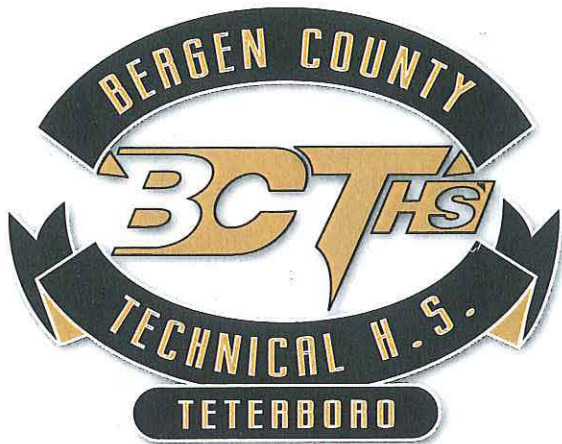
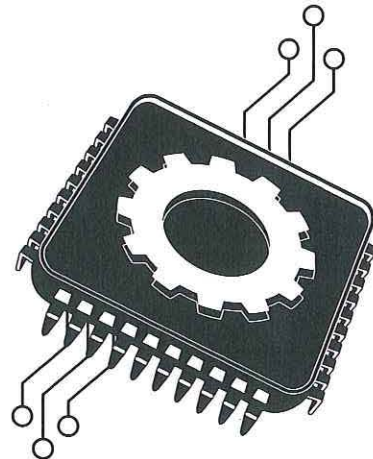


Bergen County Technical Schools

A Component Unit of The County of Bergen



APPLIED TECHNOLOGY



HIGH SCHOOL

**Comprehensive Annual Financial Report
For The Fiscal Year Ended JUNE 30, 2016**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Bergen County Technical and Vocational High School
Board of Education**

New Jersey

For The Fiscal Year Ended June 30, 2016

Prepared by

Business Department

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
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INTRODUCTORY SECTION



BERGEN COUNTY TECHNICAL SCHOOLS / SPECIAL SERVICES

District Administration Office

540 Farview Avenue, Paramus, New Jersey 07652 • Tel. (201) 343-6000 ext. 4056 • Fax (201) 996-6978 • Email: johsus@bergen.org

December 2, 2016

Honorable President and
Members of the Board of Education
Bergen County Technical and Vocational High School
County of Bergen, New Jersey

Dear Board Members:

State Department of Education statutes require that all general-purpose local governments publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Bergen County Technical and Vocational High School District for the fiscal year ended June 30, 2016.

This report consists of management's representations concerning the finances of the Bergen County Technical and Vocational High School District. 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 Bergen County Technical and Vocational High School District has established a comprehensive internal control framework that is designed both to protect the School District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Bergen County Technical and Vocational High School District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Bergen County Technical and Vocational High School District'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 Bergen County Technical and Vocational High School District'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 Bergen County Technical and Vocational High School District for the fiscal year ended June 30, 2016, 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 Bergen County Technical and Vocational High School

District's financial statements for the fiscal year ended June 30, 2016, 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 Bergen County Technical and Vocational High School District was 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 audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Bergen County Technical and Vocational High School District's separately issued Single Audit Report.

GAAP require 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 MD&A and should be read in conjunction with it. The Bergen County Technical & Vocational High School District's MD&A can be found immediately following the report of the independent auditors.

The district operates three high schools: Bergen County Academies in Hackensack, including seven magnet high school programs with a career focus; Bergen County Technical High School – Teterboro, with eleven technical concentrations; and Bergen County Technical High School – Paramus, with thirteen concentrations, including full-time options for students with special learning needs and shared-time options for students who remain at their local sending districts for academics and select part-time technical education in the county school.

Bergen County Technical Schools also offer an array of postsecondary programs. These include full-time day training programs and part-time evening and apprenticeship courses through the Adult & Continuing Education Division, training for emergency medical service and heavy rescue workers through the Emergency Medical Services Training Center, and career readiness and training through the Bergen Workforce Center which offers programs that qualify under the workforce development programs dating back to the Manpower Development and Training Act of 1962. Through the years, the school district has operated the training component, in full or in part, for all of these programs. Since 1995, the district has also served as the administrative agent for these programs, beginning with the federal Job Training Partnership Act (JTPA), which was later replaced by the current Workforce Investment Act.

The District completed the 2015-16 fiscal year with an enrollment of 2,277 students, which is 69 students more than the previous year. The following details changes in District enrollment over the last ten years:

	<u>Enrollment</u>
2015/16	2,277
2014/15	2,208
2013/14	2,260
2012/13	2,231
2011/12	2,276
2010/11	2,226
2009/10	2,182
2008/09	2,142
2007/08	2,186
2006/07	2,211

The District continues its administrative partnership with Bergen County Special Services, facilitating an efficient and productive sharing of resources including central office administrations, professional development sources and opportunities, pedagogical and technological expertise, and other peripheral support services. The district also provides as-needed personnel and special project support to the Bergen County Workforce Investment Act.

ECONOMIC CONDITION AND OUTLOOK:

Located in Northeastern New Jersey in close proximity to New York City, Bergen County is an important economic entity. Although Bergen County comprises only 3% of New Jersey's total land area, it has the largest number of workers, private-sector jobs, and highest per capital income in the state. Its 900,000 residents live in 70 municipalities, which include 56 boroughs, 9 townships, 3 cities and 2 villages.

According to the Bergen County Economic Development Corporation, Bergen has over 14% of the states jobs (487,000) and over 14% of New Jersey's manufacturing jobs - both records for the state, at \$15 billion. Hackensack, the County Seat, is home to Bergen's top employer, Hackensack University Medical Center. This state-of-the-art teaching and research hospital is the largest provider of inpatient and outpatient services in the state. The New Jersey Sports and Exposition Authority (Met Life Stadium, Meadowlands Racetrack, Izod Center) and the Valley Hospital System round out the top three employers in the county. Other leading employers include: Quest Diagnostics, Englewood Hospital & Medical Center, Bergen Regional Medical Center, Cingular Wireless, Holy Name Hospital, The County of Bergen, and Mercedes-Benz.

MAJOR INITIATIVES:

The district has intensified its efforts towards offering early college options on all three campuses. These programs are designed for motivated students who are interested in challenging themselves by enrolling in college level courses. Onsite at the Hackensack and Teterboro campuses, students can take Advanced Placement (AP) and International Baccalaureate (IB) courses. Through successful completion of AP and IB courses, students have the opportunity to earn credit or advanced standing at most of the nation's colleges and universities. In addition, there are a number of articulation agreements with Fairleigh Dickinson University and New Jersey Institute of Technology which offer select graduating students sophomore standing at the partnering school. Students are also able to take a number of college courses off-site prior to graduating high school at Fairleigh Dickinson University and Bergen Community College.

MAJOR INITIATIVES: (Continued)

At the special needs campus in Paramus, students are able to pursue certifications through Bergen Community College in grounds management, landscaping, floral design, graphics, culinary arts, network support, or small business. They can also begin working towards their Associate's Degree in selected areas.

The district's most current initiative is focused on preparing students for continued globalization. By preparing students to enter higher education institutions with a head start on their peers, we believe that they will have the advantage of being the first to create new innovations for the globalizing market. In addition, new courses are being offered to increase our students' knowledge of foreign investment and language in emerging markets. To compliment classes in Mandarin and International Business, student exchange programs with other nations have been initiated.

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 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 regulation related to those programs. This internal control structure is also subject to periodic evaluation by the District's 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 School Estimates. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2016.

DEBT ADMINISTRATION:

At June 30, 2016, the District has no debt service. All bonded long-term debt is included in the County of Bergen's financial statements.

CASH MANAGEMENT:

By agreement with the Bergen County Administrator, the Board requests payment of enough funds to meet immediate obligations and maintain a low cash balance. The Board relies on the county administrator for an appropriate investment policy. 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, workers' compensation, and a self-insured health benefits plan and unemployment fund.

ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Board of Education and the Bergen County Executive and Board of Chosen Freeholders for their concern in providing fiscal accountability to the citizens and to 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 our accounting staff.

Respectfully submitted,



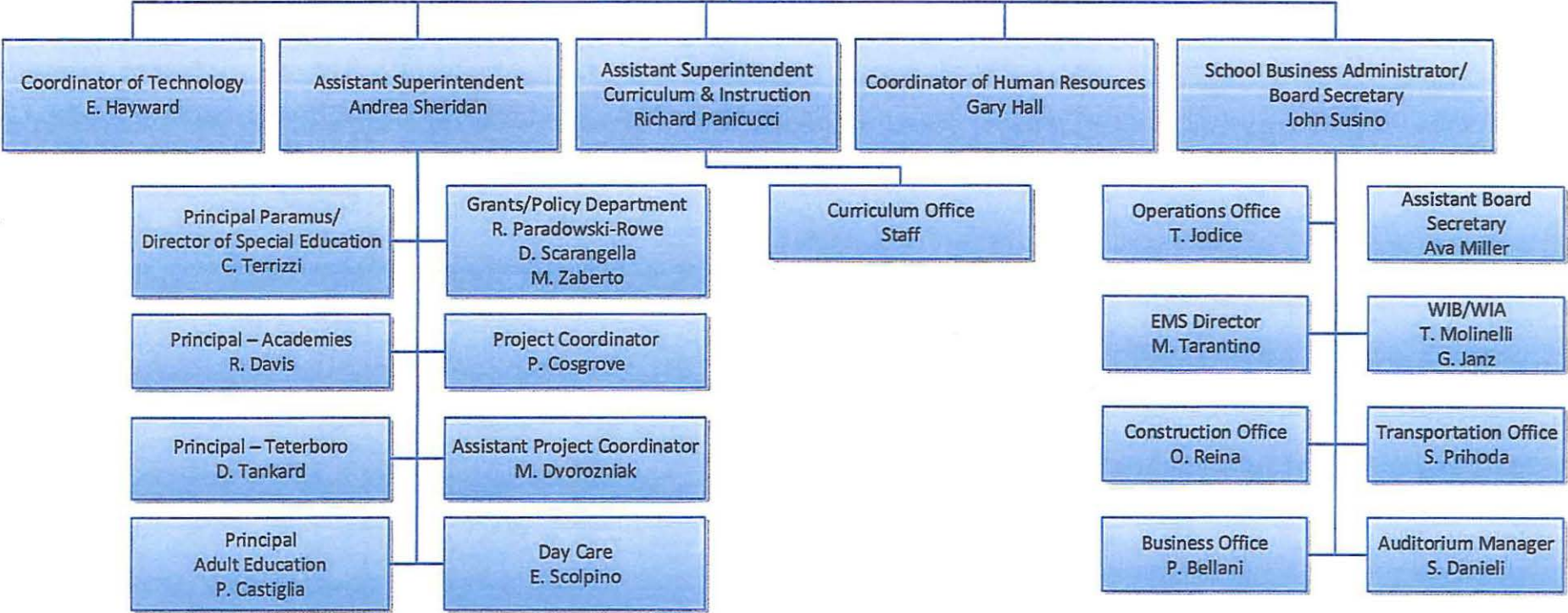
Dr. Howard Lerner
Superintendent



John Susino
Business Administrator/Board Secretary

BCTS Administrative Plan 2015-2016

Superintendent
Howard Lerner, Ed.D.



BERGEN COUNTY TECHNICAL SCHOOLS
BERGEN COUNTY, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2016

COUNTY EXECUTIVE

James J. Tedesco III

MEMBERS OF THE BOARD OF CHOSEN FREEHOLDERS

Steve Tanelli –Chairman
Tracey Silna Zur – Vice Chairwoman
John Felice – Chairman Pro Tempore
David Ganz
Maura DeNicola
Thomas J. Sullivan Jr.
Joan Voss

BOARD OF EDUCATION

President

Jason Kim

Vice-President

Dr. William Meisner

Members of the Board of Education

Raymond Hryczyk
Lawrence Meyerson
Norah Peck

Executive County Superintendent
Bergen County Office of Education

OTHER OFFICIALS

Superintendent
Assistant Superintendent
Board Secretary /Business Administrator
Director of Personnel
Director of Special Education
Director of Workforce Investment Board
Director, Bergen County One Stop
Career Center (WIA)
Principal, Academies
Principal, BCTEC, Paramus
Principal, BCVHS, Paramus
Principal, BCTEC, BCVHS, BCTHS, Teterboro
Principal, Adult and Continuing Education

Dr. Howard Lerner
Andrea Sheridan
John Susino
Gary Hall
Carole Terrizzi
Tammy Molinelli

Gregory Janz
Russ Davis
Carole Terrizzi
Carole Terrizzi
David Tankard
Paul Castiglia

**BERGEN COUNTY TECHNICAL SCHOOL
BERGEN COUNTY, NEW JERSEY**

Consultants and Advisors

Architect/Engineer

DMR Architects
777 Terrace Avenue, 6th Floor
Hasbrouck Heights, NJ 07604

Audit Firm

Lerch, Vinci & Higgins, LLP
Certified Public Accountants
17-17 Route 208
Fair Lawn, New Jersey 07410

Attorney

Nowell, P.A.
155 Polifly Road
Hackensack, NJ 07601

Official Depository

Capital One Bank
Paramus, NJ 07652

FINANCIAL SECTION



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
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
ROBERT AMPONSAH, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Bergen County Technical and Vocational High School District
Bergen County, 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 Bergen County Technical and Vocational High School District, a component unit of the County of Bergen as of and for the fiscal year ended June 30, 2016 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 Bergen County Technical and Vocational High School District as of June 30, 2016, 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.

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

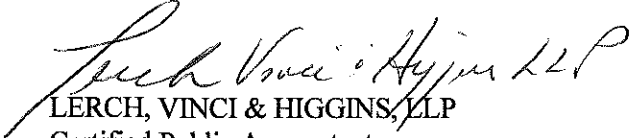
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bergen County Technical and Vocational High School District's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and 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 Bergen County Technical and Vocational High School District.


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 2, 2016 on our consideration of the Bergen County Technical and Vocational High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Bergen County Technical and Vocational High School District's internal control over financial reporting and compliance.


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
December 2, 2016

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

Management's Discussion and Analysis Fiscal Year Ended June 30, 2016

This section of Bergen County Technical and Vocational School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2015-2016) and the prior year (2014-2015) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2015-2016 fiscal year include the following:

- The assets and deferred outflows of resources of the Bergen County Technical and Vocational High School District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$20,664,744 (net position).
- Overall district-wide revenues were \$92,230,902, which was \$3,241,035 less than expenses.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$7,894,226.

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:

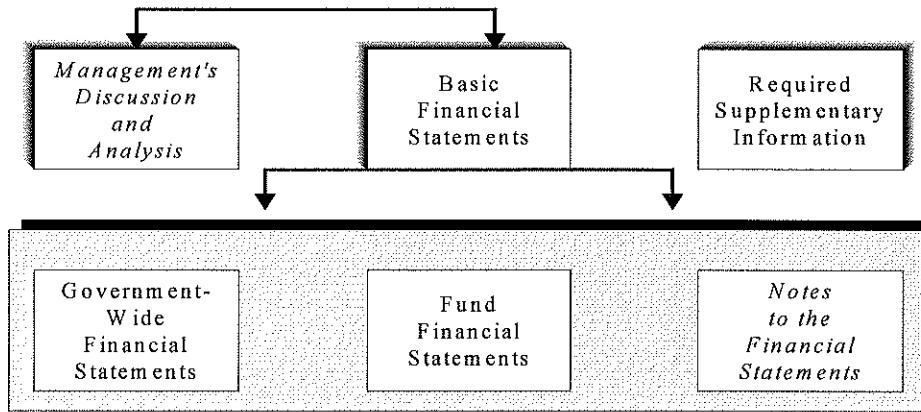
BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016

- 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 figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1



BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

Management's Discussion and Analysis Fiscal Year Ended June 30, 2016

Figure A-2 summarizes 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. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2
Major Features of the Government-Wide and Fund Financial Statements

	Government-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 vocational education and building maintenance, and community education	Activities the district operates similar to private businesses: Internal Service and Enterprise funds	Instances in which the District administers resources on behalf of someone else, such as Unemployment, Payroll agency, and Scholarships
Required financial statements	Statements of net position Statement of activities	Balance Sheet Statement of Revenue, Expenditures and changes in fund balances	Statement of Net Position Statement of revenue, expenses, and changes in fund 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/deferred resource information	All assets and liabilities, deferred outflows/ Inflows of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, deferred outflows/inflows of resources, 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.

Government-wide financial statements

The government-wide statements report information about the District 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/inflows and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets and deferred outflows of resources compared to liabilities and deferred inflows of resources – is one way to measure the District's financial health or *position*

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

Management's Discussion and Analysis Fiscal Year Ended June 30, 2016

- 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 government-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 vocational education, transportation, administration, and community education. County taxes and tuition charged to other school districts are also reflected here.
- *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.
- The District establishes other funds in accordance with the State of New Jersey Uniform Chart of Accounts to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

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 government-wide statements.

The District uses *internal service funds* to report activities that provide supplies and services for the District's other programs and activities. The district currently has five internal service funds for the following:

- Management Agreement-BCSSD
- Extended Year
- WIA Administration
- Compensated Absences
- Interlocal Agreements

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

Management's Discussion and Analysis Fiscal Year Ended June 30, 2016

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 twelve enterprise funds for the following:

- Food Service (Cafeteria)
- Academy After Hours
- Technology Services
- Summer Science Funds
- Summer Writing
- Explorations
- Day Care Center
- Educational Technology Training Center
- Auditorium Rentals
- Math Camp Funds
- Teterboro Summer
- High School Enrichment

• *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 government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual expenditure budget for the general and special revenue 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.

GOVERNMENT-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 \$20,664,744 as of June 30, 2016. See Table A-1.

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016**

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land 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.

**Table A-1
Net Position
as of June 30, 2016 and 2015**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current Assets	\$ 14,294,850	\$ 16,987,971	\$ 1,051,505	\$ 1,437,294	\$ 15,346,355	\$ 18,425,265
Capital Assets	50,030,937	49,479,630	367,596	417,011	50,398,533	49,896,641
Total Assets	<u>64,325,787</u>	<u>66,467,601</u>	<u>1,419,101</u>	<u>1,854,305</u>	<u>65,744,888</u>	<u>68,321,906</u>
Deferred Outflows of Resources	<u>6,995,953</u>	<u>1,488,844</u>	<u>-</u>	<u>-</u>	<u>6,995,953</u>	<u>1,488,844</u>
Total Assets and Deferred Outflows of Resources	<u>71,321,740</u>	<u>67,956,445</u>	<u>1,419,101</u>	<u>1,854,305</u>	<u>72,740,841</u>	<u>69,810,750</u>
Other Liabilities	3,438,541	3,789,312	204,599	499,958	3,643,140	4,289,270
Noncurrent Liabilities	47,716,603	39,461,579	-	-	47,716,603	39,461,579
Total Liabilities	<u>51,155,144</u>	<u>43,250,891</u>	<u>204,599</u>	<u>499,958</u>	<u>51,359,743</u>	<u>43,750,849</u>
Deferred Inflows of Resources	<u>716,354</u>	<u>2,154,122</u>	<u>-</u>	<u>-</u>	<u>716,354</u>	<u>2,154,122</u>
Total Liabilities and Deferred Inflows of Resources	<u>51,871,498</u>	<u>45,405,013</u>	<u>204,599</u>	<u>499,958</u>	<u>52,076,097</u>	<u>45,904,971</u>
Net Position						
Net Investment in						
Capital Assets	50,030,937	49,479,630	367,596	417,011	50,398,533	49,896,641
Restricted	4,544,625	6,157,553			4,544,625	6,157,553
Unrestricted	(35,125,320)	(33,085,751)	846,906	937,336	(34,278,414)	(32,148,415)
Total Net Position	<u>\$ 19,450,242</u>	<u>\$ 22,551,432</u>	<u>\$ 1,214,502</u>	<u>\$ 1,354,347</u>	<u>\$ 20,664,744</u>	<u>\$ 23,905,779</u>

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016**

**Table A-2
Change in Net Position
For the Fiscal Years Ended June 30, 2016 and 2015**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues						
Program Revenues						
Tuition	\$ 26,904,443	\$ 26,007,132			\$ 26,904,443	\$ 26,007,132
Charges for Services	2,623,841	2,215,628	\$ 3,231,576	\$ 2,826,832	5,855,417	5,042,460
Operating Grants and Contributions	23,441,351	20,642,137	163,382	152,646	23,604,733	20,794,783
General Revenues						
County Property Taxes	29,566,905	29,566,905			29,566,905	29,566,905
County Aid	836,534	4,754,456			836,534	4,754,456
State and Federal Aid	5,080,816	4,879,253			5,080,816	4,879,253
Miscellaneous	382,054	597,986	-	-	382,054	597,986
Total Revenues	88,835,944	88,663,497	3,394,958	2,979,478	92,230,902	91,642,975
Expenses						
Instruction						
Regular	21,615,596	19,292,897			21,615,596	19,292,897
Other Special Instruction	1,417,698	1,207,686			1,417,698	1,207,686
Vocational Education	23,049,247	20,727,275			23,049,247	20,727,275
Other Instruction	3,083,333	2,738,122			3,083,333	2,738,122
Adult/Continuing Education	630,782	534,731			630,782	534,731
Support Services						
Student and Instruction Related Services	14,820,193	15,081,857			14,820,193	15,081,857
School Administrative Services	4,534,126	3,929,539			4,534,126	3,929,539
General Administrative Services	2,674,123	3,507,357			2,674,123	3,507,357
Business/Central Other Support Services	8,481,150	6,819,158			8,481,150	6,819,158
Plant Operations and Maintenance	10,594,482	10,604,646			10,594,482	10,604,646
Pupil Transportation	1,080,865	2,581,110			1,080,865	2,581,110
Interest	5,539				5,539	-
Food Services			754,158	742,604	754,158	742,604
Other-Business Activities	-	-	2,730,645	2,411,056	2,730,645	2,411,056
Total Expenses	91,987,134	87,024,378	3,484,803	3,153,660	95,471,937	90,178,038
Change in Net Position Before Transfers	(3,151,190)	1,639,119	(89,845)	(174,182)	(3,241,035)	1,464,937
Transfer	50,000	50,000	(50,000)	(50,000)	-	-
Change in Net Position	(3,101,190)	1,689,119	(139,845)	(224,182)	(3,241,035)	1,464,937
Net Position, Beginning of Year	22,551,432	20,862,313	1,354,347	1,578,529	23,905,779	22,440,842
Net Position, End of Year	\$ 19,450,242	\$ 22,551,432	\$ 1,214,502	\$ 1,354,347	\$ 20,664,744	\$ 23,905,779

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016**

Governmental Activities. The District's total governmental activities revenues were \$88,835,944 for the year ended June 30, 2016. Tuition and other charges to districts accounted for 33 percent of total revenues. County taxes and aid account for 34 percent of total revenue for the year. Operating grants and contributions account for 26 percent of revenues. Another 6 percent came from other operating revenues consisting of unrestricted and restricted federal/state aid for capital outlay. The remaining 1 percent of revenues include investment earnings and other miscellaneous revenues.

