

NORTH BERGEN BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

North Bergen, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

North Bergen Board of Education

North Bergen, New Jersey

For The Fiscal Year Ended June 30, 2016

Prepared by

Business Office

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INTRODUCTORY SECTION



NORTH BERGEN BOARD OF EDUCATION

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

LUIS RABELO
PRESIDENT

KANAIYALAL PATEL
VICE PRESIDENT

HUGO D. CABRERA
BOARD SECRETARY

GEORGE J. SOLTER JR., Ed.D
SUPERINTENDENT

NICHOLAS J. SACCO
DIRECTOR OF ELEMENTARY
AND SECONDARY EDUCATION

STEVEN P. SOMICK
BUSINESS ADMINISTRATOR

November 30, 2016

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

The New Jersey Department of Education statutes require that all school districts publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (the "CAFR") of the North Bergen Board of Education for the fiscal year ended June 30, 2016.

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

The North Bergen Board of Education's financial statements have been audited by Lerch, Vinci & Higgins, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Board for the fiscal year ended June 30, 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 North Bergen Board of Education'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 North Bergen Board of Education as part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grant agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the Board's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance.

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

The North Bergen Board of Education and all its schools constitute the District’s reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and vocational, Early Childhood Development, as well as special education for handicapped students. The District completed the 2015/2016 school year with an enrollment of 8,005 students, which is 244 students more than the previous year’s enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-2016	8,005	3.14%
2014-2015	7,761	-3.57%
2013-2014	8,048	-.01%
2012-2013	8,068	-.01%
2011-2012	8,201	1.74%
2010-2011	8,061	2.86%
2009-2010	7,837	4.38%
2008-2009	7,508	1.01%
2007-2008	7,424	-.32%
2006-2007	7,448	-.93%

MAJOR INITIATIVES

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

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

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

MAJOR INITIATIVES (Continued)

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

ECONOMIC CONDITION AND OUTLOOK

North Bergen's economy is greatly affected by the New York metropolitan area. New development projects along the Hudson River and two areas, which are dedicated redevelopment zones, will continue to attract new business, industry and residents into the Township. These projects could also increase enrollment in a District. The Board of Trustees, School administrative staff and Township officials are currently analyzing the need for more classroom space. The District's five-year facility plan has received State Department of Education approval and we continue to try to fund building projects. The project being considered in that plan is the construction of a new high school, conversion of the existing high school to a middle school for grades 6-8 and the conversion of all elementary schools from K-8 to K-5. The District is in discussions to move to a full day Pre-K program on a current site in the North Hudson Park. The Board is aggressively pursuing potential funding sources for these projects including the School Construction Financing Program or other State and Federal funding sources.

INTERNAL ACCOUNTING CONTROLS

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

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

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

BUDGETARY CONTROLS

In addition to internal accounting controls the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Trustees. Annual appropriated budgets are adopted for the general, special revenue and the debt service funds. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as either committed or assigned fund balance at June 30, 2016.

ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in the "Notes to the Financial Statements".

CASH MANAGEMENT

The investment policy of North Bergen is guided in large part by state statute as detailed in "Notes to the Financial Statements". The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the act.

RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

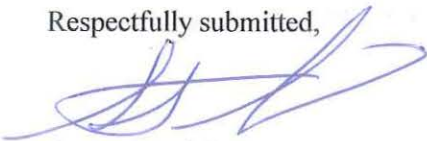
OTHER INFORMATION

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Higgins, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the North Bergen School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,



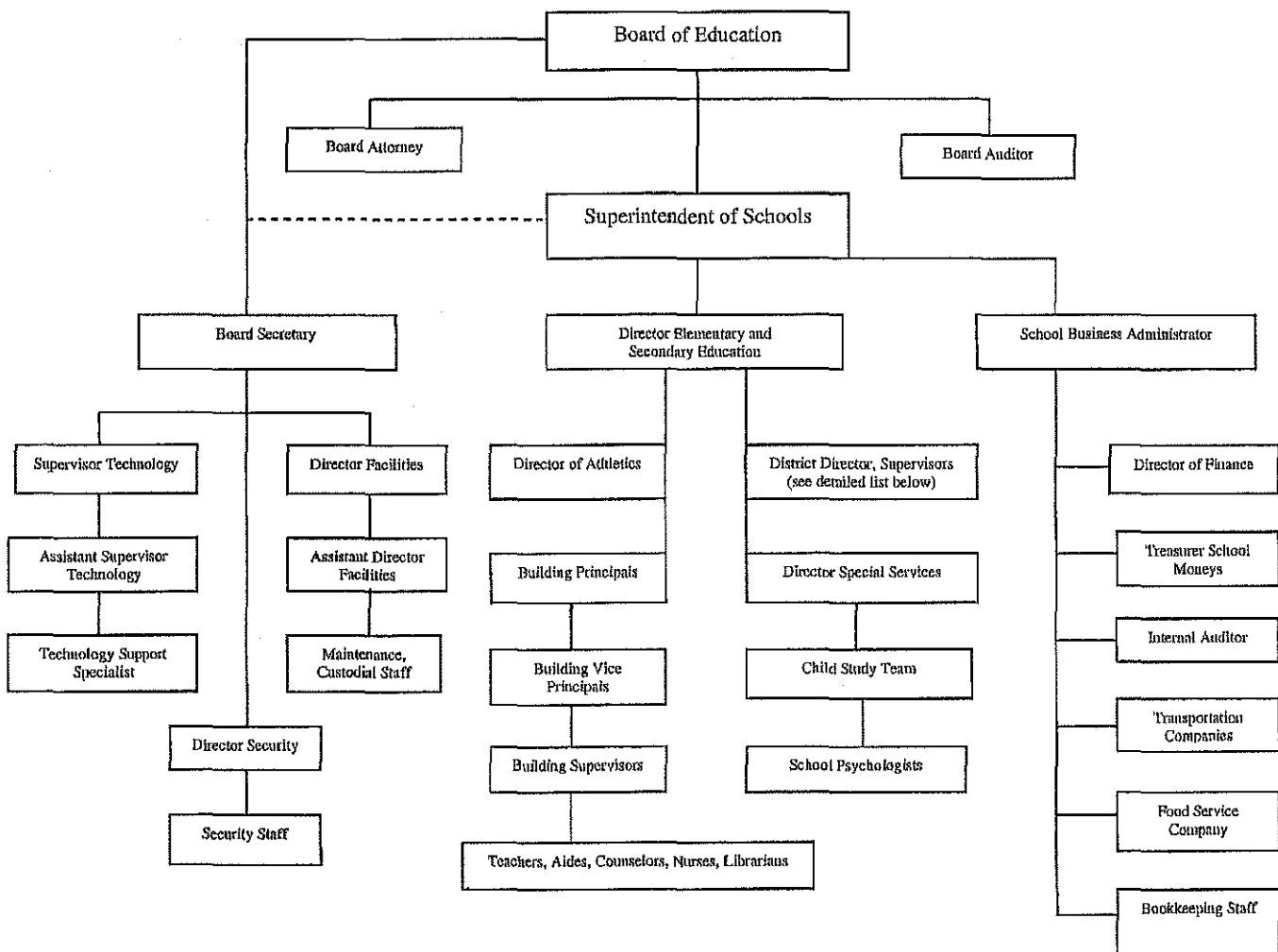
Steven Somick
School Business Administrator



George J. Solter
Superintendent of Schools

NORTH BERGEN BOARD OF EDUCATION

ORGANIZATIONAL CHART



**NORTH BERGEN BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2016**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Luis Rabelo, President	2019
Kanaiyalal Patel	2017
Patricia Bartoli	2019
Luis Diaz	2017
Haissam Jaafar	2018
Elaine Nicolielo	2017
Sai Rao	2019
Claudia Rodriguez	2018
Ruth Shaw	2018
Gonzalo Perez (Guttenberg)	2019

Other Officials

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

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

ARCHITECT

Mayo Lynch Associates, Inc.
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Secaucus, New Jersey 07094

AUDIT FIRM

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North Bergen, New Jersey 07047

OFFICIAL DEPOSITORY

TD Bank North
Kennedy Blvd.
North Bergen, NJ

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
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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
North Bergen Board of Education
North Bergen, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Bergen Board of Education as of and for the fiscal year ended June 30, 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 North Bergen Board of Education 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 North Bergen Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by 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 North Bergen Board of Education.


The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 29, 2016 on our consideration of the North Bergen Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the North Bergen Board of Education's internal control over financial reporting and compliance.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 29, 2016

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

This section of North Bergen Board of Education's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 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.

FINANCIAL HIGHLIGHTS

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

- The assets and deferred outflows of resources of the North Bergen Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$29,027,532 (net position).
- Overall District revenues were \$152,607,794. General revenues accounted for \$99,365,005 or 65% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$53,242,789 or 35% of total revenues.
- The School District had \$145,597,736 in expenses for governmental activities; only \$50,010,802 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$99,364,647 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$22,031,643 an increase of \$3,611,043 when compared to the ending Fund balance at June 30, 2015 of \$18,795,600.
- The General Fund unassigned fund balance at June 30, 2016 was in a deficit position of \$3,768,087 a decrease of \$532,044 when compared with the ending fund balance deficit of \$3,236,043 at June 30, 2015.
- The General Fund unassigned budgetary fund balance at June 30, 2016 was \$2,134,548 which represents a decrease of \$3,855 when compared to the ending unassigned fund balance at June 30, 2015 of \$2,138,403.

NORTH BERGEN BOARD OF EDUCATION

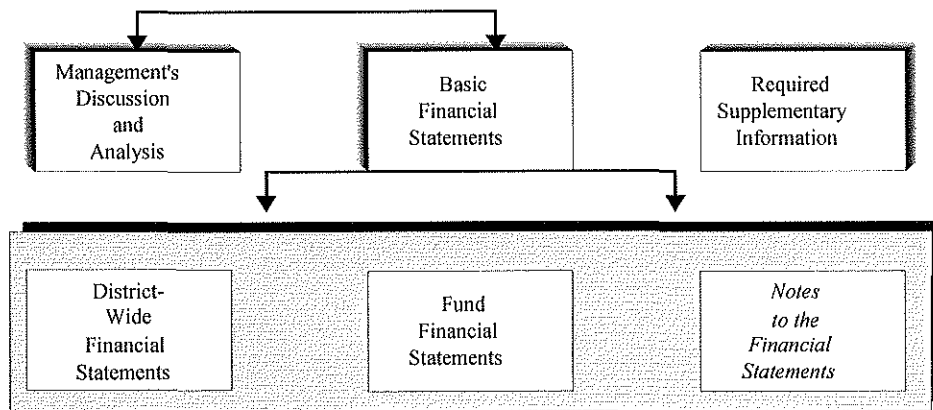
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

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

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial Statements

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

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District's financial health or position

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

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

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

Fund Financial Statements

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

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

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has three kinds of funds:

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

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

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

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

Notes to the Financial Statements

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

Other Information

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

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

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$29,027,532 and \$25,006,503 as of June 30, 2016 and 2015, respectively, as shown below.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position as of June 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current and Other Assets	\$ 32,223,172	\$ 28,493,485	\$ 1,171,087	\$ 921,061	\$ 33,394,259	\$ 29,414,546
Capital Assets	<u>56,607,604</u>	<u>56,423,327</u>	<u>28,752</u>	<u>31,513</u>	<u>56,636,356</u>	<u>56,454,840</u>
Total Assets	<u>88,830,776</u>	<u>84,916,812</u>	<u>1,199,839</u>	<u>952,574</u>	<u>90,030,615</u>	<u>85,869,386</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	4,864,427	1,271,546			4,864,427	
Deferred Amounts on Refunding of Debt	<u>520,791</u>	<u>444,013</u>	<u>-</u>	<u>-</u>	<u>520,791</u>	<u>444,013</u>
Total Deferred Outflows	<u>5,385,218</u>	<u>1,715,559</u>	<u>-</u>	<u>-</u>	<u>5,385,218</u>	<u>444,013</u>
Total Assets and Deferred Outflows	<u>94,215,994</u>	<u>86,632,371</u>	<u>1,199,839</u>	<u>952,574</u>	<u>95,415,833</u>	<u>86,313,399</u>
Liabilities						
Long-Term Liabilities	55,466,706	51,069,935			55,466,706	51,069,935
Other Liabilities	<u>10,243,121</u>	<u>9,757,861</u>	<u>137,555</u>	<u>142,557</u>	<u>10,380,676</u>	<u>9,900,418</u>
Total Liabilities	<u>65,709,827</u>	<u>60,827,796</u>	<u>137,555</u>	<u>142,557</u>	<u>65,847,382</u>	<u>60,970,353</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	522,834	1,598,955			522,834	1,598,955
Deferred Commodities Revenue	<u>-</u>	<u>-</u>	<u>18,085</u>	<u>9,134</u>	<u>18,085</u>	<u>9,134</u>
Total Deferred Inflows	<u>522,834</u>	<u>1,598,955</u>	<u>18,085</u>	<u>9,134</u>	<u>540,919</u>	<u>9,134</u>
Total Liabilities and Deferred Inflows	<u>66,232,661</u>	<u>62,426,751</u>	<u>155,640</u>	<u>151,691</u>	<u>66,388,301</u>	<u>60,979,487</u>
Net Position						
Net Investment in Capital Assets	46,523,366	45,233,311	28,752	31,513	46,552,118	45,264,824
Restricted	18,322,309	10,301,109			18,322,309	10,301,109
Unrestricted	<u>(36,862,342)</u>	<u>(31,328,800)</u>	<u>1,015,447</u>	<u>769,370</u>	<u>(35,846,895)</u>	<u>(30,559,430)</u>
Total Net Position	<u>\$ 27,983,333</u>	<u>\$ 24,205,620</u>	<u>\$ 1,044,199</u>	<u>\$ 800,883</u>	<u>\$ 29,027,532</u>	<u>\$ 25,006,503</u>

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years 2016 and 2015 are as follows:

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>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						
Charges for Services	\$ 4,029,702	\$ 4,293,630	\$ 608,017	\$ 603,366	\$ 4,637,719	\$ 4,896,996
Operating Grants and Contributions	44,897,037	38,311,398	2,623,970	2,416,884	47,521,007	40,728,282
Capital Grants and Contributions	1,084,063	1,984,809			1,084,063	1,984,809
General Revenues						
Property Taxes	47,123,392	45,084,571			47,123,392	45,084,571
State Aid	51,552,636	51,560,650			51,552,636	51,560,650
Investment Earnings	39,121	19,253	358	126	39,479	19,379
Miscellaneous	649,498	763,735	-	-	649,498	763,735
Total Revenues	<u>149,375,449</u>	<u>142,018,046</u>	<u>3,232,345</u>	<u>3,020,376</u>	<u>152,607,794</u>	<u>145,038,422</u>
Expenses						
Instruction						
Regular	60,312,310	56,216,853			60,312,310	56,216,853
Special Education	21,371,331	20,000,057			21,371,331	20,000,057
Other Instruction	10,357,495	9,742,185			10,357,495	9,742,185
School Sponsored Activities and Athletics	2,450,975	2,284,648			2,450,975	2,284,648
Support Services						
Student and Instruction Related Services	16,519,639	15,204,154			16,519,639	15,204,154
General Administration Services	2,800,487	2,527,627			2,800,487	2,527,627
School Administration Services	10,169,920	9,453,664			10,169,920	9,453,664
Plant Operation and Maintenance	13,723,364	14,147,869			13,723,364	14,147,869
Pupil Transportation	3,957,813	4,019,075			3,957,813	4,019,075
Business Services	3,093,191	3,145,017			3,093,191	3,145,017
Interest and Other Chgs on Long-Term Debt	841,211	819,740			841,211	819,740
Food Service	-	-	2,989,029	2,945,158	2,989,029	2,945,158
Total Expenses	<u>145,597,736</u>	<u>137,560,889</u>	<u>2,989,029</u>	<u>2,945,158</u>	<u>148,586,765</u>	<u>140,506,047</u>
Change in Net Position	3,777,713	4,457,157	243,316	75,218	4,021,029	4,532,375
Net Position, Beginning of Year	<u>24,205,620</u>	<u>19,748,463</u>	<u>800,883</u>	<u>725,665</u>	<u>25,006,503</u>	<u>20,474,128</u>
Net Position, End of Year	<u>\$ 27,983,333</u>	<u>\$ 24,205,620</u>	<u>\$ 1,044,199</u>	<u>\$ 800,883</u>	<u>\$ 29,027,532</u>	<u>\$ 25,006,503</u>

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities. The District's total governmental activities revenues were \$149,375,449 for the fiscal year ended June 30, 2016. Tuition accounted for \$4,029,702 representing 3% of total revenues. Local property taxes were \$47,123,392 representing 31% of total revenues. State and federal aid revenues were \$97,533,736 representing 65% of total revenue for the year. Investment earnings and the miscellaneous revenues accounted for less than 1% of the District's revenues.

The total cost of all governmental activities programs and services were \$145,597,736. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$94,492,111 (65%) of total expenditures. Support services totaled \$50,264,414 (34%) of total expenditures and the remainder of expenditures were for interest and other charges on long-term debt totaling \$841,211 (1%).

Total governmental activities revenues surpassed expenses and other items, increasing net position by \$3,777,713 over the previous year.

Total and Net Cost of Governmental Activities. The District's total cost of services was \$145,597,736 for the fiscal year ended June 30, 2016. After applying program revenues, derived from charges for services of \$4,029,702; operating grants and contributions of \$44,897,037, and capital grants and contributions of \$1,084,063, the net cost of services of the District is \$95,586,934. The following is a comparative analysis of the net cost of governmental activities for the fiscal years ended June 30, 2016 and 2015.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Instruction				
Regular	\$ 60,312,310	\$ 56,216,853	\$ 36,064,710	\$ 35,650,188
Special Education	21,371,331	20,000,057	9,820,542	9,172,222
Other Instruction	10,357,495	9,742,185	5,386,470	5,389,167
School Sponsored Activities and Athletics	2,450,975	2,284,648	1,889,945	1,850,520
Support Services				
Student and Instruction Related Services	16,519,639	15,204,154	12,340,128	11,590,406
General Administration	2,800,487	2,527,627	2,279,504	2,153,793
School Administration Services	10,169,920	9,453,664	8,352,633	8,000,776
Plant Operation and Maintenance	13,723,364	14,147,869	11,805,181	11,328,558
Pupil Transportation	3,957,813	4,019,075	3,713,419	3,870,665
Business Services	3,093,191	3,145,017	3,093,191	3,145,017
Interest and Other Charges on Long-Term Debt	841,211	819,740	841,211	819,740
Total	<u>\$ 145,597,736</u>	<u>\$ 137,560,889</u>	<u>\$ 95,586,934</u>	<u>\$ 92,971,052</u>

Business-Type Activities – The District's total business-type activities revenues were \$3,232,345 for the fiscal year ended June 30, 2016. Charges for services accounted for 19% or \$608,017 of total revenues. Operating grants and contributions accounted for 81% or \$2,623,970 of total revenue for the year.

