services	<u>66,051</u>	<u>-</u>	<u>66,051</u>
Facilities Acquisition and Construction Svcs			
Instructional Equipment	3,111	-	3,111
Total Facilities Acquisition and Construction Svcs.	<u>3,111</u>	<u>-</u>	<u>3,111</u>
Total Expenditures	<u>1,887,187</u>	<u>43,304</u>	<u>1,930,491</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTH BERGEN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**District-Wide Total**

	<u><b>Budgeted</b></u>	<u><b>Actual</b></u>	<u><b>Variance</b></u>
<b>EXPENDITURES</b>			
Instruction			
Salaries of Teachers	\$ 1,244,360	\$ 983,763	\$ 260,597
Other Salaries of Instruction	231,175	211,045	20,130
Other Purchased Services	7,000	4,011	2,989
General Supplies	40,221	39,676	545
	<u>1,522,756</u>	<u>1,238,495</u>	<u>284,261</u>
Total Instruction			
Support Services			
Salaries of Supervisors	123,300	122,167	1,133
Salaries of Program Directors	110,800	107,067	3,733
Salaries of Other Professional Staff	387,193	107,134	280,059
Salaries of Secretaries and Clerical Assistants	49,788	39,847	9,941
Other Salaries	193,000	186,955	6,045
Salaries of Master Teachers	79,236	78,161	1,075
Personal Services - Employee Benefit:	693,646	353,025	340,621
Purchased Educational Services - Contracted Pre-K	10,000	3,645	6,355
Other Purchased Professional Educational Services	66,100	4,229	61,871
Other Purchased Professional Services	169,000	34,550	134,450
Cleaning, Repairs and Maintenance	83,425	69,369	14,056
Rentals	310,000	290,355	19,645
Contracted Transportation Services (Between Home and School)	58,753		58,753
Contracted Transportation Services (Field Trips)	6,000	510	5,490
Travel	2,500		2,500
Miscellaneous Purchased Services	22,879	16,259	6,620
Supplies and Materials	111,200	92,167	19,033
	<u>2,476,820</u>	<u>1,505,440</u>	<u>971,380</u>
Total Support Services			
Facilities Acquisition and Construction Services			
Instructional Equipment	15,000	2,042	12,958
Non Instructional Equipment	953,000	-	953,000
	<u>968,000</u>	<u>2,042</u>	<u>965,958</u>
Total Facilities Acquisition and Construction Services			
Total Expenditures	<u>\$ 4,967,576</u>	<u>\$ 2,745,977</u>	<u>\$ 2,221,599</u>
Total Revised 2014-2015 Preschool Education Aid Allocation		\$ 3,208,908	
Actual Preschool Education Aid Carryover (June 30, 2014)		2,160,515	
Add: Prior Year Adjustment		<u>13,862</u>	
Total Preschool Education Aid Funds Available for 2014-2015 Budget		5,383,285	
Less: 2014-2015 Budgeted Preschool Education Aid (including Prior Year Budgeted Carryover)		<u>4,967,576</u>	
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015		415,709	
Add: 2014-2015 Unexpended Preschool Education Aid		<u>2,221,599</u>	
2014-2015 Carryover - Preschool Education Aid/Preschool		<u>\$ 2,637,308</u>	
2014-2015 Preschool Education Aid Carryover Budgeted for Preschool Programs 2015-2016		<u>\$ 2,160,515</u>	

**CAPITAL PROJECTS FUND**

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Issue/Project Title</u>	<u>Expenditures to Date</u>			<u>Balance, June 30, 2015</u>
	<u>Modified Appropriations</u>	<u>Prior Years</u>	<u>Current Year</u>	
Lease Purchase 1998- Various Impvts.	\$ 9,000,000	\$ 8,313,951		\$ 686,049
Lease Purchase 1999- Various Impvts.	10,120,852	9,985,860		134,992
<b>SDA Projects:</b>				
Franklin Elementary School Rehabilitation - Window Replacement	1,184,585	1,184,401		184
Lincoln Elementary School Rehabilitation - Window Replacement	1,032,766	1,032,583		183
North Bergen High School Addition and Rehabilitation - Guidance and Health Suites	1,654,871	1,476,414	\$ 8,503	169,954
North Bergen High School Rehabilitation - Brick Façade Repair and Restoration	841,437	769,658	55,684	16,095
Horace Mann Elementary School Rehabilitation - Window Replacement and Exterior Doors	2,508,500	2,350,898	57,949	99,653
Robert Fulton Elementary School Rehabilitation - Window Replacement and Exterior Doors	2,474,430	120,886	1,764,087	589,457
McKinley Elementary School Rehabilitation - Window Replacement	1,110,046	78,357	3,680	1,028,009
McKinley Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	493,789	6,318	4,212	483,259
Robert Fulton Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	776,450	2,295	1,530	772,625
Robert Fulton Elementary School Rehabilitation - Basement Foundation and Exterior Walls	131,971		-	131,971
North Bergen High School Rehabilitation	159,540		12,444	147,096
North Bergen High School Rehabilitation Fire Alarm System Upgrades	2,330,725		969,503	1,361,222
Lincoln Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	711,351	7,875	5,250	698,226
Horace Mann Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	738,650	2,430	1,620	734,600
McKinley Elementary School Rehabilitation - Security Camera Installation	148,107		73,329	74,778
Lincoln Elementary School Rehabilitation - Security Camera Installation	221,656		140,828	80,828
John F. Kennedy Elementary School Security Camera Installation	153,322		98,794	54,528
Horace Mann Elementary School Rehabilitation - Security Camera Installation	171,904		111,337	60,567
Franklin Elementary School Rehabilitation - Security Camera Installation	151,603		92,107	59,496
Robert Fulton Elementary School Rehabilitation - Security Camera Installation	245,691		151,934	93,757
North Bergen High School Electrical Upgrades	441,700	441,700		
North Bergen High School Rehabilitation - Maintenance Room Conversion	168,120	168,120	-	-
	<u>\$ 36,972,066</u>	<u>\$ 25,941,746</u>	<u>\$ 3,552,791</u>	<u>\$ 7,477,529</u>

**Reconciliation of Project Balances to Fund Balance**

Project Balances at June 30, 2015	\$ 7,477,529
Less: Unrealized Revenue SDA Grants	(3,000,051)
Fund Balance (GAAP)	<u>\$ 4,477,478</u>

**Recapitulation of Fund Balance**

Restricted for Capital Projects	
Year-End Encumbrances	\$ 1,432,125
Available for Capital Projects	<u>3,045,353</u>

Total Fund Balance- Restricted for Capital Projects	<u>\$ 4,477,478</u>
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**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, 2015**

**REVENUES AND OTHER FINANCING SOURCES**

State Sources	
SDA Grants	\$ 29,947
Local Sources	
Transfer from Capital Outlay	<u>2,364,834</u>
 Total Revenues	 <u>2,394,781</u>

**EXPENDITURES AND OTHER FINANCING USES**

Architectural/Engineering Services	263,216
Construction Services	3,289,575
Cancellation of Grant Receivable	<u>8,973</u>
 Total Expenditures	 <u>3,561,764</u>
 Excess of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources	 (1,166,983)
 Fund Balance, Beginning of Year	 <u>8,644,512</u>
 Fund Balance, End of Year	 <u>\$ 7,477,529</u>

**Reconciliation to GAAP Fund Balance, June 30, 2015**

Fund Balance, Budgetary Basis	\$ 7,477,529
Less: School Development Authority (SDA) Unearned Revenue	<u>(3,000,051)</u>
Fund Balance, GAAP Basis	<u>\$ 4,477,478</u>

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
FRANKLIN ELEMENTARY SCHOOL REHABILITATION - WINDOW REPLACEMENT  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 687,461	\$ -	\$ 687,461	\$ 687,461
Local Sources	<u>497,124</u>	<u>-</u>	<u>497,124</u>	<u>497,124</u>
 Total Revenues	 <u>1,184,585</u>	 <u>-</u>	 <u>1,184,585</u>	 <u>1,184,585</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	168,627	-	168,627	142,150
Construction Services	<u>1,015,774</u>	<u>-</u>	<u>1,015,774</u>	<u>1,042,435</u>
 Total Expenditures and Other Financing Uses	 <u>1,184,401</u>	 <u>-</u>	 <u>1,184,401</u>	 <u>1,184,585</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 184</u>	 <u>\$ -</u>	 <u>\$ 184</u>	 <u>\$ -</u>

## Additional Project Information:

Project Number	3610-060-09-1008
Grant Date	May 1, 2009
Original Authorized Cost	1,751,403
Adjustment	(566,818)
Revised Authorized Cost	1,184,585

## Percentage Increase over Original Authorized

Cost	-32%
Percentage Completion	100%
Original Target Completion Date	February 1, 2011
Revised Target Completion Date	February 1, 2013

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
LINCOLN ELEMENTARY SCHOOL REHABILITATION - WINDOW REPLACEMENT  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 599,354	\$ -	\$ 599,354	\$ 599,354
Local Sources	<u>433,412</u>	<u>-</u>	<u>433,412</u>	<u>433,412</u>
 Total Revenues	 <u>1,032,766</u>	 <u>-</u>	 <u>1,032,766</u>	 <u>1,032,766</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	160,630	-	160,630	123,932
Construction Services	<u>871,953</u>	<u>-</u>	<u>871,953</u>	<u>908,834</u>
 Total Expenditures and Other Financing Uses	 <u>1,032,583</u>	 <u>-</u>	 <u>1,032,583</u>	 <u>1,032,766</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 183</u>	 <u>\$ -</u>	 <u>\$ 183</u>	 <u>\$ -</u>

## Additional Project Information:

Project Number	3610-090-09-1009
Grant Date	May 1, 2009
Original Authorized Cost	1,533,656
Adjustment	(500,890)
Revised Authorized Cost	1,032,766

## Percentage Increase over Original Authorized

Cost	-33%
Percentage Completion	100%
Original Target Completion Date	February 1, 2011
Revised Target Completion Date	February 1, 2013

**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  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 827,591		\$ 827,591	\$ 827,591
Local Sources	818,966	\$ 8,314	827,280	827,280
	<u>1,646,557</u>	<u>8,314</u>	<u>1,654,871</u>	<u>1,654,871</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	239,510	8,503	248,013	198,585
Construction Services	1,236,904	-	1,236,904	1,456,286
	<u>1,476,414</u>	<u>8,503</u>	<u>1,484,917</u>	<u>1,654,871</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 170,143</u>	<u>\$ (189)</u>	<u>\$ 169,954</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	3610-050-09-1010
Grant Date	July 29, 2009
Original Authorized Cost	1,499,212
Additional Authorized Cost	155,659
Revised Authorized Cost	1,654,871

## Percentage Increase over Original Authorized

Cost	10%
Percentage Completion	89%
Original Target Completion Date	December 15, 2010
Revised Target Completion Date	December 31, 2015