The total cost of all governmental activities programs and services was \$91,987,134. The District's expenses are predominantly related to educating and caring for students.

Total governmental activities revenues and transfers were less than expenses decreasing net position \$3,101,190 from the last year.

Table A-3 Revenues by Source- Governmental Activities
For Fiscal Year 2016

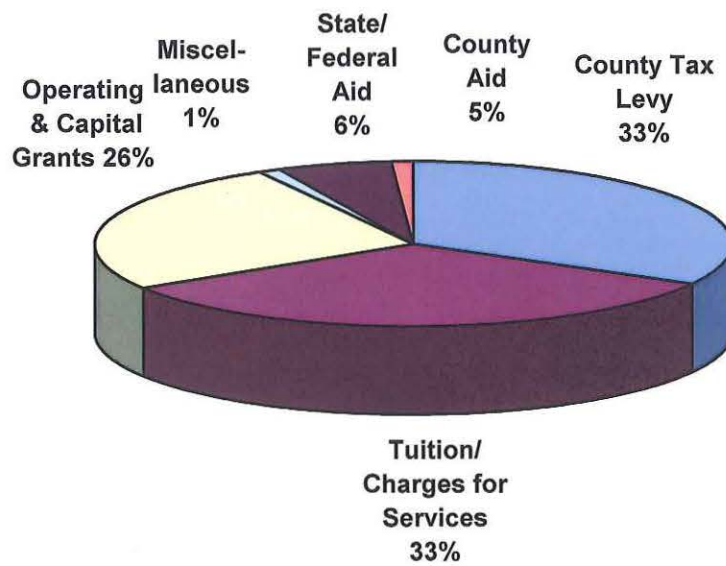
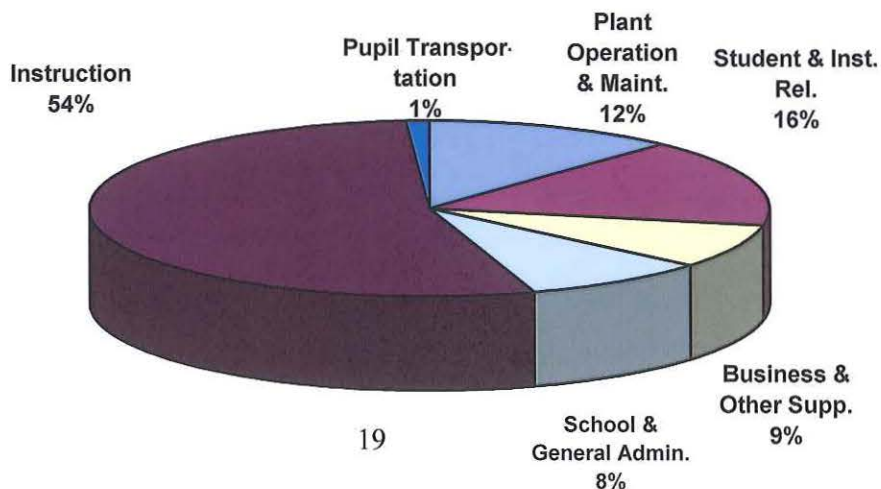


Table A-4 Expenditures by Type- Governmental Activities
For Fiscal Year 2016



BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016**

Total and Net Cost of Governmental Activities. The District's total cost of services was \$91,987,134 for the fiscal year ended June 30, 2016. After applying program revenues, derived from tuition and charges for services of \$29,528,284 and operating grants and contributions of \$23,441,351, the net cost of services of the District was \$39,017,499 for the fiscal year ended June 30, 2016. See Table A-5.

**Table A-5
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2016 and 2015**

	Total Cost of Services		Net Cost of Services	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Instruction				
Regular	\$ 21,615,596	\$ 19,292,897	\$ 5,370,028	\$ 4,972,476
Other Special Instruction	1,417,698	1,207,686	(491,934)	(98,091)
Vocational Education	23,049,247	20,727,275	1,582,372	281,359
Other Instruction	3,083,333	2,738,122	2,087,802	1,439,506
Adult/Continuing Education	630,782	534,731	(483,113)	(528,918)
Support Services				
Student and Instruction Related Services	14,820,193	15,081,857	6,811,833	7,274,632
School Administrative Services	4,534,126	3,929,539	3,684,354	3,218,564
General Administrative Services	2,674,123	3,507,357	1,904,059	2,800,205
Business and Other Support Services	8,481,150	6,819,158	7,413,810	6,095,799
Plant Operations and Maintenance	10,594,482	10,604,646	10,152,320	10,215,917
Pupil Transportation	1,080,865	2,581,110	980,429	2,488,032
Interest	5,539	-	5,539	-
Total	\$ 91,987,134	\$ 87,024,378	\$ 39,017,499	\$ 38,159,481

Business-Type Activities – The District's total business-type activities revenues were \$3,394,958 for the fiscal year ended June 30, 2016. Charges for services accounted for 95% of total revenues. Operating and capital grants and contributions accounted for 5% of total revenue for the year.

The total cost of all business-type activities programs and services was \$3,484,803 for the fiscal year ended June 30, 2016. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District and various other business type services.

Total business-type activities revenues were less than expenses and transfers, decreasing net position by \$139,845 from the prior year.

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016**

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, unassigned 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 \$7,894,226, which is \$2,560,117 less than last year's fund balance of \$10,454,343.

Revenues for the District's governmental funds were \$79,314,956 while total expenses were \$81,794,486 resulting in a decrease of \$2,479,530 in fund balance. A transfer from the Enterprise Fund of \$50,000 and transfers to the Compensated Absences Internal Service Fund of \$130,587 resulted in a total net decrease of \$2,560,117 in fund balance.

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 for the fiscal year ended June 30, 2016 and 2015.

	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local Sources				
County Property Taxes	\$ 29,566,905	\$ 29,566,905	\$ 376,807	1%
Tuition	26,904,443	26,007,132	897,311	3%
Miscellaneous	698,649	661,145	37,504	6%
State/Federal Sources	<u>11,634,158</u>	<u>10,753,794</u>	<u>880,364</u>	8%
Total General Fund Revenues	<u>\$ 68,804,155</u>	<u>\$ 66,988,976</u>	<u>\$ 1,815,179</u>	<u>2.71%</u>

Total General Fund Revenues increased by \$1,815,179 or 2.7% over the previous year. County property taxes increased by 1%. Tuition, which represents 39% of total general fund revenues, increased by 3%.

State/Federal sources increased by \$880,364 or 8% from the previous year. The increase was mainly due to an increase of State on-behalf TPAF contributions/reimbursements.

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016**

The following schedule presents a comparison of General Fund expenditures for the fiscal years ended June 30, 2016 and 2015.

	<u>Fiscal Year Ended June 30, 2016</u>	<u>Fiscal Year Ended June 30, 2015</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Instruction and Support Services	\$ 68,291,563	\$ 66,107,631	\$ 2,183,932	3%
Capital Outlay and Debt Service	<u>700,110</u>	<u>1,202,828</u>	<u>(502,718)</u>	-42%
Total Expenditures	<u>\$ 68,991,673</u>	<u>\$ 67,310,459</u>	<u>\$ 1,681,214</u>	<u>2.50%</u>

Total General Fund expenditures increased \$1,681,214 or 2.5% from the previous year.

In 2015-2016 General Fund revenues were less than expenditures by \$187,518 before net transfers out of \$180,674. Therefore, total fund balance decreased by \$368,192. The fund balance decreased from \$7,127,964 at June 30, 2015 to \$6,759,772 at June 30, 2016.

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

Revenues of the Special Revenue Fund were \$9,674,117, for the year ended June 30, 2016. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 74% of the total revenue for the year.

Total Special Revenue Fund revenues increased \$727,471 or 8% from the previous year. State sources increased \$679,185 or 39%, while Federal sources decreased \$66,291 or 1%. Revenues from local sources increased \$114,577.

Expenditures of the Special Revenue Fund were \$9,674,117.

Capital Projects - The capital projects revenues and transfers were less than expenses by \$2,192,075 decreasing fund balance to \$1,034,092 at June 30, 2016.

Permanent Fund - The Permanent Fund accounts for the assets held under the terms of a formal trust agreement. In the case of the District, the principal portion is reserved for scholarships. The total fund balance at June 30, 2016 is \$100,362, of which \$100,000 is nonspendable and \$362 is restricted for scholarships.

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

Management's Discussion and Analysis Fiscal Year Ended June 30, 2016

Proprietary Funds

The District maintains both Enterprise Funds and Internal Service Funds 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 as well as other business-type activities. The District's Enterprise Fund provides the same type of information found in the government-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.

Internal Service Fund - The District uses internal service funds to report activities that provide services and supplies for the District's other programs and activities, as well as services provided on behalf of other districts. The internal service fund is also utilized to account for the District's liabilities relating to compensated absences.

The internal service fund has a fund balance of \$86,193 at June 30, 2016.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants, reinstating prior year purchase orders being carried over, and budgeting for clearing, resale, and gifts.
- Increases in appropriations for significant unbudgeted costs.

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016**

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2016 amounts to \$50,398,533 (net of accumulated depreciation). The capital assets consist of land improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2015-2016 amounted to \$3,745,255 for governmental activities and \$80,574 for business-type activities.

Table 6
Capital assets at June 30, 2016 and 2015
(Net of Accumulated Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land Improvements	\$ 173,948	\$ 163,380			\$ 173,948	\$ 163,380
Building and Building Improvements	43,259,115	42,418,092			43,259,115	42,418,092
Machinery and Equipment	<u>6,597,874</u>	<u>6,898,158</u>	<u>\$ 367,596</u>	<u>\$ 417,011</u>	<u>6,965,470</u>	<u>7,315,169</u>
Total Capital Assets, Net	<u>\$ 50,030,937</u>	<u>\$ 49,479,630</u>	<u>\$ 367,596</u>	<u>\$ 417,011</u>	<u>\$ 50,398,533</u>	<u>\$ 49,896,641</u>

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

LONG TERM LIABILITIES

At year end, the District's long-term liabilities consisted of unfunded pension obligations of \$286,000, compensated absences of \$2,875,890 and net pension liability of \$44,554,713.

Additional information of the District's long-term liabilities is presented in the Notes to the Financial Statements".

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL

Management's Discussion and Analysis Fiscal Year Ended June 30, 2016

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 2016-2017 budget. The primary factors were the District's projected student population anticipated county, state and federal aid as well as increasing salary and related benefit costs.

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, Bergen County Technical and Vocational High School, 540 Fairview Avenue, Paramus, NJ 07652.

BASIC FINANCIAL STATEMENTS

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 7,380,807	\$ 841,740	\$ 8,222,547
Receivables, Net	6,914,043	198,196	7,112,239
Inventories	-	11,569	11,569
Capital Assets, Being Depreciated	<u>50,030,937</u>	<u>367,596</u>	<u>50,398,533</u>
 Total Assets	 <u>64,325,787</u>	 <u>1,419,101</u>	 <u>65,744,888</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>6,995,953</u>	<u>-</u>	<u>6,995,953</u>
 Total Assets and Deferred Outflow of Resources	 <u>71,321,740</u>	 <u>1,419,101</u>	 <u>72,740,841</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	2,595,693	11,725	2,607,418
Intergovernmental Advances and Payables	10,737		10,737
Unearned Revenue	832,111	192,874	1,024,985
Noncurrent Liabilities			
Due within one year	286,000		286,000
Due beyond one year	<u>47,430,603</u>	<u>-</u>	<u>47,430,603</u>
 Total Liabilities	 <u>51,155,144</u>	 <u>204,599</u>	 <u>51,359,743</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>716,354</u>	<u>-</u>	<u>716,354</u>
 Total Liabilities and Deferred Inflow of Resources	 <u>51,871,498</u>	 <u>204,599</u>	 <u>52,076,097</u>
NET POSITION			
Net Investment in Capital Assets	50,030,937	367,596	50,398,533
Restricted for:			
Capital Projects	3,862,844		3,862,844
Maintenance	581,419		581,419
Other Purposes- Permanent Endowment	100,362		100,362
Unrestricted	<u>(35,125,320)</u>	<u>846,906</u>	<u>(34,278,414)</u>
 Total Net Position	 <u>\$ 19,450,242</u>	 <u>\$ 1,214,502</u>	 <u>\$ 20,664,744</u>

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

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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	\$ 21,615,596	\$ 9,862,770	\$ 6,382,798		\$ (5,370,028)		\$ (5,370,028)
Other Special Instruction	1,417,698	512,980	1,396,652		491,934		491,934
Vocational	23,049,247	15,546,249	5,920,626		(1,582,372)		(1,582,372)
Other Instruction	3,083,333	-	995,531		(2,087,802)		(2,087,802)
Adult/Continuing Education Programs	630,782	1,058,901	54,994		483,113		483,113
Support Services:							
Student & Instruction Related Services	14,820,193	312,320	7,696,040		(6,811,833)		(6,811,833)
School Administrative Services	4,534,126	42,478	807,294		(3,684,354)		(3,684,354)
General Administrative Services	2,674,123	770,064			(1,904,059)		(1,904,059)
Business/Central & Other Support Services	8,481,150	1,067,340			(7,413,810)		(7,413,810)
Plant Operations and Maintenance	10,594,482	254,746	187,416		(10,152,320)		(10,152,320)
Pupil Transportation	1,080,865	100,436			(980,429)		(980,429)
Interest on Debt	5,539	-	-		(5,539)		(5,539)
Total Governmental Activities	91,987,134	29,528,284	23,441,351	-	(39,017,499)	-	(39,017,499)
Business - Type Activities							
Food Service	754,158	576,329	163,382			\$ (14,447)	(14,447)
Other	2,730,645	2,655,247	-			(75,398)	(75,398)
Total Business Type Activities	3,484,803	3,231,576	163,382	-		(89,845)	(89,845)
Total Primary Government	\$ 95,471,937	\$ 32,759,860	\$ 23,604,733	\$ -	(39,017,499)	(89,845)	(39,107,344)
General Revenues:							
					29,566,905		29,566,905
					836,534		836,534
					4,090,475		4,090,475
					990,341		990,341
					27,661		27,661
					354,393		354,393
Transfers					50,000	(50,000)	-
Total General Revenues and Transfers					35,916,309	(50,000)	35,866,309
Change in Net Position					(3,101,190)	(139,845)	(3,241,035)
Net Position - Beginning					22,551,432	1,354,347	23,905,779
Net Position - Ending					\$ 19,450,242	\$ 1,214,502	\$ 20,664,744

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

FUND FINANCIAL STATEMENTS

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2016**

EXHIBIT B-1

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Assets					
Cash and Cash Equivalents	\$ 7,148,981	\$ 35,530	\$ 8,754	\$ 100,362	\$ 7,293,627
Due from Other Governments					
State	85,918	1,227,255			1,313,173
Federal	6,482	2,179,585			2,186,067
Other	1,567,661		1,638,893		3,206,554
Security Deposits	3,500				3,500
Due from Other Funds	<u>2,630,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,630,736</u>
 Total Assets	 <u>\$ 11,443,278</u>	 <u>\$ 3,442,370</u>	 <u>\$ 1,647,647</u>	 <u>\$ 100,362</u>	 <u>\$ 16,633,657</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts Payable	\$ 1,502,770	\$ 756,932	\$ 38,555		\$ 2,298,257
Due to Other Governments					
Federal		481			481
State		2,846			2,846
Due to Other Funds	2,875,890	1,850,000	575,000		5,300,890
Other Payable	10,737				10,737
Due to BCSSD	294,109				294,109
Unearned Revenue	<u>-</u>	<u>832,111</u>	<u>-</u>	<u>-</u>	<u>832,111</u>
 Total Liabilities	 <u>4,683,506</u>	 <u>3,442,370</u>	 <u>613,555</u>	 <u>-</u>	 <u>8,739,431</u>
Fund Balances:					
Nonspendable					
Permanent Fund - Principal Portion				\$ 100,000	100,000
Restricted					
Capital Reserve	2,828,752				2,828,752
Maintenance Reserve	581,419				581,419
Permanent Fund				362	362
Capital Projects Fund			1,034,092		1,034,092
Assigned					
Year-End Encumbrances	974,978				974,978
Designated for Subsequent Year's Budget	800,000				800,000
Unassigned					
General Fund	<u>1,574,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,574,623</u>
 Total Fund Balances	 <u>6,759,772</u>	 <u>-</u>	 <u>1,034,092</u>	 <u>100,362</u>	 <u>7,894,226</u>
 Total Liabilities and Fund Balances	 <u>\$ 11,443,278</u>	 <u>\$ 3,442,370</u>	 <u>\$ 1,647,647</u>	 <u>\$ 100,362</u>	

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 \$99,413,284 and the accumulated depreciation is \$49,382,347.

50,030,937

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources	\$ 6,995,953
Deferred Inflows of Resources	<u>(716,354)</u>

6,279,599

Long term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the fund

Net Pension Liability	(44,554,713)
Pension Obligation Payable	<u>(286,000)</u>

(44,840,713)

The assets and liabilities of the internal service fund are included with governmental activities

86,193

Net position of governmental activities

\$ 19,450,242

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

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
County Property Tax Levy	\$ 29,566,905				\$ 29,566,905
County Aid			\$ 836,534		836,534
Tuition from Other LEAs	26,904,443				26,904,443
GED Fees	50,745				50,745
Technology Agreement	266,000				266,000
Interest on Investments	27,511			\$ 150	27,661
Miscellaneous	354,393	\$ 117,550	-	-	471,943
Total Local Sources	57,169,997	117,550	836,534	150	58,124,231
State Sources	11,605,355	2,403,687			14,009,042
Federal Sources	28,803	7,152,880	-	-	7,181,683
Total Revenues	<u>68,804,155</u>	<u>9,674,117</u>	<u>836,534</u>	<u>150</u>	<u>79,314,956</u>
EXPENDITURES					
Current:					
Regular Instruction	15,699,264	987,736			16,687,000
Other Special Instruction	1,406,736				1,406,736
Vocational Education	17,769,053				17,769,053
Other Instruction	2,476,996				2,476,996
Adult/Continuing Education Programs	630,782				630,782
Support Services and Undistributed Costs					
Student & Instruction Related Services	6,386,400	7,696,040			14,082,440
School Administrative Services	3,900,015				3,900,015
General Administrative Services	1,819,055				1,819,055
Plant Operations and Maintenance	9,880,557		233,046		10,113,603
Pupil Transportation	934,573				934,573
Business /Central Svcs./ Admin. Info Technology	7,388,132				7,388,132
Debt Service					
Principal	284,000				284,000
Interest	5,539				5,539
Capital Outlay	410,571	990,341	2,895,650	-	4,296,562
Total Expenditures	<u>68,991,673</u>	<u>9,674,117</u>	<u>3,128,696</u>	<u>-</u>	<u>81,794,486</u>
Excess/(Deficiency) of Revenues over/(under) Expenditures	<u>(187,518)</u>	<u>-</u>	<u>(2,292,162)</u>	<u>150</u>	<u>(2,479,530)</u>
OTHER FINANCING SOURCES					
Transfers Out	(230,674)				(230,674)
Transfers In	50,000	-	100,087	-	150,087
Total Other Financing Sources	<u>(180,674)</u>	<u>-</u>	<u>100,087</u>	<u>-</u>	<u>(80,587)</u>
Net Change in Fund Balances	(368,192)	-	(2,192,075)	150	(2,560,117)
Fund Balance, Beginning of Year	7,127,964	-	3,226,167	100,212	10,454,343
Fund Balance, End of Year	<u>\$ 6,759,772</u>	<u>\$ -</u>	<u>\$ 1,034,092</u>	<u>\$ 100,362</u>	<u>\$ 7,894,226</u>

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

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Total Net Change in Fund Balances - Governmental Funds (B-2) \$ (2,560,117)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the period.