The total cost of all business-type activities programs and services was \$2,989,029 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.

Total business-type activities revenues were greater than expenses, increasing net position by \$243,316.

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$22,031,643, an increase of \$3,236,043 from last year's fund balance of \$18,795,600.

Revenues for the District's governmental funds were \$132,827,707 total expenditures were \$129,795,115.

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

The following schedule presents a comparison of General Fund Revenues.

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>	Amount of Increase (Decrease)	Percent
Local Sources:				
Property Tax Levy	\$ 45,550,000	\$ 43,507,740	\$ 2,042,260	4.69%
Tuition	4,029,702	4,293,630	(263,928)	-6.15%
Miscellaneous	688,619	782,988	(94,369)	-12.05%
State/Federal Sources	<u>70,452,064</u>	<u>68,703,801</u>	<u>1,748,263</u>	2.54%
Total General Fund Revenues	<u>\$ 120,720,385</u>	<u>\$ 117,288,159</u>	<u>\$ 3,432,226</u>	<u>2.93%</u>

Total General Fund Revenues increased by \$3,432,226 or 2.93% over the previous year.

Local property taxes increased \$2,042,260 over the previous year. State and federal aid increased 3%, primarily due to the State of New Jersey increasing their On-Behalf TPAF Funding to the District. Tuition charges decreased \$263,928. Miscellaneous revenues decreased from 2014-15 to 2015-16.

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

The following schedule presents a summary of General Fund Expenditures.

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>	Amount of Increase (Decrease)	<u>Percent</u>
Instruction	\$ 72,893,062	\$ 70,731,139	\$ 2,161,923	3.06%
Support Services	42,903,320	42,233,115	670,205	1.59%
Debt Service	621,163	593,612	27,551	4.64%
Capital Outlay	<u>360,005</u>	<u>1,905,838</u>	<u>(1,545,833)</u>	-81.11%
Total Expenditures	<u>\$ 116,777,550</u>	<u>\$ 115,463,704</u>	<u>\$ 1,313,846</u>	<u>1.14%</u>

Total General Fund expenditures increased \$1,313,846 or slightly over 1% from the previous year due to salary and other contractual increases.

For the fiscal year ended June 30, 2016 General Fund revenues exceeded expenditures and other financing uses by \$3,709,185. After deducting statutory reserves and designations in the amount of \$21,786,918, the unassigned fund balance at June 30, 2016 was in a deficit position of \$3,768,087. This deficit occurs because the State has delayed the District's final state aid payments until July 2016. Had these payments been received prior to June 30, 2016, the District would have ended the year with an unassigned fund balance (Budgetary Basis) of \$2,134,548.

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

Revenues of the Special Revenue Fund were \$8,898,679, for the fiscal year ended June 30, 2016. State sources in the amount of \$3,049,514 accounted for 34% of the total revenue and federal sources in the amount of \$5,797,131 accounted for 65% of the total revenue in the special revenue fund.

Total Special Revenue Fund revenues increased \$872,691 or 11% from the previous year. State sources increased \$331,112, and Federal sources increased by \$538,233.

Expenditures of the Special Revenue Fund were \$8,898,679. Instructional expenditures were \$7,126,395 or 80%, expenditures for support services were \$1,772,284 or 20%, for the fiscal year ended June 30, 2016.

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

Capital Projects - The capital projects expenditures and other financing uses exceeded revenues and other financing sources by \$542,244 decreasing the fund balance from \$4,477,478 at June 30, 2015 to \$3,935,234 at June 30, 2016. The decrease was due to ongoing progress of the District's construction projects.

Proprietary Funds

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2015 encumbrances.
- Appropriation of Capital Reserve funds to finance Capital Projects.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2016 amounts to \$56,607,604 and \$28,752 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2015-2016 amounted to \$2,035,685 for governmental activities and \$2,761 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2016 and 2015.

	Governmental		Business- Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 4,488,797	\$ 4,488,797			\$ 4,488,797	\$ 4,488,797
Construction in Progress	5,787,745	3,693,316			5,787,745	3,693,316
Site Improvements	70,346	75,431			70,346	75,431
Building	45,949,937	47,819,761			45,949,937	47,819,761
Machinery and Equipment	310,779	346,022	\$ 28,752	\$ 31,513	339,531	377,535
Total	<u>\$ 56,607,604</u>	<u>\$ 56,423,327</u>	<u>\$ 28,752</u>	<u>\$ 31,513</u>	<u>\$ 56,636,356</u>	<u>\$ 56,454,840</u>

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

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

LONG TERM LIABILITIES

At June 30, 2016, the District's long-term liabilities consisted of compensated absences payable of \$7,762,115, serial bonds of \$3,300,898 (including unamortized premium), obligations under lease purchase agreements of \$10,680,278 (net of unamortized discount), Sales/Leaseback obligations of \$1,205,000 and net pension liability of \$32,518,415 totaling \$55,466,706. This is in comparison to long-term liabilities at June 30, 2015 of \$51,069,935 or an increase of \$4,396,771.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2015-2016 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were also considered when adopting the budget for fiscal year 2016-2017. Budgeted expenditures in the General Fund increased in this year's school year to fund contractual salary increases and increases in the premiums for employee benefits.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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FINANCIAL STATEMENTS

NORTH BERGEN BOARD OF EDUCATION
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	\$ 19,949,102		\$ 19,949,102
Receivables, Net	11,999,384	\$ 189,723	12,189,107
Internal Balances	(931,150)	931,150	
Other Receivables	11,789		11,789
Prepaid Items	424,454		424,454
Other Assets	20,000		20,000
Inventory		50,214	50,214
Restricted Assets			
Cash and Cash Equivalents	749,593		749,593
Capital Assets			
Not Being Depreciated	10,276,542		10,276,542
Being Depreciated, Net	<u>46,331,062</u>	<u>28,752</u>	<u>46,359,814</u>
Total Assets	<u>88,830,776</u>	<u>1,199,839</u>	<u>90,030,615</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	4,864,427		4,864,427
Deferred Amounts on Refunding of Debt	<u>520,791</u>	<u>-</u>	<u>520,791</u>
Total Deferred Outflows of Resources	<u>5,385,218</u>	<u>-</u>	<u>5,385,218</u>
Total Assets and Deferred Outflows of Resources	<u>94,215,994</u>	<u>1,199,839</u>	<u>95,415,833</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	5,097,938	137,555	5,235,493
Accrued Interest Payable	51,592		51,592
Payable to Other Governments	37		37
Unearned Revenue	5,093,554		5,093,554
Noncurrent Liabilities			
Due Within One Year	2,918,325		2,918,325
Due Beyond One Year	<u>52,548,381</u>	<u>-</u>	<u>52,548,381</u>
Total Liabilities	<u>65,709,827</u>	<u>137,555</u>	<u>65,847,382</u>

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

NORTH BERGEN BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	\$ 522,834		\$ 522,834
Deferred Commodities Revenue	<u>-</u>	<u>\$ 18,085</u>	<u>18,085</u>
Total Deferred Inflows of Resources	<u>522,834</u>	<u>18,085</u>	<u>540,919</u>
Total Liabilities and Deferred Inflows of Resources	<u>66,232,661</u>	<u>155,640</u>	<u>66,388,301</u>
NET POSITION			
Net Investment in Capital Assets	46,523,366	28,752	46,552,118
Restricted for:			
Capital Projects	16,211,253		16,211,253
Other Purposes	2,111,056		2,111,056
Unrestricted	<u>(36,862,342)</u>	<u>1,015,447</u>	<u>(35,846,895)</u>
Total Net Position	<u>\$ 27,983,333</u>	<u>\$ 1,044,199</u>	<u>\$ 29,027,532</u>

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

**NORTH BERGEN BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 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	\$ 60,312,310	\$ 4,029,702	\$ 20,217,898		\$ (36,064,710)		\$ (36,064,710)
Special Education	21,371,331		11,550,789		(9,820,542)		(9,820,542)
Other Instruction	10,357,495		4,971,025		(5,386,470)		(5,386,470)
School Sponsored Activities and Athletics	2,450,975		561,030		(1,889,945)		(1,889,945)
Support Services:							
Student and Instruction Related Services	16,519,639		4,179,511		(12,340,128)		(12,340,128)
General Administrative Services	2,800,487		520,983		(2,279,504)		(2,279,504)
School Administrative Services	10,169,920		1,817,287		(8,352,633)		(8,352,633)
Plant Operations and Maintenance	13,723,364		834,120	\$ 1,084,063	(11,805,181)		(11,805,181)
Pupil Transportation	3,957,813		244,394		(3,713,419)		(3,713,419)
Business Services	3,093,191				(3,093,191)		(3,093,191)
Interest on Long-Term Debt	841,211	-	-	-	(841,211)	-	(841,211)
Total Governmental Activities	145,597,736	4,029,702	44,897,037	1,084,063	(95,586,934)	-	(95,586,934)
Business-Type Activities:							
Food Service	2,989,029	608,017	2,623,970	-	-	\$ 242,958	242,958
Total Business-Type Activities	2,989,029	608,017	2,623,970	-	-	242,958	242,958
Total Primary Government	\$ 148,586,765	\$ 4,637,719	\$ 47,521,007	\$ 1,084,063	(95,586,934)	242,958	(95,343,976)
General Revenues							
Property Taxes							
Levied for General Purposes					45,550,000		45,550,000
Levied for Debt Service					1,573,392		1,573,392
State Aid - Unrestricted					51,001,448		51,001,448
State Aid - Restricted for Debt Service					551,188		551,188
Investment Earnings					39,121	358	39,479
Miscellaneous Income					649,498	-	649,498
Total General Revenues and Other Items					99,364,647	358	99,365,005
Change in Net Position					3,777,713	243,316	4,021,029
Net Position-Beginning of Year					24,205,620	800,883	25,006,503
Net Position-End of Year					\$ 27,983,333	\$ 1,044,199	\$ 29,027,532

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

**NORTH BERGEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 18,277,062	\$ 1,610,577		\$ 61,463	\$ 19,949,102
Receivables From Other Governments	1,203,152	2,013,138	\$ 8,783,094		11,999,384
Prepaid Items	424,454				424,454
Other Assets	20,000				20,000
Due From Other Funds	2,641,451				2,641,451
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	733,478	-	-	16,115	749,593
Total Assets	<u>\$ 23,299,597</u>	<u>\$ 3,623,715</u>	<u>\$ 8,783,094</u>	<u>\$ 77,578</u>	<u>\$ 35,783,984</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 4,165,774	\$ 521,171	\$ 297,210		\$ 4,984,155
Unearned Revenue	75,059	3,102,507	1,915,988		5,093,554
Payables to Other Governments		37			37
Other Payables	18,500		5,000		23,500
Due To Other Funds	1,021,433	-	2,629,662	\$ -	3,651,095
Total Liabilities	<u>5,280,766</u>	<u>3,623,715</u>	<u>4,847,860</u>	<u>-</u>	<u>13,752,341</u>
Fund Balances:					
Nonspendable					
Prepays	424,454				424,454
Restricted					
Capital Reserve	10,036,019				10,036,019
Capital Reserve-Designated for Subsequent Year's Budget	2,240,000				2,240,000
Maintenance Reserve	1,300,000				1,300,000
Emergency Reserve	1,000,000				1,000,000
Excess Surplus	1,326,703				1,326,703
Excess Surplus - Designated for Subsequent Year's Budget	2,168,392				2,168,392
Legally Restricted - Sale/Leaseback Reserve	733,478				733,478
Capital Projects Fund			3,935,234		3,935,234
Debt Service				77,578	77,578
Committed					
Encumbrances	465,127				465,127
Assigned					
Designated for Subsequent Year's Budget	1,360,149				1,360,149
Encumbrances	732,596				732,596
Unassigned					
General Fund	(3,768,087)	-	-	-	(3,768,087)
Total Fund Balances	<u>18,018,831</u>	<u>-</u>	<u>3,935,234</u>	<u>77,578</u>	<u>22,031,643</u>
Total Liabilities and Fund Balances	<u>\$ 23,299,597</u>	<u>\$ 3,623,715</u>	<u>\$ 8,783,094</u>	<u>\$ 77,578</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 \$87,115,517 and the accumulated depreciation is \$30,507,913.

56,607,604

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

(51,592)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 2)

(50,604,322)

Net Position of Governmental Activities

\$ 27,983,333

**NORTH BERGEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Property Taxes	\$ 45,550,000			\$ 1,573,392	\$ 47,123,392
Tuition	4,029,702				4,029,702
Interest	39,121				39,121
Miscellaneous	649,498	\$ 52,034	-	-	701,532
Total - Local Sources	50,268,321	52,034	-	1,573,392	51,893,747
State Sources	70,100,942	3,049,514	\$ 1,084,063	551,188	74,785,707
Federal Sources	351,122	5,797,131	-	-	6,148,253
Total Revenues	120,720,385	8,898,679	1,084,063	2,124,580	132,827,707
EXPENDITURES					
Current					
Instruction					
Regular Instruction	47,260,576	2,967,574			50,228,150
Special Education Instruction	17,010,272	1,667,470			18,677,742
Other Instruction	6,483,249	2,491,351			8,974,600
School Sponsored Activities and Athletics	2,138,965				2,138,965
Support Services					
Student and Instruction Related Services	13,195,254	1,679,612			14,874,866
General Administrative Services	2,478,972	45,000			2,523,972
School Administrative Services	8,940,045				8,940,045
Plant Operations and Maintenance	11,412,244				11,412,244
Pupil Transportation	3,904,392	47,672			3,952,064
Business Services	2,972,413				2,972,413
Debt Service					
Principal	505,000			1,560,000	2,065,000
Interest and Other Charges	116,163			698,929	815,092
Capital Outlay	360,005	-	1,859,957	-	2,219,962
Total Expenditures	116,777,550	8,898,679	1,859,957	2,258,929	129,795,115
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	3,942,835	-	(775,894)	(134,349)	3,032,592
Other Financing Sources (Uses)					
Payments to Refunding Escrow Agents				(8,172,342)	(8,172,342)
Premium on Refunding COPS				800,793	800,793
Refunding Certificate of Participation Proceeds				7,575,000	7,575,000
Transfers In/(Out)	(233,650)	-	233,650	-	-
Total Other Financing Sources (Uses)	(233,650)	-	233,650	203,451	203,451
Net Change in Fund Balances	3,709,185	-	(542,244)	69,102	3,236,043
Fund Balance, Beginning of Year	14,309,646	-	4,477,478	8,476	18,795,600
Fund Balance, End of Year	\$ 18,018,831	\$ -	\$ 3,935,234	\$ 77,578	\$ 22,031,643

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

**NORTH BERGEN BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 3,236,043**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlay	\$ 2,219,962	
Depreciation Expense	<u>(2,035,685)</u>	184,277

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

Principal Repayments		
General Obligation Bonds	570,000	
Amortization		
Premium	886	
Deferred Charge on Refunding	(3,106)	
Certificates of Participation	990,000	
Amortization		
Premium	44,269	
Discount	(2,359)	
Deferred Charge on Refunding	(74,193)	
Sales/Leaseback Obligations	<u>505,000</u>	2,030,497

The issuance of debt is an Other Financing Source in the Governmental funds, but the issuance increases the long-term liabilities in the statement of net position and is not reported in the statement of activities

Refunding COP Proceeds	(7,575,000)	
Payments to Escrow Agents	8,172,342	
Premium on Issuance of Refunding COPS	<u>(800,793)</u>	(203,451)

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

(Increase) in Pension Expense - Public Employees' Retirement System		(1,018,860)
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In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

8,384

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

Compensated Absences		<u>(459,177)</u>
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Change in Net Position of Governmental Activities (Exhibit A-2)		<u>\$ 3,777,713</u>
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**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2016**

ASSETS

Intergovernmental Receivable	
State	\$ 4,765
Federal	184,958
Inventories	50,214
Due from Other Funds	<u>931,150</u>
Total Current Assets	<u>1,171,087</u>
Capital Assets	
Equipment	132,236
Accumulated Depreciation	<u>(103,484)</u>
Total Capital Assets	<u>28,752</u>
Total Assets	<u>1,199,839</u>

LIABILITIES

Current Liabilities	
Accounts Payable	<u>137,555</u>
Total Current Liabilities	<u>137,555</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Commodities Revenue	<u>18,085</u>
Total Deferred Inflows of Resources	<u>18,085</u>
Total Liabilities and Deferred Inflows of Resources	<u>155,640</u>

NET POSITION

Net Investment in Capital Assets	28,752
Unrestricted	<u>1,015,447</u>
Total Net Position	<u>\$ 1,044,199</u>

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

**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

OPERATING REVENUES

Local Sources

Daily Sales

Reimbursable Programs	\$ 73,564
Non-Reimbursable Programs	478,089
Special Functions	<u>56,364</u>

Total Operating Revenues	<u>608,017</u>
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OPERATING EXPENSES

Salaries and Wages

Employee Benefits

Cost of Sales

Reimbursable Programs

Non-Reimbursable Programs

Other Purchased Services

Supplies and Materials

Depreciation

1,106,404

194,745

1,036,823

173,049

393,132

82,115

2,761

Total Operating Expenses	<u>2,989,029</u>
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Operating Income (Loss)	<u>(2,381,012)</u>
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NONOPERATING REVENUES