**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  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 476,176	\$ 20,725	\$ 496,901	\$ 496,901
Local Sources	<u>344,337</u>	<u>199</u>	<u>344,536</u>	<u>344,536</u>
 Total Revenues	 <u>820,513</u>	 <u>20,924</u>	 <u>841,437</u>	 <u>841,437</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	149,926	4,860	154,786	100,972
Construction Services	<u>619,732</u>	<u>50,824</u>	<u>670,556</u>	<u>740,465</u>
 Total Expenditures and Other Financing Uses	 <u>769,658</u>	 <u>55,684</u>	 <u>825,342</u>	 <u>841,437</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 50,855</u>	 <u>\$ (34,760)</u>	 <u>\$ 16,095</u>	 <u>\$ -</u>

## Additional Project Information:

Project Number	3610-050-09-1007
Grant Date	May 1, 2009
Original Authorized Cost	1,079,111
Adjustment	(237,674)
Revised Authorized Cost	841,437

## Percentage Increase over Original Authorized

Cost	-22%
Percentage Completion	98%
Original Target Completion Date	December 15, 2010
Revised Target Completion Date	December 31, 2015

**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  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 1,254,556		\$ 1,254,556	\$ 1,254,556
Local Sources	1,250,088	\$ 3,856	1,253,944	1,253,944
	<u>2,504,644</u>	<u>3,856</u>	<u>2,508,500</u>	<u>2,508,500</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	285,178	6,530	291,708	301,020
Construction Services	2,065,720	51,419	2,117,139	2,207,480
	<u>2,350,898</u>	<u>57,949</u>	<u>2,408,847</u>	<u>2,508,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 153,746</u>	<u>\$ (54,093)</u>	<u>\$ 99,653</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	3610-070-10-1003
Grant Date	August 31, 2010
Original Authorized Cost	2,269,313
Additional Authorized Cost	239,187
Revised Authorized Cost	2,508,500
Percentage Increase over Original Authorized Cost	11%
Percentage Completion	96%
Original Target Completion Date	June 30, 2012
Revised Target Completion Date	June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND**

**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
ROBERT FULTON ELEMENTARY SCHOOL REHABILITATION - WINDOW REPLACEMENT AND EXTERIOR DOORS  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 1,367,952	-	\$ 1,367,952	\$ 1,367,952
Local Sources	<u>1,106,478</u>	<u>-</u>	<u>1,106,478</u>	<u>1,106,478</u>
 Total Revenues	 <u>2,474,430</u>	 <u>-</u>	 <u>2,474,430</u>	 <u>2,474,430</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	41,176	\$ 62,439	103,615	296,932
Construction Services	<u>79,710</u>	<u>1,701,648</u>	<u>1,781,358</u>	<u>2,177,498</u>
 Total Expenditures and Other Financing Uses	 <u>120,886</u>	 <u>1,764,087</u>	 <u>1,884,973</u>	 <u>2,474,430</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 2,353,544</u>	 <u>\$ (1,764,087)</u>	 <u>\$ 589,457</u>	 <u>\$ -</u>

## Additional Project Information:

Project Number	3610-110-10-1006
Grant Date	August 30, 2010
Original Authorized Cost	2,510,379
Adjustment	(35,949)
Revised Authorized Cost	2,474,430

## Percentage Decrease over Original Authorized

Cost	-1%
Percentage Completion	76%
Original Target Completion Date	June 30, 2014
Revised Target Completion Date	June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
McKINLEY ELEMENTARY SCHOOL REHABILITATION - WINDOW REPLACEMENT  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 673,885		\$ 673,885	\$ 673,885
Local Sources	-	\$ 436,161	436,161	436,161
Total Revenues	<u>673,885</u>	<u>436,161</u>	<u>1,110,046</u>	<u>1,110,046</u>
 <b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	78,357	3,680	82,037	133,206
Construction Services	-	-	-	976,840
Total Expenditures and Other Financing Uses	<u>78,357</u>	<u>3,680</u>	<u>82,037</u>	<u>1,110,046</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 595,528</u>	<u>\$ 432,481</u>	<u>\$ 1,028,009</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	3610-100-14-1014
Grant Date	January 6, 2014
Original Authorized Cost	1,110,046
Additional Authorized Cost	
Revised Authorized Cost	1,110,046
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	7%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

NORTH BERGEN BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
 MCKINLEY ELEMENTARY SCHOOL REHABILITATION - EXTERIOR MASONRY, FAÇADE,  
 AND SEALANTS  
 FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 170,474		\$ 170,474	\$ 170,474
Local Sources	-	\$ 323,315	323,315	323,315
	<u>170,474</u>	<u>323,315</u>	<u>493,789</u>	<u>493,789</u>
<b>Total Revenues</b>				
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	6,318	4,212	10,530	59,255
Construction Services	-	-	-	434,534
	<u>6,318</u>	<u>4,212</u>	<u>10,530</u>	<u>493,789</u>
<b>Total Expenditures and Other Financing Uses</b>				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 164,156</u>	<u>\$ 319,103</u>	<u>\$ 483,259</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	3610-100-14-1025
Grant Date	January 6, 2014
Original Authorized Cost	280,810
Additional Authorized Cost	212,979
Revised Authorized Cost	493,789

## Percentage Increase over Original Authorized

Cost	76%
Percentage Completion	2%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
ROBERT FULTON ELEMENTARY SCHOOL REHABILITATION  
ROOF REPLACEMENT AND MASONRY REPAIRS  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 471,366		\$ 471,366	\$ 471,366
Local Sources	-	\$ 305,084	305,084	305,084
	<u>471,366</u>	<u>305,084</u>	<u>776,450</u>	<u>776,450</u>
<b>Total Revenues</b>				
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	2,295	1,530	3,825	93,174
Construction Services	-	-	-	683,276
	<u>2,295</u>	<u>1,530</u>	<u>3,825</u>	<u>776,450</u>
<b>Total Expenditures and Other Financing Uses</b>				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 469,071</u>	<u>\$ 303,554</u>	<u>\$ 772,625</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	3610-110-14-1021
Grant Date	January 6, 2014
Original Authorized Cost	776,450
Additional Authorized Cost	
Revised Authorized Cost	776,450

## Percentage Increase over Original Authorized

Cost	0%
Percentage Completion	0%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

NORTH BERGEN BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
 ROBERT FULTON ELEMENTARY SCHOOL REHABILITATION  
 BASEMENT FOUNDATION AND EXTERIOR WALLS  
 FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 80,117		\$ 80,117	\$ 80,117
Local Sources	-	\$ 51,854	51,854	51,854
	<u>80,117</u>	<u>51,854</u>	<u>131,971</u>	<u>131,971</u>
<b>Total Revenues</b>				
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	-	-	-	15,837
Construction Services	-	-	-	116,134
	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,971</u>
<b>Total Expenditures and Other Financing Uses</b>				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 80,117</u>	<u>\$ 51,854</u>	<u>\$ 131,971</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	3610-110-14-1022
Grant Date	January 6, 2014
Original Authorized Cost	131,971
Additional Authorized Cost	
Revised Authorized Cost	131,971
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	0%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
NORTH BERGEN HIGH SCHOOL REHABILITATION  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 96,853		\$ 96,853	\$ 96,853
Local Sources	-	\$ 62,687	62,687	62,687
	<u>96,853</u>	<u>62,687</u>	<u>159,540</u>	<u>159,540</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	-	12,444	12,444	19,145
Construction Services	-	-	-	140,395
	<u>-</u>	<u>12,444</u>	<u>12,444</u>	<u>159,540</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 96,853</u>	<u>\$ 50,243</u>	<u>\$ 147,096</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	3610-050-14-1001
Grant Date	January 6, 2014
Original Authorized Cost	159,540
Additional Authorized Cost	
Revised Authorized Cost	159,540

## Percentage Increase over Original Authorized

Cost	0%
Percentage Completion	8%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
NORTH BERGEN HIGH SCHOOL REHABILITATION  
FIRE ALARM SYSTEM UPGRADES  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 1,028,815		\$ 1,028,815	\$ 1,028,815
Local Sources	<u>861,970</u>	<u>\$ 439,940</u>	<u>1,301,910</u>	<u>1,301,910</u>
 Total Revenues	 <u>1,890,785</u>	 <u>439,940</u>	 <u>2,330,725</u>	 <u>2,330,725</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	-	89,944	89,944	279,687
Construction Services	<u>-</u>	<u>879,559</u>	<u>879,559</u>	<u>2,051,038</u>
 Total Expenditures and Other Financing Uses	 <u>-</u>	 <u>969,503</u>	 <u>969,503</u>	 <u>2,330,725</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 1,890,785</u>	 <u>\$ (529,563)</u>	 <u>\$ 1,361,222</u>	 <u>\$ -</u>

## Additional Project Information:

Project Number	3610-050-14-1002
Grant Date	January 6, 2014
Original Authorized Cost	1,694,700
Additional Authorized Cost	636,025
Revised Authorized Cost	2,330,725

## Percentage Increase over Original Authorized

Cost	38%
Percentage Completion	42%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

NORTH BERGEN BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
 LINCOLN ELEMENTARY SCHOOL REHABILITATION  
 EXTERIOR MASONRY, FAÇADE AND SEALANTS  
 FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 308,116		\$ 308,116	\$ 308,116
Local Sources	-	\$ 403,235	403,235	403,235
	<u>308,116</u>	<u>403,235</u>	<u>711,351</u>	<u>711,351</u>
<b>Total Revenues</b>				
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	7,875	5,250	13,125	85,362
Construction Services	-	-	-	625,989
	<u>7,875</u>	<u>5,250</u>	<u>13,125</u>	<u>711,351</u>
<b>Total Expenditures and Other Financing Uses</b>				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 300,241</u>	<u>\$ 397,985</u>	<u>\$ 698,226</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	3610-090-14-1024
Grant Date	January 6, 2014
Original Authorized Cost	507,539
Additional Authorized Cost	203,812
Revised Authorized Cost	711,351

## Percentage Decrease over Original Authorized

Cost	40%
Percentage Completion	2%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

NORTH BERGEN BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
 HORACE MANN ELEMENTARY SCHOOL REHABILITATION  
 ROOF REPLACEMENT AND MASONRY REPAIRS  
 FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 448,418		\$ 448,418	\$ 448,418
Local Sources	-	\$ 290,232	290,232	290,232
	<u>448,418</u>	<u>290,232</u>	<u>738,650</u>	<u>738,650</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	2,430	1,620	4,050	88,638
Construction Services	-	-	-	650,012
	<u>2,430</u>	<u>1,620</u>	<u>4,050</u>	<u>738,650</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 445,988</u>	<u>\$ 288,612</u>	<u>\$ 734,600</u>	<u>\$ -</u>
 Additional Project Information:				
Project Number	3610-070-14-1020			
Grant Date	January 6, 2014			
Original Authorized Cost	738,650			
Additional Authorized Cost				
Revised Authorized Cost	738,650			
 Percentage Decrease over Original Authorized				
Cost	0%			
Percentage Completion	1%			
Original Target Completion Date	June 30, 2015			
Revised Target Completion Date	June 30, 2016			