	\$ (3,745,255)	
Depreciation Expense	4,296,562	
Capital Outlays	4,296,562	551,307

In the statement of activities, certain operating expenses - pension expense is measured by the amounts earned during the year. In the governmental funds, however, expenditures for this item is measured by the amount of financial resources used (paid):

Increase in Pension Expenses	(1,463,560)
------------------------------	-------------

Repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but the repayment reduces long term liabilities in the statement of net position and is not reported in the statement of activities.

Pension Obligation	284,000
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Internal Service funds are used by the District's management to charge the costs of various programs/ services to other governmental activities. The net loss of the internal service fund is reported with governmental activities.

	(43,407)	
Net Loss Before Transfers	130,587	
Transfers from General Fund	130,587	87,180
Change in Net Position		

Change in Net Position of Governmental Activities **\$ (3,101,190)**

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

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2016**

EXHIBIT B-4

	Business Type Activities												Totals	Governmental Internal Service Fund Other Governmental Services
	Food Service	Day Care	Summer- Science Funds	Academy After Hours	Technology Services	ETTC	Summer Writing	Math Camp Funds	High School Enrichment	Teterboro Summer	Explorations	Auditorium Rentals		
ASSETS														
Current Assets														
Cash and Cash Equivalents	\$ 164,566	\$ 41,859	\$ 5,933	\$ 155,602	\$ 41,838	\$ -	\$ 25,095	\$ 244,565	\$ 505	\$ 39,610	\$ 10,726	\$ 111,441	\$ 841,740	\$ 87,180
Intergovernmental Receivable	8,636	-	-	-	-	-	-	-	-	-	-	-	8,636	-
Other Accounts Receivable	-	-	-	-	146,933	-	-	-	-	-	-	42,627	189,560	-
Due from B.C.S.S.D.	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 5,536
Other Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	201,213
Due from Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	2,875,890
Inventories	11,569	-	-	-	-	-	-	-	-	-	-	-	11,569	-
Total Current Assets	184,771	41,859	5,933	155,602	188,771	-	25,095	244,565	505	39,610	10,726	154,068	1,051,505	3,167,819
Capital Assets														
Furniture, machinery & equipment	609,391	-	-	871	1,233,536	23,295	-	-	-	-	-	82,414	1,949,507	-
Less: Accumulated Depreciation	(476,072)	-	-	(871)	(1,048,958)	(23,011)	-	-	-	-	-	(32,999)	(1,581,911)	-
Total Capital Assets, Net	133,319	-	-	-	184,578	284	-	-	-	-	-	49,415	367,596	-
Total Assets	318,090	41,859	5,933	155,602	373,349	284	25,095	244,565	505	39,610	10,726	203,483	1,419,101	3,167,819
LIABILITIES														
Current Liabilities														
Accounts Payable	-	1,485	-	-	9,153	-	-	-	-	-	-	-	10,638	-
Interfund Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	205,736
Other Payable	-	1,087	-	-	-	-	-	-	-	-	-	-	1,087	-
Unearned Revenue	-	-	-	80,891	-	-	19,650	51,333	-	39,500	-	1,500	192,874	-
Total Current Liabilities	-	2,572	-	80,891	9,153	-	19,650	51,333	-	39,500	-	1,500	204,599	205,736
Noncurrent Liabilities														
Compensated Absences	-	-	-	-	-	-	-	-	-	-	-	-	-	2,875,890
Total Noncurrent Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	2,875,890
Total Liabilities	-	2,572	-	80,891	9,153	-	19,650	51,333	-	39,500	-	1,500	204,599	3,081,626
NET POSITION														
Net Investment in Capital Assets	133,319	-	-	-	184,578	284	-	-	-	-	-	49,415	367,596	-
Unrestricted	184,771	39,287	5,933	74,711	179,618	-	5,445	193,232	505	110	10,726	152,568	846,906	86,193
Total Net Position	\$ 318,090	\$ 39,287	\$ 5,933	\$ 74,711	\$ 364,196	\$ 284	\$ 5,445	\$ 193,232	\$ 505	\$ 110	\$ 10,726	\$ 201,983	\$ 1,214,502	\$ 86,193

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Business Type Activities												Governmental	
	Food Service	Day Care	Summer-Science Funds	Academy After Hours	Technology Services	ETTC	Summer Writing	Math Camp Funds	High School Enrichment	Teterboro Summer	Explorations	Auditorium Rentals	Totals	Internal Service Funds
OPERATING REVENUES														
Charges for Services														
Daily sales - reimbursable programs														
Lunch Program	\$ 296,164	-	-	-	-	-	-	-	-	-	-	-	\$ 296,164	
Breakfast Program	8,715	-	-	-	-	-	-	-	-	-	-	-	8,715	
Daily sales - nonreimbursable programs	263,342												263,342	
Special Functions	8,108												8,108	
Charges and Fees	-	\$ 281,468	\$ 38,400	\$ 262,639	\$ 1,514,259	-	6,972	\$ 122,285	\$ 3,850	\$ 42,325	\$ 15,400	\$ 367,649	2,655,247	\$ 2,307,096
Total Operating Revenues	576,329	281,468	38,400	262,639	1,514,259	-	6,972	122,285	3,850	42,325	15,400	367,649	3,231,576	2,307,096
OPERATING EXPENSES														
Cost of Sales - reimburseable programs	233,280												233,280	
Cost of Sales - nonreimbursable programs	89,536												89,536	
Salaries/Salaries of Teachers	256,488	255,602	20,315	222,589	1,077,260	-	3,487	65,241	3,107	42,215	10,224	307,338	2,263,866	1,743,141
Compensated Absences Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	130,587
Employee Benefits	73,416	39,553	-	17,028	232,410	-	267	4,991	238	-	654	38,511	407,068	456,037
Purchased Prof-Educ. Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Purchased Services	75,750	12,766	-	10,893	142,656	-	1,600	-	-	-	-	1,440	245,105	11,588
Supplies and Materials	9,330	3,081	32,005	5,856	99,388	-	-	-	-	-	-	15,714	165,374	9,150
Depreciation	16,358	-	-	-	57,699	\$ 673	\$ -	-	-	-	-	5,844	80,574	-
Other Objects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	754,158	311,002	52,320	256,366	1,609,413	673	5,354	70,232	3,345	42,215	10,878	368,847	3,484,803	2,350,503
Operating Income (Loss)	(177,829)	(29,534)	(13,920)	6,273	(95,154)	(673)	1,618	52,053	505	110	4,522	(1,198)	(253,227)	(43,407)
NONOPERATING REVENUES														
State Sources														
State School Lunch Program	4,573												4,573	
Federal Sources														
National School Lunch Program	100,844												100,844	
National School Lunch Program - PB	6,071												6,071	
Commodities Program	35,649												35,649	
National School Breakfast Program	16,245												16,245	
Total Non-Operating Revenues	163,382	-	-	-	-	-	-	-	-	-	-	-	163,382	-
Net Income (Loss)	(14,447)	(29,534)	(13,920)	6,273	(95,154)	(673)	1,618	52,053	505	110	4,522	(1,198)	(89,845)	(43,407)
Transfers														
Transfers In(Out)	-	-	-	-	-	-	-	-	-	-	-	(50,000)	(50,000)	130,587
Change in Net Position	(14,447)	(29,534)	(13,920)	6,273	(95,154)	(673)	1,618	52,053	505	110	4,522	(51,198)	(139,845)	87,180
Total Net Position - Beginning	332,537	68,821	19,853	68,438	459,350	957	3,827	141,179	-	-	6,204	253,181	1,354,347	(987)
Total Net Position - Ending	\$ 318,090	\$ 39,287	\$ 5,933	\$ 74,711	\$ 364,196	\$ 284	\$ 5,445	\$ 193,232	\$ 505	\$ 110	\$ 10,726	\$ 201,983	\$ 1,214,502	\$ 86,193

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business Type Activities											Other Governmental Internal Service Funds	
	Food Services	Day Care	Science Bonds	Academy After Hours	Technology Services	ELLIC	Summer Writing	Math Counts Bonds	High School Enrichment	Teachers Summer	Examination		Auditorium Hours
CASH FLOWS FROM OPERATING ACTIVITIES													
Receipts from Customers	\$ 576,329	\$ 281,468	\$ 38,400	\$ 287,551	\$ 1,499,607	-	21,750	\$ 69,984	\$ 3,850	\$ 64,075	\$ 15,400	\$ 383,041	\$ 3,242,055
Payments to Employees	(256,488)	(235,602)	(20,315)	(222,589)	(1,077,260)	-	(3,487)	(65,241)	(3,107)	(42,215)	(10,224)	(307,348)	(2,263,366)
Payments for Health Benefits	(73,416)	(39,535)	-	(17,028)	(22,410)	-	(267)	(4,991)	(238)	-	(654)	(38,511)	(607,068)
Payments to Suppliers	(429,649)	(14,275)	(79,360)	(18,528)	(318,722)	-	(1,580)	-	-	-	-	(31,970)	(930,239)
Net Cash Provided by (Used for) operating activities	(182,279)	(28,662)	(61,273)	29,396	(224,853)	-	16,396	(248)	505	22,460	4,522	5,222	(419,118)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES													
State Grants	4,625	-	-	-	-	-	-	-	-	-	-	-	4,625
Federal Sources	125,007	-	-	-	-	-	-	-	-	-	-	(50,000)	125,007
Interfund Transfers-General Fund	-	-	-	-	-	-	-	-	-	-	-	(50,000)	(50,000)
Net cash provided by (used for) noncapital financing activities	129,632	-	-	-	-	-	-	-	-	-	-	(50,000)	79,632
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES													
Purchases of capital assets	-	-	-	-	(31,159)	-	-	-	-	-	-	-	(31,159)
Net cash provided by (used for) capital and related financing activities	-	-	-	-	(31,159)	-	-	-	-	-	-	-	(31,159)
Net increase (decrease) in cash and cash equivalents	(52,647)	(28,662)	(61,273)	29,396	(256,014)	-	16,396	(248)	505	22,460	4,522	(44,778)	(730,645)
Cash and Cash Equivalents - Beginning of Year	211,513	70,521	67,208	126,206	297,832	-	8,699	244,813	-	17,150	6,204	156,219	1,215,385
Cash and Cash Equivalents - End of Year	\$ 164,566	\$ 41,859	\$ 5,935	\$ 155,602	\$ 41,838	\$ -	\$ 25,095	\$ 244,565	\$ 505	\$ 39,610	\$ 10,726	\$ 111,441	\$ 841,740
Reconciliation of Operating Income (Loss) to net cash provided (used) by operating activities													
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities	\$ (177,829)	\$ (29,334)	\$ (19,920)	\$ 6,273	\$ (95,154)	\$ (673)	\$ 1,618	\$ 52,053	\$ 505	\$ 110	\$ 4,522	\$ (1,198)	\$ (253,227)
Provision for doubtful accounts	14,338	-	-	-	57,659	673	-	-	-	-	-	5,844	88,574
Depreciation	35,649	-	-	-	(14,652)	-	-	-	-	-	-	30,229	35,649
(Increase) Decrease in accounts receivable, net	-	-	-	-	(14,652)	-	-	-	-	-	-	-	15,577
(Increase) Decrease in inventories	(2,332)	-	-	-	-	-	-	-	-	-	-	-	(2,332)
(Increase)/Decrease in unearned revenue	(1,750)	-	-	24,912	-	-	14,778	(52,301)	-	22,350	-	(14,837)	(6,848)
(Increase)/Decrease in Intergovernmental Receivable	-	-	-	(1,789)	(172,748)	-	-	-	-	-	-	-	(172,748)
Increase/(Decrease) in accounts payable	(52,623)	872	(47,355)	-	-	-	-	-	-	-	-	(14,816)	(258,311)
Total adjustments	(4,129)	872	(47,355)	23,123	(297,701)	673	14,778	(52,301)	-	22,350	-	6,420	(165,891)
Net cash provided by (used for) operating activities	\$ (182,279)	\$ (28,662)	\$ (61,272)	\$ 29,396	\$ (224,853)	\$ -	\$ 16,396	\$ (248)	\$ 505	\$ 22,460	\$ 4,522	\$ 5,222	\$ (419,118)
Net cash provided by (used for) financing activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used for) operating activities	\$ 35,649	-	-	-	-	-	-	-	-	-	-	-	(45,407)

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

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2016**

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 396,796	\$ 35,958	\$ 722,145
Total Assets	<u>\$ 396,796</u>	<u>\$ 35,958</u>	<u>\$ 722,145</u>
LIABILITIES			
Due to State of New Jersey	\$ 5,073		
Payroll deductions and withholdings			\$ 28,484
Payable to student groups	<u>-</u>	<u>-</u>	<u>693,661</u>
Total Liabilities	<u>5,073</u>	<u>-</u>	<u>\$ 722,145</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	<u>\$ 391,723</u>		
Reserved for scholarships		<u>\$ 35,958</u>	

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

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Unemployment Compensation <u>Trust Fund</u>	Private Purpose Scholarship <u>Fund</u>
ADDITIONS		
Contributions:		
Plan Member	\$ 55,976	
Donations	<u> -</u>	<u>\$ 3,263</u>
Total Contributions	<u>55,976</u>	<u>3,263</u>
Investment Earnings:		
Interest	<u>816</u>	<u>56</u>
Net investment earnings	<u>816</u>	<u>56</u>
Total Additions	<u>56,792</u>	<u>3,319</u>
DEDUCTIONS		
Unemployment Claims	100,113	-
Withdrawals	<u> -</u>	<u>3,811</u>
Total Deductions	<u>100,113</u>	<u>3,811</u>
Change in Net Position	(43,321)	(492)
Net Position, Beginning of Year	<u>435,044</u>	<u>36,450</u>
Net Position, End of the Year	<u>\$ 391,723</u>	<u>\$ 35,958</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Bergen County Technical and Vocational High School District (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 five officials appointed by the Board of Chosen Freeholders and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. 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 Bergen County Technical and Vocational High School District 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. However, the District would be considered as a component unit of the County of Bergen on the basis of such criteria.

B. New Accounting Standards

During fiscal year 2016, the District adopted the following GASB statements as required:

- GASB No. 72, *Fair Value Measurement and Application*. 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 applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. 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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 No. 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 No. 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 No. 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 No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 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*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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 and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 *permanent fund* accounts for the proceeds from scholarship donations held under the terms of a formal trust agreement whereby the District is under obligation to maintain the principal.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 funds which are organized to be self-supporting through user charges:

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

The *other enterprise funds* accounts for the operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the government reports the following fund types:

The *internal service fund* accounts for the financing of goods and services provided to other departments or agencies of the District, or to other Boards of Education on a cost reimbursement basis. These activities include services related to Bergen County Special Services School District, the extended school year program, WIA Administration, interlocal agreements and compensated absences.

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, 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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, charges and fees, 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 Board'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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *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	50
Building Improvements	25
Improvements other than Buildings	20
Heavy Equipment	10-20
Office Equipment and Furniture	10
Computer Equipment	5

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The 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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. *Deferred Outflows/Inflows of Resources (Continued)*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type which arises only under the accrual basis of accounting that qualifies for reporting in this category. The 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.

6. *Compensated Absences*

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

7. *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.

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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

9. 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.

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.

Principal – Represents the portion of fund balance not available for future spending that must be preserved in accordance with a formal trust agreement.

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

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

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2)

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

Permanent Fund - The fund represents a donation to the Board, the funds are utilized to award scholarships.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

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 Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2016/2017 District budget certified for taxes.

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

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

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*

County property taxes are levied pursuant to law and are collected by the County Treasurer and are transferred to the District as requested. County tax revenue is recognized in the year they are levied and become available. County 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 by the County Treasurer and are levied and due in four quarterly installments on February 15, May 15, August 15 and November 15. The County has the ability to charge interest on payments remitted after these due dates. State statutes do not permit liens to be placed against the municipalities by the County for unpaid property taxes.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

3. *Tuition Revenues*

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.

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, of the other enterprise fund, and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service 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.

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 is approved by the Board of School Estimates.

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 2015/2016. Also, during 2015/2016 the Board increased the original budget by \$4,815,569. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances.

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

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. 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.

The activity of the capital reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015		\$ 2,385,711
Increased by:		
Deposits Approved by Board Resolution	\$ 800,000	
Interest	<u>4,198</u>	
		<u>804,198</u>
		3,189,909
Decreased by:		
Withdrawal Approved by Board Resolution		<u>(361,157)</u>
Balance, June 30, 2016		<u>\$ 2,828,752</u>

C. 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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015	\$ 445,463
Increased by	
Deposits Approved by Board Resolution	<u>400,000</u>
Total Increases	845,463
Withdrawals	
Approved by Board Resolution	<u>(264,044)</u>
Balance, June 30, 2016	<u>\$ 581,419</u>

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, 2016, the book value of the Board's deposits were \$9,377,446 and bank and brokerage firm balances of the Board's deposits amounted to \$13,839,450. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	<u>\$ 13,839,450</u>

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

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, 2016, none of the Board’s bank balances were exposed to custodial credit risk.

Investments

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

As of June 30, 2016, the Board had no outstanding investments.

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

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

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer.

B. Receivables

Receivables as of June 30, 2016 for the district’s individual major funds and internal service funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Special Revenue	Capital Projects	Food Service	Technology Services Enterprise	Auditorium Rentals- Enterprise	B.C.S.S. Management Agreement- Technology Services	Interlocal Agreement Technology Services	WIA Administrative Services	Total
Receivables:										
Accounts					\$ 146,933	\$ 42,627				\$ 189,560
Intergovernmental-	\$ 1,660,061	\$ 3,406,840	\$ 1,638,893	\$ 8,636	-	-	\$ 3,536	\$ 44,000	\$ 157,213	6,919,179
Gross Receivables	1,660,061	3,406,840	1,638,893	8,636	146,933	42,627	3,536	44,000	157,213	7,108,739
Less: Allowance for Uncollectibles	-	-	-	-	-	-	-	-	-	-
Net Total Receivables	\$ 1,660,061	\$ 3,406,840	\$ 1,638,893	\$ 8,636	\$ 146,933	\$ 42,627	\$ 3,536	\$ 44,000	\$ 157,213	\$ 7,108,739

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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:

Special Revenue Fund		
Unencumbered grant draw downs	\$	142,434
Grant draw downs reserved for encumbrances		<u>689,677</u>
Total unearned revenue for governmental funds	\$	<u>832,111</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Balance, July 1, 2015	Increases	Decreases	Balance, June 30, 2016
Governmental Activities:				
Capital Assets, Being Depreciated:				
Land Improvements	\$ 1,501,397	\$ 24,425		\$ 1,525,822
Buildings and Building Improvements	69,165,946	2,979,607		72,145,553
Machinery and Equipment	<u>24,449,379</u>	<u>1,292,530</u>	-	<u>25,741,909</u>
Total Capital Assets Being Depreciated	<u>95,116,722</u>	<u>4,296,562</u>	-	<u>99,413,284</u>
Less Accumulated Depreciation for:				
Land and Land Improvements	(1,338,017)	(13,857)		(1,351,874)
Buildings and Building Improvements	(26,747,854)	(2,138,584)		(28,886,438)
Machinery and Equipment	<u>(17,551,221)</u>	<u>(1,592,814)</u>	-	<u>(19,144,035)</u>
Total Accumulated Depreciation	<u>(45,637,092)</u>	<u>(3,745,255)</u>	-	<u>(49,382,347)</u>
Total Capital Assets, Being Depreciated, Net	<u>49,479,630</u>	<u>551,307</u>	-	<u>50,030,937</u>
Governmental Activities Capital Assets, Net	<u>\$ 49,479,630</u>	<u>\$ 551,307</u>	<u>\$ -</u>	<u>\$ 50,030,937</u>

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2016</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 1,918,348	31,159	-	\$ 1,949,507
Total Capital Assets Being Depreciated	<u>1,918,348</u>	<u>31,159</u>	<u>-</u>	<u>1,949,507</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(1,501,337)	\$ (80,574)	-	(1,581,911)
Total Accumulated Depreciation	<u>(1,501,337)</u>	<u>(80,574)</u>	<u>-</u>	<u>(1,581,911)</u>
Total Capital Assets, Being Depreciated, Net	<u>417,011</u>	<u>(49,415)</u>	<u>-</u>	<u>367,596</u>
Business-Type Activities Capital Assets, Net	<u>\$ 417,011</u>	<u>\$ (49,415)</u>	<u>\$ -</u>	<u>\$ 367,596</u>

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

Governmental activities:

Instruction	
Regular	\$ 1,583,277
Vocational Education	<u>1,583,277</u>
Total Instruction	<u>3,166,554</u>
Support Services	
Student and Instruction Related Services	216,601
General Administration	65,445
School Administration	65,445
Operations and Maintenance of Plant	74,498
Student Transportation	25,821
Business and Other Support Services	<u>130,891</u>
Total Support Services	<u>578,701</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,745,255</u>

Business-Type Activities:

Food Service Fund	\$ 16,358
Technology Services Fund	57,699
ETTC Fund	673
Auditorium Rentals Fund	<u>5,844</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 80,574</u>

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2016:

<u>Project</u>	<u>Remaining Commitment</u>
Horticulture/Landscape Facility Building - Paramus Campus	\$ 139,365
Environmental Science Building at Bergen Academies	163,795
Wheelchair Lift - Paramus Campus	85,154
Domestic Hot Water Plant and Appurtenances	148,400
Architectural Services - Culinary Academy Addition & Renovation	<u>349,000</u>
	<u>\$ 885,714</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2016, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 1,850,000
General Fund	Capital Projects Fund	575,000
General Fund	Internal Service Funds	<u>205,736</u>
		<u>\$ 2,630,736</u>
Compensated Absences - Internal Service Fund	General Fund	<u>\$ 2,875,890</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 except balances between General and Compensated Absences Internal Service Funds.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers

	<u>General Fund</u>	<u>Transfer In: Capital Projects Fund</u>	<u>Compensated Absenced Internal Service Fund</u>	<u>Total</u>
Transfer Out:				
General Fund		\$ 100,087	\$ 130,587	\$ 230,674
Enterprise Funds:				
Auditorium Rental	\$ 50,000	-	-	50,000
	<u>\$ 50,000</u>	<u>\$ 100,087</u>	<u>\$ 130,587</u>	<u>\$ 280,674</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.

F. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 2,745,303	\$ 130,587	-	\$ 2,875,890	
Pension Obligation Payable	570,000	-	284,000	286,000	\$ 286,000
Net Pension Liability	<u>36,146,276</u>	<u>10,114,830</u>	<u>1,706,393</u>	<u>44,554,713</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 39,461,579</u>	<u>\$ 10,245,417</u>	<u>\$ 1,990,393</u>	<u>\$ 47,716,603</u>	<u>\$ 286,000</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, the liabilities for compensated absences and pension obligations are generally liquidated by the general fund.

The school district adopted an early retirement incentive program (ERI Program) for eligible employees covered by the Public Employees' Retirement Fund and the Teachers' Pension and Annuity Fund and as a result created a unfunded liability with respect to the applicable pension system through the fiscal year 2016/2017.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 has obtained commercial 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 District is a member of the County of Bergen’s Self Insurance pool for property, general liability, workers compensation and automobile liability.

The relationship between the Board and the County of Bergen is governed by a contract and by-laws that have been adopted by resolution of the unit's governing body. The Board has agreed to pay an annual installment based on a computation of the Board’s share of the County’s premium as provided by the County. In return for this, the County of Bergen administers the Board’s insurance funds.

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>Fiscal Year</u> <u>Ending June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2016	-	\$ 55,976	\$ 100,113	\$ 391,723
2015	-	57,801	36,045	435,044
2014	-	53,427	39,539	411,793

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, 2016, 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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. 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.

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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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/treasury/doinvest.

Funding Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 35 percent with an unfunded actuarial accrued liability of \$86 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 28.71 percent and \$63.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 47.93 percent and \$22.4 billion, respectively.

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, 2014 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 2.60-9.48 percent based on age for the PERS and varying percentages based on experience for TPAF.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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 6.92% for PERS, 6.92% 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, 2016 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.

During the fiscal years ended June 30, 2016, 2015 and 2014 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>
2016	\$ 1,706,393	\$ 1,906,328	\$ -
2015	1,578,674	1,277,658	2,395
2014	1,458,612	1,044,183	4,570

For fiscal years 2015/2016 and 2014/2015, the state contributed \$1,906,328 and \$1,277,658, 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 \$1,044,183 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 \$1,728,382 during the fiscal year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been 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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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, 2016, the District reported in the statement of net position (accrual basis) a liability of \$44,554,713 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's 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, 2015, the District's proportionate share was 0.19847 percent, which was an increase of 0.00541 percent from its proportionate share measured as of June 30, 2014 of 0.19306 percent.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,169,953 for PERS. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>2015</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 1,062,919	
Changes of Assumptions	4,784,820	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 716,354
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>1,148,214</u>	<u>-</u>
Total	<u>\$ 6,995,953</u>	<u>\$ 716,354</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>	
2017	\$ 1,184,708
2018	1,184,708
2019	1,184,708
2020	1,723,239
2021	<u>1,002,236</u>
	<u>\$ 6,279,599</u>

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

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

	<u>PERS</u>
Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15-4.40%
	Based on Age
Thereafter	3.15-5.40%
	Based on Age
Investment Rate of Return	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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. 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, 2015 are summarized in the following table:

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

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	4.90%

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. 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)

Discount Rate (Continued)

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2033
Municipal Bond Rate *	From July 1, 2033 and Thereafter

* The municipal bond return rate used is 3.80%. 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 District's proportionate share of the PERS net pension liability calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	1% Decrease <u>(3.90%)</u>	Current Discount Rate <u>(4.90%)</u>	1% Increase <u>(5.90%)</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 55,376,057</u>	<u>\$ 44,554,713</u>	<u>\$ 35,482,177</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2015. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS 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 report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. 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% of the net pension liability attributable to the District 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, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$9,120,220 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, 2016 the State's proportionate share of the net pension liability attributable to the District is \$149,367,323. 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, 2015. At June 30, 2015, the state's share of the net pension liability attributable to the District was 0.23632 percent, which was a decrease of 0.01050 percent from its proportionate share measured as of June 30, 2014 of 0.24682 percent.

Actuarial Assumptions

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

	<u>TPAF</u>
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 Study Upon Which Actuarial Assumptions were Based	July 1, 2009 - June 30, 2012

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

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. 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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. 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	4.13%

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 3.80%. 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 4.13%, 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 (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	1% Decrease <u>(3.13%)</u>	Current Discount Rate <u>(4.13%)</u>	1% Increase <u>(5.13%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 177,517,480</u>	<u>\$ 149,367,323</u>	<u>\$ 125,114,278</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2015. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2015 was not provided by the pension system.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. 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 report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

D. 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 2015.

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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. 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, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$24.4 billion for state active and retired members and \$40.6 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, 2014, 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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (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, 2015, there were 107,314, retirees receiving post-retirement medical benefits and the State contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

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, 2016, 2015 and 2014 were \$2,269,911, \$2,028,283 and \$1,712,067, 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.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
County Property Tax Levy	\$ 29,566,905		\$ 29,566,905	\$ 29,566,905	
Tuition-Other LEAs	24,951,060		24,951,060	25,383,307	\$ 432,247
Tuition - Post Secondary	750,000		750,000	682,391	(67,609)
Tuition - EMS	430,000		430,000	462,235	32,235
Tuition - Adult Evening	400,000		400,000	363,803	(36,197)
Tuition - Adult Evening Makerspace	3,500		3,500	12,707	9,207
Interest on Investments	40,000		40,000	23,313	(16,687)
Interest on Capital Reserve	-		-	4,198	4,198
GED Testing Fees	101,517		101,517	50,745	(50,772)
Technology Agreement	266,000		266,000	266,000	-
Miscellaneous	247,000	-	247,000	354,393	107,393
Total Local Sources	56,755,982	-	56,755,982	57,169,997	414,015
State Sources					
Adjustment Aid	4,194,257		4,194,257	4,194,257	-
Categorical Special Education Aid	1,243,499		1,243,499	1,243,499	-
Categorical Security Aid	170,378		170,378	170,378	-
Other School Aid	43,100		43,100	43,100	-
Adult and Post Graduate Aid	-	54,994	54,994	54,994	-
On-Behalf TPAF Pension System Contributions- NCGI (Non-Budgeted)				90,455	90,455
On-Behalf TPAF Pension System Contributions- Normal Contributions (Non-Budgeted)				1,815,873	1,815,873
On-Behalf TPAF Pension System Contributions- Post-Retirement Medical Contrib. (Non-Budgeted)				2,269,911	2,269,911
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,728,382	1,728,382
Total State Sources	5,651,234	54,994	5,706,228	11,610,849	5,904,621
Federal Sources					
Medicaid Reimbursement	28,912	-	28,912	28,803	(109)
Total Federal Sources	28,912	-	28,912	28,803	(109)
Total Revenues	62,436,128	54,994	62,491,122	68,809,649	6,318,527
EXPENDITURES:					
Regular Programs- Instruction					
Salaries of Teachers	8,763,684	\$ 75,500	8,839,184	8,839,147	37
Other Salaries for Instruction	176,339	-	176,339	159,873	16,466
Purchased Prof. - Educ. Service	80,000	56,000	136,000	136,000	-
Rentals	30,000	(20,000)	10,000	9,572	428
Travel	15,000	5,920	20,920	3,022	17,898
General Supplies	539,000	296,878	835,878	719,956	115,922
Textbooks	90,000	(29,675)	60,325	47,304	13,021
Other Objects	30,000	(8,788)	21,212	20,693	519
Total Regular Programs- Instruction	9,724,023	375,835	10,099,858	9,935,567	164,291
Regular Programs- Home Instruction					
Salaries of Teachers	15,000	14,000	29,000	28,768	232
Purchased Professional Educational Service	15,000	6,000	21,000	20,047	953
Total Regular Programs- Home Instruction	30,000	20,000	50,000	48,815	1,185
Total Regular Programs- Instruction	9,754,023	395,835	10,149,858	9,984,382	165,476
Basic Skills/Remedial					
Salaries of Teachers	178,603	250	178,853	178,813	40
Total Basic Skills/Remedial	178,603	250	178,853	178,813	40
Bilingual Education					
Salaries of Teachers	82,266	350	82,616	82,600	16
Total Bilingual Education	82,266	350	82,616	82,600	16

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Other Special Programs					
Regular Vocational Programs- Instruction					
Salaries of Teachers	\$ 6,556,938	\$ 47,650	\$ 6,604,588	\$ 6,557,213	\$ 47,375
Rentals	47,000		47,000	14,776	32,224
Travel	10,400	786	11,186	3,247	7,939
General Supplies	607,500	422,220	1,029,720	932,084	97,636
Textbooks	80,500	9,805	90,305	81,398	8,907
Other Objects	25,000	-	25,000	17,895	7,105
Total Regular Vocational Programs- Instruction	<u>7,327,338</u>	<u>480,461</u>	<u>7,807,799</u>	<u>7,606,613</u>	<u>201,186</u>
Special Vocational Programs- Instruction					
Salaries of Teachers	3,460,559	(102,000)	3,358,559	3,350,022	8,537
Purchased Professional Educational Services	580,000	82,000	662,000	662,000	-
Travel	4,000	-	4,000	2,830	1,170
General Supplies	185,000	109,192	294,192	276,954	17,238
Textbooks	30,000	14,807	44,807	28,587	16,220
Other Objects	15,000	(500)	14,500	5,742	8,758
Total Special Vocational Programs- Instruction	<u>4,274,559</u>	<u>103,499</u>	<u>4,378,058</u>	<u>4,326,135</u>	<u>51,923</u>
Total Vocational Programs	<u>11,601,897</u>	<u>583,960</u>	<u>12,185,857</u>	<u>11,932,748</u>	<u>253,109</u>
Other Instructional Programs					
School Sponsored Co/Extra Curricular Activities					
Salaries	630,000	77,200	707,200	707,162	38
Travel	1,700	5,400	7,100	6,485	615
Other Objects	41,500	(6,000)	35,500	17,272	18,228
Total School Sponsored Co/Extra Curricular Activities	<u>673,200</u>	<u>76,600</u>	<u>749,800</u>	<u>730,919</u>	<u>18,881</u>
School Sponsored Athletics					
Salaries	530,501	3,000	533,501	533,402	99
Purchased Services	75,000	19,285	94,285	66,333	27,952
Travel	1,000	1,061	2,061	2,061	-
Supplies and Materials	105,000	11,770	116,770	108,192	8,578
Other Objects	48,000	127	48,127	38,758	9,369
Total School Sponsored Athletics	<u>759,501</u>	<u>35,243</u>	<u>794,744</u>	<u>748,746</u>	<u>45,998</u>
Other Instructional Programs- Instruction					
Salaries	169,000	-	169,000	163,886	5,114
Total Other Instructional Programs	<u>169,000</u>	<u>-</u>	<u>169,000</u>	<u>163,886</u>	<u>5,114</u>
Total Instruction	<u>23,218,490</u>	<u>1,092,238</u>	<u>24,310,728</u>	<u>23,822,094</u>	<u>488,634</u>
Attendance & Social Work					
Salaries	104,824	-	104,824	90,275	14,549
Total Attendance & Social Work	<u>104,824</u>	<u>-</u>	<u>104,824</u>	<u>90,275</u>	<u>14,549</u>
Health Services					
Salaries	327,650	-	327,650	318,271	9,379
Purchased Professional and Technical Services	63,000	(25,000)	38,000	35,785	2,215
Supplies and Materials	7,500	8	7,508	2,076	5,432
Other Objects	13,500	440	13,940	1,822	12,118
Total Health Services	<u>411,650</u>	<u>(24,552)</u>	<u>387,098</u>	<u>357,954</u>	<u>29,144</u>

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Guidance					
Salaries of Other Professional Staff	\$ 314,435	\$ 5,000	\$ 319,435	\$ 319,311	\$ 124
Total Guidance	<u>314,435</u>	<u>5,000</u>	<u>319,435</u>	<u>319,311</u>	<u>124</u>
Child Study Teams					
Salaries of Other Professional Staff	2,195,618	(18,700)	2,176,918	2,072,198	104,720
Salaries of Secretarial and Clerical Assistants	276,683	13,700	290,383	290,214	169
Purchased Professional Education Services	20,000	(5,000)	15,000	91	14,909
Other Purchased Professional & Technical Services	7,000	175	7,175	2,350	4,825
Travel	3,500	-	3,500	2,594	906
Supplies and Materials	35,000	11,954	46,954	44,260	2,694
Other Objects	8,000	(5,000)	3,000	1,063	1,937
Total Child Study Teams	<u>2,545,801</u>	<u>(2,871)</u>	<u>2,542,930</u>	<u>2,412,770</u>	<u>130,160</u>
Improvement of Instruction Services					
Salaries of Other Professional Staff	659,185	-	659,185	613,733	45,452
Salaries of Secretarial and Clerical Assistants	189,626	-	189,626	184,451	5,175
Purchased Professional Educational Services	25,000	34,187	59,187	58,415	772
Other Purchased Services	15,000	12,200	27,200	23,299	3,901
Travel	15,000	(1,121)	13,879	13,350	529
Supplies and Materials	85,000	(24,660)	60,340	44,230	16,110
Other Objects	53,000	3,350	56,350	52,130	4,220
Total Improvement of Instruction Services	<u>1,041,811</u>	<u>23,956</u>	<u>1,065,767</u>	<u>989,608</u>	<u>76,159</u>
Educational Media Service/School Library					
Salaries	56,095	500	56,595	56,508	87
Other Purchased Services	55,000	2,500	57,500	50,034	7,466
Supplies and Materials	8,000	-	8,000	6,183	1,817
Total Educational Media Services/School Library	<u>119,095</u>	<u>3,000</u>	<u>122,095</u>	<u>112,725</u>	<u>9,370</u>
Instructional Staff Training Services					
Travel	74,500	(16,731)	57,769	45,359	12,410
Other Objects	35,500	(7,500)	28,000	5,291	22,709
Total Instructional Staff Training Services	<u>110,000</u>	<u>(24,231)</u>	<u>85,769</u>	<u>50,650</u>	<u>35,119</u>
Support Services General Administration					
Salaries	466,186	250	466,436	466,426	10
Legal Services	275,000	(56,700)	218,300	216,466	1,834
Audit Fees	60,000	-	60,000	56,638	3,362
Expenditure and Internal Control	10,000	-	10,000	7,700	2,300
Architect/Engineering Fees	20,000	108,487	128,487	128,076	411
Other Purchased Professional Services	121,500	-	121,500	120,614	886
Rentals	6,500	-	6,500	3,918	2,582
Communications/Telephone	400,000	(30,000)	370,000	368,414	1,586
Travel	10,000	59	10,059	8,012	2,047
Other Purchased Services	167,150	-	167,150	148,751	18,399
Supplies and Materials	15,000	(9,250)	5,750	2,429	3,321
Miscellaneous Expenditures	52,000	-	52,000	50,099	1,901
BOE Membership Dues and Fees	1,000	-	1,000	-	1,000
Total Support Services General Administration	<u>1,604,336</u>	<u>12,846</u>	<u>1,617,182</u>	<u>1,577,543</u>	<u>39,639</u>
Support Services School Administration					
Salaries of Principals/ Assistant Principals	1,378,093	-	1,378,093	1,350,879	27,214
Salaries of Secretarial and Clerical Assistants	642,562	-	642,562	610,712	31,850
Travel	13,725	(5,448)	8,277	984	7,293
Other Purchased Services	12,600	(3,633)	8,967	452	8,515
Supplies and Materials	58,000	48	58,048	35,058	22,990
Other Objects	26,000	-	26,000	15,261	10,739
Total Support Services School Administration	<u>2,130,980</u>	<u>(9,033)</u>	<u>2,121,947</u>	<u>2,013,346</u>	<u>108,601</u>

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Central Services					
Salaries	\$ 988,705	\$ 36,000	\$ 1,024,705	\$ 1,024,471	\$ 234
Purchased Technical Services	106,050	6,040	112,090	111,569	521
Rentals	13,000	(4,400)	8,600	7,400	1,200
Travel	3,000	3,489	6,489	4,756	1,733
Supplies and Materials	20,000	5,000	25,000	24,284	716
Miscellaneous Expenditures	15,000	(8,200)	6,800	5,742	1,058
Total Central Services	1,145,755	37,929	1,183,684	1,178,222	5,462
Admtn. Info. Technology					
Salaries	2,874,065	(30,000)	2,844,065	2,809,882	34,183
Purchased Professional Technical Services	66,300	30,000	96,300	96,300	-
Other Purchased Services	1,245,000	(9,200)	1,235,800	1,201,883	33,917
Travel	20,000	5,388	25,388	13,819	11,569
General Supplies	205,000	34,450	239,450	238,329	1,121
Other Objects	29,000	-	29,000	21,427	7,573
Total Admin. Info. Technology	4,439,365	30,638	4,470,003	4,381,640	88,363
Required Maintenance for School Facilities					
Salaries	594,628	63,500	658,128	658,108	20
Cleaning, Repair and Maintenance Services	350,000	325,850	675,850	675,824	26
Cleaning, Repair and Maintenance Services-Maintenance Reserve		265,044	265,044	264,839	205
General Supplies	100,000	2,210	102,210	102,169	41
Total Required Maintenance for School Facilities	1,044,628	656,604	1,701,232	1,700,940	292
Custodial Services					
Salaries	2,927,258	(44,950)	2,882,308	2,710,885	171,423
Purchased Professional & Technical Services	245,000	105,000	350,000	350,000	-
Cleaning, Repair and Maintenance Services	556,000	176,646	732,646	723,500	9,146
Other Purchased Property Services	100,000	-	100,000	98,310	1,690
Insurance	460,000	28,000	488,000	487,970	30
Travel	-	2,600	2,600	2,378	222
General Supplies	245,000	121,416	366,416	350,936	15,480
Energy (Natural Gas)	450,000	(200,000)	250,000	248,704	1,296
Energy (Electricity)	1,500,000	(380,000)	1,120,000	1,113,035	6,965
Energy(Gasoline)	50,000	-	50,000	44,553	5,447
Other Objects	32,000	(2,600)	29,400	11,137	18,263
Total Custodial Services	6,565,258	(193,888)	6,371,370	6,141,408	229,962
Care and Upkeep of Grounds					
Salaries	230,281	17,000	247,281	247,111	170
Cleaning, Repair and Maintenance Services	30,000	52,671	82,671	53,991	28,680
General Supplies	5,000	-	5,000	-	5,000
Total Care and Upkeep of Grounds	265,281	69,671	334,952	301,102	33,850
Security					
Cleaning, Repair and Maintenance Services	160,000	-	160,000	159,097	903
General Supplies	-	74,750	74,750	74,750	-
Total Security	160,000	74,750	234,750	233,847	903
Total Oper & Maint of Plant Services	8,035,167	607,137	8,642,304	8,377,297	265,007
Student Transportation Services					
Salaries for Pupil Transp (Oth. Than Bet. Home & School)	535,365	-	535,365	477,783	57,582
Cleaning, Repair and Maintenance Services	9,000	-	9,000	-	9,000
Contr. Services- Other- Vendors	193,000	-	193,000	178,622	14,378
Insurance	71,000	-	71,000	71,000	-
Supplies and Materials	12,000	-	12,000	7,864	4,136
Miscellaneous Expenditures	4,000	-	4,000	901	3,099
Total Student Transportation Services	824,365	-	824,365	736,170	88,195
Unallocated Benefits- Employee Benefits					
Social Security Contributions	1,270,000	-	1,270,000	1,236,474	33,526
TPAF Contributions- ERIP	230,000	-	230,000	230,000	-
Other Retirement Contribution- Regular	1,700,000	6,400	1,706,400	1,706,393	7
Other Retirement Contributions - ERIP	60,000	-	60,000	59,539	461
Unemployment Compensation	50,000	(6,400)	43,600	1,288	42,312
Workman's Compensation	764,331	(140,000)	624,331	484,230	140,101
Health Benefits	9,434,265	(262,700)	9,171,565	8,891,029	280,536
Tuition Reimbursement	100,000	5,500	105,500	105,265	235
Other Employee Benefits	276,500	106,500	383,000	382,744	256
Total Unallocated Benefits- Employee Benefits	13,885,096	(290,700)	13,594,396	13,096,962	497,434