State Sources

State School Lunch Program

Federal Sources

School Breakfast Program

National School Lunch Program

Special Milk Program

After School Snack Program

Food Distribution Program (USDA Commodities)

Interest

34,835

594,980

1,805,042

4,721

13,041

171,351

358

Total Nonoperating Revenues	<u>2,624,328</u>
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Change in Net Position	243,316
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Net Position, Beginning of Year	<u>800,883</u>
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Net Position, End of Year	<u>\$ 1,044,199</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 611,956
Cash Payments for Salaries & Benefits	(1,301,149)
Cash Payments to Suppliers for Goods and Services	<u>(1,508,979)</u>
Net Cash (Used) by Operating Activities	<u>(2,198,172)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Payments for Interfund Transactions	(277,456)
Cash Received from State and Federal Subsidy Reimbursements	<u>2,475,270</u>
Net Cash Provided by Noncapital Financing Activities	<u>2,197,814</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received on Deposits	<u>358</u>
Net Cash Provided by Investing Activities	<u>358</u>
Net Change in Cash and Cash Equivalents	-
Cash and Cash Equivalents, Beginning of Year	<u>-</u>
Cash and Cash Equivalents, End of Year	<u>\$ -</u>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities	
Operating Income (Loss)	<u>\$ (2,381,012)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities	
Depreciation	2,761
Non-Cash Federal Assistance-Food Distribution Program	171,351
Change in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	3,939
Increase/(Decrease) in Accounts Payable	(5,002)
(Increase)/Decrease in Inventory	840
Increase/(Decrease) in Deferred Commodities Revenue	<u>8,951</u>
Total Adjustments	<u>182,840</u>
Net Cash (Used) by Operating Activities	<u>\$ (2,198,172)</u>
Non-Cash Investing, Capital and Financing Activities	
Value Received - Food Distribution Program	<u>\$ 180,302</u>

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

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2016**

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 907,452	\$ 4,103,985
Accounts Receivable	28,856	
Due From Other Funds	<u>203,043</u>	<u>90,283</u>
 Total Assets	 <u>1,139,351</u>	 <u>\$ 4,194,268</u>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 591,354
Accrued Salaries and Wages		3,117,988
Intergovernmental Payable	4,305	
Due to Student Groups		270,094
Due to Other Funds	<u>-</u>	<u>214,832</u>
 Total Liabilities	 <u>4,305</u>	 <u>\$ 4,194,268</u>
NET POSITION		
Held in Trust for Unemployment Compensation Claims	<u>\$ 1,135,046</u>	

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

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Employee Deductions	\$ 104,668
Interest	<u>1,555</u>
Total Additions	<u>106,223</u>
DEDUCTIONS	
Unemployment Claims	<u>74,808</u>
Total Deductions	<u>74,808</u>
Change in Net Position	31,415
Net Position, Beginning of Year	<u>1,103,631</u>
Net Position, End of Year	<u>\$ 1,135,046</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The North Bergen Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials from North Bergen and one appointed representative from the Guttenberg Board of Education 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 North Bergen Board of Education this includes general operations, food service, and student related activities of the District.

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

B. New Accounting Standards

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

- 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.

**NORTH BERGEN BOARD OF EDUCATION
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, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 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 *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 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 fund which is organized to be self-supporting through user charges:

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

Additionally, the government reports the following fund type:

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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.

**NORTH BERGEN BOARD OF EDUCATION
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)

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the 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. The amount of unused commodities at year-end is reported as deferred inflows of resources.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**NORTH BERGEN BOARD OF EDUCATION
 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. *Restricted Assets*

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

6. *Capital Assets*

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

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

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

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

7. *Deferred Outflows/Inflows of Resources*

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

**NORTH BERGEN BOARD OF EDUCATION
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)

7. 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 two types of items which arise only under the accrual basis of accounting that qualify for reporting in this category. The one item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item that qualifies is the deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

8. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation 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. The District's proprietary fund does not permit the accrual of accumulated vacation and sick leave. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

9. Pensions

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

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

10. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported including the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

**NORTH BERGEN BOARD OF EDUCATION
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)

10. *Long-Term Obligations (Continued)*

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

11. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

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

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

**NORTH BERGEN BOARD OF EDUCATION
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)

11. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 3.)

Capital Reserve - Designated for Subsequent Year's Budget– This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2016/2017 District budget certified for taxes.

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that is required to be appropriated in the 2017/2018 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Budget - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that was appropriated in the 2016/2017 original budget certified for taxes.

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

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

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

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

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

**NORTH BERGEN BOARD OF EDUCATION
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)

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

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

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2014-2015 and 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**NORTH BERGEN BOARD OF EDUCATION
 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)

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

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

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the District-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details are as follows:

Bonds Payable	\$ 3,300,000
Deferred Amount on Refunding	(25,520)
Unamortized Issuance Premium	898
Certificates of Participation (COPS)	9,930,000
Deferred Amount on Refunding	(495,271)
Unamortized Issuance Premium	756,524
Unamortized Discount	(6,246)
Sale/Leaseback Obligations Payable	1,205,000
Compensated Absences	7,762,115
Net Pension Liability	32,518,415
Deferred Amounts on Net Pension Liability	
Deferred Inflows	522,834
Deferred Outflows	<u>(4,864,427)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 50,604,322</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. The annual budget is voted upon at the annual school election on the third Tuesday in April.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2015/2016. Also, during 2015/2016 the Board increased the original budget of the General Fund by \$863,394 and the Special Revenue Fund by \$3,113,078. The increases were funded by capital reserve, the appropriation of prior year SEMI/ARRA funds, grant awards and the reappropriation of prior year general fund encumbrances.

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

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

B. Excess Expenditures Over Appropriations

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Other Retirement Contributions - PERS	\$1,194,053	\$1,247,142	\$53,089

The above variances were offset with other available resources.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Deficit Fund Equity

The District has an unassigned fund balance deficit of \$3,768,087 in the General Fund as of June 30, 2016 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2015/2016 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$3,768,087 in the General Fund is less than the delayed state aid payments at June 30, 2016.

D. Capital Reserve

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

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Capital Reserve (Continued)

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

Balance, July 1, 2015		\$ 8,567,006
Increased by		
Balances Restored to Reserve		
Capital Outlay	\$ 792,663	
Deposit by Board Resolution - June 2016	<u>4,625,000</u>	
		<u>5,417,663</u>
		13,984,669
Decreased by		
Budgeted Withdrawal in 2015-2016 Budget	1,475,000	
Authorization Approved by Board Resolution	<u>233,650</u>	
		<u>1,708,650</u>
Balance, June 30, 2016		<u>\$ 12,276,019</u>
<u>Analysis of Restricted for Capital Reserve, June 30, 2016</u>		
Capital Reserve		\$ 10,036,019
Capital Reserve - Designated for Subsequent Year's Budget		<u>2,240,000</u>
		<u>\$ 12,276,019</u>

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

E. Maintenance Reserve

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

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Maintenance Reserve (Continued)

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

Balance, July 1, 2015		\$ 1,000,000
Increased by		
Deposit by Board Resolution - June 2016	\$ 300,000	
Balances Restored to Reserve	<u>300,000</u>	
		<u>600,000</u>
		1,600,000
Decreased by		
Budgeted Withdrawal in 2015-2016 Budget		<u>300,000</u>
Balance, June 30, 2016		<u>\$ 1,300,000</u>

The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

F. Emergency Reserve

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

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

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

Balance, July 1, 2015	<u>\$ 1,000,000</u>
Balance, June 30, 2016	<u>\$ 1,000,000</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

G. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2016 is \$3,495,095. Of this amount, \$2,168,392 was designated and appropriated in the 2016/2017 original budget certified for taxes and the remaining amount of \$1,326,703 will be appropriated in the 2017/2018 original budget certified for taxes.

NOTE 4 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 \$25,710,132 and bank and brokerage firm balances of the Board's deposits amounted to \$28,214,747. 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>\$ 28,214,747</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2016 the Board's bank balances were not exposed to custodial credit risk.

Investments

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

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2016 for the district's individual major funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Other Funds</u>	<u>Total</u>
Receivables:						
Accounts					\$ 28,856	\$ 28,856
Intergovernmental-						
Federal	\$ 111,016	\$ 2,000,720		\$ 184,958		2,296,694
State	257,750		\$ 8,783,094	4,765		9,045,609
Local	<u>834,386</u>	<u>12,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>846,804</u>
Gross Receivables	1,203,152	2,013,138	8,783,094	189,723	28,856	12,217,963
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 1,203,152</u>	<u>\$ 2,013,138</u>	<u>\$ 8,783,094</u>	<u>\$ 189,723</u>	<u>\$ 28,856</u>	<u>\$ 12,217,963</u>

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
General Fund	
Economic Development Authority School	
Facilities Grants	\$ 75,059
Special Revenue Fund	
Unencumbered Grant Draw Downs	3,077,908
Grant Draw Downs Reserved for Encumbrances	24,599
Capital Projects Fund	
Unrealized School Facilities Grant	<u>1,915,988</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 5,093,554</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	<u>Balance</u> <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 4,488,797			\$ 4,488,797
Construction in Progress	3,693,316	\$ 2,094,429	-	5,787,745
Total Capital Assets, Not Being Depreciated	<u>8,182,113</u>	<u>2,094,429</u>	<u>-</u>	<u>10,276,542</u>
Capital Assets, Being Depreciated:				
Buildings	73,800,169	75,374		73,875,543
Site Improvements	135,054			135,054
Machinery and Equipment	2,778,219	50,159	-	2,828,378
Total Capital Assets Being Depreciated	<u>76,713,442</u>	<u>125,533</u>	<u>-</u>	<u>76,838,975</u>
Less Accumulated Depreciation for:				
Buildings	(25,980,408)	(1,945,198)		(27,925,606)
Site Improvements	(59,623)	(5,085)		(64,708)
Machinery and Equipment	(2,432,197)	(85,402)	-	(2,517,599)
Total Accumulated Depreciation	<u>(28,472,228)</u>	<u>(2,035,685)</u>	<u>-</u>	<u>(30,507,913)</u>
Total Capital Assets, Being Depreciated, net	<u>48,241,214</u>	<u>(1,910,152)</u>	<u>-</u>	<u>46,331,062</u>
Governmental Activities Capital Assets, net	<u>\$ 56,423,327</u>	<u>\$ 184,277</u>	<u>-</u>	<u>\$ 56,607,604</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 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	\$ 132,236	-	-	\$ 132,236
Total Capital Assets Being Depreciated	<u>132,236</u>	<u>-</u>	<u>-</u>	<u>132,236</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(100,723)	\$ (2,761)	-	(103,484)
Total Accumulated Depreciation	<u>(100,723)</u>	<u>(2,761)</u>	<u>-</u>	<u>(103,484)</u>
Total Capital Assets, Being Depreciated, net	<u>31,513</u>	<u>(2,761)</u>	<u>-</u>	<u>28,752</u>
Business-Type Activities Capital Assets, net	<u>\$ 31,513</u>	<u>\$ (2,761)</u>	<u>\$ -</u>	<u>\$ 28,752</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 7,834
Total Instruction	<u>7,834</u>
Support Services	
Support Services-Students and Instruction Related	14,618
General Administration	7,550
School Administration	33,088
Operations and Maintenance of Plant	1,972,143
Business Services	<u>452</u>
Total Support Services	<u>2,027,851</u>
Total Governmental Funds	<u>\$ 2,035,685</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 2,761</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 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>
North Bergen High School Rehabilitation	\$ 55,561
Window Replacement and New Exterior Doors	
Robert Fulton	251,913
Horace Mann	43,251
McKinley	1,100,956
North Bergen High School Rehabilitation - Security	
Alarm System Upgrades	210,870
Lincoln Elementary	
School Rehabilitation - Exterior Masonry, Façade and Sealants	283,833
McKinley Elementary	
School Rehabilitation - Exterior Masonry, Façade and Sealants	<u>121,471</u>
 Total	 <u>\$ 2,067,855</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	Capital Projects Fund	\$ 2,629,662
General Fund	Payroll Agency Fund	11,789
Food Service Enterprise Fund	General Fund	931,150
Unemployment Compensation Trust Fund	Payroll Agency Fund	203,043
Student Activity Agency Fund	General Fund	<u>90,283</u>
 Total		 <u>\$ 3,865,927</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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund Transfers

<u>Transfer Out</u>	<u>Transfer In</u>
	<u>Capital Projects</u>
General Fund	<u>\$ 233,650</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. Leases

Sales/Leaseback

The District has entered into a contract for the sale/leaseback of textbooks totaling \$2,535,000. The contract is for a term of 5 years. The sale/leaseback contract is being issued to finance the acquisition and improvement of real property for school purposes. Lease payments for the fiscal year ended June 30, 2016 were \$528,447. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2017	\$ 545,535
2018	547,277
2019	<u>135,520</u>
Total Minimum Lease Payments	1,228,332
Less: Amount Representing Interest	<u>(23,332)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,205,000</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Lease Purchase Agreements

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

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

Interest earned on balances and unexpended cost of issuance balances remain on deposit with the respective agents. The June 30, 2016 balance of \$16,155 is restricted for future debt service.

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

Governmental Activities:

<u>Fiscal Year Ended June 30,</u>	<u>Certificates of Participation</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 975,000	\$ 357,250	\$ 1,332,250
2018	1,010,000	328,256	1,338,256
2019	1,450,000	285,881	1,735,881
2020	1,540,000	229,000	1,769,000
2021	1,590,000	166,400	1,756,400
2022-2025	<u>3,365,000</u>	<u>135,900</u>	<u>3,500,900</u>
	<u>\$ 9,930,000</u>	<u>\$ 1,502,687</u>	<u>\$ 11,432,687</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2016 are comprised of the following issues:

\$3,125,000, Refunding School Bonds 2009, due in annual installments of \$355,000 to \$365,000 through March, 2018, interest at 4.0%	\$720,000
\$3,225,000, Pension Obligation Refunding Bonds, due in annual installments of \$225,000 to \$300,000 through April, 2026, interest at 2.481% to 5.054%	<u>2,580,000</u>
Total	<u>\$3,300,000</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 580,000	\$ 135,107	\$ 715,107
2018	595,000	115,325	710,325
2019	235,000	93,984	328,984
2020	240,000	86,184	326,184
2021	250,000	77,259	327,259
2022-2026	<u>1,400,000</u>	<u>209,397</u>	<u>1,609,397</u>
	<u>\$ 3,300,000</u>	<u>\$ 717,256</u>	<u>\$ 4,017,256</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2016 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 191,438,083
Less: Net Debt	<u>720,000</u>
Remaining Borrowing Power	<u>\$ 190,718,083</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Current Refunding of Debt

On February 25, 2016 the District issued \$7,575,000 in Refunding Certificates of Participation having interest rates of 2.00% to 4.00%. These Certificates were issued in order to currently refund certain principal maturities of the 2005 Refunding Certificates of Participation of the District. The total principal currently refunded was \$8,080,000. The reacquisition price exceeded the net carrying amount of the old debt by \$154,077. This amount has been reported as Deferred Outflows of Resources on the financial statements and amortized over the remaining life of the new debt issued. This current refunding was undertaken to reduce total debt service payments over the next eight years by \$680,838 and resulted in an economic gain of \$641,133.

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

	Balance <u>July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2016</u>	Due Within <u>One Year</u>
Governmental Activities:					
Obligations Under Lease-					
Purchase Agreement	\$ 11,425,000	\$ 7,575,000	\$ 9,070,000	\$ 9,930,000	\$ 975,000
Add: Unamortized Premium		800,793	44,269	756,524	
Less: Unamortized Discount	(70,340)	-	(64,094)	(6,246)	-
	<u>11,354,660</u>	<u>8,375,793</u>	<u>9,050,175</u>	<u>10,680,278</u>	<u>975,000</u>
Bonds Payable	3,870,000		570,000	3,300,000	580,000
Add: Unamortized Premium	1,784	-	886	898	-
	<u>3,871,784</u>	<u>-</u>	<u>570,886</u>	<u>3,300,898</u>	<u>580,000</u>
Obligations Under Sales/Leaseback	1,710,000		505,000	1,205,000	530,000
Compensated Absences Payable	7,302,938	1,190,712	731,535	7,762,115	833,325
Net Pension Liability	26,830,553	6,933,279	1,245,417	32,518,415	-
	<u>\$ 51,069,935</u>	<u>\$ 16,499,784</u>	<u>\$ 12,103,013</u>	<u>\$ 55,466,706</u>	<u>\$ 2,918,325</u>

For the governmental activities, the liabilities for compensated absences, obligations under sales/leaseback and net pension liability are generally liquidated by the general fund.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION

A. Risk Management

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

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

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

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

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

<u>Year Ended</u> <u>June 30,</u>	<u>Board</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2016		\$ 104,668	\$ 74,808	\$ 1,135,046
2015		100,744	59,803	1,103,631
2014	\$ 254,700	97,709	164,303	1,061,877

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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2016, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

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

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

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

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

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

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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Basis of Accounting

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

Investment Valuation

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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.

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 <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2016	\$ 1,245,417	\$ 4,259,285	\$ 1,725
2015	1,181,383	2,914,871	5,722
2014	1,051,611	2,281,041	3,257

For fiscal years 2015/2016 and 2014/2015, the state contributed \$4,259,285 and \$2,914,871, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$2,281,041 for normal cost pension and NCGI premium.

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

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$3,876,091 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.

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 \$32,518,415 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 .14486 percent, which was an increase of .00156 percent from its proportionate share measured as of June 30, 2014 of .14330 percent.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,264,277 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>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 775,775	
Changes of Assumptions	3,492,218	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 522,834
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>596,434</u>	<u>-</u>
Total	<u>\$ 4,864,427</u>	<u>\$ 522,834</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	\$ 813,821
2018	813,821
2019	813,821
2020	1,213,560
2021	<u>686,570</u>
	<u>\$ 4,341,593</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 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:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	Based on Age 7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience Study Upon Which Actuarial Assumptions were Based	July 1, 2008 - June 30, 2011

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 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 4.90%.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

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>\$ 40,416,411</u>	<u>\$ 32,518,415</u>	<u>\$ 25,896,792</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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% 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 \$16,547,742 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 \$340,769,186. 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 .53916 percent, which was a decrease of .00004 percent from its proportionate share measured as of June 30, 2014 of .53920 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.