NORTH BERGEN BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
 MCKINLEY ELEMENTARY SCHOOL REHABILITATION  
 SECURITY CAMERA INSTALLATION  
 FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 78,102		\$ 78,102	\$ 78,102
Local Sources	<u>70,005</u>	<u>-</u>	<u>70,005</u>	<u>70,005</u>
 Total Revenues	 <u>148,107</u>	 <u>-</u>	 <u>148,107</u>	 <u>148,107</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	-	\$ 6,825	6,825	17,773
Construction Services	<u>-</u>	<u>66,504</u>	<u>66,504</u>	<u>130,334</u>
 Total Expenditures and Other Financing Uses	 <u>-</u>	 <u>73,329</u>	 <u>73,329</u>	 <u>148,107</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 148,107</u>	 <u>\$ (73,329)</u>	 <u>\$ 74,778</u>	 <u>\$ -</u>

## Additional Project Information:

Project Number	3610-100-14-1015
Grant Date	January 6, 2014
Original Authorized Cost	128,652
Additional Authorized Cost	19,455
Revised Authorized Cost	148,107

## Percentage Increase over Original Authorized

Cost	15%
Percentage Completion	50%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -**  
**LINCOLN ELEMENTARY SCHOOL REHABILITATION**  
**SECURITY CAMERA INSTALLATION**  
**FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 87,213		\$ 87,213	\$ 87,213
Local Sources	<u>134,443</u>	<u>-</u>	<u>134,443</u>	<u>134,443</u>
 Total Revenues	 <u>221,656</u>	 <u>-</u>	 <u>221,656</u>	 <u>221,656</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	-	\$ 13,108	13,108	26,599
Construction Services	<u>-</u>	<u>127,720</u>	<u>127,720</u>	<u>195,057</u>
 Total Expenditures and Other Financing Uses	 <u>-</u>	 <u>140,828</u>	 <u>140,828</u>	 <u>221,656</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 221,656</u>	 <u>\$ (140,828)</u>	 <u>\$ 80,828</u>	 <u>\$ -</u>

## Additional Project Information:

Project Number	3610-090-14-1012
Grant Date	January 6, 2014
Original Authorized Cost	143,661
Additional Authorized Cost	77,995
Revised Authorized Cost	221,656

## Percentage Increase over Original Authorized

Cost	54%
Percentage Completion	64%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -**  
**JOHN F. KENNEDY ELEMENTARY SCHOOL REHABILITATION**  
**SECURITY CAMERA INSTALLATION**  
**FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 59,007		\$ 59,007	\$ 59,007
Local Sources	<u>94,315</u>	<u>-</u>	<u>94,315</u>	<u>94,315</u>
Total Revenues	<u>153,322</u>	<u>-</u>	<u>153,322</u>	<u>153,322</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	-	\$ 9,195	9,195	18,399
Construction Services	<u>-</u>	<u>89,599</u>	<u>89,599</u>	<u>134,923</u>
Total Expenditures and Other Financing Uses	<u>-</u>	<u>98,794</u>	<u>98,794</u>	<u>153,322</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 153,322</u>	<u>\$ (98,794)</u>	<u>\$ 54,528</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	3610-080-14-1011
Grant Date	January 6, 2014
Original Authorized Cost	97,199
Additional Authorized Cost	56,123
Revised Authorized Cost	153,322

## Percentage Increase over Original Authorized

Cost	58%
Percentage Completion	64%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -**  
**HORACE MANN ELEMENTARY SCHOOL REHABILITATION**  
**SECURITY CAMERA INSTALLATION**  
**FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 65,614		\$ 65,614	\$ 65,614
Local Sources	<u>106,290</u>	<u>-</u>	<u>106,290</u>	<u>106,290</u>
 Total Revenues	 <u>171,904</u>	 <u>-</u>	 <u>171,904</u>	 <u>171,904</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	-	\$ 10,362	10,362	20,628
Construction Services	<u>-</u>	<u>100,975</u>	<u>100,975</u>	<u>151,276</u>
 Total Expenditures and Other Financing Uses	 <u>-</u>	 <u>111,337</u>	 <u>111,337</u>	 <u>171,904</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 171,904</u>	 <u>\$ (111,337)</u>	 <u>\$ 60,567</u>	 <u>\$ -</u>

## Additional Project Information:

Project Number	3610-070-14-1099
Grant Date	January 6, 2014
Original Authorized Cost	108,082
Additional Authorized Cost	63,822
Revised Authorized Cost	171,904

## Percentage Increase over Original Authorized

Cost	59%
Percentage Completion	65%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -**  
**FRANKLIN ELEMENTARY SCHOOL REHABILITATION**  
**SECURITY CAMERA INSTALLATION**  
**FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 63,672		\$ 63,672	\$ 63,672
Local Sources	<u>87,931</u>	<u>-</u>	<u>87,931</u>	<u>87,931</u>
 Total Revenues	 <u>151,603</u>	 <u>-</u>	 <u>151,603</u>	 <u>151,603</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	-	\$ 8,573	8,573	18,192
Construction Services	<u>-</u>	<u>83,534</u>	<u>83,534</u>	<u>133,411</u>
 Total Expenditures and Other Financing Uses	 <u>-</u>	 <u>92,107</u>	 <u>92,107</u>	 <u>151,603</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 151,603</u>	 <u>\$ (92,107)</u>	 <u>\$ 59,496</u>	 <u>\$ -</u>

## Additional Project Information:

Project Number	3610-060-14-1008
Grant Date	January 6, 2014
Original Authorized Cost	104,883
Additional Authorized Cost	46,720
Revised Authorized Cost	151,603

## Percentage Increase over Original Authorized

Cost	45%
Percentage Completion	61%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

NORTH BERGEN BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
 ROBERT FULTON ELEMENTARY SCHOOL REHABILITATION  
 SECURITY CAMERA INSTALLATION  
 FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 60,439		\$ 60,439	\$ 60,439
Local Sources	<u>145,046</u>	<u>\$ 40,206</u>	<u>185,252</u>	<u>185,252</u>
 Total Revenues	 <u>205,485</u>	 <u>40,206</u>	 <u>245,691</u>	 <u>245,691</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	-	14,141	14,141	29,483
Construction Services	<u>-</u>	<u>137,793</u>	<u>137,793</u>	<u>216,208</u>
 Total Expenditures and Other Financing Uses	 <u>-</u>	 <u>151,934</u>	 <u>151,934</u>	 <u>245,691</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 205,485</u>	 <u>\$ (111,728)</u>	 <u>\$ 93,757</u>	 <u>\$ -</u>

## Additional Project Information:

Project Number	3610-110-14-1016
Grant Date	January 6, 2014
Original Authorized Cost	99,558
Reduced Authorized Cost	146,133
Revised Authorized Cost	245,691

## Percentage Decrease over Original Authorized

Cost	147%
Percentage Completion	62%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
NORTH BERGEN HIGH SCHOOL ELECTRICAL UPGRADES  
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 256,336	\$ 9,222	\$ 265,558	\$ 265,558
Local Sources	<u>185,364</u>	<u>(9,222)</u>	<u>176,142</u>	<u>176,142</u>
 Total Revenues	 <u>441,700</u>	 <u>-</u>	 <u>441,700</u>	 <u>441,700</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	27,308		27,308	53,004
Construction Services	<u>414,392</u>	<u>-</u>	<u>414,392</u>	<u>388,696</u>
 Total Expenditures and Other Financing Uses	 <u>441,700</u>	 <u>-</u>	 <u>441,700</u>	 <u>441,700</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

## Additional Project Information:

Project Number	3610-050-09-1001
Grant Date	February 26, 2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	592,319
Additional (Reduction) in Authorized Cost	(150,619)
Revised Authorized Cost	441,700

## Percentage Increase over Original Authorized

Cost	-25%
Percentage Completion	100%
Original Target Completion Date	October 31, 2010
Revised Target Completion Date	October 31, 2010

**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  
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 97,567		\$ 97,567	\$ 97,567
Local Sources	<u>70,553</u>	<u>-</u>	<u>70,553</u>	<u>70,553</u>
 Total Revenues	 <u>168,120</u>	 <u>-</u>	 <u>168,120</u>	 <u>168,120</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	22,345		22,345	20,174
Construction Services	<u>145,775</u>	<u>-</u>	<u>145,775</u>	<u>147,946</u>
 Total Expenditures and Other Financing Uses	 <u>168,120</u>	 <u>-</u>	 <u>168,120</u>	 <u>168,120</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>
 Additional Project Information:				
Project Number	3610-050-09-1013			
Grant Date	July 26, 2009			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	363,314			
Additional (Reduction) in Authorized Cost	(195,194)			
Revised Authorized Cost	168,120			
 Percentage Increase over Original Authorized				
Cost	-54%			
Percentage Completion	100%			
Original Target Completion Date	December 15, 2010			
Revised Target Completion Date	December 15, 2011			

**PROPRIETARY FUNDS**

**NORTH BERGEN BOARD OF EDUCATION  
PROPRIETARY FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2015**

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

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 ASSETS AND LIABILITIES  
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 192,375	\$ 3,076,791	\$ 3,269,166
Due from Other Funds	<u>90,283</u>	<u>-</u>	<u>90,283</u>
Total Assets	<u>\$ 282,658</u>	<u>\$ 3,076,791</u>	<u>\$ 3,359,449</u>
<b>LIABILITIES</b>			
Payroll and Payroll Deductions and Withholdings		\$ 26,265	\$ 26,265
Accrued Salaries and Wages		2,939,225	2,939,225
Due to Other Funds		111,301	111,301
Due to Student Groups	<u>\$ 282,658</u>	<u>-</u>	<u>282,658</u>
Total Liabilities	<u>\$ 282,658</u>	<u>\$ 3,076,791</u>	<u>\$ 3,359,449</u>

**NORTH BERGEN BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN  
FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

**STUDENT ACTIVITY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Balance, July 1, <u>2014</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2015</u></b>
<b>ELEMENTARY SCHOOLS</b>	\$ 102,554	\$ 192,820	\$ 196,635	\$ 98,739
<b>HIGH SCHOOL</b>				
Athletic	7,306	25,983	29,641	3,648
General	<u>176,531</u>	<u>282,218</u>	<u>278,478</u>	<u>180,271</u>
Total	<u>\$ 286,391</u>	<u>\$ 501,021</u>	<u>\$ 504,754</u>	<u>\$ 282,658</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Balance, July 1, <u>2014</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2015</u></b>
<b>ASSETS</b>				
Cash	<u>\$ 2,756,359</u>	<u>\$ 88,713,200</u>	<u>\$ 88,392,768</u>	<u>\$ 3,076,791</u>
Total Assets	<u>\$ 2,756,359</u>	<u>\$ 88,713,200</u>	<u>\$ 88,392,768</u>	<u>\$ 3,076,791</u>
<b>LIABILITIES</b>				
Payroll and Payroll Deductions and Withholdings	\$ 28,502	\$ 85,684,980	\$ 85,687,217	\$ 26,265
Accrued Salaries and Wages	2,534,704	2,928,708	2,524,187	2,939,225
Due to Other Funds	<u>193,153</u>	<u>99,512</u>	<u>181,364</u>	<u>111,301</u>
Total Liabilities	<u>\$ 2,756,359</u>	<u>\$ 88,713,200</u>	<u>\$ 88,392,768</u>	<u>\$ 3,076,791</u>