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
On-behalf TPAF Pension System Contributions- NCGI Premium (Non-Budgeted)				\$ 90,455	\$ (90,455)
On-behalf TPAF Pension System Contributions- Normal Contribution (Non-Budgeted)				1,815,873	(1,815,873)
On-behalf TPAF Pension System Contributions- Post-Retirement Medical Contrib. (Non-Budgeted)				2,269,911	(2,269,911)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,728,382	(1,728,382)
Total Undistributed Expenditures	\$ 36,712,680	\$ 369,119	\$ 37,081,799	41,599,094	(4,517,295)
Total Expenditures - Current	59,931,170	1,461,357	61,392,527	65,421,188	(4,028,661)
CAPITAL OUTLAY					
Equipment					
Instruction		107,639	107,639	91,752	15,887
Improvement of Instruction		7,760	7,760	7,754	6
Operations and Maintenance of Plant	-	12,768	12,768	6,818	5,950
Total Equipment	-	128,167	128,167	106,324	21,843
Facilities Acquisition and Construction Services					
Architect Fees		3,650	3,650	3,150	500
Construction Services		301,097	301,097	301,097	-
Assessment for Debt Service	47,894	-	47,894	47,894	-
Total Facilities and Construction Services	47,894	304,747	352,641	352,141	500
Total Capital Outlay	47,894	432,914	480,808	458,465	22,343
SPECIAL SCHOOLS					
Post- Secondary Programs- Instruction					
Salaries of Teachers	265,198	54,994	320,192	314,122	6,070
Other Purchased Services	4,500	(488)	4,012	4,012	-
Travel	500	488	988	772	216
General Supplies	20,000	43,163	63,163	54,186	8,977
Textbooks	25,000	(8,793)	16,207	5,630	10,577
Other Objects	6,400	(1,975)	4,425	4,412	13
Total Post- Secondary Programs -Instruction	321,598	87,389	408,987	383,134	25,853
Post- Secondary Programs- Support Services					
Personal Services-Employee Benefits	113,400	-	113,400	113,400	-
Total Post Secondary Programs - Support Services	113,400	-	113,400	113,400	-
Total Post Secondary Programs	434,998	87,389	522,387	496,534	25,853
Other Special Schools - Instruction					
Salaries of Teachers	812,596	(10,000)	802,596	620,597	181,999
General Supplies	232,000	63,479	295,479	250,305	45,174
Textbooks	1,500	-	1,500	-	1,500
Total Other Special Schools - Instruction	1,046,096	53,479	1,099,575	870,902	228,673
Other Special Schools - Support Services					
Salaries	569,667		569,667	550,941	18,726
Purchased Professional and Technical Services	5,600		5,600	-	5,600
Other Purchased Services	49,000	17,530	66,530	45,224	21,306
Travel	3,000	2,305	5,305	969	4,336
Supplies and Materials	12,800	148	12,948	6,949	5,999
Other Objects	10,000	-	10,000	4,391	5,609
Total Other Special Schools - Support Services	650,067	19,983	670,050	608,474	61,576
Total Other Special Schools	1,696,163	73,462	1,769,625	1,479,376	290,249
Vocational Evening - Local - Instruction					
Salaries of Teachers	470,207	-	470,207	376,883	93,324
General Supplies	25,000	61,312	86,312	25,182	61,130
Textbooks	1,000	(1,000)	-	-	-
Other Objects	3,600	(3,600)	-	-	-
Total Vocational Evening - Local - Instruction	499,807	56,712	556,519	402,065	154,454

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Vocational Evening - Local - Support Services					
Salaries	\$ 388,079	\$ 13,800	\$ 401,879	\$ 401,789	\$ 90
Employee Benefits	210,000	(13,800)	196,200	195,586	614
Other Purchased Services	60,000	\$ (25,000)	35,000	24,653	10,347
Travel	1,000	-	1,000	49	951
General Supplies	7,500	(3,000)	4,500	4,399	101
Other Objects	8,000	(6,500)	1,500	879	621
Total Vocational Evening - Local - Support Services	<u>674,579</u>	<u>(34,500)</u>	<u>640,079</u>	<u>627,355</u>	<u>12,724</u>
Total Vocational Evening	<u>1,174,386</u>	<u>22,212</u>	<u>1,196,598</u>	<u>1,029,420</u>	<u>167,178</u>
GED Testing Center (Other Special Schools)					
Salaries	81,017	-	81,017	81,017	-
Other Purchased Services	5,000	(4,000)	1,000	716	284
Travel	500	-	500	49	451
Supplies and Materials	15,000	12,000	27,000	24,908	2,092
Total Other Special Schools - Support Services	<u>101,517</u>	<u>8,000</u>	<u>109,517</u>	<u>106,690</u>	<u>2,827</u>
Total Special Schools	<u>3,407,064</u>	<u>191,063</u>	<u>3,598,127</u>	<u>3,112,020</u>	<u>486,107</u>
Total Expenditures	<u>63,386,128</u>	<u>2,085,334</u>	<u>65,471,462</u>	<u>68,991,673</u>	<u>(3,520,211)</u>
Excess (Deficiency) of Revenues and Over/(Under) Expenditures	<u>(950,000)</u>	<u>(2,030,340)</u>	<u>(2,980,340)</u>	<u>(182,024)</u>	<u>2,798,316</u>
Other Financing Sources (Uses)					
Transfers out		(100,087)	(100,087)	(230,674)	(130,587)
Transfers In	50,000	-	50,000	50,000	-
Total Other Financing Sources/(Uses)	<u>50,000</u>	<u>(100,087)</u>	<u>(50,087)</u>	<u>(180,674)</u>	<u>(130,587)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources(Uses)	<u>(900,000)</u>	<u>(2,130,427)</u>	<u>(3,030,427)</u>	<u>(362,698)</u>	<u>2,667,729</u>
Fund Balance, Beginning of Year	<u>7,688,298</u>	-	<u>7,688,298</u>	<u>7,688,298</u>	-
Fund Balance, End of Year	<u>\$ 6,788,298</u>	<u>\$ (2,130,427)</u>	<u>\$ 4,657,871</u>	<u>\$ 7,325,600</u>	<u>\$ 2,667,729</u>
Recapitulation:					
Restricted					
Capital Reserve				\$ 2,828,752	
Maintenance Reserve				581,419	
Assigned					
Year End Encumbrances				974,978	
Designated for Subsequent Year's Budget				800,000	
Unassigned					
Unrestricted Fund Balance				<u>2,140,451</u>	
				7,325,600	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments Not Recognized on GAAP Basis				<u>(565,828)</u>	
Fund Balance per Governmental Funds (GAAP):				<u>\$ 6,759,772</u>	

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
State Sources:	\$ 2,146,000	\$ 1,471,816	\$ 3,617,816	\$ 2,040,015	\$ (1,577,801)
Federal Sources	7,970,000	1,043,646	9,013,646	7,235,597	(1,778,049)
Local Sources	75,000	169,680	244,680	142,488	(102,192)
Total Revenues	<u>10,191,000</u>	<u>2,685,142</u>	<u>12,876,142</u>	<u>9,418,100</u>	<u>(3,458,042)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	2,330,000	(1,424,100)	905,900	688,060	217,840
Purchased Professional Services	306,000	(269,301)	36,699	8,341	28,358
General Supplies	-	475,259	475,259	246,966	228,293
Total Instruction	<u>2,636,000</u>	<u>(1,218,142)</u>	<u>1,417,858</u>	<u>943,367</u>	<u>474,491</u>
Support Services					
Salaries	7,555,000	(5,237,917)	2,317,083	2,174,029	143,054
Personnel Services Employee Benefits		633,610	633,610	532,909	100,701
Purchased Professional Education Services		5,822,353	5,822,353	3,676,547	2,145,806
Purchased Professional Technical Services		641,664	641,664	641,208	456
Other Purchased Services		475,720	475,720	326,796	148,924
Rental		261,259	261,259	237,096	24,163
Travel		21,336	21,336	7,046	14,290
Supplies and Materials		84,245	84,245	105,348	(21,103)
Other Objects	-	30,170	30,170	30,170	-
Total Support Services	<u>7,555,000</u>	<u>2,732,440</u>	<u>10,287,440</u>	<u>7,731,149</u>	<u>2,556,291</u>
Facilities Acquisition and Construction					
Buildings		317,182	317,182	16,325	300,857
Instructional Equipment		619,524	619,524	727,259	(107,735)
Non-Instructional Equipment	-	234,138	234,138	-	234,138
Total Facilities Acquisition and Construction	<u>-</u>	<u>1,170,844</u>	<u>1,170,844</u>	<u>743,584</u>	<u>427,260</u>
Total Expenditures	<u>10,191,000</u>	<u>2,685,142</u>	<u>12,876,142</u>	<u>9,418,100</u>	<u>3,458,042</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>
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				\$ -	
Fund Balance per Governmental Funds (GAAP):				<u>\$ -</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial 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>
Source/Inflows of Resources		
Actual Amounts (budgetary basis) "revenue"		
From the budgetary comparison schedule	\$ 68,809,649	\$ 9,418,100
Difference - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2015		945,694
Encumbrances, June 30, 2016		(689,677)
Last State Aid payments recognized for GAAP purposes, not recognized for budgetary statements (2014/2015 State Aid)	560,334	
Last State Aid payments recognized for Budgetary purposes, not recognized for GAAP statements (2015/2016 State Aid)	<u>(565,828)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 68,804,155</u>	<u>\$ 9,674,117</u>
Uses/Outflows of Resources		
Actual amounts(budgetary basis) "total expenditure" from the budgetary comparison schedule	\$ 68,991,673	\$ 9,418,100
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is 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		945,694
Encumbrances, June 30, 2016	<u>-</u>	<u>(689,677)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$ 68,991,673</u>	<u>\$ 9,674,117</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Three Fiscal Years*

	<u>2016</u>		<u>2015</u>		<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.19847	%	0.19306	%	0.19087
					%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 44,554,713		\$ 36,146,276		\$ 36,480,813
District's Covered-Employee Payroll	\$ 13,751,772		\$ 13,433,021		\$ 12,960,436
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	323.99%		269.09%		281.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93	%	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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Three Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,706,393	\$ 1,048,496	\$ 1,567,180
Contributions in Relation to the Contractually Required Contribution	<u>1,706,393</u>	<u>1,048,496</u>	<u>1,567,180</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$13,751,772	\$13,433,021	\$12,960,436
Contributions as a Percentage of Covered-Employee Payroll	12.41%	7.81%	12.09%

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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Three Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 149,367,323</u>	<u>\$ 131,921,363</u>	<u>\$ 122,291,767</u>
Total	<u>\$ 149,367,323</u>	<u>\$ 131,921,363</u>	<u>\$ 122,291,767</u>
District's Covered-Employee Payroll	\$ 24,304,151	\$ 23,902,723	\$ 23,580,067
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
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, 2016**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4.

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Total Page 2</u>	<u>Adult Basic Education</u>	<u>Displaced Homemaker</u>	<u>SFG Teterboro Technology</u>	<u>Apprentice Coordinator</u>	<u>Visual Perf Arts</u>	<u>NCLB Title I</u>	<u>IDEIA Part B Basic</u>	<u>NCLB Title II-Pt A</u>	<u>Totals</u>
REVENUES										
State Sources	\$ 1,839,892		\$ 111,575	\$ 63,960	\$ 24,588					\$ 2,040,015
Federal Sources	5,378,635	\$ 1,121,661					\$ 187,599	\$ 505,948	\$ 41,754	7,235,597
Local Sources	127,678	-	-	-	-	\$ 14,810	-	-	-	142,488
Total Revenues	\$ 7,346,205	\$ 1,121,661	\$ 111,575	\$ 63,960	\$ 24,588	\$ 14,810	\$ 187,599	\$ 505,948	\$ 41,754	\$ 9,418,100
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ 77,608	\$ 393,648				\$ 14,810	\$ 126,808	\$ 75,186		\$ 688,060
Purchased Prof./Tech Services	8,173	168								8,341
General Supplies	187,076	31,883	-	-	-	-	28,007	-	-	246,966
Total Instruction	266,894	425,699	-	-	-	14,810	154,815	75,186	-	943,367
Support Services										
Salaries	1,727,817		\$ 106,486		\$ 20,332	\$ -		319,394		2,174,029
Purchased Prof. Ed. Services	3,676,004	543								3,676,547
Purchased Prof. Tech Services	20,181	\$ 606,000						\$ 15,027		641,208
Other Purchased Services	317,098		1,100		2,718			5,880		326,796
Personal Services Employee Benefits	350,866	56,802	-		-		32,784	92,457		532,909
Rentals	237,096									237,096
Travel	2,930	795	1,161		244			1,916		7,046
Supplies and Materials	61,732	1,652	2,828		1,294			11,115	26,727	105,348
Other Objects	-	30,170	-	-	-	-	-	-	-	30,170
Total Support Services	1,421,142	695,962	111,575	-	24,588	-	32,784	430,762	41,754	7,731,149
Facilities Acquisition and Construction										
Buildings	16,325									16,325
Instructional Equipment	663,299			63,960						727,259
Total Facilities Acquisition and Construction	679,624	-	-	63,960	-	-	-	-	-	743,584
Total Expenditures	\$ 7,346,205	\$ 1,121,661	\$ 111,575	\$ 63,960	\$ 24,588	\$ 14,810	\$ 187,599	\$ 505,948	\$ 41,754	\$ 9,418,100

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**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Total Exhibit Page 3</u>	<u>CDBG 11 Carol Ct</u>	<u>SFG Paramus Technology</u>	<u>County Vocational Partnership</u>	<u>Smart Steps</u>	<u>WFNJ Program</u>	<u>WFNJ Admin</u>	<u>Foundation Funds</u>	<u>SFG Hackensack Technology</u>	<u>Perkins Post- Secondary</u>	<u>Perkins Secondary</u>	<u>Perkins Secondary Reserve</u>	<u>Total Page 2</u>
REVENUES													
State	\$ 398,344		\$ 26,547	\$ 102,673	\$ 802	\$ 1,095,910	\$ 198,388		\$ 17,228				\$ 1,839,892
Federal	4,559,109	\$ 9,325								\$ 127,027	\$ 607,116	\$ 76,058	5,378,635
Other	28,092							\$ 99,586					127,678
Total Revenues	<u>\$ 4,985,545</u>	<u>\$ 9,325</u>	<u>\$ 26,547</u>	<u>\$ 102,673</u>	<u>\$ 802</u>	<u>\$ 1,095,910</u>	<u>\$ 198,388</u>	<u>\$ 99,586</u>	<u>\$ 17,228</u>	<u>\$ 127,027</u>	<u>\$ 607,116</u>	<u>\$ 76,058</u>	<u>\$ 7,346,205</u>
EXPENDITURES													
Instruction													
Salaries of Teachers				\$ 77,608									\$ 77,608
Purchased Prof./Tech Services								\$ 6,988			\$ 1,185		8,173
Other Purchased Services													
General Supplies	\$ 5,963			3,071				36,241		\$ 19,569	118,768	\$ 3,464	187,076
Total Instruction	<u>5,963</u>	<u>-</u>	<u>-</u>	<u>80,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,229</u>	<u>-</u>	<u>19,569</u>	<u>119,953</u>	<u>3,464</u>	<u>266,894</u>
Support Services													
Salaries	1,295,745				\$ 677	\$ 316,998	\$ 84,827			29,570			1,727,817
Purchased Prof. Ed. Services	3,022,667			7,164		645,673					500		3,676,004
Purchased Prof. Tech Services	16,788						3,393						20,181
Other Purchased Services	187,274					17,848	81,154	30,822					317,098
Personal Services Employee Benefits	247,442			14,830	125	62,632	16,966			8,871			350,866
Rentals	179,926					48,168	9,002						237,096
Travel	2,434					120	376						2,930
Supplies and Materials	20,306					4,471	2,670	25,535			8,750		61,732
Other Objects													
Indirect Costs													
Total Support Services	<u>4,972,582</u>	<u>-</u>	<u>-</u>	<u>21,994</u>	<u>802</u>	<u>1,095,910</u>	<u>198,388</u>	<u>56,357</u>	<u>-</u>	<u>38,441</u>	<u>9,250</u>	<u>-</u>	<u>1,421,142</u>
Facilities Acquisition and Construction													
Buildings	7,000	\$ 9,325											16,325
Instructional Equipment			26,547						\$ 17,228	69,017	477,913	72,594	663,299
Total Facilities Acquisition and Construction	<u>7,000</u>	<u>9,325</u>	<u>26,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 99,586</u>	<u>17,228</u>	<u>69,017</u>	<u>477,913</u>	<u>72,594</u>	<u>679,624</u>
Total Expenditures	<u>\$ 4,985,545</u>	<u>\$ 9,325</u>	<u>\$ 26,547</u>	<u>\$ 102,673</u>	<u>\$ 802</u>	<u>\$ 1,095,910</u>	<u>\$ 198,388</u>	<u>\$ 99,586</u>	<u>\$ 17,228</u>	<u>\$ 127,027</u>	<u>\$ 607,116</u>	<u>\$ 76,058</u>	<u>\$ 7,346,205</u>

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**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Shaping NJ Healthy Community	CDBG EMS Doors	Workforce Learning Link	WDP Partnership	WIA Adult	Project Search	WIA Youth	WIA Dislocated	Total Page 3
REVENUES									
State	\$ 5,963		\$ 122,427	\$ 269,954					\$ 398,344
Federal		\$ 7,000			\$ 1,470,309		\$ 1,407,649	\$ 1,674,151	4,559,109
Other	-	-	-	-	-	\$ 28,092	-	-	28,092
Total Revenues	\$ 5,963	\$ 7,000	\$ 122,427	\$ 269,954	\$ 1,470,309	\$ 28,092	\$ 1,407,649	\$ 1,674,151	\$ 4,985,545
EXPENDITURES									
Instruction									
Salaries of Teachers									-
Purchased Prof./Tech Services									-
Other Purchased Services									-
General Supplies	\$ 5,963	-	-	-	-	-	-	-	\$ 5,963
Total Instruction	5,963	-	-	-	-	-	-	-	5,963
Support Services									
Salaries			\$ 25,030	\$ 58,254	\$ 543,351		\$ 260,292	\$ 408,818	1,295,745
Purchased Prof. Ed. Services			89,000	200,049	707,337		983,399	1,042,882	3,022,667
Purchased Prof. Tech Services			-	-	4,951		4,404	7,433	16,788
Other Purchased Services			3,378	-	38,858	\$ 28,092	55,040	61,906	187,274
Personal Services Employee Benefits			5,006	11,651	103,371		50,791	76,623	247,442
Rentals					65,702		48,252	65,972	179,926
Travel					821		379	1,234	2,434
Supplies and Materials			13		5,918		5,092	9,283	20,306
Other Objects	-	-	-	-	-	-	-	-	-
Total Support Services	-	-	122,427	269,954	1,470,309	28,092	1,407,649	1,674,151	4,972,582
Facilities Acquisition and Construction									
Buildings		\$ 7,000							7,000
Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction	-	7,000	-	-	-	-	-	-	7,000
Total Expenditures	\$ 5,963	\$ 7,000	\$ 122,427	\$ 269,954	\$ 1,470,309	\$ 28,092	\$ 1,407,649	\$ 1,674,151	\$ 4,985,545