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

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

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

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the TPAF plan was 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>\$ 404,991,440</u>	<u>\$ 340,769,186</u>	<u>\$ 285,437,871</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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

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

Significant Legislation

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

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5 OTHER INFORMATION (Continued)

E. 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 \$5,071,631, \$4,627,360 and \$3,740,050, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

F. Subsequent Events

On September 21, 2016, the Board approved a contract for Air Conditioning and Ventilation improvements for the High School Cafeteria and several windowless offices in the amount of \$509,400. The Board appropriated capital reserve funds to finance the costs associated with this project.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 45,550,000		\$ 45,550,000	\$ 45,550,000	
Tuition					
LEA's	4,338,000		4,338,000	3,957,266	\$ (380,734)
Summer School	65,000		65,000	67,186	2,186
Other				5,250	5,250
Interest on Capital Reserve	3,000		3,000		(3,000)
Miscellaneous	500,000	-	500,000	688,619	188,619
Total Local Sources	50,456,000	-	50,456,000	50,268,321	(187,679)
State Sources					
Special Education Aid	4,568,078		4,568,078	4,568,078	
Equalization Aid	50,413,223		50,413,223	50,413,223	
Under Adequacy Aid	500,000		500,000	500,000	
Security Aid	835,101		835,101	835,101	
Transportation Aid	138,421		138,421	138,421	
PARCC Readiness Aid	74,130		74,130	74,130	
Per Pupil Growth Aid	74,130		74,130	74,130	
Extraordinary Aid	450,000		450,000	336,923	(113,077)
Non-Public Transportation Aid				58,464	58,464
TPAF On Behalf					
NCGI Premium				202,103	202,103
Pension Contribution				4,057,182	4,057,182
Post Retirement				5,071,631	5,071,631
Social Security Contribution	-	-	-	3,876,091	3,876,091
Total State Source	57,053,083	-	57,053,083	70,205,477	13,152,394
Federal Sources					
Medicaid SEMI/ARRA				24,830	24,830
Medicaid Reimbursement Program	185,876	-	185,876	326,292	140,416
Total Federal Sources	185,876	-	185,876	351,122	165,246
Total Revenues	107,694,959	-	107,694,959	120,824,920	13,129,961
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Preschool/Kindergarten	1,841,862	\$ (9,519)	1,832,343	1,744,661	87,682
Grades 1-5	10,507,582	17,215	10,524,797	10,424,151	100,646
Grades 6-8	5,994,190	(153,961)	5,840,229	5,732,339	107,890
Grades 9-12	11,581,137	(799,115)	10,782,022	10,781,774	248
Regular Programs - Home Instruction					
Salaries of Teachers	175,877	82,100	257,977	257,925	52
Purchased Professional Educational Services	48,500	2,400	50,900	50,784	116
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	861,486	105,280	966,766	964,827	1,939
Purchased Professional Educational Services	171,500	18,600	190,100	177,077	13,023
Other Purchased Services	733,000	(77,290)	655,710	630,731	24,979
General Supplies	999,667	280,561	1,280,228	1,187,401	92,827
Textbooks	298,083	24,701	322,784	311,399	11,385
Total Regular Programs	33,212,884	(509,028)	32,703,856	32,263,069	440,787

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Special Education					
Cognitive - Moderate					
Salaries of Teachers	\$ 331,695	\$ (93,287)	\$ 238,408	\$ 234,793	\$ 3,615
Other Salaries for Instruction	-	116,000	116,000	114,753	1,247
Total Cognitive - Moderate	<u>331,695</u>	<u>22,713</u>	<u>354,408</u>	<u>349,546</u>	<u>4,862</u>
Learning and Learning Disabilities					
Salaries of Teachers	2,713,471	150,770	2,864,241	2,854,239	10,002
Other Salaries for Instruction	1,444,009	(89,100)	1,354,909	1,345,830	9,079
Purchased Professional-Educational Services	16,000	53,110	69,110	69,102	8
General Supplies	8,000	(3,600)	4,400	4,281	119
Textbooks	10,000	(10,000)	-	-	-
Total Learning and Learning Disabilities	<u>4,191,480</u>	<u>101,180</u>	<u>4,292,660</u>	<u>4,273,452</u>	<u>19,208</u>
Resource Room / Resource Center					
Salaries of Teachers	4,050,485	180,891	4,231,376	4,149,669	81,707
Total Resource Room / Resource Center	<u>4,050,485</u>	<u>180,891</u>	<u>4,231,376</u>	<u>4,149,669</u>	<u>81,707</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	327,624	87,100	414,724	414,215	509
Other Salaries for Instruction	343,109	-	343,109	244,871	98,238
General Supplies	13,000	(13,000)	-	-	-
Total Preschool Disabilities - Part-Time	<u>683,733</u>	<u>74,100</u>	<u>757,833</u>	<u>659,086</u>	<u>98,747</u>
Home Instruction					
Salaries of Teachers	286,778	(2,400)	284,378	261,020	23,358
Purchased Professional Educational Services	34,100	8,810	42,910	29,091	13,819
Total Home Instruction	<u>320,878</u>	<u>6,410</u>	<u>327,288</u>	<u>290,111</u>	<u>37,177</u>
Total Special Education	<u>9,578,271</u>	<u>385,294</u>	<u>9,963,565</u>	<u>9,721,864</u>	<u>241,701</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,782,511	(82,583)	1,699,928	959,483	740,445
Other Salaries for Instruction	31,433	10,000	41,433	40,957	476
Purchased Professional Educational Services	20,000	-	20,000	125	19,875
Other Purchased Services	26,000	(7,700)	18,300	2,302	15,998
General Supplies	51,000	115	51,115	35,630	15,485
Other Objects	2,000	-	2,000	125	1,875
Total Basic Skills/Remedial - Instruction	<u>1,912,944</u>	<u>(80,168)</u>	<u>1,832,776</u>	<u>1,038,622</u>	<u>794,154</u>
Bilingual Education					
Salaries of Teachers	3,214,898	46,709	3,261,607	3,242,158	19,449
Other Salaries for Instruction	111,682	(44,200)	67,482	27,424	40,058
Other Purchased Services	3,000	3,600	6,600	4,232	2,368
General Supplies	28,451	13,034	41,485	41,054	431
Textbooks	4,449	(1,734)	2,715	2,674	41
Total Bilingual Education	<u>3,362,480</u>	<u>17,409</u>	<u>3,379,889</u>	<u>3,317,542</u>	<u>62,347</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
School Sponsored Co-Curricular Activities					
Salaries	\$ 304,228	\$ (1,075)	\$ 303,153	\$ 265,622	\$ 37,531
Purchased Services	96,400	(425)	95,975	87,686	8,289
Supplies and Materials	2,475	-	2,475	2,100	375
Other Objects	225	-	225	-	225
Total School Sponsored Co-Curricular Activities	403,328	(1,500)	401,828	355,408	46,420
School Sponsored Athletics - Instruction					
Salaries	689,926	(3,800)	686,126	685,006	1,120
Purchased Services	493,450	5,384	498,834	468,039	30,795
Supplies and Materials	157,950	300	158,250	154,904	3,346
Other Objects	-	-	-	-	-
Total School Sponsored Athletics - Instruction	1,341,326	1,884	1,343,210	1,307,949	35,261
Total - Instruction	49,811,233	(186,109)	49,625,124	48,004,454	1,620,670
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Regular	13,680	(3,300)	10,380		10,380
Tuition - Other LEA's Within State - Special	492,764	(368,985)	123,779	62,364	61,415
Tuition to County Vocational School/Dist.-Reg.	21,347	21,347	42,694	35,900	6,794
Tuition to CSSD & Reg. Day Schools	2,073,471	(437,249)	1,636,222	1,483,909	152,313
Tuition to Private Schools Disabled W/ State	587,963	441,598	1,029,561	900,126	129,435
Tuition - State Facilities	-	-	-	-	-
Tuition - Other	175,000	95,150	270,150	259,932	10,218
Total Undistributed Expenditures - Instruction	3,364,225	(251,439)	3,112,786	2,742,231	370,555
Attendance and Social Work Services					
Salaries	686,302	103,400	789,702	719,671	70,031
Other Purchased Services	1,700	-	1,700	696	1,004
Supplies and Materials	400	-	400	-	400
Total Attendance and Social Work Services	688,402	103,400	791,802	720,367	71,435
Health Services					
Salaries	954,290	(21,955)	932,335	871,998	60,337
Purchased Professional Technical Services	17,600	2,543	20,143	13,654	6,489
Other Purchased Services	6,950	(450)	6,500	4,732	1,768
Supplies and Materials	30,350	3,500	33,850	32,368	1,482
Total Health Services	1,009,190	(16,362)	992,828	922,752	70,076
Other Support Services-Speech, OT, PT and Related					
Salaries	119,155	-	119,155	110,287	8,868
Purchased Professional Educational Services	458,400	35,582	493,982	443,679	50,303
Supplies and Materials	6,000	(900)	5,100	353	4,747
Total Other Support Services	583,555	34,682	618,237	554,319	63,918

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Other Support Services - Students - Extra Serv.					
Salaries	\$ 607,983	-	\$ 607,983	\$ 590,546	\$ 17,437
Purchased Professional Educational Services	300,000	\$ 22,383	322,383	262,466	59,917
Total Other Support Services - Students - Extra Serv. -	907,983	22,383	930,366	853,012	77,354
Guidance					
Salaries of Other Professional Staff	1,442,488	24,614	1,467,102	1,367,605	99,497
Salaries of Secretarial and Clerical Assistants	163,425	-	163,425	157,186	6,239
Purchased Professional-Educational Services	-	-	-	-	-
Other Purchased Prof. and Tech. Services	25,000	-	25,000	22,740	2,260
Other Purchased Services	25,000	(3,775)	21,225	20,714	511
Supplies and Materials	15,000	(25)	14,975	10,329	4,646
Total Guidance	1,670,913	20,814	1,691,727	1,578,574	113,153
Other Support Services - Child Study Team					
Salaries of Other Professional Staff	2,237,248	154,493	2,391,741	2,391,711	30
Salaries of Secretarial and Clerical Assistants	285,418	(2,250)	283,168	283,141	27
Other Purchased Professional/Technical Services	108,800	11,500	120,300	83,720	36,580
Residential Costs	10,525	(10,000)	525	-	525
Misc. Purchased Services	18,000	19,091	37,091	36,169	922
Supplies and Materials	9,500	(350)	9,150	8,998	152
Total Other Support Services - Child Study Team	2,669,491	172,484	2,841,975	2,803,739	38,236
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	174,983	23,000	197,983	197,752	231
Salaries of Other Professional Staff	848,211	13,300	861,511	800,370	61,141
Purchased Prof. Educational Services	600	-	600	-	600
Other Purchased Professional/Technical Services	900	-	900	-	900
Other Purchased Services	2,000	-	2,000	-	2,000
Supplies and Materials	1,000	-	1,000	-	1,000
Total Improvement of Instruction Services	1,027,694	36,300	1,063,994	998,122	65,872
Educational Media Services/School Library					
Salaries	252,013	11,700	263,713	256,317	7,396
Other Purchased Services	8,400	(100)	8,300	107	8,193
Supplies and Materials	42,200	(600)	41,600	36,664	4,936
Total Educational Media Services/School Library	302,613	11,000	313,613	293,088	20,525
Instructional Staff Training Services					
Salaries of Other Professional Staff	587,650	146,350	734,000	722,824	11,176
Salaries of Secretarial and Clerical Assist.	3,422	-	3,422	-	3,422
Purchased Professional-Educational Serv.	75,400	(10,350)	65,050	52,020	13,030
Other Purchased Professional and Tech Svcs	4,000	-	4,000	-	4,000
Other Purchased Services	14,000	-	14,000	-	14,000
Supplies and Materials	11,000	-	11,000	-	11,000
Other Objects	3,800	-	3,800	-	3,800
Total Instructional Staff Training Services	699,272	136,000	835,272	774,844	60,428

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services General Administration					
Salaries	\$ 953,174	\$ 3,840	\$ 957,014	\$ 806,522	\$ 150,492
Legal Services	608,100	84,525	692,625	666,414	26,211
Audit Fees	100,000	-	100,000	92,695	7,305
Expenditure and Internal Control Audit Fees	5,000	-	5,000	5,000	5,000
Architectural/Engineering Services	200,000	(6,786)	193,214	76,205	117,009
Other Purchased Professional Services	211,000	2,355	213,355	152,381	60,974
Communications/Telephone	236,000	(55,400)	180,600	126,383	54,217
BOE Other Purchased Services	12,000	-	12,000	3,497	8,503
Other Purchased Services	97,400	(697)	96,703	54,696	42,007
Supplies and Materials	56,000	-	56,000	50,337	5,663
BOE In-House Training/Meeting Supplies	1,500	-	1,500	-	1,500
Judgments Against The School District	30,300	(28,000)	2,300	-	2,300
Miscellaneous Expenditures	8,300	-	8,300	-	8,300
BOE Membership Dues and Fees	59,300	-	59,300	46,332	12,968
Total Support Services General Administration	2,578,074	(163)	2,577,911	2,075,462	502,449
Support Services School Administration					
Salaries of Principals/Asst. Principals	3,145,557	(15,392)	3,130,165	3,079,271	50,894
Salaries of Other Professional Staff	1,262,139	158,207	1,420,346	1,391,425	28,921
Salaries of Secretarial and Clerical Assistants	1,581,681	84,500	1,666,181	1,622,948	43,233
Purchased Prof. and Tech. Services	33,500	9,050	42,550	42,450	100
Other Purchased Services	163,200	(13,347)	149,853	109,207	40,646
Supplies and Materials	59,700	6,642	66,342	53,608	12,734
Other Objects	1,000	-	1,000	-	1,000
Total Support Services School Administration	6,246,777	229,660	6,476,437	6,298,909	177,528
Central Services					
Salaries	1,381,114	(5,000)	1,376,114	1,236,166	139,948
Purchased Professional Services	56,200	3,500	59,700	45,596	14,104
Purchased Technical Services	51,000	(19,473)	31,527	18,739	12,788
Misc. Purchased Services	43,150	2,503	45,653	25,888	19,765
Supplies and Materials	27,800	(4,905)	22,895	21,660	1,235
Interest on Current Loans	25,000	(10,000)	15,000	567	14,433
Other Objects	2,050	5,000	7,050	5,654	1,396
Total Central Services	1,586,314	(28,375)	1,557,939	1,354,270	203,669
Admin. Info. Technology					
Salaries	801,250	25,000	826,250	716,153	110,097
Purchased Professional Services	90,000	36,247	126,247	114,748	11,499
Purchased Technical Services	78,000	56,790	134,790	72,187	62,603
Other Purchased Services	5,500	-	5,500	1,028	4,472
Supplies and Materials	3,000	-	3,000	1,234	1,766
Total Admin. Info. Technology	977,750	118,037	1,095,787	905,350	190,437
Required Maintenance for School Facilities					
Salaries	1,316,733	(95,500)	1,221,233	991,307	229,926
Cleaning, Repair and Maintenance Services	872,000	35,114	907,114	493,498	413,616
General Supplies	186,400	21	186,421	136,923	49,498
Total Required Maintenance for School Facilities	2,375,133	(60,365)	2,314,768	1,621,728	693,040

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 3,987,448	\$ 62,500	\$ 4,049,948	\$ 3,890,220	\$ 159,728
Purchased Professional and Technical Services	182,100	25,962	208,062	161,565	46,497
Cleaning, Repair and Maintenance	173,292	50,550	223,842	204,441	19,401
Rental Land and Buildings	328,100	24,230	352,330	347,312	5,018
Other Purchased Property Services	104,640	10,000	114,640	98,387	16,253
Insurance	653,478	15,150	668,628	668,619	9
Miscellaneous Purchased Services	50,970	(3,226)	47,744	18,769	28,975
General Supplies	246,664	(6,830)	239,834	233,456	6,378
Energy (Natural Gas)	449,668	(6,000)	443,668	226,150	217,518
Energy (Electricity)	668,336	(83,100)	585,236	512,905	72,331
Energy (Gasoline)	27,000	-	27,000	10,849	16,151
Other Objects	7,000	-	7,000	-	7,000
Total Other Operational and Maintenance of Plant	6,878,696	89,236	6,967,932	6,372,673	595,259
Care and Upkeep of Grounds					
Salaries	123,915	(16,300)	107,615		107,615
Purchased Professional and Technical Services	53,000	1,981	54,981	49,409	5,572
Cleaning, Repair and Maintenance	6,206	1,154	7,360		7,360
General Supplies	1,500	451	1,951	293	1,658
Total Care and Upkeep of Grounds	184,621	(12,714)	171,907	49,702	122,205
Security					
Salaries	1,113,885	52,408	1,166,293	1,133,038	33,255
Purchased Professional and Technical Services	9,554	(208)	9,346	3,827	5,519
Cleaning, Repair and Maintenance	2,296	-	2,296	1,124	1,172
General Supplies	41,050	(4,400)	36,650	34,232	2,418
Total Security	1,166,785	47,800	1,214,585	1,172,221	42,364
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	64,456	(7,200)	57,256	24,540	32,716
Salaries for Pupil Transportation (Between Home and School) - Special	70,297	7,199	77,496	77,466	30
Other Purchased Prof. and Tech. Serv.	13,000	-	13,000		13,000
Cleaning, Repair and Maintenance	23,700	-	23,700	6,562	17,138
Contracted Services (Between Home and School) - Vendors	1,193,969	(10,012)	1,183,957	1,129,336	54,621
Contracted Services (Between Home and School) - Joint Agreements	94,733	-	94,733	4,470	90,263
Contracted Services (Other Than Between Home and School) - Vendors	160,839	35,551	196,390	183,974	12,416
Contracted Services (Spec Ed)-Vendors	986,533	10,500	997,033	955,463	41,570
Contracted Services (Spec Ed)-Joint Agreements	1,228,847	(7,972)	1,220,875	1,105,979	114,896
Misc. Purchased Services - Transportation		500	500	118	382
General Supplies	8,000	-	8,000		8,000
Transportation Supplies	9,500	-	9,500	4,058	5,442
Aid in Lieu of Payments - Nonpublic School	468,108	(12,600)	455,508	359,714	95,794
Aid in Lieu of Payments - Charter Schools	21,489	-	21,489	15,470	6,019
Total Student Transportation Services	4,343,471	15,966	4,359,437	3,867,150	492,287