**LONG-TERM DEBT**

**NORTH BERGEN BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<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, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds	5/21/2009	\$ 3,125,000	3/1/2016	\$ 350,000	4.000 %				
			3/1/2017	355,000	4.000				
			3/1/2018	365,000	4.000	\$ 1,415,000		\$ 345,000	\$ 1,070,000
Pension Obligation Refunding Bonds	10/31/2013	\$ 3,225,000	4/1/2016	220,000	1.777				
			4/1/2017	225,000	2.481				
			4/1/2018	230,000	2.931				
			4/1/2019	235,000	3.319				
			4/1/2020	240,000	3.719				
			4/1/2021	250,000	4.054				
			4/1/2022	265,000	4.254				
			4/1/2023	275,000	4.504				
			4/1/2024	285,000	5.054				
			4/1/2025	300,000	5.054				
			4/1/2026	275,000	5.054	3,020,000	-	220,000	2,800,000
						\$ 4,435,000	\$ -	\$ 565,000	\$ 3,870,000

**NORTH BERGEN BOARD OF EDUCATION  
LONG-TERM DEBT  
OBLIGATIONS UNDER LEASE-PURCHASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<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, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Certificates of Participation	7/1/2010	\$ 5,590,000	12/15/2015	\$ 575,000	2.750 %	\$ 3,485,000		\$ 555,000	\$ 2,930,000
			12/15/2016	590,000	3.000				
			12/15/2017	610,000	3.375				
			12/15/2018	1,155,000	3.750				
Certificates of Participation	2/1/2005	10,285,000	12/15/2015	415,000	3.75	8,890,000	-	395,000	8,495,000
			12/15/2016	440,000	3.70				
			12/15/2017	465,000	3.80				
			12/15/2018	365,000	4.00				
			12-15/2019	1,615,000	4.00				
			12/15/2020	1,665,000	4.00				
			15/15/2021	1,730,000	4.00				
			12/15/2022	1,800,000	4.10				
						<u>8,890,000</u>	<u>-</u>	<u>395,000</u>	<u>8,495,000</u>
						<u>\$ 12,375,000</u>	<u>\$ -</u>	<u>\$ 950,000</u>	<u>\$ 11,425,000</u>

**NORTH BERGEN BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SALES/LEASEBACK OBLIGATIONS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Description</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance June 30, 2015</u>
Acquisition and Improvement of Real Property for School Purposes	1/31/2014	\$ 2,535,000	1.54%	<u>\$ 2,180,000</u>	<u>\$ -</u>	<u>\$ 470,000</u>	<u>\$ 1,710,000</u>

**NORTH BERGEN BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 1,576,831	-	\$ 1,576,831	\$ 1,576,831	
State Sources					
Debt Service Aid	<u>550,049</u>	<u>-</u>	<u>550,049</u>	<u>550,049</u>	<u>-</u>
Total Revenues	<u>2,126,880</u>	<u>-</u>	<u>2,126,880</u>	<u>2,126,880</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service:					
Lease Purchase					
Principal	950,000		950,000	950,000	
Interest	450,963		450,963	450,963	
Pension Obligation Bonds					
Principal		\$ 220,000	220,000	220,000	
Interest	112,767		112,767	112,766	\$ 1
Bonds					
Principal	565,000	(220,000)	345,000	345,000	
Interest	<u>53,150</u>	<u>-</u>	<u>53,150</u>	<u>53,150</u>	<u>-</u>
Total Expenditures	<u>2,131,880</u>	<u>-</u>	<u>2,131,880</u>	<u>2,131,879</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	-	(5,000)	(4,999)	1
Fund Balance, Beginning of Year	<u>13,475</u>	<u>-</u>	<u>13,475</u>	<u>13,475</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 8,475</u>	<u>\$ -</u>	<u>\$ 8,475</u>	<u>\$ 8,476</u>	<u>\$ 1</u>
<b>Recapitulation of Fund Balance:</b>					
Designated for Subsequent Year's Budget				\$ 8,475	
Available for Future Debt Service				<u>1</u>	
				<u>\$ 8,476</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 POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011 (1)	2012	2013	2014 (2)	2015
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 28,299,362	\$ 29,212,551	\$ 30,824,293	\$ 33,055,459	\$ 36,835,059	\$ 40,233,862	\$ 41,423,409	\$ 42,221,991	\$ 40,601,409	\$ 45,233,311
Restricted	476,746	620,269	66,386	1,058,327	2,108,738	6,114,077	8,314,077	10,814,307	14,765,943	10,301,109
Unrestricted	(10,557,630)	(10,180,017)	(11,478,408)	(8,475,251)	(6,979,201)	(7,932,653)	(6,036,044)	(8,108,779)	(35,618,889)	(31,328,800)
<b>Total Governmental Activities Net Position</b>	<b>\$ 18,218,478</b>	<b>\$ 19,652,803</b>	<b>\$ 19,412,271</b>	<b>\$ 25,638,535</b>	<b>\$ 31,964,596</b>	<b>\$ 38,415,286</b>	<b>\$ 43,701,442</b>	<b>\$ 44,927,519</b>	<b>\$ 19,748,463</b>	<b>\$ 24,205,620</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 4,526	\$ 2,523	\$ 520		\$ 12,800	\$ 24,908	\$ 23,185	\$ 21,462	\$ 34,275	\$ 31,513
Unrestricted	3,612	(3,941)	(40,270)	(52,945)	129,864	204,372	387,268	549,791	691,390	769,370
<b>Total Business-Type Activities Net Position</b>	<b>\$ 8,138</b>	<b>\$ (1,418)</b>	<b>\$ (39,750)</b>	<b>\$ (52,945)</b>	<b>\$ 142,664</b>	<b>\$ 229,280</b>	<b>\$ 410,453</b>	<b>\$ 571,253</b>	<b>\$ 725,665</b>	<b>\$ 800,883</b>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 28,303,888	\$ 29,215,074	\$ 30,824,813	\$ 33,055,459	\$ 36,847,859	\$ 40,258,770	\$ 41,446,594	\$ 42,243,453	\$ 40,635,684	\$ 45,264,824
Restricted	476,746	620,269	66,386	1,058,327	2,108,738	6,114,077	8,314,077	10,814,307	14,765,943	10,301,109
Unrestricted	(10,554,018)	(10,183,958)	(11,518,678)	(8,528,196)	(6,849,337)	(7,728,281)	(5,648,776)	(7,558,988)	(34,927,499)	(30,559,430)
<b>Total District Net Position</b>	<b>\$ 18,226,616</b>	<b>\$ 19,651,385</b>	<b>\$ 19,372,521</b>	<b>\$ 25,585,590</b>	<b>\$ 32,107,260</b>	<b>\$ 38,644,566</b>	<b>\$ 44,111,895</b>	<b>\$ 45,498,772</b>	<b>\$ 20,474,128</b>	<b>\$ 25,006,503</b>

(1) Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65 "Items Previously Reported in Assets and Liabilities".

(2) Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions".

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 41,032,520	\$ 44,464,574	\$ 46,582,265	\$ 42,407,760	\$ 45,774,580	\$ 44,937,810	\$ 46,698,490	\$ 49,890,427	\$ 48,062,992	\$ 56,216,853
Special Education	10,572,640	11,154,966	12,315,857	13,557,808	14,858,496	13,750,989	14,935,338	15,393,829	16,364,077	20,000,057
Other Instruction	3,629,162	3,998,005	4,518,641	8,349,947	8,330,203	8,184,243	9,141,683	10,598,844	9,400,836	9,742,185
School Sponsored Activities And Athletics	1,331,252	1,446,145	1,617,356	1,616,241	1,711,124	1,688,966	1,899,603	2,101,085	2,087,712	2,284,648
Community Services Programs				125,000						
<b>Support Services:</b>										
Student & Instruction Related Services	11,973,523	13,042,658	12,767,171	11,797,283	13,785,679	13,829,858	14,025,679	13,655,646	13,433,274	15,204,154
General Administration	2,182,817	2,301,630	2,783,970	2,685,869	2,637,217	2,712,890	2,489,391	2,849,487	2,446,297	2,527,627
School Administrative Services	5,884,545	6,024,017	6,037,313	6,375,518	6,378,395	7,012,372	6,818,014	7,659,657	8,005,807	9,453,664
Plant Operations And Maintenance	10,562,205	10,707,442	10,867,307	11,834,784	12,375,325	12,543,652	12,807,210	13,724,829	14,789,426	14,147,869
Pupil Transportation	3,021,985	3,004,714	3,367,082	3,626,295	3,528,580	3,727,566	4,059,359	3,825,607	3,796,694	4,019,075
Business and Other Support Services	1,645,514	1,997,109	2,244,450	2,330,808	2,422,790	2,605,588	2,650,591	2,802,117	2,716,209	3,145,017
Interest On Long-Term Debt	1,361,778	1,348,705	1,261,737	1,155,510	1,081,169	964,942	925,499	900,966	910,459	819,740
<b>Total Governmental Activities Expenses</b>	<b>95,197,941</b>	<b>99,489,965</b>	<b>104,363,149</b>	<b>106,062,823</b>	<b>112,883,758</b>	<b>111,958,876</b>	<b>116,450,857</b>	<b>123,402,494</b>	<b>122,013,783</b>	<b>137,560,889</b>
<b>Business-Type Activities:</b>										
Food Service	2,212,708	2,284,558	2,552,147	2,642,969	2,667,679	2,778,034	2,911,970	2,947,175	2,903,222	2,945,158
<b>Total Business-Type Activities Expense</b>	<b>2,212,708</b>	<b>2,284,558</b>	<b>2,552,147</b>	<b>2,642,969</b>	<b>2,667,679</b>	<b>2,778,034</b>	<b>2,911,970</b>	<b>2,947,175</b>	<b>2,903,222</b>	<b>2,945,158</b>
<b>Total District Expenses</b>	<b>\$ 95,410,649</b>	<b>\$ 101,774,523</b>	<b>\$ 106,915,296</b>	<b>\$ 108,705,792</b>	<b>\$ 115,551,437</b>	<b>\$ 114,736,910</b>	<b>\$ 119,362,827</b>	<b>\$ 126,349,669</b>	<b>\$ 124,917,005</b>	<b>\$ 140,506,047</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges For Services:</b>										
Regular Instruction	\$ 2,834,398	\$ 2,757,906	\$ 2,638,545	\$ 2,793,292	\$ 3,955,375	\$ 4,509,007	\$ 4,022,183	\$ 3,385,154	\$ 4,389,854	\$ 4,293,630
Operating Grants And Contributions	23,572,333	28,644,682	29,697,505	19,893,303	33,902,773	23,564,868	25,015,529	26,589,456	23,763,862	38,311,398
Capital Grants And Contributions	310,013	65,501	31,181	-	1,415,573	1,201,613	896,328	697,311	84,373	1,984,809
<b>Total Governmental Activities Program Revenues</b>	<b>26,716,744</b>	<b>31,468,089</b>	<b>32,367,231</b>	<b>22,686,595</b>	<b>39,273,721</b>	<b>29,275,488</b>	<b>29,934,040</b>	<b>30,671,921</b>	<b>28,238,089</b>	<b>44,589,837</b>
<b>Business-Type Activities:</b>										
<b>Charges For Services</b>										
Food Service	\$ 655,914	\$ 676,731	\$ 768,623	\$ 750,148	\$ 741,010	\$ 734,672	\$ 723,677	\$ 637,575	\$ 596,612	\$ 603,366
Operating Grants And Contributions	1,526,249	1,598,271	1,745,192	1,879,626	2,109,478	2,116,924	2,369,269	2,470,315	2,460,891	2,416,884
<b>Total Business Type Activities Program Revenues</b>	<b>2,182,163</b>	<b>2,275,002</b>	<b>2,513,815</b>	<b>2,629,774</b>	<b>2,850,488</b>	<b>2,851,596</b>	<b>3,092,946</b>	<b>3,107,890</b>	<b>3,057,503</b>	<b>3,020,250</b>
<b>Total District Program Revenues</b>	<b>\$ 28,898,907</b>	<b>\$ 33,743,091</b>	<b>\$ 34,881,046</b>	<b>\$ 25,316,369</b>	<b>\$ 42,124,209</b>	<b>\$ 32,127,084</b>	<b>\$ 33,026,986</b>	<b>\$ 33,779,811</b>	<b>\$ 31,295,592</b>	<b>\$ 47,610,087</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (66,481,197)	\$ (68,021,876)	\$ (71,995,918)	\$ (83,376,228)	\$ (73,610,037)	\$ (82,683,388)	\$ (86,516,817)	\$ (92,730,573)	\$ (93,775,694)	\$ (92,971,052)
Business-Type Activities	(30,545)	(9,556)	(38,332)	(13,195)	182,809	73,562	180,976	160,715	154,281	75,092
<b>Total District-Wide Net Expense</b>	<b>\$ (66,511,742)</b>	<b>\$ (68,031,432)</b>	<b>\$ (72,034,250)</b>	<b>\$ (83,389,423)</b>	<b>\$ (73,427,228)</b>	<b>\$ (82,609,826)</b>	<b>\$ (86,335,841)</b>	<b>\$ (92,569,858)</b>	<b>\$ (93,621,413)</b>	<b>\$ (92,895,960)</b>