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**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Issue/Project Title</u>		<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>	<u>June 30, 2016</u>
30-423 Acq of Equipment and Various Improvements	7/13/2005	\$ 4,042,350	\$ 4,026,764	11,316	\$ 4,270
30-424 Acq of Equipment and Various Improvements	6/8/2006	4,866,000	4,410,387	\$ 80,294	375,319
30-425 Acq of Equipment and Various Improvements	9/8/2006	4,356,000	4,345,979	8,806	1,215
30-426 Acq of Equipment and Various Improvements	7/11/2007	4,589,420	4,294,685	137,816	156,919
30-428 Acq of Equipment and Various Improvements	8/13/2008	11,371,280	7,568,156	1,860,028	1,943,096
30-429 Acq of Equipment and Various Improvements	7/7/2010	2,033,000	1,556,766	148,325	327,909
30-430 Acq of Equipment and Various Improvements	12/1/2010	2,715,000	2,659,378	14,252	41,370
30-431 Acq of Equipment and Various Improvements	12/1/2011	715,000	563,152	25,410	126,438
30-432 Acq of Equipment and Various Improvements	7/11/2012	735,000	500,983	18,442	215,575
30-433 Acq of Equipment and Various Improvements	7/10/2013	1,268,000	555,779	153,404	558,817
30-413 Acq of Equipment and Various Improvements	7/2014	1,205,000	298,376	183,280	723,344
30-414 Acq of Equipment and Various Improvements	10/14/2015	<u>1,216,000</u>	<u>-</u>	<u>487,323</u>	<u>728,677</u>
Fund Total		<u>\$ 39,112,050</u>	<u>\$ 30,780,405</u>	<u>\$ 3,128,696</u>	<u>\$ 5,202,949</u>
				Project Balance, June 30, 2016	\$ 5,202,949
				Unrealized Revenue - Authorized by the County of Bergen	<u>(4,168,857)</u>
				Fund Balance, June 30, 2016	<u>\$ 1,034,092</u>
				Encumbrances Payable	\$ 1,161,729
				Project Balances	<u>(127,637)</u>
					<u>\$ 1,034,092</u>

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Revenues and Other Financing Sources	
Transfer from General Fund - Capital Reserve	\$ 100,087
County Aid	<u>836,534</u>
Total Revenues	<u>936,621</u>
Expenditures and Other Financing Uses	
Construction Services	2,678,194
Purchased Professional and Technical Services	-
Equipment	217,456
Supplies and Materials	<u>233,046</u>
Total Expenditures	<u>3,128,696</u>
Deficiency of Revenues Under Expenditures	(2,192,075)
Fund Balance - Beginning of Year	<u>3,226,167</u>
Fund Balance - End of Year	<u><u>\$ 1,034,092</u></u>

ENTERPRISE FUNDS

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2016**

Business Type Activities

	Food Service	Day Care	Summer Science Funds	Academy After Hours	Technology Services	ETTC	Summer Writing	Math Camp Funds	High School Enrichment	Teterboro Summer	Explorations	Auditorium Rentals	Totals
ASSETS													
Current Assets													
Cash and Cash Equivalents	\$ 164,566	\$ 41,859	\$ 5,933	\$ 155,602	\$ 41,838	\$ -	\$ 25,095	\$ 244,565	\$ 505	\$ 39,610	\$ 10,726	\$ 111,441	\$ 841,740
Intergovernmental Receivable	8,636											42,627	8,636
Other Accounts Receivable					146,933								189,560
Interfunds Receivable													-
Due from B.C.S.S.D.													-
Inventories	11,569	-	-	-	-	-	-	-	-	-	-	-	11,569
Total Current Assets	184,771	41,859	5,933	155,602	188,771	-	25,095	244,565	505	39,610	10,726	154,068	1,051,505
Capital Assets													
Furniture, machinery & equipment	609,391			871	1,233,536	\$ 23,295						82,414	1,949,507
Less: Accumulated Depreciation	(476,072)	-	-	(871)	(1,048,958)	(23,011)	-	-	-	-	-	(32,999)	(1,581,911)
Total Capital Assets	133,319	-	-	-	184,578	284	-	-	-	-	-	49,415	367,596
Total Assets	318,090	41,859	5,933	155,602	373,349	284	25,095	244,565	505	39,610	10,726	203,483	1,419,101
LIABILITIES													
Current Liabilities													
Accounts Payable	-	1,485	-	-	9,153	-	-	-	-	-	-	-	10,638
Other Payable	-	1,087	-	-	-	-	-	-	-	-	-	-	1,087
Unearned Revenue	-	-	-	80,891	-	-	19,650	51,333	-	39,500	-	1,500	192,874
Total Current Liabilities	-	2,572	-	80,891	9,153	-	19,650	51,333	-	39,500	-	1,500	204,599
Total Liabilities	-	2,572	-	80,891	9,153	-	19,650	51,333	-	39,500	-	1,500	204,599
NET POSITION													
Net Investment in Capital Assets	133,319			-	184,578	284	-					49,415	367,596
Unrestricted	184,771	39,287	5,933	74,711	179,618	-	5,445	193,232	505	110	10,726	152,568	846,906
Total Net Position	\$ 318,090	\$ 39,287	\$ 5,933	\$ 74,711	\$ 364,196	\$ 284	\$ 5,445	\$ 193,232	\$ 505	\$ 110	\$ 10,726	\$ 201,983	\$ 1,214,502

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Business Type Activities												
	Food Service	Day Care	Summer Science Funds	Academy After Hours	Technology Services	ETTC	Summer Writing	Math Camp Funds	High School Enrichment	Teterboro Summer	Explorations	Auditorium Rentals	Totals
OPERATING REVENUES													
Charges for Services													
Daily sales - reimbursable programs													
Lunch Program	\$ 296,164												\$ 296,164
Breakfast Program	8,715												8,715
Daily sales - nonreimbursable programs	263,342												263,342
Special Functions	8,108												8,108
Charges and Fees	-	\$ 281,468	\$ 38,400	\$ 262,639	\$ 1,514,259	-	6,972	\$ 122,285	\$ 3,850	\$ 42,325	\$ 15,400	\$ 367,649	2,655,247
Total Operating Revenues	576,329	281,468	38,400	262,639	1,514,259	-	6,972	122,285	3,850	42,325	15,400	367,649	3,231,576
OPERATING EXPENSES													
Cost of Sales - reimbursable programs	233,280												233,280
Cost of Sales - nonreimbursable programs	89,536												89,536
Salaries/Salaries of Teachers	256,488	255,602	20,315	222,589	1,077,260		3,487	65,241	3,107	42,215	10,224	307,338	2,265,866
Employee Benefits	73,416	39,553		17,028	232,410		267	4,991	238		654	38,511	407,068
Other Purchased Services	75,750	12,766	-	10,893	142,656		1,600					1,440	245,105
Supplies and Materials	9,330	3,081	32,005	5,856	99,388							15,714	165,374
Depreciation	16,358				57,699	\$ 673						5,844	80,574
Other Objects	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	754,158	311,002	52,320	256,366	1,609,413	673	5,354	70,232	3,345	42,215	10,878	368,847	3,484,803
Operating Income (Loss)	(177,829)	(29,534)	(13,920)	6,273	(95,154)	(673)	1,618	52,053	505	110	4,522	(1,198)	(253,227)
NONOPERATING REVENUES													
State Sources													
State School Lunch Program	4,573												4,573
Federal Sources													
National School Lunch Program	100,844												100,844
National School Lunch Program-PB	6,071												6,071
Commodities Program	35,649												35,649
National School Breakfast Program	16,245												16,245
Total Non-Operating Revenues	163,382	-	-	-	-	-	-	-	-	-	-	-	163,382
Net Income (Loss) Before Contributions & Transfers	(14,447)	(29,534)	(13,920)	6,273	(95,154)	(673)	1,618	52,053	505	110	4,522	(1,198)	(89,845)
Transfers													
Transfers In(Out)	-	-	-	-	-	-	-	\$ -	-	\$ -	\$ -	(50,000)	(50,000)
Change in Net Position	(14,447)	(29,534)	(13,920)	6,273	(95,154)	(673)	1,618	52,053	505	110	4,522	(51,198)	(139,845)
Total Net Position - Beginning of Year	332,537	68,821	19,853	68,438	459,350	957	3,827	141,179	-	-	6,204	253,181	1,354,347
Total Net Position - Ending of Year	\$ 318,090	\$ 39,287	\$ 5,933	\$ 74,711	\$ 364,196	\$ 284	\$ 5,445	\$ 193,232	\$ 505	\$ 110	\$ 10,726	\$ 201,983	\$ 1,214,502

INTERNAL SERVICE FUND

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2016

	<u>Compensated Absences</u>	<u>B.C.S.S.</u>	<u>Extended Year</u>	<u>Interlocal Agreements</u>	<u>WIA Admin</u>	<u>Total</u>
ASSETS						
Current Assets						
Intergovernmental Receivable						
Cash				\$ 87,180		\$ 87,180
Due from B.C.S.S.D		\$ 3,536				3,536
Other				44,000	\$ 157,213	201,213
Interfund Receivable	\$ 2,875,890	-	-	-	-	2,875,890
Total Current Assets	<u>2,875,890</u>	<u>3,536</u>	<u>-</u>	<u>131,180</u>	<u>157,213</u>	<u>3,167,819</u>
Total Assets	<u>2,875,890</u>	<u>3,536</u>	<u>-</u>	<u>131,180</u>	<u>157,213</u>	<u>3,167,819</u>
LIABILITIES						
Current Liabilities						
Accounts Payable		-				-
Interfunds Payable	-	3,536	\$ 987	44,000	157,213	205,736
Total Current Liabilities	<u>-</u>	<u>3,536</u>	<u>987</u>	<u>44,000</u>	<u>157,213</u>	<u>205,736</u>
Noncurrent Liabilities						
Compensated Absences	2,875,890	-	-	-	-	2,875,890
Total Liabilities	<u>2,875,890</u>	<u>3,536</u>	<u>987</u>	<u>44,000</u>	<u>157,213</u>	<u>3,081,626</u>
NET POSITION						
Unrestricted	-	-	(987)	87,180	-	86,193
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (987)</u>	<u>\$ 87,180</u>	<u>\$ -</u>	<u>\$ 86,193</u>

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Compensated Absences</u>	<u>B.C.S.S.</u>	<u>Extended Year</u>	<u>Interlocal Agreements</u>	<u>WIA Admin</u>	<u>Total</u>
OPERATING REVENUES						
Charges and Fees	-	\$ 1,929,883	-	\$ 220,000	\$ 157,213	\$ 2,307,096
Miscellaneous Income	-	-	-	-	-	-
Total Operating Revenues	-	1,929,883	-	220,000	157,213	2,307,096
OPERATING EXPENSES						
Salaries		1,507,809		108,670	126,662	1,743,141
Employee Benefits		410,486		15,000	30,551	456,037
Compensated Absences	\$ 130,587					130,587
Other Purchased Services		11,588		-		11,588
Supplies and Materials	-	-	-	9,150	-	9,150
Total Operating Expenses	130,587	1,929,883	-	132,820	157,213	2,350,503
Operating Income	(130,587)	-	-	87,180	-	(43,407)
Other Financing Sources						
Transfer In (Out)	130,587	-	-	-	-	130,587
Net Position, Beginning of Year	-	-	\$ (987)	-	-	(987)
Net Position, End of Year	\$ -	\$ -	\$ (987)	\$ 87,180	\$ -	\$ 86,193

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Compensated Absences</u>	<u>B.C.S.S.</u>	<u>Extended Year</u>	<u>Interlocal Agreements</u>	<u>WIA Admin</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers		\$ 2,075,133		\$ 224,000	\$ -	\$ 2,299,133
Cash Payments for Salaries and Benefits	\$ (130,587)	(1,918,295)		(123,670)	(157,213)	(2,329,765)
Cash Payments to Suppliers for Goods and Services	-	(156,838)	-	(13,150)	157,213	(12,775)
	<u>(130,587)</u>	<u>-</u>	<u>-</u>	<u>87,180</u>	<u>-</u>	<u>(43,407)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Interfund Transfers - General Fund	<u>130,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,587</u>
Net Cash Provided(Used) by Noncapital Financing activities	<u>130,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,587</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-	87,180	-	87,180
Cash and Cash Equivalents, Beginning of Year	-	-	-	-	-	-
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,180</u>	<u>\$ -</u>	<u>\$ 87,180</u>
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities						
Operating Income (Loss)	\$ (130,587)	-	-	87,180	-	\$ (43,407)
Adjustments to reconcile operating income to net cash provided(used) by operating activities:						
(Increase)/Decrease in Intergovernmental Receivable		\$ 145,250		\$ 4,000	(157,213)	(7,963)
Increase/(Decrease) in Accounts Payable	-	(145,250)	-	(4,000)	157,213	7,963
Total Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (130,587)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,180</u>	<u>\$ -</u>	<u>\$ (43,407)</u>

FIDUCIARY FUNDS

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2016**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 693,661	\$ 28,484	\$ 722,145
Total Assets	<u>\$ 693,661</u>	<u>\$ 28,484</u>	<u>\$ 722,145</u>
LIABILITIES			
Payroll deductions and withholdings		\$ 28,484	\$ 28,484
Payable to student groups	<u>\$ 693,661</u>	<u>-</u>	<u>693,661</u>
Total Liabilities	<u>\$ 693,661</u>	<u>\$ 28,484</u>	<u>\$ 722,145</u>

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Balance July 1, <u>2015</u>	Cash <u>Receipts</u>	Cash <u>Disburse-</u> <u>ments</u>	Balance June 30, <u>2016</u>
SCHOOLS				
Bergen County Technical High School		\$ 10,116	\$ 8,153	\$ 1,963
Academy for the Advancement of Science and Technology	\$ 627,098	1,266,890	1,350,286	543,702
Teterboro Technical High School	96,878	224,897	223,089	98,686
Paramus Vocational High School	26,141	56,964	51,952	31,153
Athletic Account	<u>19,925</u>	<u>120,629</u>	<u>122,397</u>	<u>18,157</u>
	<u>\$ 770,042</u>	<u>\$ 1,679,496</u>	<u>\$ 1,755,877</u>	<u>\$ 693,661</u>

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Balance July 1, <u>2015</u>	Cash <u>Receipts</u>	Cash Disburse- <u>ments</u>	Balance June 30, <u>2016</u>
Payroll Deductions and Withholdings	\$ 25,922	\$ 23,626,495	\$ 23,623,963	\$ 28,454
Accrued Salaries and Wages	<u>127</u>	<u>25,666,112</u>	<u>25,666,209</u>	<u>30</u>
	<u>\$ 26,049</u>	<u>\$ 49,292,607</u>	<u>\$ 49,290,172</u>	<u>\$ 28,484</u>

LONG-TERM DEBT

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF PAYABLE BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

STATISTICAL SECTION

This part of the Bergen County Technical and Vocational High School'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.

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014 (Restated)	2015	2016
Governmental Activities										
Net Investment in Capital Assets	\$ 35,187,083	\$ 47,174,928	\$ 49,489,446	\$ 43,808,410	\$ 43,421,022	\$ 50,008,514	\$ 50,867,900	\$ 49,277,231	\$ 49,479,630	\$ 50,030,937
Restricted	100,001	100,001	100,001	1,100,001	1,470,005	1,471,990	2,381,876	4,102,676	6,157,553	4,544,625
Unrestricted	(6,954,190)	(5,847,079)	(2,956,411)	2,072,520	2,836,911	2,631,444	4,704,881	(32,517,594)	(33,085,751)	(35,125,320)
Total Governmental Activities Net Position	\$ 28,332,894	\$ 41,427,850	\$ 46,633,036	\$ 46,980,931	\$ 47,727,938	\$ 54,111,948	\$ 57,954,657	\$ 20,862,313	\$ 22,551,432	\$ 19,450,242
Business-Type Activities										
Net Investment in Capital Assets	\$ 726,924	\$ 695,954	\$ 592,625	\$ 550,886	\$ 521,640	\$ 467,977	\$ 418,441	\$ 497,126	\$ 417,011	\$ 367,596
Restricted										
Unrestricted	816,968	653,622	896,791	900,064	1,196,433	1,378,912	1,840,925	1,081,403	937,336	846,906
Total Business-Type Activities Net Position	\$ 1,543,892	\$ 1,349,576	\$ 1,489,416	\$ 1,450,950	\$ 1,718,073	\$ 1,846,889	\$ 2,259,366	\$ 1,578,529	\$ 1,354,347	\$ 1,214,502
District-Wide										
Net Investment in Capital Assets	\$ 35,914,007	\$ 47,870,882	\$ 50,082,071	\$ 44,359,296	\$ 43,942,662	\$ 50,476,491	\$ 51,286,341	\$ 49,774,357	\$ 49,896,641	\$ 50,398,533
Restricted	100,001	100,001	100,001	1,100,001	1,470,005	1,471,990	2,381,876	4,102,676	6,157,553	4,544,625
Unrestricted	(6,137,222)	(5,193,457)	(2,059,620)	2,972,584	4,033,344	4,010,356	6,545,806	(31,436,191)	(32,148,415)	(34,278,414)
Total District Net Position	\$ 29,876,786	\$ 42,777,426	\$ 48,122,452	\$ 48,431,881	\$ 49,446,011	\$ 55,958,837	\$ 60,214,023	\$ 22,440,842	\$ 23,905,779	\$ 20,664,744

Source: District's financial statements

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 13,566,659	\$ 15,462,760	\$ 14,796,395	\$ 16,672,216	\$ 15,488,402	\$ 16,296,880	\$ 15,766,744	\$ 16,175,172	\$ 19,292,897	\$ 21,615,596
Special Education										
Other Special Education	913,168	954,935	434,382	382,892	1,273,493	1,623,324	1,361,059	1,202,646	1,207,686	1,417,698
Vocational	16,509,538	16,639,604	15,102,316	15,129,724	15,694,495	16,425,873	17,385,957	17,203,275	20,727,275	23,049,247
Other Instruction	4,842,883	4,474,825	4,158,396	5,766,856	2,584,804	2,350,887	2,145,071	2,101,112	2,738,122	3,083,333
Adult/Continuing Education Programs	2,134,600	2,125,707	1,963,095	2,168,973	1,007,779	906,344	490,265	536,262	534,731	630,782
Support Services:										
Student & Instruction Related Services	14,436,984	16,995,420	18,483,090	16,430,807	20,918,305	20,864,055	20,722,030	21,284,694	15,081,857	14,820,193
School Administrative Services	2,515,032	2,740,104	2,739,881	2,695,296	2,663,009	2,721,457	3,128,511	3,439,812	3,929,539	4,534,126
General Administration	3,433,148	3,069,238	2,779,729	3,017,604	2,648,016	3,501,311	3,994,765	3,582,717	3,507,357	2,674,123
Plant Operations And Maintenance	7,676,514	7,480,471	7,630,125	8,769,953	9,604,982	9,365,347	9,288,606	10,238,259	10,604,646	10,594,482
Pupil Transportation	881,473	701,927	684,780	538,073	565,186	628,964	643,447	641,645	2,581,110	1,080,865
Other Support Services	4,408,947	3,665,791	3,662,494	2,398,284	2,202,175	2,223,643	2,360,112	2,583,940	6,819,158	8,481,150
Interest	-	-	-	-	-	-	-	-	-	5,539
Total Governmental Activities Expenses	71,318,946	74,310,782	72,434,683	73,970,678	74,650,646	76,908,085	77,286,567	78,989,534	87,024,378	91,987,134
Business-Type Activities:										
Food Service	713,560	638,315	762,910	717,800	675,057	766,982	704,383	673,446	742,604	754,158
Other	1,653,959	1,430,793	1,465,499	1,157,362	1,334,412	1,633,916	2,098,622	2,970,621	2,411,056	2,730,645
Total Business-Type Activities Expense	2,367,519	2,069,108	2,228,409	1,875,162	2,009,469	2,400,898	2,803,005	3,644,067	3,153,660	3,484,803
Total District Expenses	\$ 73,686,465	\$ 76,379,890	\$ 74,663,092	\$ 75,845,840	\$ 76,660,115	\$ 79,308,983	\$ 80,089,572	\$ 82,633,601	\$ 90,178,038	\$ 95,471,937
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular	\$ 7,183,565	\$ 7,266,915	\$ 7,856,643	\$ 8,422,313	\$ 8,304,719	\$ 8,532,347	\$ 8,763,830	\$ 16,470,979	\$ 8,994,884	\$ 9,862,770
Other Special Education		24,389	8,190							
Vocational	10,813,888	11,544,146	12,746,853	13,526,775	14,275,079	14,898,221	15,140,793	7,756,795	15,520,538	15,546,249
Other Instruction	466,132	386,185	440,540	474,370	480,111	438,572	201,995	245,530	491,371	512,980
Adult/Continuing Education Programs	956,878	1,074,518	1,294,588	933,644	1,100,066	1,234,779	1,207,791	1,258,720	1,063,649	1,058,901
Support Services:										
Student & Instruction Related Services	845,033	936,862	1,026,583	786,578	882,931	843,261	541,878	265,644	359,592	312,320
School Administrative Services	247,890	463,307	328,895	162,146	164,997			17,715	50,643	42,478
General Administration	1,722,575	1,397,047	1,111,868	1,092,432	922,340	777,998	783,994	729,192	707,152	770,064
Plant Operations And Maintenance	500,891	555,662	474,099	449,417	575,377	283,443	159,057	365,823	218,494	254,746
Pupil Transportation	328,216	145,193	145,897	96,568	110,161	125,210	129,140	95,531	93,078	100,436
Other Support Services	775,505	502,657	634,155	556,444	460,510	644,358	641,665	712,557	723,359	1,067,340
Operating Grants And Contributions	13,251,140	12,611,396	10,394,392	12,215,539	11,669,272	12,623,275	14,793,654	15,054,363	20,642,137	23,441,351
Capital Grants And Contributions	1,267,093	1,465,104	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	38,358,806	38,373,381	36,462,703	38,716,226	38,945,563	40,401,464	42,363,797	42,972,849	48,864,897	52,969,635