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Unallocated Benefits					
Group Insurance	\$ 99,026	\$ 34,300	\$ 133,326	\$ 49,014	\$ 84,312
Social Security Contributions	1,146,816	220,000	1,366,816	1,365,406	1,410
Other Retirement Contributions					
PERS/DCRP	2,000	1,192,053	1,194,053	1,247,142	(53,089)
ERIP	58,459	(10,000)	48,459	46,031	2,428
Deferred PERS	1,195,053	(1,195,053)			-
Regular	258,346	(241,300)	17,046		17,046
Unemployment Compensation	150,000	-	150,000		150,000
Workmen's Compensation	515,000	-	515,000	455,600	59,400
Health Benefits	17,166,029	(246,000)	16,920,029	14,718,830	2,201,199
Unused Sick Payment to Terminated/Retired Staff	770,000	114,886	884,886	735,532	149,354
Total Unallocated Benefits	21,360,729	(131,114)	21,229,615	18,617,555	2,612,060
TPAF On Behalf (Non-Budget)					
NCGI Premium				202,103	(202,103)
Pension Contribution				4,057,182	(4,057,182)
Post Retirement				5,071,631	(5,071,631)
Social Security Contribution	-	-	-	3,876,091	(3,876,091)
Total TPAF On-Behalf Contributions	-	-	-	13,207,007	(13,207,007)
Total Undistributed Expenditures	60,621,688	537,230	61,158,918	67,783,075	(6,624,157)
Total Current Expenditures	110,432,921	351,121	110,784,042	115,787,529	(5,003,487)
CAPITAL OUTLAY					
Equipment					
Grades 1-5	10,000	-	10,000	6,392	3,608
Grades 6-8	10,000	-	10,000	9,951	49
Grades 9-12	15,000	14,050	29,050	29,007	43
Undistributed Expenditures					
General Administration	15,000	-	15,000		15,000
School Administration		-			-
Central Services	10,000	-	10,000		10,000
Admin. Info. Tech.	10,000	(9,000)	1,000		1,000
Required Maintenance	75,000	30,950	105,950	20,249	85,701
Care and Upkeep	8,500	(8,500)			-
Security	15,000	(15,000)			-
School Buses - Regular	12,600	(12,500)	100	-	100
Total Equipment	181,100	-	181,100	65,599	115,501
Facilities Acquisition and Construction Services					
Architectural/Engineering	200,000	-	200,000	102,356	97,644
Construction Services	1,275,000	-	1,275,000	192,820	1,082,180
Assessment for Debt Service on SDA Funding	92,716	-	92,716	92,716	-
Total Facilities Acquis. and Const. Services	1,567,716	-	1,567,716	387,892	1,179,824
Interest Deposit to Capital Reserve	3,000	-	3,000	-	3,000
Total Capital Outlay	1,751,816	-	1,751,816	\$ 453,491	1,298,325

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	\$ 368,593	-	\$ 368,593	\$ 288,655	\$ 79,938
Other Salaries for Instruction	63,965	-	63,965	-	63,965
Total Summer School - Instruction	<u>432,558</u>	<u>-</u>	<u>432,558</u>	<u>288,655</u>	<u>143,903</u>
Summer School - Support Services					
Salaries of Teachers	24,980	-	24,980	22,526	2,454
Total Summer School - Support Services	<u>24,980</u>	<u>-</u>	<u>24,980</u>	<u>22,526</u>	<u>2,454</u>
Total Special Schools	<u>457,538</u>	<u>-</u>	<u>457,538</u>	<u>311,181</u>	<u>146,357</u>
Transfer of Funds To Charter Schools	197,886	\$ 32,240	230,126	225,349	4,777
Total Expenditures	<u>112,840,161</u>	<u>383,361</u>	<u>113,223,522</u>	<u>116,777,550</u>	<u>(3,554,028)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,145,202)</u>	<u>(383,361)</u>	<u>(5,528,563)</u>	<u>4,047,370</u>	<u>9,575,933</u>
Other Financing Sources (Uses)					
Transfer Out	-	(480,033)	(480,033)	(233,650)	246,383
Total Other Financing Sources (Uses)	<u>-</u>	<u>(480,033)</u>	<u>(480,033)</u>	<u>(233,650)</u>	<u>246,383</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(5,145,202)</u>	<u>(863,394)</u>	<u>(6,008,596)</u>	<u>3,813,720</u>	<u>9,822,316</u>
Fund Balances, Beginning of Year	<u>20,107,746</u>	<u>-</u>	<u>20,107,746</u>	<u>20,107,746</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 14,962,544</u>	<u>\$ (863,394)</u>	<u>\$ 14,099,150</u>	<u>\$ 23,921,466</u>	<u>\$ 9,822,316</u>
Recapitulation of Fund Balance					
Nonspendable					
Prepays				\$ 424,454	
Restricted					
Capital Reserve				10,036,019	
Capital Reserve Designated for Subsequent Year's Budget				2,240,000	
Maintenance Reserve				1,300,000	
Emergency Reserve				1,000,000	
Excess Surplus				1,326,703	
Excess Surplus Designated for Subsequent Year's Budget				2,168,392	
Legally Restricted - Sale/Leaseback Reserve				733,478	
Committed					
Encumbrances				465,127	
Assigned					
Designated for Subsequent Year's Budget				1,360,149	
Encumbrances				732,596	
Unassigned				<u>2,134,548</u>	
Fund Balance (Budgetary Basis)				23,921,466	
Less State Aid Revenue Not Recognized on GAAP Basis				<u>(5,902,635)</u>	
Fund Balance (GAAP Basis)				<u>\$ 18,018,831</u>	

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

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 5,922,683	-	\$ 5,922,683	\$ 3,045,182	\$ (2,877,501)
Federal	4,424,877	\$ 3,063,731	7,488,608	5,879,483	(1,609,125)
Local Sources					
Miscellaneous	50,000	49,347	99,347	53,947	(45,400)
Total Revenues	<u>10,397,560</u>	<u>3,113,078</u>	<u>13,510,638</u>	<u>8,978,612</u>	<u>(4,532,026)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	3,515,641	545,279	4,060,920	3,347,191	713,729
Other Salaries for Instruction	239,266	176,500	415,766	403,139	12,627
Purchased Prof. and Tech. Svcs.	44,151	176,722	220,873	188,723	32,150
Other Purchased Services	1,639,372	215,928	1,855,300	1,631,222	224,078
General Supplies	164,285	358,400	522,685	471,930	50,755
Total Instruction	<u>5,602,715</u>	<u>1,472,829</u>	<u>7,075,544</u>	<u>6,042,205</u>	<u>1,033,339</u>
Support Services					
Salaries of Supervisors	172,887	12,001	184,888	184,600	288
Salaries of Program Directors	121,406	2,000	123,406	123,300	106
Salaries of Other Professional Staff	405,920	(306,220)	99,700	94,777	4,923
Salaries of Secretaries and Clerical Assistants	97,064	21,103	118,167	95,885	22,282
Other Salaries	222,192	13,567	235,759	184,296	51,463
Salaries of Master Teachers	74,785	6,054	80,839	80,749	90
Personal Services-Employee Benefits	1,273,315	546,452	1,819,767	1,371,784	447,983
Purchased Professional/Educational Serv.	190,443	2,783	193,226	81,234	111,992
Purchased Professional and Educational Services - Contracted Pre-K	10,000	(10,000)	-	-	-
Purchased Professional and Technical Services	84,000	81,018	84,000	53,537	27,481
Cleaning, Repair and Maintenance Services	310,000	-	310,000	30,082	53,918
Rentals	10,122	149,800	159,922	269,907	189,893
Other Purchased Services	61,000	15,110	76,110	9,040	16,192
Contracted Services - Transportation (Between Home and School)	6,000	(400)	5,600	47,332	13,268
Contracted Services - Transportation (Field Trips)	7,657	-	7,657	6,000	6,000
Travel	90,000	(4,407)	85,593	-	3,250
Miscellaneous Purchased Services	74,418	(56,700)	17,718	33,300	17,986
Supplies and Materials	181,129	255,547	436,676	197,031	58,516
Total Support Services	<u>3,211,209</u>	<u>653,290</u>	<u>3,864,499</u>	<u>2,841,540</u>	<u>1,022,959</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	15,000	95,000	110,000	20,123	89,877
Non-Instructional Equipment	1,568,636	891,959	2,460,595	74,744	2,385,851
Total Facilities Acquisition and Construction Services	<u>1,583,636</u>	<u>986,959</u>	<u>2,570,595</u>	<u>94,867</u>	<u>2,475,728</u>
Total Expenditures	<u>10,397,560</u>	<u>3,113,078</u>	<u>13,510,638</u>	<u>8,978,612</u>	<u>4,532,026</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>

**NORTH BERGEN BOARD OF EDUCATION
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 Funds are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual revenue amounts (budgetary basis) (Exhibits C-1,C-2)	\$ 120,824,920	\$ 8,978,612
Difference - budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2015-2016)	(5,902,635)	
State Aid payment recognized for GAAP statements, not recognized for budgetary purposes (2014-2015)	5,798,100	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2016		(116,899)
Encumbrances, June 30, 2015 (net of cancellations)	-	36,966
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (Exhibit B-2)	 <u>\$ 120,720,385</u>	 <u>\$ 8,898,679</u>
Uses/Outflows of Resources		
Actual expenditure amounts (budgetary basis) (Exhibits C-1, C-2)	\$ 116,777,550	\$ 8,978,612
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2016		(116,899)
Encumbrances, June 30, 2015 (net of cancellations)	-	36,966
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	 <u>\$ 116,777,550</u>	 <u>\$ 8,898,679</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Last Three Fiscal Years ***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.14486%	0.14330%	0.14066%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 32,518,415	\$ 26,830,553	\$ 26,881,871
District's Covered-Employee Payroll	\$ 10,407,670	\$ 10,021,208	\$ 9,888,563
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	312.45%	267.74%	271.85%
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.

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Last Three Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,245,417	\$ 1,181,383	\$ 1,051,611
Contributions in Relation to the Contractually Required Contributions	<u>1,245,417</u>	<u>1,181,383</u>	<u>1,051,611</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	\$ 10,407,670	\$ 10,021,208	\$ 9,888,563
Contributions as a Percentage of Covered-Employee Payroll	11.97%	11.79%	10.63%

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

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

**TEACHERS' PENSION AND ANNUITY FUND
Last 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)	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated With the District	<u>340,769,186</u>	<u>288,185,424</u>	<u>266,185,254</u>
Total	<u>\$ 340,769,186</u>	<u>\$ 288,185,424</u>	<u>\$ 266,185,254</u>
District's Covered-Employee Payroll	\$ 53,199,487	\$ 53,640,498	\$ 52,784,010
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0	0	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.

**NORTH BERGEN BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 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 5.

SPECIAL REVENUE FUND

NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Preschool Education	Juvenile Comm. Serv.	Subtotal Page 2	Subtotal Page 3	Grand Total
REVENUES					
Intergovernmental					
State	\$ 2,969,570			\$ 75,612	\$ 3,045,182
Federal			\$ 3,368,687	2,510,796	5,879,483
Other	-	\$ 53,947	-	-	53,947
Total Revenues	<u>2,969,570</u>	<u>53,947</u>	<u>3,368,687</u>	<u>2,586,408</u>	<u>8,978,612</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	1,093,425		1,981,774	271,992	3,347,191
Other Salaries for Instruction	332,721			70,418	403,139
Purchased Prof. and Tech. Svcs.			188,723		188,723
Other Purchased Services	1,374		-	1,629,848	1,631,222
General Supplies	64,004	-	147,593	260,333	471,930
Total Instruction	<u>1,491,524</u>	<u>-</u>	<u>2,318,090</u>	<u>2,232,591</u>	<u>6,042,205</u>
Support Services					
Salaries of Supervisors of Instruction	120,700		63,900		184,600
Salaries of Program Directors	123,300				123,300
Salaries of Other Professional Staff	90,652		4,125		94,777
Salaries of Secretaries and Clerical Assistants	58,924		36,961		95,885
Other Salaries	169,680	14,616			184,296
Salaries of Master Teachers	80,749				80,749
Personal Services-Employee Benefits	381,641	1,118	864,670	124,355	1,371,784
Purchased Educational Services - Contracted Pre-K					-
Purchased Professional/Educational Serv.	62,508	18,726			81,234
Purchased Professional and Technical Serv.			53,537		53,537
Cleaning, Repairs and Maintenance	30,082				30,082
Rentals	190,522			79,385	269,907
Other Purchased Services			9,040		9,040
Contracted Transportation Services	37,801	9,531			47,332
Miscellaneous Purchased Services	17,986				17,986
Supplies and Materials	55,679	9,956	18,364	113,032	197,031
Total Support Services	<u>1,420,224</u>	<u>53,947</u>	<u>1,050,597</u>	<u>316,772</u>	<u>2,841,540</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	4,131			15,992	20,123
NonInstructional	53,691	-	-	21,053	74,744
Total Facilities Acquisition and Construction Services	<u>57,822</u>	<u>-</u>	<u>-</u>	<u>37,045</u>	<u>94,867</u>
Total Expenditures	<u>2,969,570</u>	<u>53,947</u>	<u>3,368,687</u>	<u>2,586,408</u>	<u>8,978,612</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

N.C.L.B. Consolidated

	Title I	Title II A	Title III	Title III Immig	Page Total
REVENUES					
Intergovernmental					
Federal	\$ 2,917,356	\$ 272,181	\$ 167,761	\$ 11,389	\$ 3,368,687
Total Revenues	2,917,356	272,181	167,761	11,389	3,368,687
EXPENDITURES					
Instruction					
Salaries of Teachers	1,733,248	165,721	72,225	10,580	1,981,774
Purchased Prof. and Tech. Serv.	188,723				188,723
Other Purchased Services					-
General Supplies	56,604	-	90,989	-	147,593
Total Instruction	1,978,575	165,721	163,214	10,580	2,318,090
Support Services					
Salaries of Supervisors of Instruction	63,900				63,900
Salaries of Other Professional Staff	4,125				4,125
Salaries of Secretaries and Clerical Assistants	36,961				36,961
Personal Services-Employee Benefits	787,451	71,863	4,547	809	864,670
Purchased Professional and Technical	18,940	34,597			53,537
Other Purchased Services	9,040				9,040
Supplies and Materials	18,364	-	-	-	18,364
Total Support Services	938,781	106,460	4,547	809	1,050,597
Total Expenditures	2,917,356	272,181	167,761	11,389	3,368,687
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	IDEA					Page Total
	Preschool Expansion	Basic	Preschool	Race To The Top	Bridging the Device Gap	
REVENUES						
Intergovernmental						
State					\$ 75,612	\$ 75,612
Federal	\$ 688,708	\$ 1,707,860	\$ 50,417	\$ 63,811	-	2,510,796
Total Revenues	<u>688,708</u>	<u>1,707,860</u>	<u>50,417</u>	<u>63,811</u>	<u>75,612</u>	<u>2,586,408</u>
EXPENDITURES						
Instruction						
Salaries of Teachers	271,992					271,992
Other Salaries for Instruction	70,418					70,418
Other Purchased Services		1,579,431	50,417	-	-	1,629,848
General Supplies	92,062	92,659	-	-	75,612	260,333
Total Instruction	<u>434,472</u>	<u>1,672,090</u>	<u>50,417</u>	<u>-</u>	<u>75,612</u>	<u>2,232,591</u>
Support Services						
Personal Services-Employee Benefits	124,355					124,355
Rentals	79,385					79,385
Supplies and Materials	21,934	27,287	-	63,811	-	113,032
Total Support Services	<u>225,674</u>	<u>27,287</u>	<u>-</u>	<u>63,811</u>	<u>-</u>	<u>316,772</u>
Facilities Acquisition and Construction Svcs						
Instructional Equipment	7,509	8,483				15,992
NonInstructional Equipment	21,053	-	-	-	-	21,053
Total Facilities Acquisition and Construction Svcs.	<u>28,562</u>	<u>8,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,045</u>
Total Expenditures	<u>688,708</u>	<u>1,707,860</u>	<u>50,417</u>	<u>63,811</u>	<u>75,612</u>	<u>2,586,408</u>
Fund Balance, Beginning of Year	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Instruction			
Salaries of Teachers	\$ 1,093,435	\$ 1,093,425	\$ 10
Other Salaries of Instruction	334,766	332,721	2,045
Other Purchased Services	7,600	1,374	6,226
General Supplies	66,000	64,004	1,996
	<u>1,501,801</u>	<u>1,491,524</u>	<u>10,277</u>
Total Instruction			
Support Services			
Salaries of Supervisors	120,888	120,700	188
Salaries of Program Directors	123,406	123,300	106
Salaries of Other Professional Staff	93,700	90,652	3,048
Salaries of Secretaries and Clerical Assistants	58,931	58,924	7
Other Salaries	207,000	169,680	37,320
Salaries of Master Teachers	80,839	80,749	90
Personal Services - Employee Benefit:	594,996	381,641	213,355
Purchased Professional Educational Services	154,500	62,508	91,992
Cleaning, Repairs and Maintenance	84,000	30,082	53,918
Rentals	303,000	190,522	112,478
Contracted Transportation Services (Between Home and School)	60,600	37,801	22,799
Contracted Transportation Services (Field Trips)	6,000		6,000
Travel	2,500		2,500
Miscellaneous Purchased Services	33,300	17,986	15,314
Supplies and Materials	73,100	55,679	17,421
	<u>1,996,760</u>	<u>1,420,224</u>	<u>576,536</u>
Total Support Services			
Facilities Acquisition and Construction Services			
Instructional Equipment	50,000	4,131	45,869
Non Instructional Equipment	2,374,122	53,691	2,320,431
	<u>2,424,122</u>	<u>57,822</u>	<u>2,366,300</u>
Total Facilities Acquisition and Construction Services			
Total Expenditures	<u>\$ 5,922,683</u>	<u>\$ 2,969,570</u>	<u>\$ 2,953,113</u>
Total Revised 2015-2016 Preschool Education Aid Allocation		\$ 3,762,168	
Actual Preschool Education Aid Carryover (June 30, 2015)		2,637,508	
Add: Prior Year Encumbrances Cancelled		12,631	
Total Preschool Education Aid Funds Available for 2015-2016 Budget		6,412,307	
Less: 2015-2016 Budgeted Preschool Education Aid (including Prior Year Budgeted Carryover)		<u>5,922,683</u>	
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2016		489,624	
Add: 2015-2016 Unexpended Preschool Education Aid		<u>2,953,113</u>	
2015-2016 Carryover - Preschool Education Aid/Preschool		<u>\$ 3,442,737</u>	
2015-2016 Preschool Education Aid Carryover Budgeted for Preschool Programs 2016-2017		<u>\$ 2,637,308</u>	