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

	Fiscal Year Ended June 30.									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
General Revenues										
Property Taxes - General Purposes	\$ 35,459,285	\$ 36,770,533	\$ 37,591,021	\$ 37,591,021	\$ 38,342,841	\$ 39,301,311	\$ 40,037,337	\$ 41,061,340	\$ 42,141,260	\$ 43,507,740
Property Taxes - Debt Service	1,344,959	1,587,116	1,495,965	1,548,488	1,551,343	1,676,751	1,673,267	1,482,582	1,593,869	1,576,831
State Aid - Unrestricted	28,541,273	29,016,534	31,845,214	48,375,682	38,755,559	47,233,353	48,377,423	50,230,702	50,857,905	51,010,601
State Aid - Restricted for Debt Service	663,476	532,391	619,497	646,355	666,069	550,958	544,966	551,162	550,827	550,049
Investment Earnings	375,155	545,217	263,800	46,337	23,024	15,034	12,744	15,591	18,341	19,253
Miscellaneous Income	166,410	541,466	439,563	1,394,609	610,062	717,003	1,157,236	615,273	306,307	763,735
Gain (Loss) on Disposal of Assets	(17,099)	(525)	(36,205)	-	-	-	-	-	10,000	-
Transfers	-	-	-	-	(12,800)	(13,054)	-	-	-	-
<b>Total Governmental Activities</b>	<b>66,533,459</b>	<b>68,992,732</b>	<b>72,218,855</b>	<b>89,602,492</b>	<b>79,936,098</b>	<b>89,481,356</b>	<b>91,802,973</b>	<b>93,956,650</b>	<b>95,478,509</b>	<b>97,428,209</b>
<b>Business-Type Activities:</b>										
General Revenues										
Investment Earnings	-	-	-	-	12,800	13,054	197	85	131	126
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Total Business Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,800</b>	<b>13,054</b>	<b>197</b>	<b>85</b>	<b>131</b>	<b>126</b>
<b>Total District-Wide</b>	<b>\$ 66,533,459</b>	<b>\$ 68,992,732</b>	<b>\$ 72,218,855</b>	<b>\$ 89,602,492</b>	<b>\$ 79,948,898</b>	<b>\$ 89,494,410</b>	<b>\$ 91,803,170</b>	<b>\$ 93,956,735</b>	<b>\$ 95,478,640</b>	<b>\$ 97,428,335</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 52,262	\$ 970,856	\$ 222,937	\$ 6,226,264	\$ 6,326,061	\$ 6,797,968	\$ 5,286,156	\$ 1,226,077	\$ 1,702,815	\$ 4,457,157
Business-Type Activities	(30,545)	(9,556)	(38,332)	(13,195)	195,609	86,616	181,173	160,800	154,412	75,218
<b>Total District</b>	<b>\$ 21,717</b>	<b>\$ 961,300</b>	<b>\$ 184,605</b>	<b>\$ 6,213,069</b>	<b>\$ 6,521,670</b>	<b>\$ 6,884,584</b>	<b>\$ 5,467,329</b>	<b>\$ 1,386,877</b>	<b>\$ 1,857,227</b>	<b>\$ 4,532,375</b>

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Reserved	\$ 427,161	\$ 1,598,446	\$ 275,554	\$ 6,127,537	\$ 5,766,175					
Unreserved	2,930,849	411,402	(199,833)	(2,354,090)	(2,716,512)					
Nonspendable										\$ 746,280
Restricted						\$ 7,194,281	\$ 7,605,189	\$ 10,231,727	\$ 16,046,061	13,469,501
Committed						104,291	422,972	88,967	26,686	57,114
Assigned						1,219,248	4,259,700	4,652,890	3,503,405	3,696,448
Unassigned	-	-	-	-	-	(2,813,482)	(2,984,615)	(3,317,010)	(4,726,127)	(3,659,697)
<b>Total General Fund</b>	<b>\$ 3,358,010</b>	<b>\$ 2,009,848</b>	<b>\$ 75,721</b>	<b>\$ 3,773,447</b>	<b>\$ 3,049,663</b>	<b>\$ 5,704,338</b>	<b>\$ 9,303,246</b>	<b>\$ 11,656,574</b>	<b>\$ 14,850,025</b>	<b>\$ 14,309,646</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 782,966	\$ 911,162	\$ 31,037	\$ 31,037	\$ 2,246,942					
Unreserved	(288,783)	187,138	(272,039)	1,160,124	1,659,195					
Restricted						\$ 4,388,642	\$ 3,489,567	\$ 2,335,710	\$ 3,694,101	\$ 4,485,954
Unassigned	-	-	-	-	-	-	-	(5,000)	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 494,183</b>	<b>\$ 1,098,300</b>	<b>\$ (241,002)</b>	<b>\$ 1,191,161</b>	<b>\$ 3,906,137</b>	<b>\$ 4,388,642</b>	<b>\$ 3,489,567</b>	<b>\$ 2,330,710</b>	<b>\$ 3,694,101</b>	<b>\$ 4,485,954</b>

Beginning with 2010/2011 Fiscal Year, 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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Property Taxes	\$ 36,804,244	\$ 38,357,649	\$ 39,086,986	\$ 39,139,509	\$ 39,894,184	\$ 40,978,062	\$ 41,710,604	\$ 42,543,922	\$ 43,735,129	\$ 45,084,571
Tuition Charges	2,834,398	2,757,906	2,638,545	2,793,292	3,955,375	4,509,007	4,022,183	3,385,154	4,389,854	4,293,630
Interest Earnings	375,155	545,217	263,800	46,337	23,024	15,034	12,744	15,591	18,341	19,253
Miscellaneous	221,717	601,835	509,106	1,459,365	669,843	773,567	1,206,933	665,266	356,390	812,423
State Sources	49,031,713	54,116,380	58,201,385	63,742,787	57,817,037	65,041,850	66,726,453	71,745,246	70,212,122	73,625,973
Federal Sources	4,000,075	4,082,359	3,922,469	5,107,797	16,863,156	7,452,378	8,058,096	6,273,392	4,994,762	5,589,986
<b>Total Revenue</b>	<b>93,267,302</b>	<b>100,461,346</b>	<b>104,622,291</b>	<b>112,289,087</b>	<b>119,222,619</b>	<b>118,769,898</b>	<b>121,737,013</b>	<b>124,628,571</b>	<b>123,706,598</b>	<b>129,425,836</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	41,429,197	44,612,254	46,539,669	42,113,169	45,887,189	44,714,151	47,479,499	49,203,631	48,751,266	48,258,565
Special Education Instruction	10,572,640	11,154,966	12,315,857	13,557,808	14,858,496	13,750,989	14,935,338	15,393,829	16,364,077	18,054,376
Other Instruction	3,629,162	3,998,005	4,518,641	8,549,947	8,330,203	8,184,243	9,141,683	10,598,844	9,400,836	8,698,195
School Sponsored Activities and Athletics	1,331,252	1,446,145	1,617,356	1,616,241	1,711,124	1,688,966	1,899,603	2,101,085	2,087,712	2,056,839
Community Service Programs				125,000						
<b>Support Services:</b>										
Student and Inst. Related Services	11,963,778	13,031,554	12,762,958	11,793,070	13,754,588	13,795,578	13,985,726	13,615,693	13,394,135	14,118,157
General Administration	2,219,397	2,306,920	2,744,069	2,607,565	2,583,442	2,577,112	2,464,796	2,779,257	2,460,755	2,277,885
School Administrative Services	5,962,291	6,011,522	5,976,087	6,242,289	6,376,634	6,924,399	6,935,770	7,505,592	8,014,886	8,433,338
Plant Operations And Maintenance	9,407,978	9,470,372	9,498,010	10,340,302	10,898,201	10,982,784	11,142,404	11,828,538	11,709,601	12,078,308
Pupil Transportation	3,021,985	2,981,954	3,344,322	3,605,535	3,505,820	3,704,806	4,059,359	3,825,607	3,796,694	4,017,346
Business and Other Support Services	1,683,969	2,007,503	2,240,646	2,309,149	2,431,902	2,493,716	2,737,382	2,709,954	2,750,986	2,997,233
Capital Outlay	2,807,802	2,094,181	3,373,635	1,490,525	4,041,211	4,267,596	2,001,746	1,667,902	368,045	5,458,629
<b>Debt Service:</b>										
Principal	1,147,863	1,434,226	1,559,945	1,687,723	1,864,761	1,654,541	1,420,850	1,390,000	1,820,000	1,985,000
Interest and Other Charges	1,245,882	1,233,058	1,179,106	1,122,875	975,056	892,591	833,024	814,168	840,890	740,491
Debt Issuance Cost				84,911		189,516				
Advance Refunding Escrow	-	-	-	45,823	-	45,983	-	-	-	-
<b>Total Expenditures</b>	<b>96,423,196</b>	<b>101,782,660</b>	<b>107,670,301</b>	<b>107,289,932</b>	<b>117,218,627</b>	<b>115,866,971</b>	<b>119,037,180</b>	<b>123,434,100</b>	<b>121,759,883</b>	<b>129,174,362</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	(3,155,894)	(1,321,314)	(3,048,010)	4,999,155	2,003,992	2,902,927	2,699,833	1,194,471	1,946,715	251,474
<b>Other Financing Sources (Uses)</b>										
Proceeds From Borrowing	2,265,000			3,125,000		5,590,000			5,760,000	
Capital Leases (Non-Budgeted)		113,800	238,050							
Premium on Issuance of Bonds				65,734						
Payments to Refunding Escrow Agent				(3,060,000)		(5,310,000)			(3,149,873)	
Original Issue Discount						(32,693)				
Debt Issuance Costs	(44,240)									
Transfers In	312,448	62,329	46,917	5,941	4,251,497	1,767,818			1,500,000	2,364,834
Transfers Out	(312,448)	(62,329)	(46,917)	(5,941)	(4,264,297)	(1,780,872)			(1,500,000)	(2,364,834)
<b>Total Other Financing Sources (Uses)</b>	<b>2,220,760</b>	<b>113,800</b>	<b>238,050</b>	<b>130,734</b>	<b>(12,800)</b>	<b>234,253</b>	<b>-</b>	<b>-</b>	<b>2,610,127</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (935,134)</b>	<b>\$ (1,207,514)</b>	<b>\$ (2,809,960)</b>	<b>\$ 5,129,889</b>	<b>\$ 1,991,192</b>	<b>\$ 3,137,180</b>	<b>\$ 2,699,833</b>	<b>\$ 1,194,471</b>	<b>\$ 4,556,842</b>	<b>\$ 251,474</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	2.56%	2.68%	2.63%	2.66%	2.51%	2.28%	1.93%	1.81%	2.19%	2.20%