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-Type Activities:										
Charges For Services										
Food Service	\$ 553,163	\$ 480,121	\$ 596,604	\$ 602,963	\$ 542,448	\$ 761,349	\$ 557,432	\$ 558,872	\$ 576,814	\$ 576,329
Other	1,579,977	1,376,616	1,511,115	1,152,365	1,648,019	1,675,776	2,558,055	2,310,881	2,250,018	2,655,247
Operating Grants And Contributions	104,010	102,043	110,530	131,368	136,125	142,589	149,995	143,477	152,646	163,382
Capital Grants And Contributions	24,156	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	2,261,306	1,958,780	2,218,249	1,886,696	2,326,592	2,579,714	3,265,482	3,013,230	2,979,478	3,394,958
Total District Program Revenues	\$ 40,620,112	\$ 40,332,161	\$ 38,680,952	\$ 40,602,922	\$ 41,272,155	\$ 42,981,178	\$ 45,629,279	\$ 45,986,079	\$ 51,844,375	\$ 56,364,593
Net (Expense)/Revenue										
Governmental Activities	\$ (32,960,140)	\$ (35,937,401)	\$ (35,971,980)	\$ (35,254,452)	\$ (35,705,083)	\$ (36,506,621)	\$ (34,922,770)	\$ (36,016,685)	\$ (38,159,481)	\$ (39,017,499)
Business-Type Activities	(106,213)	(110,328)	(10,160)	11,534	317,123	178,816	462,477	(630,837)	(174,182)	(89,845)
Total District-Wide Net Expense	\$ (33,066,353)	\$ (36,047,729)	\$ (35,982,140)	\$ (35,242,918)	\$ (35,387,960)	\$ (36,327,805)	\$ (34,460,293)	\$ (36,647,522)	\$ (38,333,663)	\$ (39,107,344)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
County Property Tax Levy	\$ 22,567,423	\$ 24,806,146	\$ 27,173,800	\$ 28,223,529	\$ 29,190,098	\$ 29,190,098	\$ 29,190,098	\$ 29,190,098	\$ 29,566,905	\$ 29,566,905
County Aid	6,349,545	15,965,770	6,834,143	4,138,866	1,667,013	6,843,040	4,500,973	954,580	4,754,456	836,534
Federal and State Aid Unrestricted	6,541,476	6,741,972	6,281,757	6,660,479	4,375,445	4,121,860	4,268,255	4,233,029	4,090,475	4,090,475
Federal and State Aid Restricted	1,277,124	976,054	767,021	494,647	515,468	879,418	654,679	571,595	646,224	990,341
Investment Earnings	300,625	190,353	47,546	20,019	12,430	26,228	36,529	48,295	36,669	27,661
Miscellaneous Income	358,558	268,074	222,899	1,057,341	641,636	765,811	218,274	322,331	561,317	354,393
Transfers	200,000	83,988	(150,000)	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Loss on Disposal of Capital Assets	-	-	-	-	-	-	(6,634)	-	-	-
Total Governmental Activities	37,594,751	49,032,357	41,177,166	40,644,881	36,452,090	42,890,331	38,765,779	35,405,154	39,848,600	35,916,309
Business-Type Activities:										
Transfers	(200,000)	(83,988)	150,000	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total Business-Type Activities	(200,000)	(83,988)	150,000	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total District-Wide	\$ 37,394,751	\$ 48,948,369	\$ 41,327,166	\$ 40,594,881	\$ 36,402,090	\$ 42,840,331	\$ 38,715,779	\$ 35,355,154	\$ 39,798,600	\$ 35,866,309
Change in Net Position										
Governmental Activities	\$ 4,634,611	\$ 13,094,956	\$ 5,205,186	\$ 5,390,429	\$ 747,007	\$ 6,383,710	\$ 3,843,009	\$ (611,531)	\$ 1,689,119	\$ (3,101,190)
Business-Type Activities	(306,213)	(194,316)	139,840	(38,466)	267,123	128,816	412,477	(680,837)	(224,182)	(139,845)
Total District	\$ 4,328,398	\$ 12,900,640	\$ 5,345,026	\$ 5,351,963	\$ 1,014,130	\$ 6,512,526	\$ 4,255,486	\$ (1,292,368)	\$ 1,464,937	\$ (3,241,035)

Source: District's financial statements

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 198,605	\$ 58,827	\$ 169,407	\$ 1,841,826						
Unreserved	36,008	(31,560)	764,568	3,724,644						
Restricted					\$ 1,369,001	\$ 1,371,667	\$ 2,676,695	\$ 4,001,915	\$ 2,831,174	\$ 3,410,171
Assigned					3,616,299	3,763,868	3,288,996	3,050,029	2,404,228	1,774,978
Unearned	-	-	-	-	1,388,774	2,075,886	2,141,872	1,772,575	1,892,562	1,574,623
Total General Fund	<u>\$ 234,613</u>	<u>\$ 27,267</u>	<u>\$ 933,975</u>	<u>\$ 5,566,470</u>	<u>\$ 6,374,074</u>	<u>\$ 7,211,421</u>	<u>\$ 8,107,563</u>	<u>\$ 8,824,519</u>	<u>\$ 7,127,964</u>	<u>\$ 6,759,772</u>
All Other Governmental Funds										
Reserved	\$ 11,041,390	\$ 2,095,460	\$ 2,105,555	\$ 1,045,988						
Unassigned	(15,495,719)	(5,321,913)	(4,134,953)	(1,902,950)	\$ (856,175)	\$(2,133,623)	\$ (295,398)	\$ (295,398)	\$ 3,226,167	\$ 1,034,092
Nonspendable					100,000	100,000	100,000	100,000	100,000	100,000
Restricted	-	-	-	-	1,004	323	579	761	212	362
Total All Other Governmental Funds	<u>\$ (4,454,329)</u>	<u>\$ (3,226,453)</u>	<u>\$ (2,029,398)</u>	<u>\$ (856,962)</u>	<u>\$ (755,171)</u>	<u>\$ (2,033,300)</u>	<u>\$ (194,819)</u>	<u>\$ (194,637)</u>	<u>\$ 3,326,379</u>	<u>\$ 1,134,454</u>

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental 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 resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

Source: District's financial statements

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (Unaudited)
 (modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
County Property Tax Levy	\$22,567,423	\$24,806,146	\$ 27,173,800	\$28,223,529	\$29,190,098	\$ 29,190,098	\$ 29,190,098	\$ 29,190,098	\$29,566,905	\$29,566,905
County Aid	6,349,545	15,965,770	6,834,143	4,138,866	1,667,013	6,843,040	4,500,973	954,580	4,754,456	836,534
Tuition - LEA's	19,420,463	20,271,766	22,338,624	23,357,102	24,159,975	25,103,919	25,225,197	25,661,833	26,007,132	26,904,443
Interest Earnings	300,625	190,353	47,546	20,019	12,430	26,228	36,529	48,295	36,669	27,661
Miscellaneous	692,311	268,074	263,994	1,061,440	654,787	793,612	398,416	500,345	627,600	788,688
State Sources	14,610,859	15,150,632	11,698,489	12,181,302	9,958,263	12,007,500	12,702,958	12,407,358	12,416,181	14,009,042
Federal Sources	7,392,221	6,643,893	5,703,586	7,185,264	6,588,771	6,603,128	6,776,305	7,379,032	7,281,286	7,181,683
Total Revenue	71,333,447	83,296,634	74,060,182	76,167,522	72,231,337	80,567,525	78,830,476	76,141,541	80,690,229	79,314,956
Expenditures										
Instruction										
Regular Instruction	12,560,053	14,419,338	13,840,027	15,263,523	14,379,171	15,127,953	14,603,327	14,862,533	15,440,334	16,687,000
Other Special Instruction	773,016	930,546	440,722	385,032	1,273,493	1,623,324	1,342,690	1,205,266	1,207,686	1,406,736
Vocational Education	15,751,516	15,780,535	14,149,588	14,083,080	14,624,818	15,306,181	16,186,718	15,913,948	16,572,066	17,769,053
Other Instruction	4,837,058	4,472,831	4,173,346	5,773,276	2,593,804	2,353,257	2,152,541	2,108,972	2,305,667	2,476,996
Adult/Continuing Education	2,131,500	2,125,707	1,963,095	2,168,973	1,007,779	906,344	490,265	539,262	534,731	630,782
Support Services:										
Student and Inst. Related Services	13,240,965	15,731,426	17,042,590	15,135,725	19,566,673	19,558,096	19,755,505	20,635,759	14,345,210	14,082,440
General Administration	1,642,195	1,609,694	1,781,765	2,552,657	2,494,442	2,629,178	3,152,218	2,832,404	2,665,676	1,819,055
School Administrative Services	2,314,976	2,338,692	2,451,686	2,152,550	1,640,449	2,688,484	3,046,780	3,344,141	3,395,276	3,900,015
Plant Operations And Maintenance	7,018,152	6,926,090	7,167,761	8,323,257	8,963,114	9,062,453	9,098,463	9,801,146	10,236,125	10,113,603
Pupil Transportation	423,918	521,021	498,365	394,556	403,808	452,657	459,844	488,295	2,427,018	934,573
Other Support Services	3,533,928	3,036,935	2,947,755	1,796,166	1,650,248	1,440,304	1,547,786	1,683,122	5,822,496	7,388,132
Debt Service										
Capital Outlay	7,516,577	14,235,293	5,058,211	2,227,579	2,606,881	9,926,944	4,399,639	1,960,046	3,825,524	4,296,562
Total Expenditures	71,743,854	82,128,108	71,514,911	70,256,374	71,204,680	81,075,175	76,235,776	75,371,894	78,777,809	81,794,486
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(410,407)	1,168,526	2,545,271	5,911,148	1,026,657	(507,650)	2,594,700	769,647	1,912,420	(2,479,530)
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)										
Transfers In	200,000	83,988	50,000	50,000	50,000	66,868	139,923	50,000	1,337,113	150,087
Transfers Out	-	(231,984)	(501,508)	(146,217)	(167,262)	-	-	(102,509)	(1,425,072)	(230,674)
Total Other Financing Sources (Uses)	200,000	(147,996)	(451,508)	(96,217)	(117,262)	66,868	139,923	(52,509)	(87,959)	(80,587)
Net Change in Fund Balances	\$ (210,407)	\$ 1,020,530	\$ 2,093,763	\$ 5,814,931	\$ 909,395	\$ (440,782)	\$ 2,734,623	\$ 717,138	\$ 1,824,461	\$ (2,560,117)
Debt Service as a Percentage of Noncapital Expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.35%

N/A- Not Applicable - District does not pay debt service

* Noncapital expenditures are total expenditures less capital outlay.

Source: District's financial statements

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
OTHER LOCAL REVENUES-GENERAL FUND BY SOURCE*
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended <u>June 30</u>	<u>Tuition</u>	<u>Interest</u>	<u>Miscellaneous</u>	Special schools <u>Tuition and Fees</u>	<u>Total</u>
2016	\$ 25,383,307	\$ 27,511	\$ 683,845	\$ 1,508,429	\$ 27,603,092
2015	24,515,421	36,518	561,317	1,555,021	26,668,277
2014	24,227,774	47,063	322,331	1,504,250	26,101,418
2013	23,904,623	36,273	307,486	1,320,574	25,568,956
2012	23,430,568	25,909	765,811	1,673,351	25,895,639
2011	22,579,798	12,369	641,636	1,580,177	24,813,980
2010	21,949,088	16,634	1,057,341	1,408,014	24,431,077
2009	20,603,526	43,949	222,868	1,735,129	22,605,472
2008	20,271,766	190,353	268,074		20,730,193
2007	19,420,463	300,003	358,558		20,079,024

Source: School District's Financial Statements

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Calendar Year	Land	Improvements	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value
2007	\$ 75,839,185,175	\$ 65,253,445,037	\$ 141,092,630,212	\$ 208,579,683	\$ 141,301,209,895	\$ 174,367,309,616
2008	83,015,806,828	71,592,634,189	154,608,441,017	220,878,563	154,829,319,580	182,767,512,263
2009	84,021,555,288	73,867,544,583	157,889,099,871	240,884,027	158,129,983,898	185,908,798,980
2010	84,454,481,049	74,747,147,306	159,201,628,355	285,137,988	159,486,766,343	175,481,754,684
2011	83,995,183,645	75,287,323,039	159,282,506,684	265,906,193	159,548,412,877	173,258,537,441
2012	81,103,273,440	75,153,761,789	156,257,035,229	230,570,595	156,487,605,828	168,748,014,772
2013	79,070,936,935	75,049,684,025	154,120,620,960	129,981,494	154,250,602,454	165,008,934,260
2014	78,408,456,350	75,186,325,534	153,594,781,884	97,873,857	153,692,655,741	162,301,130,131
2015	77,512,874,732	75,335,444,029	152,828,462,316	96,580,480	152,925,042,796	163,570,157,295
2016	77,002,654,839	77,328,202,717	154,291,592,456	90,073,801	154,381,666,257	167,963,794,248

Source: County Abstract of Ratables

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per \$100 of true value)**

Assessment Year	General	Open Space	Total County Tax Rate
2007	\$ 0.1704	\$ 0.0099	\$ 0.1800
2008	0.1751	0.0100	0.185
2009	0.1820	0.0100	0.192
2010	0.1934	0.0025	0.1959
2011	0.2032	0.0025	0.2057
2012	0.2178	0.0025	0.2203
2013	0.2248	0.0025	0.2273
2014	0.2312	0.0025	0.2337
2015	0.2377	0.0025	0.2402
2016	0.2434	0.0025	0.2459

Source: County Abstract of Ratables

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS
 PRIOR YEAR AND NINE YEARS AGO
 (Unaudited)**

Taxpayer	2016		2007	
	Assessed Valuation	% of County's Net Assessed Valuation	Assessed Valuation	% of County's Net Assessed Valuation

INFORMATION NOT AVAILABLE

Source: Bergen County

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL
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	
2007	\$ 22,567,423	\$ 22,567,423	100.00%	
2008	24,806,146	24,806,146	100.00%	
2009	27,173,800	27,173,800	100.00%	
2010	28,223,529	28,223,529	100.00%	
2011	29,190,098	29,190,098	100.00%	
2012	29,190,098	29,190,098	100.00%	
2013	29,190,098	29,190,098	100.00%	
2014	29,190,098	29,190,098	100.00%	
2015	29,566,905	29,566,905	100.00%	
2016	29,566,905	29,566,905	100.00%	

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Population	Per Capita
	Capital Leases				
2007	\$ 276,098	\$	276,098	885,664	\$ 0.31
2008	150,440		150,440	889,915	0.17
2009	54,288		54,288	895,250	0.06
2010	4,358		4,358	906,895	0.005
2011	-		-	914,018	-
2012	-		-	920,006	-
2013	-		-	926,284	-
2014	-		-	932,836	-
2015	-		-	935,806	-
2016	-		-	938,506 (1)	-

Source: District records

(1) Estimated

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)**

NOT APPLICABLE

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015
(Unaudited)**

Net Direct Debt of School District
as of June 30, 2016

Net Overlapping Debt of School District

Bergen County:

County of Bergen

\$ 1,089,653,537

Bergen County Utilities Authority - Water Pollution (100%)

193,682,703

\$ 1,283,336,240

Total Direct and Overlapping Debt

\$ 1,283,336,240

Source:

County of Bergen Annual Debt Statement

BCUA Audit and 2015 County Equalization Table

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST NINE FISCAL YEARS
(Unaudited)

Legal Debt Margin Calculation as of December 31, (County Debt)

	<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>
Average equalized valuation of taxable property (last three years)	\$ 152,222,318,410	\$ 167,368,287,382	\$ 178,689,519,616	\$ 182,615,485,340	\$ 181,109,724,691	\$ 175,561,330,658	\$ 165,344,818,875	\$ 163,332,190,759	\$ 163,894,415,971
Debt limit (2% of average equalization value)	3,044,446,368	3,347,365,748	3,573,790,392	3,652,309,707	3,622,194,494	3,511,226,613	3,306,896,378	3,266,643,815	3,277,888,319
Net Debt Issued Outstanding and Authorized	<u>521,130,736</u>	<u>588,623,268</u>	<u>630,661,565</u>	<u>681,875,430</u>	<u>730,825,489</u>	<u>698,412,830</u>	<u>849,429,739</u>	<u>933,422,641</u>	<u>1,089,653,537</u>
Remaining Borrowing Capacity	<u>\$ 2,523,315,632</u>	<u>\$ 2,758,742,480</u>	<u>\$ 2,943,128,827</u>	<u>\$ 2,970,434,277</u>	<u>\$ 2,891,369,005</u>	<u>\$ 2,812,813,783</u>	<u>\$ 2,457,466,639</u>	<u>\$ 2,333,221,174</u>	<u>\$ 2,188,234,782</u>

Source: Annual Debt Statements

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year only nine years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
(Unaudited)**

<u>Year</u>	<u>Population</u>		<u>Per Capita Personal Income**</u>	<u>Unemployment Rate*</u>
2016	938,506	(1)	N/A	N/A
2015	938,506	(1)	N/A	4.6
2014	932,836		\$ 73,536	5.4
2013	926,284		70,498	7.1
2012	820,006		71,380	8.1
2011	914,018		68,244	7.9
2010	906,895		65,275	8.1
2009	895,250		64,571	7.9
2008	889,915		68,548	4.5
2007	885,664		68,147	3.4

(1) Estimated
* Amounts noted are for Bergen County
** US Bureau of the Census,

Source NJ Department of Labor, Bureau of Labor Force Statistics
U.S. Department of Commerce, Bureau of Economic analysis
New Jersey Department of Labor

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 PRIOR YEAR AND NINE YEARS AGO
 (Unaudited)**

Taxpayer	2016		2007	
	Employees	% of Total County Employment	Employees	% of Total County Employment
	NOT AVAILABLE		NOT AVAILABLE	

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Unaudited)**

<u>Function/Program</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>	<u>2016</u>
Instruction										
Regular	251.0	227.8	227.8	235.5	225.6	100.5	97.5	97.1	100.2	99.7
Vocational						126.1	126.7	145.6	142.5	125.2
Other instruction	83.8	71.9	71.9	78.0	37.0	3.0	3.0	2.0	3.0	3.0
Adult/continuing education programs						37.5	45.8	20.3	20.3	20.0
Support Services:										
Attendance and Social Work	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Health Services	1.0	4.0	4.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0
Student & instruction related services	49.5	41.0	41.0	42.6	38.7	37.4	38.0	39.2	39.1	42.1
Educational Media Services	23.0	20.6	20.6	16.5	36.0	38.0	39.0	40.0	39.9	1.0
General administration	4.0	1.1	1.1	0.7	3.0	3.0	3.0	2.8	2.8	2.8
School administrative services	16.0	18.9	18.9	20.9	19.9	17.9	19.2	22.2	22.2	22.2
Central services	13.5	5.5	5.5	5.6	9.6	10.3	11.1	11.1	11.1	11.5
Administrative Information Technology	1.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	39.0
Plant operations and maintenance	32.5	29.6	29.6	26.9	50.3	51.7	51.5	49.3	56.0	51.3
Pupil transportation	0.5	0.7	0.7	0.7	0.7		1.8	6.8	6.8	6.8
Total	<u>479.2</u>	<u>423.2</u>	<u>423.2</u>	<u>434.5</u>	<u>427.9</u>	<u>432.5</u>	<u>442.7</u>	<u>442.5</u>	<u>450.0</u>	<u>430.6</u>

Source: District Personnel Records

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	High School				
2007	2,211	\$ 54,216,861	\$ 24,521	2.80%	290.00	7.62	2,079.50	1,982.40	-4.01%	95.33%
2008	2,186	56,708,469	25,942	5.79%	288.00	7.59	1,984.50	1,899.10	-4.57%	95.70%
2009	2,142	58,871,856	27,485	5.95%	284.00	7.54	1,508.70	1,444.50	-23.98%	95.74%
2010	2,182	57,666,544	26,428	-3.84%	280.00	7.79	2,056.10	1,979.00	36.28%	96.25%
2011	2,226	68,597,799	30,817	16.60%	278.00	8.01	2,096.10	2,013.50	1.95%	96.06%
2012	2,276	71,148,231	31,260	1.44%	281.00	8.10	2,125.50	2,042.10	1.40%	96.08%
2013	2,231	71,836,137	32,199	3.00%	273.00	8.17	2,105.00	2,017.70	-0.96%	95.85%
2014	2,260	73,411,848	32,483	0.88%	282.00	8.01	2,122.70	2,039.10	0.84%	96.06%
2015	2,208	74,952,285	33,946	5.42%	268.00	8.24	2,108.01	2,027.00	0.14%	96.16%
2016	2,277	77,208,385	33,908	4.39%	225.00	10.12	2,272.30	2,170.90	7.05%	95.54%

N/A - Not Applicable

Sources: District records

Note: a Enrollment based on annual October district count.
b Operating expenditures equal total expenditures less debt service and capital outlay.
c Cost per pupil represents operating expenditures divided by enrollment.