CAPITAL PROJECTS FUND

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Issue/Project Title</u>	<u>Modified Appropriations</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2016</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Lease Purchase 1998- Various Impvts.	\$ 9,000,000	\$ 8,313,951		\$ 686,049
Lease Purchase 1999- Various Impvts.	10,120,852	9,985,860		134,992
SDA Projects:				
Franklin Elementary School Rehabilitation - Window Replacement	1,184,585	1,184,401		184
Lincoln Elementary School Rehabilitation - Window Replacement	1,032,766	1,032,583		183
North Bergen High School Addition and Rehabilitation - Guidance and Health Suites	1,654,871	1,484,917	\$ 37,722	132,232
North Bergen High School Rehabilitation - Brick Façade Repair and Restoration	842,820	825,342	17,378	100
Horace Mann Elementary School Rehabilitation - Window Replacement and Exterior Doors	2,508,500	2,408,847	5,604	94,049
Robert Fulton Elementary School Rehabilitation - Window Replacement and Exterior Doors	2,474,430	1,884,973	337,544	251,913
McKinley Elementary School Rehabilitation - Window Replacement	1,211,001	82,037	28,008	1,100,956
McKinley Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	493,789	10,530	135,580	347,679
Robert Fulton Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	831,220	3,825	339,138	488,257
Robert Fulton Elementary School Rehabilitation - Basement Foundation and Exterior Walls	131,971			131,971
North Bergen High School Rehabilitation	201,519	12,444	132,838	56,237
North Bergen High School Rehabilitation Fire Alarm System Upgrades	2,349,688	969,503	372,703	1,007,482
Lincoln Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	711,351	13,125	21,572	676,654
Horace Mann Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	754,250	4,050	431,870	318,330
McKinley Elementary School Rehabilitation - Security Camera Installation	148,107	73,329		74,778
Lincoln Elementary School Rehabilitation - Security Camera Installation	221,656	140,828		80,828
John F. Kennedy Elementary School Security Camera Installation	153,322	98,794		54,528
Horace Mann Elementary School Rehabilitation - Security Camera Installation	171,904	111,337		60,567
Franklin Elementary School Rehabilitation - Security Camera Installation	151,603	92,107		59,496
Robert Fulton Elementary School Rehabilitation - Security Camera Installation	245,691	151,934		93,757
North Bergen High School Electrical Upgrades	441,700	441,700		
North Bergen High School Rehabilitation - Maintenance Room Conversion	168,120	168,120	-	-
	<u>\$ 37,205,716</u>	<u>\$ 29,494,537</u>	<u>\$ 1,859,957</u>	<u>\$ 5,851,222</u>
<u>Reconciliation of Project Balances to Fund Balance</u>				
Project Balances at June 30, 2016				\$ 5,851,222
Less: Unrealized Revenue SDA Grants				<u>(1,915,988)</u>
Fund Balance (GAAP)				<u>\$ 3,935,234</u>
<u>Recapitulation of Fund Balance</u>				
Restricted for Capital Projects				
Year-End Encumbrances				\$ 2,136,553
Available for Capital Projects				<u>1,798,681</u>
Total Fund Balance- Restricted for Capital Projects				<u>\$ 3,935,234</u>

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

REVENUES AND OTHER FINANCING SOURCES

Local Sources	
Transfer from Capital Reserve	\$ 233,650
 Total Revenues	 <u>233,650</u>
 EXPENDITURES AND OTHER FINANCING USES	
Architectural/Engineering Services	156,335
Construction Services	<u>1,703,622</u>
 Total Expenditures	 <u>1,859,957</u>
 Excess of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources	 (1,626,307)
 Fund Balance, Beginning of Year	 <u>7,477,529</u>
 Fund Balance, End of Year	 <u>\$ 5,851,222</u>

Reconciliation to GAAP Fund Balance, June 30, 2016

Fund Balance, Budgetary Basis	\$ 5,851,222
Less: School Development Authority (SDA) Unearned Revenue	<u>(1,915,988)</u>
Fund Balance, GAAP Basis	<u>\$ 3,935,234</u>

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
FRANKLIN ELEMENTARY SCHOOL REHABILITATION - WINDOW REPLACEMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Additional Project Information:

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

Percentage Increase over Original Authorized
Cost

-32%

Percentage Completion

100%

Original Target Completion Date

February 1, 2011

Revised Target Completion Date

February 1, 2013

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
LINCOLN ELEMENTARY SCHOOL REHABILITATION - WINDOW REPLACEMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Additional Project Information:

Project Number	3610-090-09-1009
Grant Date	May 1, 2009
Original Authorized Cost	\$ 1,533,656
Adjustment	(500,890)
Revised Authorized Cost	\$ 1,032,766
Percentage Increase over Original Authorized Cost	-33%
Percentage Completion	100%
Original Target Completion Date	February 1, 2011
Revised Target Completion Date	February 1, 2013

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
NORTH BERGEN HIGH SCHOOL ADDITION AND REHABILITATION
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 827,591		\$ 827,591	\$ 827,591
Local Sources	<u>827,280</u>	<u>-</u>	<u>827,280</u>	<u>827,280</u>
 Total Revenues	 <u>1,654,871</u>	 <u>-</u>	 <u>1,654,871</u>	 <u>1,654,871</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	248,013	\$ 2,767	250,780	198,585
Construction Services	<u>1,236,904</u>	<u>34,955</u>	<u>1,271,859</u>	<u>1,456,286</u>
 Total Expenditures and Other Financing Uses	 <u>1,484,917</u>	 <u>37,722</u>	 <u>1,522,639</u>	 <u>1,654,871</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 169,954</u>	 <u>\$ (37,722)</u>	 <u>\$ 132,232</u>	 <u>\$ -</u>

Additional Project Information:

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

Percentage Increase over Original Authorized
Cost

10%

Percentage Completion

89%

Original Target Completion Date

December 15, 2010

Revised Target Completion Date

December 31, 2015

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
NORTH BERGEN HIGH SCHOOL REHABILITATION - BRICK FAÇADE REPAIR AND RESTORATION
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 496,901		\$ 496,901	\$ 496,901
Local Sources	<u>344,536</u>	<u>\$ 1,383</u>	<u>345,919</u>	<u>345,919</u>
 Total Revenues	 <u>841,437</u>	 <u>1,383</u>	 <u>842,820</u>	 <u>842,820</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	154,786	1,483	156,269	101,138
Construction Services	<u>670,556</u>	<u>15,895</u>	<u>686,451</u>	<u>741,682</u>
 Total Expenditures and Other Financing Uses	 <u>825,342</u>	 <u>17,378</u>	 <u>842,720</u>	 <u>842,820</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 16,095</u>	 <u>\$ (15,995)</u>	 <u>\$ 100</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	3610-050-09-1007
Grant Date	May 1, 2009
Original Authorized Cost	\$ 1,079,111
Adjustment	(236,291)
Revised Authorized Cost	\$ 842,820

Percentage Increase over Original Authorized
Cost

-22%

Percentage Completion

98%

Original Target Completion Date

December 15, 2010

Revised Target Completion Date

December 31, 2015

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
HORACE MANN ELEMENTARY SCHOOL REHABILITATION - WINDOW REPLACEMENT AND EXTERIOR DOORS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,254,556		\$ 1,254,556	\$ 1,254,556
Local Sources	1,253,944	-	1,253,944	1,253,944
Total Revenues	<u>2,508,500</u>	<u>-</u>	<u>2,508,500</u>	<u>2,508,500</u>
 Expenditures and Other Financing Uses				
Architectural/Engineering Services	291,708	\$ 5,604	297,312	301,020
Construction Services	2,117,139	-	2,117,139	2,207,480
Total Expenditures and Other Financing Uses	<u>2,408,847</u>	<u>5,604</u>	<u>2,414,451</u>	<u>2,508,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 99,653</u>	<u>\$ (5,604)</u>	<u>\$ 94,049</u>	<u>\$ -</u>

Additional Project Information:

Project Number	3610-070-10-1003
Grant Date	August 31, 2010
Original Authorized Cost	\$ 2,269,313
Additional Authorized Cost	239,187
Revised Authorized Cost	\$ 2,508,500

Percentage Increase over Original Authorized

Cost	11%
Percentage Completion	96%
Original Target Completion Date	June 30, 2012
Revised Target Completion Date	June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ROBERT FULTON ELEMENTARY SCHOOL REHABILITATION - WINDOW REPLACEMENT AND EXTERIOR DOORS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,367,952	-	\$ 1,367,952	\$ 1,367,952
Local Sources	<u>1,106,478</u>	-	<u>1,106,478</u>	<u>1,106,478</u>
Total Revenues	<u>2,474,430</u>	-	<u>2,474,430</u>	<u>2,474,430</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	103,615	\$ 4,107	107,722	296,932
Construction Services	<u>1,781,358</u>	<u>333,437</u>	<u>2,114,795</u>	<u>2,177,498</u>
Total Expenditures and Other Financing Uses	<u>1,884,973</u>	<u>337,544</u>	<u>2,222,517</u>	<u>2,474,430</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 589,457</u>	<u>\$ (337,544)</u>	<u>\$ 251,913</u>	<u>\$ -</u>

Additional Project Information:

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

Percentage Decrease over Original Authorized

Cost	-1%
Percentage Completion	90%
Original Target Completion Date	June 30, 2014
Revised Target Completion Date	June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
McKINLEY ELEMENTARY SCHOOL REHABILITATION - WINDOW REPLACEMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 673,885		\$ 673,885	\$ 673,885
Local Sources	<u>436,161</u>	<u>\$ 100,955</u>	<u>537,116</u>	<u>537,116</u>
 Total Revenues	 <u>1,110,046</u>	 <u>100,955</u>	 <u>1,211,001</u>	 <u>1,211,001</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	82,037	28,008	110,045	145,320
Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,065,681</u>
 Total Expenditures and Other Financing Uses	 <u>82,037</u>	 <u>28,008</u>	 <u>110,045</u>	 <u>1,211,001</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 1,028,009</u>	 <u>\$ 72,947</u>	 <u>\$ 1,100,956</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	3610-100-14-1014
Grant Date	January 6, 2014
Original Authorized Cost	\$ 1,110,046
Additional Authorized Cost	100,955
Revised Authorized Cost	\$ 1,211,001

Percentage Increase over Original Authorized

Cost	9%
Percentage Completion	7%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
McKINLEY ELEMENTARY SCHOOL REHABILITATION - EXTERIOR MASONRY, FAÇADE,
AND SEALANTS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 170,474		\$ 170,474	\$ 170,474
Local Sources	323,315	-	323,315	323,315
	<u>493,789</u>	<u>-</u>	<u>493,789</u>	<u>493,789</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	10,530	\$ 4,191	14,721	59,255
Construction Services	-	131,389	131,389	434,534
	<u>10,530</u>	<u>135,580</u>	<u>146,110</u>	<u>493,789</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 483,259</u>	<u>\$ (135,580)</u>	<u>\$ 347,679</u>	<u>\$ -</u>

Additional Project Information:

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

Percentage Increase over Original Authorized

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

NORTH BERGEN BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
 ROBERT FULTON ELEMENTARY SCHOOL REHABILITATION
 ROOF REPLACEMENT AND MASONRY REPAIRS
 FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 471,366		\$ 471,366	\$ 471,366
Local Sources	<u>305,084</u>	<u>\$ 54,770</u>	<u>359,854</u>	<u>359,854</u>
 Total Revenues	 <u>776,450</u>	 <u>54,770</u>	 <u>831,220</u>	 <u>831,220</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	3,825	25,450	29,275	99,746
Construction Services	<u>-</u>	<u>313,688</u>	<u>313,688</u>	<u>731,474</u>
 Total Expenditures and Other Financing Uses	 <u>3,825</u>	 <u>339,138</u>	 <u>342,963</u>	 <u>831,220</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 772,625</u>	 <u>\$ (284,368)</u>	 <u>\$ 488,257</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	3610-110-14-1021
Grant Date	January 6, 2014
Original Authorized Cost	\$ 776,450
Additional Authorized Cost	54,770
Revised Authorized Cost	\$ 831,220

Percentage Increase over Original Authorized

Cost	7%
Percentage Completion	41%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ROBERT FULTON ELEMENTARY SCHOOL REHABILITATION
BASEMENT FOUNDATION AND EXTERIOR WALLS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Additional Project Information:

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

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
NORTH BERGEN HIGH SCHOOL REHABILITATION
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 96,853		\$ 96,853	\$ 96,853
Local Sources	<u>62,687</u>	\$ 41,979	<u>104,666</u>	<u>104,666</u>
 Total Revenues	 <u>159,540</u>	 <u>41,979</u>	 <u>201,519</u>	 <u>201,519</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	12,444	11,547	23,991	24,182
Construction Services	<u>-</u>	<u>121,291</u>	<u>121,291</u>	<u>177,337</u>
 Total Expenditures and Other Financing Uses	 <u>12,444</u>	 <u>132,838</u>	 <u>145,282</u>	 <u>201,519</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 147,096</u>	<u>\$ (90,859)</u>	<u>\$ 56,237</u>	<u>\$ -</u>

Additional Project Information:

Project Number	3610-050-14-1001
Grant Date	January 6, 2014
Original Authorized Cost	\$ 159,540
Additional Authorized Cost	41,979
Revised Authorized Cost	\$ 201,519

Percentage Increase over Original Authorized

Cost	26%
Percentage Completion	72%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
NORTH BERGEN HIGH SCHOOL REHABILITATION
FIRE ALARM SYSTEM UPGRADES
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,028,815		\$ 1,028,815	\$ 1,028,815
Local Sources	<u>1,301,910</u>	\$ 18,963	<u>1,320,873</u>	<u>1,320,873</u>
 Total Revenues	 <u>2,330,725</u>	 <u>18,963</u>	 <u>2,349,688</u>	 <u>2,349,688</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	89,944	38,970	128,914	281,963
Construction Services	<u>879,559</u>	<u>333,733</u>	<u>1,213,292</u>	<u>2,067,725</u>
 Total Expenditures and Other Financing Uses	 <u>969,503</u>	 <u>372,703</u>	 <u>1,342,206</u>	 <u>2,349,688</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 1,361,222</u>	 <u>\$ (353,740)</u>	 <u>\$ 1,007,482</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	3610-050-14-1002
Grant Date	January 6, 2014
Original Authorized Cost	\$ 1,694,700
Additional Authorized Cost	654,988
Revised Authorized Cost	\$ 2,349,688
 Percentage Increase over Original Authorized Cost	 39%
Percentage Completion	57%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
LINCOLN ELEMENTARY SCHOOL REHABILITATION
EXTERIOR MASONRY, FAÇADE AND SEALANTS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 308,116		\$ 308,116	\$ 308,116
Local Sources	403,235	-	403,235	403,235
	<u>711,351</u>	<u>-</u>	<u>711,351</u>	<u>711,351</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	13,125	\$ 992	14,117	85,362
Construction Services	-	20,580	20,580	625,989
	<u>13,125</u>	<u>21,572</u>	<u>34,697</u>	<u>711,351</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 698,226</u>	<u>\$ (21,572)</u>	<u>\$ 676,654</u>	<u>\$ -</u>

Additional Project Information:

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

Percentage Decrease over Original Authorized
Cost

40%

Percentage Completion

5%

Original Target Completion Date

June 30, 2015

Revised Target Completion Date

June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
HORACE MANN ELEMENTARY SCHOOL REHABILITATION
ROOF REPLACEMENT AND MASONRY REPAIRS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 448,418		\$ 448,418	\$ 448,418
Local Sources	<u>290,232</u>	<u>\$ 15,600</u>	<u>305,832</u>	<u>305,832</u>
 Total Revenues	 <u>738,650</u>	 <u>15,600</u>	 <u>754,250</u>	 <u>754,250</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	4,050	33,216	37,266	90,510
Construction Services	<u>-</u>	<u>398,654</u>	<u>398,654</u>	<u>663,740</u>
 Total Expenditures and Other Financing Uses	 <u>4,050</u>	 <u>431,870</u>	 <u>435,920</u>	 <u>754,250</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 734,600</u>	 <u>\$ (416,270)</u>	 <u>\$ 318,330</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	3610-070-14-1020
Grant Date	January 6, 2014
Original Authorized Cost	\$ 738,650
Additional Authorized Cost	15,600
Revised Authorized Cost	\$ 754,250

Percentage Decrease over Original Authorized

Cost	2%
Percentage Completion	58%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
McKINLEY ELEMENTARY SCHOOL REHABILITATION
SECURITY CAMERA INSTALLATION
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Additional Project Information:

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

Percentage Increase over Original Authorized

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

NORTH BERGEN BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
 LINCOLN ELEMENTARY SCHOOL REHABILITATION
 SECURITY CAMERA INSTALLATION
 FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016

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

Additional Project Information:

Project Number	3610-090-14-1012
Grant Date	January 6, 2014
Original Authorized Cost	\$ 143,661
Additional Authorized Cost	77,995
Revised Authorized Cost	\$ 221,656
Percentage Increase over Original Authorized Cost	54%
Percentage Completion	64%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2016