\* 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,	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Refunds</u>	<u>E-Rate</u>	<u>Solar Energy</u>	<u>Gate Receipts</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2013	3,385,154	15,591	121,308	251,647	61,617	4,440	176,261	4,016,018
2014	4,389,854	18,341	43,878	-	116,532	11,357	134,540	4,714,502
2015	4,293,630	19,253	151,248		144,680	10,428	457,379	5,076,618

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate <sup>a</sup>
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	4,993,454,517	1.671
2013	52,378,200	1,479,713,100	428,606,000	366,192,700	158,416,800	2,485,306,800	3,915,047	2,489,221,847	4,718,625,502	1.734
2014	54,338,500	1,477,819,100	422,492,700	361,379,400	164,902,300	2,480,932,000	4,092,557	2,485,024,557	4,593,353,727	1.787
2015	44,353,300	1,476,800,900	479,620,100	363,715,900	168,470,800	2,532,961,000	4,174,875	2,537,135,875	4,805,626,920	1.817

Source: County Abstract of Ratables

a Tax rates are per \$100

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

<b>Year Ended <u>June 30,</u></b>	<b><u>Total</u></b>	<b>Local School <u>District</u></b>	<b><u>Municipality</u></b>	<b><u>County</u></b>
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
2013	5.147	1.734	2.399	1.014
2014	5.240	1.787	2.460	0.993
2015	5.291	1.817	2.458	1.016

Source: Abstract of Ratables, County Board of Taxation

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

<u>Taxpayer</u>	<u>2015</u>		<u>2006</u>	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Hartz Mountain Development	\$ 135,659,500	5.35%	\$ 25,587,200	
M-Industries LLC			31,478,100	
FC/Treeco Col. Pk. LLC	31,257,500	1.23%	31,257,500	
7912 River Road Apts., LLC			24,960,600	
Woodcliff Gardens	24,007,800	0.95%	23,956,000	
5851 Westside Assoc.	22,230,400	0.88%		
8100 River Road	68,444,800	2.70%	23,956,000	
7855 Blvd East	44,474,300	1.75%		
7400 River Road	38,922,700	1.53%		
Mack Cali	38,821,600	1.53%		
Granton Re Co	24,931,200	0.98%		
Voronado Re Trust	19,272,500	0.76%		
LCI Holding, Inc.			55,652,600	
North Bergen Eat II, LLC			29,635,300	
Hartz Illinois Assoc., LLC			20,300,000	
N.B. Plaza - Lowe's Prop Mgt			19,959,000	
Hartz Mt Ind, Inc.			19,300,000	
	<u>\$ 448,022,300</u>	<u>17.66%</u>	<u>\$ 306,042,300</u>	<u>0.00%</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	
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
2013	42,543,922	42,543,922	100.00%	N/A
2014	43,735,129	43,735,129	100.00%	N/A
2015	45,084,571	45,084,571	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				
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	60,898	367	
2011	5,880,000	15,030,000		70,850		20,980,850	61,901	339	
2012	5,385,000	14,175,000				19,560,000	62,488	313	
2013	4,880,000	13,290,000				18,170,000	62,657	290	
2014	4,435,000	12,375,000			2,180,000	18,990,000	62,602	303	
2015	3,870,000	11,425,000			1,710,000	17,005,000	62,602	272	

Source: District records

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
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%	95
2012	5,385,000		5,385,000	0.21%	86
2013	4,880,000		4,880,000	0.20%	78
2014	4,435,000		4,435,000	0.18%	71
2015	3,870,000		3,870,000	0.15%	62

Source: District records

**NORTH BERGEN BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
AS OF DECEMBER 31, 2014  
(Unaudited)**

Direct Debt:	
North Bergen Board of Education (as of June 30, 2015)	\$ 15,295,000
Township of North Bergen (1)	<u>58,209,494</u>
Total Direct Debt	<u>73,504,494</u>
Overlapping Debt Apportioned to the Municipality:	
Hudson County:	
County of Hudson (A)	45,751,075
North Bergen Municipal Utilities Authority	<u>66,896,972</u>
Total Overlapping Debt	<u>112,648,047</u>
Total Direct and Overlapping Debt	<u>\$ 186,152,541</u>

(A) The debt for this entity was apportioned by dividing the Municipality's 2014 equalized value by the total 2014 equalized value for Hudson County.

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,									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$ 160,325,086	\$ 183,006,899	\$ 203,791,882	\$ 219,818,388	\$ 230,112,398	\$ 229,849,454	\$ 216,172,145	\$ 201,993,550	\$ 189,869,132	\$ 185,914,690
Total Net Debt Applicable to Limit	<u>4,295,100</u>	<u>3,964,250</u>	<u>3,623,400</u>	<u>3,337,550</u>	<u>2,911,700</u>	<u>2,505,850</u>	<u>2,100,000</u>	<u>1,760,000</u>	<u>1,415,000</u>	<u>1,070,000</u>
Legal Debt Margin	<u>\$ 156,029,986</u>	<u>\$ 179,042,649</u>	<u>\$ 200,168,482</u>	<u>\$ 216,480,838</u>	<u>\$ 227,200,698</u>	<u>\$ 227,343,604</u>	<u>\$ 214,072,145</u>	<u>\$ 200,233,550</u>	<u>\$ 188,454,132</u>	<u>\$ 184,844,690</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.68%	2.17%	1.78%	1.52%	1.27%	1.09%	0.97%	0.87%	0.75%	0.58%

**Legal Debt Margin Calculation for Fiscal Year 2015**

Equalized Valuation Basis

2012	\$ 4,726,725,770
2013	4,554,346,344
2014	<u>4,662,529,600</u>
	<u>\$ 13,943,601,714</u>

Average Equalized Valuation of Taxable Property

\$ 4,647,867,238

Debt Limit (4 % of Average Equalization Value)

\$ 185,914,690

Total Net Debt Applicable to Limit

1,070,000

Legal Debt Margin

\$ 184,844,690

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>
2005	5.40%	\$ 35,338	57,000
2006	5.50%	37,823	56,365
2007	5.00%	40,192	55,326
2008	6.70%	43,495	54,986
2009	11.60%	43,694	54,912
2010	11.50%	46,049	60,898
2011	10.70%	49,111	61,901
2012	10.70%	49,978	62,488
2013	9.70%	50,172	62,657
2014	7.30%	N/A	62,602

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 TEN FISCAL YEARS  
(Unaudited)**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	408	408	408	444	432	440	480	480	467	530
Special Education	45	60	62	75	75	75	75	75	84	50
Other Instruction	82	106	108	112	85	85	85	85	85	61
Support Services:										
Student and Instruction Related Services	17	17	17	19	19	19	18	18	18	18
General Administration	7	7	7	7	7	7	5	6	6	6
School Administrative Services	59	59	59	59	59	59	55	56	61	61
Other Administrative Services	22	22	22	30	30	30	30	30	30	30
Central Services	13	13	13	13	13	13	13	13	13	13
Plant Operations And Maintenance	6	6	6	6	6	6	6	6	6	3
Pupil Transportation	125	97	99	118	118	118	112	109	109	109
Other Support Services	45	45	45	72	72	72	72	72	73	77
Total	<u>829</u>	<u>840</u>	<u>846</u>	<u>955</u>	<u>916</u>	<u>924</u>	<u>951</u>	<u>950</u>	<u>952</u>	<u>958</u>

Source: District Personnel Records

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

Pupil/Teacher Ratio

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Elementary</u>	<u>High School</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2006	7,518	\$ 91,221,649	\$ 12,134	3.53%	588	1:13	1:14	7,518	7,368	-0.58%	98.00%
2007	7,448	97,021,195	13,026	7.36%	588	1:14	1:14	7,448	6,998	-0.93%	93.96%
2008	7,424	101,557,615	13,680	5.01%	588	1:13	1:14	7,424	6,984	-0.32%	94.07%
2009	7,508	102,858,075	13,700	0.15%	588	1:12	1:14	7,508	7,060	1.13%	94.03%
2010	7,837	110,337,599	14,079	2.77%	592	1:12	1:14	7,857	7,360	4.38%	93.91%
2011	8,061	108,816,744	13,499	-4.12%	600	1:12	1:14	8,061	7,592	2.86%	94.18%
2012	8,201	114,781,560	13,996	3.68%	640	1:12	1:14	8,080	7,836	0.24%	96.98%
2013	8,068	119,562,030	14,819	5.88%	640	1:12	1:14	8,068	7,808	-0.15%	96.78%
2014	8,048	118,730,948	14,753	-0.45%	640	1:12	1:14	8,048	7,790	-0.25%	96.80%
2015	7,761	120,990,242	15,590	5.67%	641	1:12	1:14	8,031	7,764	-0.21%	96.68%

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 TEN FISCAL YEARS  
(Unaudited)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>District Building</b>										
<u>Elementary</u>										
Robert Fulton/No. 2 (1926)										
Square Feet	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409
Capacity (students)	784	784	784	784	784	784	784	784	784	784
Enrollment	995	955	955	995	995	995	995	995	995	995
Fulton Annex										
Square Feet	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800
Capacity (students)	155	155	155	155	155	155	155	155	155	155
Enrollment	144	175	175	144	144	144	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	57,434	57,434	57,434
Capacity (students)	475	475	475	475	475	475	475	475	475	475
Enrollment	575	659	659	575	575	575	575	575	575	575
Franklin Annex (1999)										
Square Feet	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225
Capacity (students)	80	80	80	80	80	80	80	80	80	80
Enrollment	85	N/A	N/A	85	85	85	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	58,246	58,246	58,246
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	659	682	682	659	659	659	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	62,300	62,300	62,300
Capacity (students)	352	352	352	352	352	352	352	352	352	352
Enrollment	436	401	401	436	436	436	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	94,125	94,125	94,125
Capacity (students)	662	662	662	662	662	662	662	662	662	662
Enrollment	538	540	540	538	538	538	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	98,068	98,068	98,068
Capacity (students)	836	836	836	836	836	836	836	836	836	836
Enrollment	1,023	1,026	1,026	1,023	1,023	1,023	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	46,050	46,050	46,050
Capacity (students)	426	426	426	426	426	426	426	426	426	426
Enrollment	419	418	418	419	419	419	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	197,973	197,973	197,973
Capacity (students)	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377
Enrollment	2,416	2,421	2,421	2,416	2,416	2,416	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	9,267	9,267	9,267
Number of Schools at June 30, 2015										
Elementary = 7										
Senior High School = 1										
Other = 1										