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
District Building										
High School										
Hackensack Campus										
Square Feet	236,692	236,692	236,692	236,692	236,692	236,692	236,692	236,692	236,692	236,692
Capacity (students)										
Enrollment	1,070	1,050	1,022	1,039	1,063	1,063	1,061	1,052	1,044	1,058
Teterboro campus										
Square Feet	114,974	114,974	114,974	114,974	114,974	114,974	114,974	114,974	114,974	114,974
Capacity (students)										
Enrollment	615	618	619	626	647	647	635	649	665	659
Paramus Campus										
Square Feet	77,924	77,924	77,924	77,924	77,924	77,924	77,924	77,924	77,924	77,924
Capacity (students)										
Enrollment	512	518	501	491	516	516	535	546	499	529

Number of Schools at June 30, 2016
Senior High School = 3

Source: District Records

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)**

	<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>	<u>2016</u>
School Facilities										
Bergen County Academics	\$ 166,066	\$ 114,660	\$ 213,245	\$ 306,894	\$ 308,240	\$ 493,638	\$ 497,096	\$ 740,465	\$ 765,127	\$ 915,851
Voc-Paramus Special Needs	29,935	20,685	30,461	44,251	44,447	71,189	71,679	106,772	110,328	132,061
Bergen County Technical HS Teterboro	104,430	72,091	103,585	149,064	149,728	239,779	241,466	359,684	371,663	444,864
Tech Ed Center Paramus	44,388	30,660	39,456	56,778	57,032	91,332	91,975	137,005	141,568	169,448
Workforce 60 State St., Hackensack	13,275	9,179	13,802							
Adult Education Hackensack	8,865	6,120	9,009	12,961	13,024	20,857	21,002	31,284	32,326	38,716
Parkway Facility	13,404	9,179	13,514	-	-	-	-	-	-	-
Total School Facilities	<u>\$ 380,363</u>	<u>\$ 262,574</u>	<u>\$ 423,072</u>	<u>\$ 569,948</u>	<u>\$ 572,471</u>	<u>\$ 916,795</u>	<u>\$ 923,218</u>	<u>\$ 1,375,210</u>	<u>\$ 1,421,012</u>	<u>\$ 1,700,940</u>

Source: District Records

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF INSURANCE
AS OF JUNE 30, 2016**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - County of Bergen <u>Self Insured Program</u>		
Property - Blanket Building and Contents	\$ 59,675,000	\$ 100,000
Comprehensive General Liability	1,000,000	
Comprehensive Automobile Liability	1,000,000	1,000
Commercial Crime- C N A	250,000	1,000
Educators Legal Liability - United National Directors and Officers Policy	2,000,000	50,000
Student Accident Policy- People Benefit Life	Full Excess	0

Source: School District's records

SINGLE AUDIT SECTION



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
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DEBRA GOLLE, CPA
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SHERYL M. NICOLosi, CPA
ROBERT AMPONSAH, CPA

**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
Bergen County Technical and Vocational High School District
Bergen County, 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 Bergen County Technical and Vocational High School District as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Bergen County Technical and Vocational High School District's basic financial statements and have issued our report thereon dated December 2, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bergen County Technical and Vocational High School District'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 Bergen County Technical and Vocational High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bergen County Technical and Vocational High School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

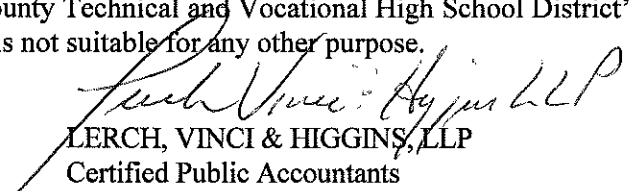
Compliance and Other Matters

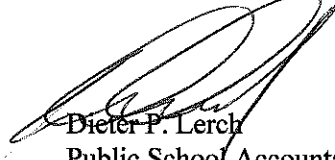
As part of obtaining reasonable assurance about whether the Bergen County Technical and Vocational High School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards 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 Bergen County Technical and Vocational High School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 2, 2016.

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 Bergen County Technical and Vocational High School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Bergen County Technical and Vocational High School District'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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
December 2, 2016



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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**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 THE
U.S. UNIFORM GUIDANCE 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
Bergen County Technical and Vocational High School District
Bergen County, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Bergen County Technical and Vocational High School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) 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 Bergen County Technical and Vocational High School District's major federal and state programs for the fiscal year ended June 30, 2016. The Bergen County Technical and Vocational High School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The Bergen County Technical and Vocational High School District's financial statements include the operations of the Workforce Investment Act Programs, which expended \$4,552,109 in Federal awards and \$1,687,481 in State awards which are reflected in Exhibits K-3 and K-4 during the year ended June 30, 2016. Our audit, described below, did not include the operations of the Workforce Investment Act Programs since the District has contracted for a separate audit of the component unit to be performed in accordance with Uniform Guidance and the regulatory requirements promulgated by the Department of Labor and Workforce Development.

Management's Responsibility

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Bergen County Technical and Vocational High School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular 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 Bergen County Technical and Vocational High School District'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 Bergen County Technical and Vocational High School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we audited the Bergen County Technical and Vocational High School District's compliance with the requirements of the Department of Labor and Workforce Development, the Bergen County Technical and Vocational High School District complied, in all material respects, with the compliance requirements referred to above that have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Bergen County Technical and Vocational High School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Bergen County Technical and Vocational High School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance 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 Bergen County Technical and Vocational High School District's internal control over compliance.

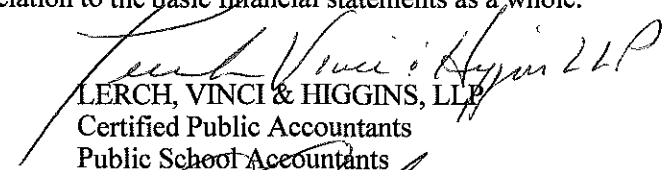
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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.

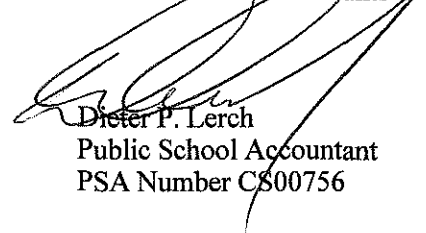
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 the U.S. Uniform Guidance 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 the U.S. Uniform Guidance 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 Bergen County Technical and Vocational High School District, a component unit of the County of Bergen as of and for the fiscal year ended June 30, 2016 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 2, 2016, 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 the U.S. Uniform Guidance 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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
December 2, 2016

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	FAIN Number	Grant Number	Grant Period	Award Amount	Balance June 30, 2015	Adjustment	Carryover Amount	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	Balance June 30, 2016			
												(Accounts Receivable)	Unearned Revenues	Due to Grantor	
U.S. Department of Agriculture Pass-through State Department of Agriculture															
<u>Enterprise Fund</u>															
National School Lunch Program	10.555		N/A												
Cash Assistance				7/1/14-6/30/15	\$ 96,359	\$ (8,019)			\$ 8,019						
Cash Assistance		S161NJ304N10		7/1/15-6/30/16	100,844	-			94,059	\$ 100,844		\$ (6,785)			
Cash Assistance-PB Program		S161NJ304N10		7/1/15-6/30/16	6,071	-			5,688	6,071		(383)			
Cash Assistance-PB Program				7/1/14-6/30/15	5,693	(452)			452						
Non-Cash Assistance		S161NJ304N10		7/1/15-6/30/16	33,899	1,750			33,899	33,649					
School Breakfast Program	10.553	S161NJ304N10	N/A	7/1/15-6/30/16	16,245	-			15,060			(1,185)			
School Breakfast Program	10.553		N/A	7/1/14-6/30/15	16,316	(1,729)			1,729						
Total Enterprise Fund						(8,450)			158,906	158,809		(8,353)			
U.S. Department of Education Pass-through State Department of Education															
<u>General Fund</u>															
Medical Assistance Program	93.778	1605NJSMAP		7/1/15-6/30/16	28,803	-			22,321	28,803		(6,482)			
Total General Fund						-			22,321	28,803		(6,482)			
<u>Special Revenue Fund</u>															
NCLB Title I	84.010A	S010A150030	NCLB209016	7/1/15-8/31/16	187,599	-			44,383	187,599		(143,216)			
IDEIA Part B-Basic	84.027	H027A150100	IDEA029016	7/1/15-6/30/16	505,948	-			395,749	505,948		(110,199)			
IDEIA Part B-Basic-Carryover	84.027		IDEA029015	7/1/14-8/31/15	487,603	(246,450)			246,450						
NCLB-Title II Part A	84.298A	S367A150029	NCLB209016	7/1/15-8/31/16	41,754	-			41,754	41,754					
NCLB-Title II Part A	84.298A		NCLB209015	7/1/14-8/31/15	35,905	(7,475)			7,475						
NCLB Title III	84.186A		NCLB209013	9/1/12-8/31/13	14,351	-									
Community Development-EMS Doors	14.219		N/A	07/01/15-6/30/16	7,000	-				7,000		(7,000)			
Community Development-Paramus Chair Lift	14.219		N/A	07/01/14-6/30/15	24,000	(24,000)						(24,000)			
Community Development-11 Carol Court	14.219		N/A	07/01/14-6/30/15	13,762	(4,399)			13,724	9,325					
Vocational (Perkins) Post Secondary	84.048		PKPP029016	7/1/15-6/30/16	127,027	-			127,027	127,027					
Vocational (Perkins) Secondary	84.048		PERK0216	7/1/15-6/30/16	608,077	-			603,141	607,116		(3,975)			
Vocational (Perkins) Secondary Reserve	84.048		PERK0216	7/1/15-6/30/16	76,105	-			76,058	76,058					
Vocational (Perkins) Secondary Reserve	84.048		PERK0215	7/1/14-6/30/15	76,508	(37,331)			37,331						
Adult Basic Education	84.002		154000251	7/1/15-8/31/16	1,154,170	-			983,505	1,121,661		(138,156)			
Adult Basic Education	84.002A		144000251	9/1/13-8/31/15	1,038,919	(226,839)			226,839						
Total U.S. Department of Education						(546,494)			2,803,436	2,683,488		(426,546)			

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**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	FAIN Number	Grant Number	Grant Period	Award Amount	Balance June 30, 2016								
						Balance June 30, 2015	Adjustment	Carryover Amount	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	(Accounts Receivable)	Unearned Revenues	Due to Grantor
WIA - Adult Training	17.258			7/1/15 - 6/30/16	\$ (548,246)			\$ 1,442,956	\$ 1,470,309		\$ (575,599)			
WIA - Summer Youth	17.259			7/1/15 - 6/30/16	(527,188)			1,279,942	1,407,649		(654,895)			
WIA - Dislocated Worker	17.278			7/1/15 - 6/30/16	(601,526)	-	-	1,753,132	1,674,151	-	(522,545)	-	-	
Total Department of Labor					(1,676,960)	-	-	4,476,030	4,552,109	-	(1,753,039)	-	-	
Total Special Revenue Funds					(2,223,454)	-	-	7,279,466	7,235,697	\$ -	(2,179,585)	\$ -	-	
Total Federal Awards					\$ (2,231,904)	\$ -	\$ -	\$ 7,460,693	\$ 7,423,209	\$ -	\$ (2,194,420)	\$ -	\$ -	

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Program Title	Grant or State Account Number	Grant Period	Award Amount	Balance June 30, 2016						MEMO		
				Balance July 1, 2015	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	(Accounts Receivable)	Unearned Revenues	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education												
General Fund												
Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	\$ 4,194,257	\$ (414,636)	\$ 414,636							
Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	4,194,257	-	3,628,429	\$ 4,194,257		\$ (565,828)			\$ 4,194,257	
Categorical Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	1,243,499	(124,350)	124,350						-	
Categorical Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	1,243,499	-	1,243,499	1,243,499					1,243,499	
Categorical Security Aid	16-495-034-5120-084	7/1/15-6/30/16	170,378	-	170,378	170,378					170,378	
Categorical Security Aid	15-495-034-5120-084	7/1/14-6/30/15	170,378	(17,038)	17,038						-	
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	21,550	(2,155)	2,155						-	
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	21,550	-	21,550	21,550					21,550	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	21,550	(2,155)	2,155						-	
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	21,550	-	21,550	21,550					21,550	
Adult Education Program Aid	16-100-034-5120-510	7/1/15-6/30/16	54,994	-	54,994	54,994					54,994	
Total State Aid Public - Cluster				(560,334)	5,700,734	5,706,228	-	(565,828)	-	-	-	5,706,228
On-Behalf TPAF Pension System Contribution-NCGI Premium	16-495-034-5095-007	7/1/15-6/30/16	90,455	-	90,455	90,455						90,455
On-Behalf TPAF Pension System Contribution-Normal Contribution	16-495-034-5095-006	7/1/15-6/30/16	1,815,873	-	1,815,873	1,815,873						1,815,873
On-Behalf TPAF Pension System Contribution-Post Retirement Medical	16-495-034-5095-001	7/1/15-6/30/16	2,269,911	-	2,269,911	2,269,911						2,269,911
TPAF Social Security Contributions	16-495-034-5095-002	7/1/15-6/30/16	1,728,382	-	1,642,464	1,728,382		(85,918)			(85,918)	1,728,382
TPAF Social Security Contributions	15-495-034-5095-002	7/1/14-6/30/15	1,738,812	(85,334)	85,334	-		-	-		\$ -	-
Total General Fund				(645,668)	11,604,771	11,610,849	-	(651,746)	-	-	(85,918)	11,610,849
Special Revenue Fund												
Apprentice Coordinator	15-100-034-5062-032	7/1/14-6/30/15	24,500	(14,209)	14,209							-
Apprentice Coordinator	16-100-034-5062-032	7/1/15-6/30/16	25,099	-	18,176	24,588		(6,412)			\$ (6,412)	24,588
TQE Grant	N/A	9/1/04-9/30/05	2,700	1,981						1,981		-
Div/Women - Displaced Homemaker	15-100-022-8051-036	7/1/14-6/30/15	111,575	752								-
Div/Women - Displaced Homemaker	16-100-022-8051-036	7/1/15-6/30/16	111,575	-	111,575	111,575						111,575
Green Program	11-AG85-G06-01	7/1/13-6/30/14	8,000	-								-
Social Services Block Grant	14AFBZ	7/1/13-6/30/14	25,714	11,032								-
Literacy innovations	LTV-FY-15003	7/1/14-6/30/15	94,533	(23,535)	23,535							-
County Vocational Partnership	15-VE01-G06	7/1/14-6/30/17	600,000	(71,618)	155,055	102,673		(19,238)			(19,238)	102,673
Shaping NJ/Healthy Community	BERG003	7/1/14-6/30/15	10,000	5,619	10,062	5,963			9,656	62		5,963
SDA-Paramus Boilers	0290-075-09-G0WY	7/1/14-6/30/15	210,420	(210,420)				(210,420)			(210,420)	-
SFG-Paramus Electrical	0290-030-14-G3AA	7/1/14-6/30/15	13,507	(11,022)	11,022							-
SFG-Paramus Technology	0290-030-14-G2ZY	7/1/14-6/30/15	33,075	(6,528)		26,547		(33,075)			(33,075)	26,547
SFG-Hackensack Technology	0290-020-14-G2ZY	7/1/14-6/30/15	42,638	(25,410)		17,228		(42,638)			(42,638)	17,228
SFG-Teterboro Technology	0290-070-14-G3AC	7/1/14-6/30/15	63,960			63,960		(63,960)			(63,960)	63,960
NJ Character Education Aid	06-495-034-5120-053	7/1/05-6/30/06	5,794	803	-	-		-	-	803	-	-
Total State Department of Education-Special Revenue				(342,555)	343,632	352,534	11,784	(375,743)	9,656	2,846	(375,743)	352,534
U.S. Department of Labor												
Pass-through County of Bergen												
Special Revenue Fund												
Workforce Learning Link	4545-767-062-003	7/1/15-6/30/16	136,000	(142,561)	240,021	122,427		(24,967)			(24,967)	122,427
Workforce Development Partnership	16-780-062-4545-002	7/1/15-6/30/16	279,619	-	1,000	269,954		(268,954)			(268,954)	269,954
WFNJ Administration 848V1	4545-100-062-313	7/1/15-6/30/16	198,389	-	149,768	198,388		(48,620)			(48,620)	198,388
WFNJ Program 849V1	4545-100-062-313	7/1/15-6/30/16	1,517,581	(508,813)	1,096,554	1,095,910		(508,169)			(508,169)	1,095,910
Smart Steps	4545-100-062-095	7/1/15-6/30/16	4,815	(2,408)	2,408	802		(802)			(802)	802
NJ SETC	N/A	7/1/14-6/30/15	25,445	(25,227)	25,227	-		-	-	-	-	-
Total Department of Labor - Special Revenue				(679,009)	1,514,978	1,687,481	-	(851,512)	-	-	(851,512)	1,687,481
Total Special Revenue				(1,021,564)	1,858,610	2,040,015	11,784	(1,227,255)	9,656	2,846	(1,227,255)	2,040,015

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The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this statement.

BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Program Title	Grant or State Account Number	Grant Period	Award Amount	Balance July 1, 2015	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	Balance June 30, 2016			MEMO	
								(Accounts Receivable)	Unearned Revenues	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Agriculture												
<u>Enterprise Fund</u>												
National School Lunch Program State Share	15-100-010-3350-023	7/1/14-6/30/15	\$ 4,199	\$ (335)	\$ 335			-				-
National School Lunch Program State Share	16-100-010-3350-023	7/1/15-6/30/16	4,573	-	4,290	\$ 4,573	-	\$ (283)	-	-	-	\$ 4,573
Total Enterprise Fund				(335)	4,625	4,573	-	(283)	-	-	-	4,573
Total State Financial Assistance				(1,667,567)	\$ 13,468,006	13,655,437	\$ 11,784	\$ (1,879,284)	\$ 9,656	\$ 2,846	\$ (1,315,173)	13,655,437
Less :State Financial Assistance Not Subject to Single Audit Determination												
<u>General Fund</u>												
On-Behalf TPAF Pension System Contribution-NCGI Premium			90,455		(90,455)	(90,455)						(90,455)
On-Behalf TPAF Pension System Contribution-Normal Contribution			1,815,873		(1,815,873)	(1,815,873)						(1,815,873)
On-Behalf TPAF Pension System Contribution-Post Retirement Med. Contrib.			2,269,911	-	(2,269,911)	(2,269,911)	-	-	-	-	-	(2,269,911)
Total State Financial Assistance Subject to Single Audit				\$ (1,667,567)	\$ 9,291,767	\$ 9,479,198	\$ 11,784	\$ (1,879,284)	\$ 9,656	\$ 2,846	\$ (1,313,173)	\$ 9,479,198

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**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Bergen County Technical and Vocational High School District. 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 the requirements of 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) 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 a decrease of \$5,494 for the general fund and an increase of \$256,017 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	\$ 28,803	\$ 11,605,355	\$ 11,634,158
Special Revenue Fund	7,152,880	2,403,687	9,556,567
Food Service Fund	<u>158,809</u>	<u>4,573</u>	<u>163,382</u>
Total Financial Assistance	<u>\$ 7,340,492</u>	<u>\$ 14,013,615</u>	<u>\$ 21,354,107</u>

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016****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 Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,728,382 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, 2016. The amount reported as TPAF Pension System Contributions in the amount of \$1,906,328 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,269,911 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2016.

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.

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X no

Noncompliance material to basic financial statements noted? yes X no

Federal Awards Section

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010A</u>	<u>NCLB Title I</u>
<u>84.002</u>	<u>Adult Basic Education</u>
<u>17.258</u>	<u>WIA - Adult Training (1)</u>
<u>17.259</u>	<u>WIA - Summer Youth (1)</u>
<u>17.278</u>	<u>WIA - Dislocated Worker (1)</u>

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

Note 1 - Subject to a separate program specific audit

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Part I – Summary of Auditor’s Results

State Awards Section

Dollar threshold used to determine Type A programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X no

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of NJ OMB 15-08? yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>495-034-5095-002</u>	<u>TPAF Social Security Contributions</u>
<u>495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>4545-100-062-095</u>	<u>WIB Programs (1)</u>
<u>4545-100-062-313</u>	<u>WFNJ Programs (1)</u>

Note 1 - Subject to a separate program specific audit

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

There are none.

**BERGEN COUNTY TECHNICAL AND VOCATIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 15-08.

STATUS OF PRIOR YEAR FINDINGS

There are none.