NORTH BERGEN BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
 JOHN F. KENNEDY ELEMENTARY SCHOOL REHABILITATION
 SECURITY CAMERA INSTALLATION
 FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016

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

Additional Project Information:

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

Percentage Increase over Original Authorized

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

NORTH BERGEN BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
 HORACE MANN ELEMENTARY SCHOOL REHABILITATION
 SECURITY CAMERA INSTALLATION
 FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016

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

Additional Project Information:

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

Percentage Increase over Original Authorized

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

NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
FRANKLIN ELEMENTARY SCHOOL REHABILITATION
SECURITY CAMERA INSTALLATION
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016

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

Additional Project Information:

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

Percentage Increase over Original Authorized

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

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ROBERT FULTON ELEMENTARY SCHOOL REHABILITATION
SECURITY CAMERA INSTALLATION
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Additional Project Information:

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

Percentage Decrease over Original Authorized

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

NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
NORTH BERGEN HIGH SCHOOL ELECTRICAL UPGRADES
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016

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

Additional Project Information:

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

Percentage Increase over Original Authorized

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

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
NORTH BERGEN HIGH SCHOOL REHABILITATION - MAINTENANCE ROOM CONVERSION
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2016**

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

PROPRIETARY FUNDS

**NORTH BERGEN BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2016**

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

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

FIDUCIARY FUNDS

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2016**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 179,811	\$ 3,924,174	\$ 4,103,985
Due from Other Funds	<u>90,283</u>	<u>-</u>	<u>90,283</u>
Total Assets	<u>\$ 270,094</u>	<u>\$ 3,924,174</u>	<u>\$ 4,194,268</u>
LIABILITIES			
Payroll and Payroll Deductions and Withholdings		\$ 591,354	\$ 591,354
Accrued Salaries and Wages		3,117,988	3,117,988
Due to Other Funds		214,832	214,832
Due to Student Groups	<u>\$ 270,094</u>	<u>-</u>	<u>270,094</u>
Total Liabilities	<u>\$ 270,094</u>	<u>\$ 3,924,174</u>	<u>\$ 4,194,268</u>

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

**STUDENT ACTIVITY 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>Disbursements</u>	Balance, June 30, <u>2016</u>
ELEMENTARY SCHOOLS	\$ 98,739	\$ 234,595	\$ 222,285	\$ 111,049
HIGH SCHOOL				
Athletic	3,648	22,785	25,938	495
General	<u>180,271</u>	<u>293,146</u>	<u>314,867</u>	<u>158,550</u>
Total	<u>\$ 282,658</u>	<u>\$ 550,526</u>	<u>\$ 563,090</u>	<u>\$ 270,094</u>

**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 <u>Disbursements</u>	Balance, June 30, <u>2016</u>
ASSETS				
Cash	<u>\$ 3,076,791</u>	<u>\$ 91,319,936</u>	<u>\$ 90,472,553</u>	<u>\$ 3,924,174</u>
Total Assets	<u>\$ 3,076,791</u>	<u>\$ 91,319,936</u>	<u>\$ 90,472,553</u>	<u>\$ 3,924,174</u>
LIABILITIES				
Payroll and Payroll Deductions and Withholdings	\$ 26,265	\$ 88,110,208	\$ 87,545,119	\$ 591,354
Accrued Salaries and Wages	2,939,225	3,106,197	2,927,434	3,117,988
Due to Other Funds	<u>111,301</u>	<u>103,531</u>	<u>-</u>	<u>214,832</u>
Total Liabilities	<u>\$ 3,076,791</u>	<u>\$ 91,319,936</u>	<u>\$ 90,472,553</u>	<u>\$ 3,924,174</u>

LONG-TERM DEBT

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>					
Refunding School Bonds	5/21/2009	\$ 3,125,000	3/1/2017	\$ 355,000	4.000 %	\$ 1,070,000		\$ 350,000	\$ 720,000
			3/1/2018	365,000	4.000				
Pension Obligation Refunding Bonds	10/31/2013	3,225,000	4/1/2017	225,000	2.481				
			4/1/2018	230,000	2.931				
			4/1/2019	235,000	3.319				
			4/1/2020	240,000	3.719				
			4/1/2021	250,000	4.054				
			4/1/2022	265,000	4.254				
			4/1/2023	275,000	4.504				
			4/1/2024	285,000	5.054				
			4/1/2025	300,000	5.054				
			4/1/2026	275,000	5.054				
					<u>2,800,000</u>	-	<u>220,000</u>	<u>2,580,000</u>	
					<u>\$ 3,870,000</u>	<u>\$ -</u>	<u>\$ 570,000</u>	<u>\$ 3,300,000</u>	

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
OBLIGATIONS UNDER LEASE-PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Certificates of Participation	7/1/2010	\$ 5,590,000	12/15/2016	\$ 590,000	3.00 %				
			12/15/2017	610,000	3.375				
			12/15/2018	1,155,000	3.750	\$ 2,930,000		\$ 575,000	\$ 2,355,000
Certificates of Participation	2/1/2005	10,285,000				8,495,000		8,495,000	
Refunding Certificates of Participation	2/25/2016	7,575,000	12/15/2016	385,000	2.00				
			12/15/2017	400,000	3.00				
			12/15/2018	295,000	3.00				
			12/15/2019	1,540,000	4.00				
			12/15/2020	1,590,000	4.00				
			12/15/2021	1,650,000	4.00				
			12/15/2022	1,715,000	4.00				
						-	\$ 7,575,000	-	7,575,000
						<u>\$ 11,425,000</u>	<u>\$ 7,575,000</u>	<u>\$ 9,070,000</u>	<u>\$ 9,930,000</u>
								\$ 8,080,000	
								990,000	
								<u>\$ 9,070,000</u>	

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SALES/LEASEBACK OBLIGATIONS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Description</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance June 30, 2016</u>
Acquisition and Improvement of Real Property for School Purposes	1/31/2014	\$ 2,535,000	1.54%	<u>\$ 1,710,000</u>	<u>\$ -</u>	<u>\$ 505,000</u>	<u>\$ 1,205,000</u>

NORTH BERGEN BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 1,573,392		\$ 1,573,392	\$ 1,573,392	
State Sources					
Debt Service Aid	<u>551,188</u>	<u>-</u>	<u>551,188</u>	<u>551,188</u>	<u>-</u>
Total Revenues	<u>2,124,580</u>	<u>-</u>	<u>2,124,580</u>	<u>2,124,580</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service:					
Lease Purchase					
Principal	990,000		990,000	990,000	
Interest	420,038		420,038	346,769	\$ 73,269
Pension Obligation Bonds					
Principal	220,000		220,000	220,000	
Interest	110,217		110,217	110,217	
Bonds					
Principal	350,000		350,000	350,000	
Interest	42,800		42,800	42,800	
Cost of Issuance	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,143</u>	<u>(199,143)</u>
Total Expenditures	<u>2,133,055</u>	<u>-</u>	<u>2,133,055</u>	<u>2,258,929</u>	<u>(125,874)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,475)	-	(8,475)	(134,349)	(125,874)
Other Financing Sources (Uses)					
Payments to Refunding Escrow Agent				(8,172,342)	(8,172,342)
Premium on Refunding COPS				800,793	800,793
Refunding Certificate of Participation Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,575,000</u>	<u>7,575,000</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,451</u>	<u>203,451</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(8,475)	-	(8,475)	69,102	77,577
Fund Balance, Beginning of Year	<u>8,476</u>	<u>-</u>	<u>8,476</u>	<u>8,476</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 77,578</u>	<u>\$ 77,577</u>
Recapitulation of Fund Balance:					
Designated for Subsequent Year's Budget				\$ 73,269	
Available for Future Debt Service				<u>4,309</u>	
				<u>\$ 77,578</u>	

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

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

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

	Fiscal Year Ended June 30.									
	2007	2008	2009	2010	2011 (1)	2012	2013	2014 (2)	2015	2016
Governmental Activities										
Net Investment in Capital Assets	\$ 29,212,551	\$ 30,824,293	\$ 33,055,459	\$ 36,835,059	\$ 40,233,862	\$ 41,423,409	\$ 42,221,991	\$ 40,601,409	\$ 45,233,311	\$ 46,523,366
Restricted	620,269	66,386	1,058,327	2,108,738	6,114,077	8,314,077	10,814,307	14,765,943	10,301,109	18,322,309
Unrestricted	(10,180,017)	(11,478,408)	(8,475,251)	(6,979,201)	(7,932,653)	(6,036,044)	(8,108,779)	(35,618,889)	(31,328,800)	(36,862,342)
Total Governmental Activities Net Position	\$ 19,652,803	\$ 19,412,271	\$ 25,638,535	\$ 31,964,596	\$ 38,415,286	\$ 43,701,442	\$ 44,927,519	\$ 19,748,463	\$ 24,205,620	\$ 27,983,333
Business-Type Activities										
Net Investment in Capital Assets	\$ 2,523	\$ 520		\$ 12,800	\$ 24,908	\$ 23,185	\$ 21,462	\$ 34,275	\$ 31,513	\$ 28,752
Unrestricted	(3,941)	(40,270)	\$ (52,945)	129,864	204,372	387,268	549,791	691,390	769,370	1,015,447
Total Business-Type Activities Net Position	\$ (1,418)	\$ (39,750)	\$ (52,945)	\$ 142,664	\$ 229,280	\$ 410,453	\$ 571,253	\$ 725,665	\$ 800,883	\$ 1,044,199
District-Wide										
Net Investment in Capital Assets	\$ 29,215,074	\$ 30,824,813	\$ 33,055,459	\$ 36,847,859	\$ 40,258,770	\$ 41,446,594	\$ 42,243,453	\$ 40,635,684	\$ 45,264,824	\$ 46,552,118
Restricted	620,269	66,386	1,058,327	2,108,738	6,114,077	8,314,077	10,814,307	14,765,943	10,301,109	18,322,309
Unrestricted	(10,183,958)	(11,518,678)	(8,528,196)	(6,849,337)	(7,728,281)	(5,648,776)	(7,558,988)	(34,927,499)	(30,559,430)	(35,846,895)
Total District Net Position	\$ 19,651,385	\$ 19,372,521	\$ 25,585,590	\$ 32,107,260	\$ 38,644,566	\$ 44,111,895	\$ 45,498,772	\$ 20,474,128	\$ 25,006,503	\$ 29,027,532

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

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

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 44,464,574	\$ 46,582,265	\$ 42,407,760	\$ 45,774,580	\$ 44,937,810	\$ 46,698,490	\$ 49,890,427	\$ 48,062,992	\$ 56,216,853	\$ 60,312,510
Special Education	11,154,966	12,315,857	13,557,808	14,858,496	13,750,989	14,935,338	15,393,829	16,364,077	20,000,057	21,371,331
Other Instruction	3,998,005	4,518,641	8,549,947	8,330,203	8,184,243	9,141,683	10,598,844	9,400,836	9,742,185	10,357,495
School Sponsored Activities And Athletics	1,446,145	1,617,356	1,616,241	1,711,124	1,688,966	1,899,603	2,101,085	2,087,712	2,284,648	2,450,975
Community Services Programs			125,000							
Support Services:										
Student & Instruction Related Services	13,042,658	12,767,171	11,797,283	13,785,679	13,829,858	14,025,679	13,655,646	13,433,274	15,204,154	16,519,639
General Administration	2,301,630	2,783,970	2,685,869	2,637,217	2,712,890	2,489,391	2,849,487	2,446,297	2,527,627	2,800,487
School Administrative Services	6,024,017	6,037,313	6,375,518	6,378,395	7,012,372	6,818,014	7,659,657	8,005,807	9,453,664	10,169,920
Plant Operations And Maintenance	10,707,442	10,867,307	11,834,784	12,375,525	12,543,652	12,807,210	13,724,829	14,789,426	14,147,869	13,723,364
Pupil Transportation	3,004,714	3,567,082	3,626,295	3,528,580	3,727,566	4,059,359	3,825,607	3,796,694	4,019,075	3,957,813
Business and Other Support Services	1,997,109	2,244,450	2,330,808	2,422,790	2,605,588	2,650,591	2,802,117	2,716,209	3,145,017	3,093,191
Interest On Long-Term Debt	1,348,705	1,261,737	1,155,510	1,081,169	964,942	925,499	900,966	910,459	819,740	841,211
Total Governmental Activities Expenses	<u>99,489,965</u>	<u>104,363,149</u>	<u>106,062,823</u>	<u>112,883,758</u>	<u>111,958,876</u>	<u>116,450,857</u>	<u>123,402,494</u>	<u>122,013,783</u>	<u>137,560,889</u>	<u>145,597,736</u>
Business-Type Activities:										
Food Service	<u>2,284,558</u>	<u>2,552,147</u>	<u>2,642,969</u>	<u>2,667,679</u>	<u>2,778,034</u>	<u>2,911,970</u>	<u>2,947,175</u>	<u>2,903,222</u>	<u>2,945,158</u>	<u>2,989,029</u>
Total Business-Type Activities Expense	<u>2,284,558</u>	<u>2,552,147</u>	<u>2,642,969</u>	<u>2,667,679</u>	<u>2,778,034</u>	<u>2,911,970</u>	<u>2,947,175</u>	<u>2,903,222</u>	<u>2,945,158</u>	<u>2,989,029</u>
Total District Expenses	<u>\$ 101,774,523</u>	<u>\$ 106,915,296</u>	<u>\$ 108,705,792</u>	<u>\$ 115,551,437</u>	<u>\$ 114,736,910</u>	<u>\$ 119,362,827</u>	<u>\$ 126,349,669</u>	<u>\$ 124,917,005</u>	<u>\$ 140,506,047</u>	<u>\$ 148,586,765</u>
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Instruction	\$ 2,757,906	\$ 2,638,545	\$ 2,793,292	\$ 3,955,375	\$ 4,509,007	\$ 4,022,183	\$ 3,385,154	\$ 4,389,854	\$ 4,293,630	\$ 4,029,702
Operating Grants And Contributions	28,644,682	29,697,505	19,893,303	33,902,773	23,564,868	25,015,529	26,589,456	23,763,862	38,311,398	44,897,037
Capital Grants And Contributions	65,501	31,181	-	1,415,573	1,201,613	896,328	697,311	84,373	1,984,809	1,084,063
Total Governmental Activities Program Revenues	<u>31,468,089</u>	<u>32,367,231</u>	<u>22,686,595</u>	<u>39,273,721</u>	<u>29,275,488</u>	<u>29,934,040</u>	<u>30,671,921</u>	<u>28,238,089</u>	<u>44,589,837</u>	<u>50,010,802</u>
Business-Type Activities:										
Charges For Services										
Food Service	\$ 676,731	\$ 768,623	\$ 750,148	\$ 741,010	\$ 734,672	\$ 723,677	\$ 637,575	\$ 596,612	\$ 603,366	\$ 608,017
Operating Grants And Contributions	1,598,271	1,745,192	1,879,626	2,109,478	2,116,924	2,369,269	2,470,315	2,460,891	2,416,884	2,623,970
Total Business Type Activities Program Revenues	<u>2,275,002</u>	<u>2,513,815</u>	<u>2,629,774</u>	<u>2,850,488</u>	<u>2,851,596</u>	<u>3,092,946</u>	<u>3,107,890</u>	<u>3,057,503</u>	<u>3,020,250</u>	<u>3,231,987</u>
Total District Program Revenues	<u>\$ 33,743,091</u>	<u>\$ 34,881,046</u>	<u>\$ 25,316,369</u>	<u>\$ 42,124,209</u>	<u>\$ 32,127,084</u>	<u>\$ 33,026,986</u>	<u>\$ 33,779,811</u>	<u>\$ 31,295,592</u>	<u>\$ 47,610,087</u>	<u>\$ 53,242,789</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (68,021,876)	\$ (71,995,918)	\$ (83,376,228)	\$ (73,610,037)	\$ (82,683,388)	\$ (86,516,817)	\$ (92,730,573)	\$ (93,775,694)	\$ (92,971,052)	\$ (95,586,934)
Business-Type Activities	(9,536)	(38,332)	(13,195)	182,809	73,562	180,976	160,715	154,281	75,092	242,958
Total District-Wide Net Expense	<u>\$ (68,031,432)</u>	<u>\$ (72,034,250)</u>	<u>\$ (83,389,423)</u>	<u>\$ (73,427,228)</u>	<u>\$ (82,609,826)</u>	<u>\$ (86,335,841)</u>	<u>\$ (92,569,858)</u>	<u>\$ (93,621,413)</u>	<u>\$ (92,895,960)</u>	<u>\$ (95,343,976)</u>

NORTH BERGEN BOARD OF EDUCATION
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
General Revenues and Other Changes in Net Position										
Governmental Activities:										
General Revenues										
Property Taxes - General Purposes	\$ 36,770,533	\$ 37,591,021	\$ 37,591,021	\$ 38,342,841	\$ 39,301,311	\$ 40,037,337	\$ 41,061,340	\$ 42,141,260	\$ 43,507,740	\$ 45,550,000
Property Taxes - Debt Service	1,587,116	1,495,965	1,548,488	1,551,343	1,676,751	1,673,267	1,482,582	1,593,869	1,576,831	1,573,392
State Aid - Unrestricted	29,016,534	31,845,214	48,375,682	38,755,559	47,233,353	48,377,423	50,230,702	50,857,905	51,010,601	51,001,448
State Aid - Restricted for Debt Service	532,391	619,497	646,355	666,069	550,958	544,966	551,162	550,827	550,049	551,188
Investment Earnings	545,217	269,800	46,337	23,024	15,034	12,744	15,591	18,541	19,253	39,121
Miscellaneous Income	541,466	439,563	1,394,609	610,062	717,003	1,157,236	615,273	306,307	763,735	649,498
Gain (Loss) on Disposal of Assets	(525)	(36,205)	-	-	-	-	-	10,000	-	-
Transfers	-	-	-	(12,800)	(13,054)	-	-	-	-	-
Total Governmental Activities	68,992,732	72,218,855	89,602,492	79,936,098	89,481,356	91,802,973	93,956,650	95,478,509	97,428,209	99,364,647
Business-Type Activities:										
General Revenues										
Investment Earnings	-	-	-	12,800	13,054	197	85	131	126	358
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities	-	-	-	12,800	13,054	197	85	131	126	358
Total District-Wide	\$ 68,992,732	\$ 72,218,855	\$ 89,602,492	\$ 79,948,898	\$ 89,494,410	\$ 91,803,170	\$ 93,956,735	\$ 95,478,640	\$ 97,428,335	\$ 99,365,005
Change in Net Position										
Governmental Activities	\$ 970,856	\$ 222,937	\$ 6,226,264	\$ 6,326,061	\$ 6,797,968	\$ 5,286,156	\$ 1,226,077	\$ 1,702,815	\$ 4,457,157	\$ 3,777,713
Business-Type Activities	(9,556)	(38,332)	(13,195)	195,609	86,616	181,173	160,800	154,412	75,218	243,316
Total District	\$ 961,300	\$ 184,605	\$ 6,213,069	\$ 6,521,670	\$ 6,884,584	\$ 5,467,329	\$ 1,386,877	\$ 1,857,227	\$ 4,532,375	\$ 4,021,029