Source: District Records

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

<u>School Facilities</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
North Bergen High School	\$ 700,837	\$ 544,339	\$ 638,136	\$ 595,942	\$ 464,805	\$ 663,015	\$ 676,438	\$ 658,851	\$ 637,900	\$ 629,935
Franklin School	173,631	207,128	216,426	182,854	354,624	202,033	195,036	198,994	183,520	202,558
Horace Mann	362,657	374,259	281,046	290,332	283,323	270,101	249,303	306,554	271,850	312,045
John F. Kennedy	251,523	259,681	237,094	307,894	298,033	319,207	296,193	295,791	282,963	282,087
Lincoln School	310,059	320,863	300,952	321,977	313,534	370,947	328,705	313,341	278,965	260,058
Mc Kinley	135,939	223,037	149,403	199,474	355,870	184,365	197,378	193,450	195,682	146,528
Robert Fulton	<u>283,741</u>	<u>343,730</u>	<u>273,421</u>	<u>354,955</u>	<u>353,645</u>	<u>367,238</u>	<u>316,534</u>	<u>304,485</u>	<u>278,950</u>	<u>279,939</u>
Total School Facilities	<u>\$ 2,218,387</u>	<u>\$ 2,273,037</u>	<u>\$ 2,096,478</u>	<u>\$ 2,253,428</u>	<u>\$ 2,423,834</u>	<u>\$ 2,376,906</u>	<u>\$ 2,259,587</u>	<u>\$ 2,271,466</u>	<u>\$ 2,129,830</u>	<u>\$ 2,113,150</u>

Source: School District Records

**NORTH BERGEN BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2015  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property	\$ 350,000,000	\$ 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	10,000
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

**SINGLE AUDIT**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
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DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
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KATHLEEN WANG, CPA  
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA

**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**

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the 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 prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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, 2015 and the related notes to the financial statements, which collectively comprise the North Bergen Board of Education's basic financial statements and have issued our report thereon dated December 18, 2015.

***Internal Control Over Financial Reporting***

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

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

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

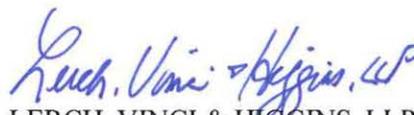
### Compliance and Other Matters

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the North Bergen Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 18, 2015.

### Purpose of this Report

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



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



Gary J. Vinci  
 Public School Accountant  
 PSA Number CS00829

Fair Lawn, New Jersey  
 December 18, 2015



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
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RALPH M. PICONE, CPA, RMA, PSA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY  
U.S. OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL  
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

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

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

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 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the North Bergen Board of Education's major federal and state programs for the fiscal year ended June 30, 2015. The 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.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the North Bergen Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 15-08, 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 the 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the North Bergen Board of Education's compliance.

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

In our opinion, the North Bergen Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

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

Management of the North Bergen Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the North Bergen Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the North Bergen Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

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, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 18, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are 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 information has been subjected to the

auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
December 18, 2015

NORTH BERGEN BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal/Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Prior Years Adjustments	Balance, June 30, 2015		Due to Grantor	Memo GAAP Receivable	Memo Cumulative Expenditures
											(Accounts Receivable)	Unearned Revenue			
<b>U.S. Department of Agriculture</b>															
<b>Passed-Through State Department of Education</b>															
<b>Enterprise Fund</b>															
School Breakfast Program	10.553	N/A	7/1/13-6/30/14	\$ 480,379	\$ (50,570)		\$ 50,570								
School Breakfast Program	10.553	N/A	7/1/14-6/30/15	493,599			445,101	\$ 493,599			\$ (48,498)		\$ (48,498)	\$ 493,599	
NSLP-Cash Assistance	10.555	N/A	7/1/13-6/30/14	1,799,811	(165,481)		165,481								
NSLP-Cash Assistance	10.555	N/A	7/1/14-6/30/15	1,720,895			1,562,489	1,720,895			(158,406)		(158,406)	1,720,895	
After School Snack Program	10.558	N/A	7/1/14-6/30/15	10,156			9,116	10,156			(1,040)		(1,040)	10,156	
After School Snack Program	10.558	N/A	7/1/13-6/30/14	11,696	(1,000)		1,000							-	
Special Milk Program for Children	10.556	N/A	7/1/13-6/30/14	5,835	(571)		571							-	
Special Milk Program for Children	10.556	N/A	7/1/14-6/30/15	6,351			5,787	6,351			(564)		(564)	6,351	
NSLP-Non Cash Assistance	10.555	N/A	7/1/13-6/30/14	129,568	8,212			8,212						8,212	
NSLP-Non Cash Assistance	10.555	N/A	7/1/14-6/30/15	153,927	-		153,927	144,793			-	\$ 9,134	-	144,793	
<b>Total U.S. Dept. of Agriculture</b>					<b>(209,410)</b>	<b>-</b>	<b>2,394,042</b>	<b>2,384,006</b>	<b>-</b>	<b>-</b>	<b>(208,508)</b>	<b>9,134</b>	<b>-</b>	<b>(208,508)</b>	<b>2,384,006</b>
<b>U.S. Dept. of Education Passed-Through</b>															
<b>State Dept. of Education</b>															
<b>Special Revenue Fund</b>															
<b>N.C.L.B. Consolidated Grant</b>															
Title I, Part A	84.010A	NCLB361015	7/1/14-6/30/15	2,941,986		\$ 145,358	1,817,169	2,789,729	\$ (145,358)		(1,270,175)	297,615		(968,921)	2,789,729
Title I, Part A	84.010A	NCLB361014	7/1/13-6/30/14	2,592,124	(825,843)	(145,358)	825,888			\$ (45)					
Title I, Part A	84.010A	NCLB361013	9/1/12-6/30/13	2,917,154			104,096				(104,096)				
Title I, Part A	84.010A	NCLB361012	9/1/11-6/30/12	3,267,925			2,193				(2,193)				
Title I, SIA	84.010A	NCLB361008	9/1/07-8/31/08	55,284			1,174				(1,174)				
Title II, Part A	84.367A	NCLB361015	7/1/14-6/30/15	293,590		17,398	196,384	303,419	(17,398)		(114,604)	7,569	(107,035)	303,419	
Title II, Part A	84.367A	NCLB361014	7/1/13-6/30/14	283,696	(117,238)	(17,398)	130,900	11,200	17,398		(2,462)			11,200	
Title II, Part A	84.367A	NCLB361012	9/1/11-6/30/12	334,266							(113,858)				
Title II, Part A	84.367A	NCLB361010	9/1/09-8/31/10	415,551			24,774				(24,774)				
Title II, Part D	84.318X	NCLB361012	9/1/11-6/30/12	7,125			7,125				(7,125)				
Title III	84.365	NCLB361015	7/1/14-6/30/15	140,418		85,719	117,915	190,874	(85,719)		(108,222)	35,263	(69,305)	190,874	
Title III	84.365	NCLB361014	7/1/13-6/30/14	137,252	(57,728)	(85,719)	89,600	32,394	85,719		722			32,594	
Title III	84.365	NCLB361013	9/1/12-6/30/13	158,139			65,291				(65,291)				
Title III	84.365	NCLB361012	9/1/11-6/30/12	141,896			6,692				(6,692)				
Title III, Immigrant	84.365	NCLB361015	7/1/14-6/30/15			8,626		8,626	(8,626)		(8,626)	-	(8,626)	8,626	
Title III, Immigrant	84.365	NCLB361014	7/1/13-6/30/14	56,193	(47,694)	(8,626)	47,567				127				
Title IV	84.186A	NCLB361011	9/1/10-8/31/11	30,747		3,159					(3,159)				
Title V, Carryover	84.186A	NCLB361007	9/1/06-8/31/07	22,762		4					(4)				
<b>I.D.E.I.A. Part B</b>															
Basic, Regular	84.027A	FT361015	7/1/14-6/30/15	1,792,103		183,063	1,613,202	1,874,290	(183,063)		(361,964)	100,876	(260,346)	1,874,290	
Basic, Regular	84.027A	FT361014	7/1/12-6/30/14	1,717,122	(638,247)	(183,063)	638,169	12,897	183,063		12,975			12,897	
Basic, Regular	84.027A	FT361013	9/1/12-6/30/13	1,695,820			97				(97)				
Basic, Regular	84.027A	FT361012	9/1/11-6/30/12	1,763,388			193				(193)				
Basic, Regular	84.027A	FT361010	9/1/09-8/31/10	1,657,789			15,705				(15,705)				
Basic ARRA	84.391	FT361010	9/1/09-8/31/10				2,823				(2,823)				
Preschool	84.173A	PS361015	7/1/14-6/30/15	47,640			29,252	43,304			(18,388)	4,336	(14,052)	43,304	
Preschool	84.173A	PS361014	7/1/12-6/30/14	47,847	(47,847)		47,847								
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			612				(612)				
Achievement Award		NA		100,000											
Race To Top	84.413A	NA	9/1/12-11/30/15	260,257	(16,400)		19,229				(61,153)	63,982			
Greenhouse Grant	26.359	NA	9/1/10-8/31/11		(25,320)		23,723				-	-		-	
<b>Total U.S. Dept. of Education</b>					<b>(1,424,716)</b>	<b>-</b>	<b>5,596,845</b>	<b>5,266,933</b>	<b>-</b>	<b>(338,687)</b>	<b>(1,943,132)</b>	<b>509,641</b>	<b>-</b>	<b>(1,428,285)</b>	<b>5,266,933</b>
<b>General Fund</b>															
Spec.Ed. Medicaid Reimbursement- ARRA	93.778	NA	10/1/08-12/31/1	91,673			91,673	91,673							91,673
Spec.Ed. Medicaid Reimbursement	93.778	NA	7/1/14-6/30/15	239,415			239,415	239,415							239,415
<b>Capital Projects Fund</b>							331,088	331,088							331,088
<b>U.S. Department of Justice</b>															
Community Oriented Policing Services		2002CKWX0265	7/1/04-6/30/05	325,000	(8,974)				8,974						
<b>Total Federal Awards</b>					<b>\$ (1,643,100)</b>	<b>\$ -</b>	<b>\$ 8,321,975</b>	<b>\$ 7,982,027</b>	<b>\$ 8,974</b>	<b>\$ (338,687)</b>	<b>\$ (2,151,640)</b>	<b>\$ 518,775</b>	<b>\$ -</b>	<b>\$ (1,636,793)</b>	<b>\$ 7,982,027</b>

NORTH BERGEN BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2014		Carryover Amount	Cash Received	Budgetary Expenditures	Cancelled Encumbrances	Prior Year Adjustment	Balance, June 30, 2015			Memo	
				Unearned Revenue/ (Accts Rec)	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>															
<b>General Fund</b>															
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	\$ 50,413,223	\$ (4,861,678)			\$ 4,861,678							*	
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	50,413,223				45,515,425	\$ 50,413,223			\$ (4,897,798)			*	\$ 50,413,223
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	138,421	(13,349)			13,349							*	-
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	138,421				124,973	138,421			(13,448)			*	138,421
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	4,568,078	(440,530)			440,530							*	-
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	4,568,078				4,124,275	4,568,078			(443,803)			*	4,568,078
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	835,101	(80,534)			80,534							*	-
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	835,101				753,968	835,101			(81,133)			*	835,101
Under Adequacy Aid	14-495-034-5120-084	7/1/13-6/30/14	500,000	(48,218)			48,218							*	-
Under Adequacy Aid	15-495-034-5120-096	7/1/14-6/30/15	500,000				451,424	500,000			(48,576)			*	500,000
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	74,130				66,928	74,130			(7,202)			*	74,130
PARCC Readiness	15-495-034-5120-098	7/1/14-6/30/15	74,130				66,928	74,130			(7,202)			*	74,130
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	410,255	(410,255)			410,255							*	-
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	298,938				298,938				(298,938)			*	298,938
Nonpublic Transportation Aid	N/A	7/1/13-6/30/14	57,469	(57,469)			57,469							*	-
Nonpublic Transportation Aid	N/A	7/1/14-6/30/15	9,918					9,918			(9,918)			*	-
Reimbursed TPAF Soc. Security Contr.	14-495-034-5095-002	7/1/13-6/30/14	3,941,948	(193,972)			193,972							*	-
Reimbursed TPAF Soc. Security Contr.	15-495-034-5094-003	7/1/14-6/30/15	3,862,079				3,669,390	3,862,079			(192,689)			*	3,862,079
Reimbursed TPAF Pension														*	-
Non-Contributory Insurance	15-495-034-5094-007	7/1/14-6/30/15	196,637				196,637	196,637						*	196,637
Pension Contribution	15-495-034-5094-006	7/1/14-6/30/15	2,718,234				2,718,234	2,718,234						*	2,718,234
Post Retirement Contribution	15-495-034-5094-001	7/1/14-6/30/15	4,627,360				4,627,360	4,627,360						*	4,627,360
<b>Total General Fund</b>				<b>(6,106,005)</b>	<b>-</b>	<b>-</b>	<b>68,421,547</b>	<b>68,316,249</b>	<b>-</b>	<b>-</b>	<b>(6,000,707)</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>(202,607)</b>
<b>Special Revenue Fund</b>															
Preschool Education Aid	15-495-034-5120-086	7/1/14-6/30/15	3,208,908			\$ 2,174,577	2,888,017	2,745,977			(320,891)	\$ 2,637,508		*	2,745,977
Preschool Education Aid	14-495-034-5120-086	7/1/13-6/30/14	3,181,245	1,842,469		(2,174,577)	318,125		\$ 13,983					*	-
Tobacco	N/A	7/1/04-6/30/05	N/A	223										*	-
Positive Discipline	N/A	7/1/07-6/30/08	N/A	3,842						(3,842)				*	-
NJ Clean Energy Program	N/A	5/1/06-5/11/08	N/A	1,714						(1,714)				*	-
NJ Clean Energy Program	N/A	10/23/08-10/23/09	N/A	27,051						(27,051)				*	-
Individualized Education Plan	N/A	7/1/10-6/30/11	N/A	769						(769)				*	-
Individualized Education Plan	N/A	7/1/11-6/30/12	N/A	(4,863)						4,863				*	-
<b>Total Special Revenue Fund</b>				<b>1,871,205</b>	<b>-</b>	<b>-</b>	<b>3,206,142</b>	<b>2,745,977</b>	<b>13,983</b>	<b>(28,736)</b>	<b>(320,891)</b>	<b>2,637,508</b>	<b>-</b>	<b>*</b>	<b>2,745,977</b>
<b>Debt Service Fund</b>															
Debt Service Aid	15-495-034-5120-075	7/1/14-6/30/15	550,049				550,049	550,049						*	550,049
<b>Total State Department of Education</b>				<b>(4,234,800)</b>	<b>-</b>	<b>-</b>	<b>72,177,738</b>	<b>71,612,275</b>	<b>13,983</b>	<b>(28,736)</b>	<b>(6,321,598)</b>	<b>2,637,508</b>	<b>-</b>	<b>*</b>	<b>(202,607)</b>
<b>State Department of Agriculture</b>															
<b>Food Service Enterprise Fund</b>															
National School Lunch Program	14-100-010-3350-023	7/1/13-6/30/14	36,085	\$ (5,074)			5,074							*	-
National School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	32,878				29,012	32,878			(3,866)			*	32,878
<b>Total State Department of Agriculture</b>				<b>(5,074)</b>	<b>-</b>	<b>-</b>	<b>34,086</b>	<b>32,878</b>	<b>-</b>	<b>-</b>	<b>(3,866)</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>(3,866)</b>

NORTH BERGEN BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2014			Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Year Balances	Balance, June 30, 2015			Memo	
				Unearned Revenue/ (Accts Rec)	Due to Grantor	Carryover Amount					(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>Economic Development Authority</b>															
<b>Capital Projects Fund</b>															
Franklin School - Windows	3610-060-09-1008	N/A	\$ 1,016,408	\$ (687,354)							\$ (687,461)	\$ 107		\$ (687,461)	\$ 687,354
Lincoln School - Windows	3610-090-09-1009	N/A	890,041	(599,248)							(599,354)	106		(599,354)	599,248
North Bergen High School - Maintenance Room Conversion	3610-050-09-1013	N/A	210,845	(97,567)							(97,567)			(97,567)	97,567
North Bergen High School - Guidance and Health Suites	3610-050-09-1010	N/A	827,591	(827,591)							(827,591)			(827,591)	827,591
North Bergen High School - Brick Façade Repair and Restoration	3610-050-09-1007	N/A	626,251	(446,663)			\$ 32,315				(496,901)	17,923		(496,901)	478,978
North Bergen High School - Electrical	3610-050-09-1001	N/A	343,746	(256,336)			\$ 265,558	9,222						-	265,558
Horace Mann - Windows and Doors	3610-070-10-1003	N/A	1,254,556	(1,254,556)							(1,254,556)			(1,254,556)	1,254,556
Robert Fulton - Windows and Doors	3610-110-10-1006	N/A	1,387,825	(66,829)				975,249		\$ (1)	(1,367,952)	325,873		(1,367,952)	1,042,078
McKinley School - Windows	3610-100-14-1014	N/A	673,885	(47,569)				2,234			(673,885)	624,082		(673,885)	49,803
McKinley School - Exterior	3610-100-14-1025	N/A	170,474	(3,835)				2,558			(170,474)	164,081		(170,474)	6,393
Robert Fulton - Roof	3610-110-14-1021	N/A	471,366	(1,393)				929			(471,366)	469,044		(471,366)	2,322
Robert Fulton - Foundation	3610-110-14-1022	N/A	80,117								(80,117)	80,117		(80,117)	
North Bergen High School - Rehabilitation	3610-050-14-1001	N/A	96,853					7,554			(96,853)	89,299		(96,853)	
North Bergen High School - Fire Alarm	3610-050-14-1002	N/A	1,028,815					588,564			(925,934)	440,251		(925,934)	588,564
Lincoln School - Exterior	3610-090-14-1024	N/A	308,116	(4,781)				3,187			(308,116)	300,148		(308,116)	7,968
Horace Mann School - Roof	3610-070-14-1020	N/A	448,418	(1,475)				984			(448,418)	445,959		(448,418)	2,459
McKinley School - Security	3610-100-14-1015	N/A	78,102					44,516			(78,102)	33,586		(78,102)	984
Lincoln School - Security	3610-090-14-1012	N/A	87,213					44,043			(43,170)	1,719		(43,170)	85,494
Kennedy School - Security	3610-080-14-1011	N/A	59,007					29,798			(29,209)	-		(29,209)	59,007
Horace Mann School - Security	3610-070-14-1099	N/A	65,614					33,135			(32,479)	-		(32,479)	65,614
Franklin School - Security	3610-060-14-1008	N/A	63,672					55,916			(63,672)	7,756		(63,672)	55,916
Robert Fulton School - Security	3610-110-14-1016	N/A	60,439					30,522			(29,917)	-		(29,917)	60,439
Total Economic Development Authority				(4,295,197)	-	-	505,937	1,993,782	-	(1)	(8,783,094)	3,000,051	-	(8,783,094)	6,237,893
				\$ (8,535,071)	\$ -	\$ -	\$ 72,717,761	\$ 73,638,935	\$ 13,983	\$ (28,737)	\$ (15,108,558)	\$ 5,637,559	\$ -	\$ (8,989,567)	\$ 77,883,046
Less: State Aid Not Subject to Single Audit and Major Program Determination															
Reimbursed TPAF Pension															
Non-Contributory Insurance							(196,637)	(196,637)							
Pension Contribution							(2,718,234)	(2,718,234)							
Post Retirement Contribution							-	-							
							(4,627,360)	(4,627,360)							
				\$ (8,535,071)	\$ -	\$ -	\$ 65,175,530	\$ 66,096,704	\$ 13,983	\$ (28,737)	\$ (15,108,558)	\$ 5,637,559	\$ -		

**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, 2015**

**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 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 prepared and 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 basis of accounting are described in Notes 1(C) to the Board's 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 15-08, "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 financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$56,464 for the general fund and a decrease of \$25,642 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 financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 331,088	\$ 68,372,713	\$ 68,703,801
Special Revenue Fund	5,258,898	2,718,402	7,977,300
Capital Projects Fund		1,984,809	1,984,809
Debt Service Fund		550,049	550,049
Food Service Fund	2,384,006	32,878	2,416,884
	<u>          </u>	<u>          </u>	<u>          </u>
Total Financial Assistance	\$ 7,973,992	\$ 73,658,851	\$ 81,632,843

**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, 2015**

**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 \$3,862,079 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, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$2,914,871 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$4,627,360 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

**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 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, 2015**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditor's report issued: Unmodified

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: Unmodified

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>84.010</u>	<u>Title I</u>
<u>84.027</u>	<u>IDEA Basic</u>
<u>84.173</u>	<u>IDEA Preschool</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>10.556</u>	<u>Special Milk Program</u>
<u>84.367</u>	<u>Title IIA</u>
<u>93.778</u>	<u>SEMI Medicaid Reimbursement</u>

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

Auditee qualified as low-risk auditee?            yes   X   no



**NORTH BERGEN BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*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, 2015**

*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 15-08.

**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, 2015**

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**

**Finding 2014-001**

The NCLB FY 13 Title I final report was not in agreement with the financial accounting records of the District. The expenditures reported in the final grant report exceeded the expenditures reported in the District's budgetary accounting records by \$101,874.

**Status**

Corrective action was taken.