NORTH BERGEN BOARD OF EDUCATION
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	\$ 1,598,446	\$ 275,554	\$ 6,127,537	\$ 5,766,175						
Unreserved	411,402	(199,833)	(2,354,090)	(2,716,512)						
Nonspendable									\$ 746,280	\$ 424,454
Restricted					\$ 7,194,281	\$ 7,605,189	\$ 10,231,727	\$ 16,046,061	13,469,501	18,804,592
Committed					104,291	422,972	88,967	26,686	57,114	465,127
Assigned					1,219,248	4,259,700	4,652,890	3,503,405	3,696,448	2,092,745
Unassigned	-	-	-	-	(2,813,482)	(2,984,615)	(3,317,010)	(4,726,127)	(3,659,697)	(3,768,087)
Total General Fund	<u>\$ 2,009,848</u>	<u>\$ 75,721</u>	<u>\$ 3,773,447</u>	<u>\$ 3,049,663</u>	<u>\$ 5,704,338</u>	<u>\$ 9,303,246</u>	<u>\$ 11,656,574</u>	<u>\$ 14,850,025</u>	<u>\$ 14,309,646</u>	<u>\$ 18,018,831</u>
All Other Governmental Funds										
Reserved	\$ 911,162	\$ 31,037	\$ 31,037	\$ 2,246,942						
Unreserved	187,138	(272,039)	1,160,124	1,659,195						
Restricted					\$ 4,388,642	\$ 3,489,567	\$ 2,335,710	\$ 3,694,101	\$ 4,485,954	\$ 4,012,812
Unassigned	-	-	-	-	-	-	(5,000)	-	-	-
Total All Other Governmental Funds	<u>\$ 1,098,300</u>	<u>\$ (241,002)</u>	<u>\$ 1,191,161</u>	<u>\$ 3,906,137</u>	<u>\$ 4,388,642</u>	<u>\$ 3,489,567</u>	<u>\$ 2,330,710</u>	<u>\$ 3,694,101</u>	<u>\$ 4,485,954</u>	<u>\$ 4,012,812</u>

Beginning with 2010/2011 Fiscal Year, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Property Taxes	\$ 38,357,649	\$ 39,086,986	\$ 39,139,509	\$ 39,894,184	\$ 40,978,062	\$ 41,710,604	\$ 42,543,922	\$ 43,735,129	\$ 45,084,571	\$ 47,123,392
Tuition Charges	2,757,906	2,638,545	2,793,292	3,955,375	4,509,007	4,022,183	3,385,154	4,389,854	4,293,630	4,029,702
Interest Earnings	545,217	263,800	46,337	23,024	15,034	12,744	15,591	18,341	19,253	39,121
Miscellaneous	601,835	509,106	1,459,365	669,843	773,567	1,206,933	665,266	356,390	812,423	701,532
State Sources	54,116,380	58,201,385	63,742,787	57,817,037	65,041,850	66,726,453	71,745,246	70,212,122	73,625,973	74,785,707
Federal Sources	4,082,359	3,922,469	5,107,797	16,863,156	7,452,378	8,058,096	6,273,392	4,994,762	5,589,986	6,148,253
Total Revenue	100,461,346	104,622,291	112,289,087	119,222,619	118,769,898	121,737,013	124,628,571	123,706,598	129,425,836	132,827,707
Expenditures										
Instruction										
Regular Instruction	44,612,254	46,539,669	42,113,169	45,887,189	44,714,151	47,479,499	49,203,631	48,751,266	48,258,565	50,228,150
Special Education Instruction	11,154,966	12,315,857	13,557,808	14,858,496	13,750,989	14,935,338	15,393,829	16,364,077	18,054,376	18,677,742
Other Instruction	3,998,005	4,518,641	8,549,947	8,330,203	8,184,243	9,141,683	10,598,844	9,400,836	8,698,195	8,974,600
School Sponsored Activities and Athletics	1,446,145	1,617,356	1,616,241	1,711,124	1,688,966	1,899,603	2,101,085	2,087,712	2,056,839	2,138,965
Community Service Programs			125,000							
Support Services:										
Student and Inst. Related Services	13,031,554	12,762,958	11,793,070	13,754,588	13,795,578	13,985,726	13,615,693	13,394,135	14,118,157	14,874,866
General Administration	2,306,920	2,744,069	2,607,565	2,583,442	2,577,112	2,464,796	2,779,257	2,460,755	2,277,885	2,523,972
School Administrative Services	6,011,522	5,976,087	6,242,289	6,376,634	6,924,399	6,935,770	7,505,592	8,014,886	8,433,338	8,940,045
Plant Operations And Maintenance	9,470,372	9,498,010	10,340,302	10,898,201	10,982,784	11,142,404	11,828,538	11,709,601	12,078,308	11,412,244
Pupil Transportation	2,981,954	3,344,322	3,603,535	3,505,820	3,704,806	4,059,359	3,825,607	3,796,694	4,017,346	3,952,064
Business and Other Support Services	2,007,503	2,240,646	2,309,149	2,431,902	2,493,716	2,737,382	2,709,954	2,750,986	2,997,233	2,972,413
Capital Outlay	2,094,181	3,373,635	1,490,525	4,041,211	4,267,596	2,001,746	1,667,902	368,045	5,458,629	2,219,962
Debt Service:										
Principal	1,434,226	1,559,945	1,687,723	1,864,761	1,654,541	1,420,850	1,390,000	1,820,000	1,985,000	2,065,000
Interest and Other Charges	1,233,058	1,179,106	1,122,875	975,056	892,591	833,024	814,168	840,890	740,491	815,092
Debt Issuance Cost			84,911		189,516					
Advance Refunding Escrow	-	-	45,823	-	45,983	-	-	-	-	-
Total Expenditures	101,782,660	107,670,301	107,289,932	117,218,627	115,866,971	119,037,180	123,434,100	121,759,883	129,174,362	129,795,115
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(1,321,314)	(3,048,010)	4,999,155	2,003,992	2,902,927	2,699,833	1,194,471	1,946,715	251,474	3,032,592
Other Financing Sources (Uses)										
Proceeds From Borrowing			3,125,000		5,590,000			5,760,000		7,575,000
Capital Leases (Non-Budgeted)	113,800	238,050								
Premium on Issuance of Bonds/Certificates of Participation			65,734							800,793
Payments to Refunding Escrow Agent			(3,060,000)		(5,310,000)		(3,149,873)			(8,172,342)
Original Issue Discount					(32,693)					
Transfers In	62,329	46,917	5,941	4,251,497	1,767,818			1,500,000	2,364,834	233,650
Transfers Out	(62,329)	(46,917)	(5,941)	(4,264,297)	(1,780,872)			(1,500,000)	(2,364,834)	(233,650)
Total Other Financing Sources (Uses)	113,800	238,050	130,734	(12,800)	234,253	-	-	2,610,127	-	203,451
Net Change in Fund Balances	\$ (1,207,514)	\$ (2,809,960)	\$ 5,129,889	\$ 1,991,192	\$ 3,137,180	\$ 2,699,833	\$ 1,194,471	\$ 4,556,842	\$ 251,474	\$ 3,236,043
Debt Service as a Percentage of										
Noncapital Expenditures	2.68%	2.63%	2.66%	2.51%	2.28%	1.93%	1.81%	2.19%	2.20%	2.26%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Refunds</u>	<u>E-Rate</u>	<u>Solar Energy</u>	<u>Gate Receipts</u>	<u>Miscellaneous</u>	<u>Total</u>
2007	\$ 2,757,906	\$ 531,767	\$ 74,103	\$ 322,630		\$ 18,407	\$ 126,326	\$ 3,831,139
2008	2,638,545	245,982	4,678	165,697		9,663	259,525	3,324,090
2009	2,793,292	40,396	20,351	205,965		12,928	175,372	3,248,304
2010	3,955,375	22,998	104,983	102,000	\$ 179,475	6,302	145,019	4,516,152
2011	4,509,007	15,023	22,706	224,648	220,467	11,179	237,450	5,240,480
2012	4,022,183	12,744	98,551	239,348	360,500	2,684	456,153	5,192,163
2013	3,385,154	15,591	121,308	251,647	61,617	4,440	176,261	4,016,018
2014	4,389,854	18,341	43,878	-	116,532	11,357	134,540	4,714,502
2015	4,293,630	19,253	151,248		144,680	10,428	457,379	5,076,618
2016	4,029,702	39,121	118,260	185,145	243,538	8,236	94,319	4,718,321

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^a
2007	\$ 92,345,000	\$ 1,346,687,400	\$ 583,305,400	\$ 278,985,500	\$ 173,882,800	\$ 2,475,206,100	\$ 4,173,014	\$ 2,479,379,114	\$ 5,487,571,552	\$ 1.562
2008	95,489,400	1,369,305,100	572,756,800	276,837,100	171,743,600	2,486,132,000	3,831,745	2,489,963,745	5,567,540,959	1.571
2009	78,959,500	1,442,221,300	534,670,400	294,346,900	169,662,300	2,519,860,400	3,688,259	2,523,548,659	5,782,914,219	1.564
2010	73,579,800	1,474,196,700	545,996,000	274,952,200	153,855,300	2,522,580,000	3,955,900	2,526,535,900	5,863,106,762	1.602
2011	69,433,900	1,486,450,500	539,785,000	274,017,700	158,468,600	2,528,155,700	3,938,089	2,532,093,789	5,537,379,395	1.633
2012	58,051,700	1,482,388,500	519,215,300	295,515,200	161,338,100	2,516,508,800	4,574,415	2,521,083,215	4,993,454,517	1.671
2013	52,378,200	1,479,713,100	428,606,000	366,192,700	158,416,800	2,485,306,800	3,915,047	2,489,221,847	4,718,625,502	1.734
2014	54,338,500	1,477,819,100	422,492,700	361,379,400	164,902,300	2,480,932,000	4,092,557	2,485,024,557	4,593,353,727	1.787
2015	44,353,300	1,476,800,900	479,620,100	363,715,900	168,470,800	2,532,961,000	4,174,875	2,537,135,875	4,805,626,920	1.817
2016	45,723,200	1,474,075,800	483,283,700	352,931,900	169,524,100	2,525,538,700	4,076,577	2,529,615,277	5,171,779,148	1.883

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

Year Ended <u>June 30,</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County</u>
2007	\$ 4.230	\$ 1.562	\$ 1.843	\$ 0.825
2008	4.362	1.571	1.950	0.841
2009	4.511	1.564	2.020	0.927
2010	4.686	1.602	2.135	0.949
2011	4.843	1.633	2.203	1.007
2012	4.953	1.671	2.260	1.022
2013	5.147	1.734	2.399	1.014
2014	5.240	1.787	2.460	0.993
2015	5.291	1.817	2.458	1.016
2016	5.467	1.883	2.513	1.071

Source: Abstract of Ratables, County Board of Taxation

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

Taxpayer	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Hartz Mountain Development	\$ 120,457,200	4.76%	\$ 116,059,200	4.68%
M-Industries LLC			31,478,100	1.27%
FC/Treeco Col. Pk. LLC	31,257,500	1.24%	31,257,500	1.26%
7912 River Road Apts., LLC			24,960,000	1.01%
Woodcliff Gardens	24,007,800	0.95%	23,956,000	0.97%
5851 Westside Assoc.	21,793,900	0.86%		
8100 River Road	68,376,100	2.70%		
7855 Blvd East	44,834,300	1.77%		
7400 River Road	38,430,300	1.52%		
Mack Cali	38,134,200	1.51%		
Granton Re Co	24,930,200	0.99%		
Voronado Re Trust	62,388,500	2.47%		
LCI Holding, Inc.			55,652,600	2.24%
Lowes Home Center			19,959,000	0.80%
Target			18,212,000	0.73%
Westview Tower Realty Co			18,000,000	0.73%
Park-Hudson Tenants Corp.			15,294,000	0.62%
	\$ 474,610,000	18.76%	\$ 354,828,400	14.31%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 38,357,649	\$ 38,357,649	100.00%	N/A
2008	39,086,986	39,086,986	100.00%	N/A
2009	39,139,509	39,139,509	100.00%	N/A
2010	39,894,184	39,894,184	100.00%	N/A
2011	40,978,062	40,978,062	100.00%	N/A
2012	41,710,604	41,710,604	100.00%	N/A
2013	42,543,922	42,543,922	100.00%	N/A
2014	43,735,129	43,735,129	100.00%	N/A
2015	45,084,571	45,084,571	100.00%	N/A
2016	47,123,392	47,123,392	100.00%	N/A

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

Fiscal Year Ended June 30,	Governmental Activities					Sales Leaseback	Total District	Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Inter- governmental Loan					
2007	\$ 7,615,000	\$ 17,480,000	\$ 88,720	\$ 354,250	\$ 1,626,802	\$ 27,164,772	55,326	\$ 491	
2008	7,215,000	16,940,000	222,230	283,400	1,182,247	25,842,877	54,986	470	
2009	6,865,000	16,295,000	125,823	212,550	721,781	24,220,154	54,912	441	
2010	6,365,000	15,580,000	23,855	141,700	244,836	22,355,391	60,824	368	
2011	5,880,000	15,030,000		70,850		20,980,850	61,812	339	
2012	5,385,000	14,175,000				19,560,000	62,284	314	
2013	4,880,000	13,290,000				18,170,000	62,727	290	
2014	4,435,000	12,375,000			2,180,000	18,990,000	63,057	301	
2015	3,870,000	11,425,000			1,710,000	17,005,000	62,993	270	
2016	3,300,000	9,930,000			1,205,000	14,435,000	62,993	229	

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2007	\$ 7,615,000		\$ 7,615,000	0.31%	\$ 138
2008	7,215,000		7,215,000	0.29%	131
2009	6,865,000		6,865,000	0.27%	125
2010	6,365,000		6,365,000	0.25%	105
2011	5,880,000		5,880,000	0.23%	95
2012	5,385,000		5,385,000	0.21%	86
2013	4,880,000		4,880,000	0.20%	78
2014	4,435,000		4,435,000	0.18%	70
2015	3,870,000		3,870,000	0.15%	61
2016	3,300,000		3,300,000	0.13%	52

Source: District records

**NORTH BERGEN BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2015
(Unaudited)**

Direct Debt:	
North Bergen Board of Education (as of June 30, 2016)	\$ 13,230,000
Township of North Bergen (1)	<u>56,952,382</u>
Total Direct Debt	<u>70,182,382</u>
Overlapping Debt Apportioned to the Municipality:	
Hudson County:	
County of Hudson (A)	43,763,338
North Bergen Municipal Utilities Authority	<u>66,896,972</u>
Total Overlapping Debt	<u>110,660,310</u>
Total Direct and Overlapping Debt	<u>\$ 180,842,692</u>

(A) The debt for this entity was apportioned by dividing the Municipality's 2015 equalized value by the total 2015 equalized value for Hudson County.

Sources:

(1) Township of North Bergen Annual Debt Statement

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

	Fiscal Year Ended June 30,									
	<u>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>
Debt Limit	\$ 183,006,899	\$ 203,791,882	\$ 219,818,388	\$ 230,112,398	\$ 229,849,454	\$ 216,172,145	\$ 201,993,550	\$ 189,869,132	\$ 185,914,690	\$ 191,438,083
Total Net Debt Applicable to Limit	<u>3,964,250</u>	<u>3,623,400</u>	<u>3,337,550</u>	<u>2,911,700</u>	<u>2,505,850</u>	<u>2,100,000</u>	<u>1,760,000</u>	<u>1,415,000</u>	<u>1,070,000</u>	<u>720,000</u>
Legal Debt Margin	<u>\$ 179,042,649</u>	<u>\$ 200,168,482</u>	<u>\$ 216,480,838</u>	<u>\$ 227,200,698</u>	<u>\$ 227,343,604</u>	<u>\$ 214,072,145</u>	<u>\$ 200,233,550</u>	<u>\$ 188,454,132</u>	<u>\$ 184,844,690</u>	<u>\$ 190,718,083</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.17%	1.78%	1.52%	1.27%	1.09%	0.97%	0.87%	0.75%	0.58%	0.38%

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis

2013	\$ 4,554,346,344
2014	4,662,529,600
2015	<u>5,140,980,313</u>
	<u>\$ 14,357,856,257</u>

Average Equalized Valuation of Taxable Property

\$ 4,785,952,086

Debt Limit (4 % of Average Equalization Value)
Total Net Debt Applicable to Limit

\$ 191,438,083
720,000

Legal Debt Margin

\$ 190,718,083

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

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income *</u>	<u>Population</u>
2006	5.50%	\$ 38,902	56,365
2007	5.00%	40,816	55,326
2008	6.70%	43,644	54,986
2009	11.60%	42,181	54,912
2010	11.50%	44,241	60,824
2011	10.70%	46,295	61,812
2012	10.70%	47,819	62,284
2013	9.70%	47,886	62,727
2014	7.30%	50,088	63,057
2015	5.70%	N/A	62,993

Source: Data provided by State Department of Education

N/A = Not Available

* = Hudson County

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

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>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	408	408	444	432	440	480	480	467	530	530
Special Education	60	62	75	75	75	75	75	84	50	57
Other Instruction	106	108	112	85	85	85	85	85	61	61
Support Services:										
Student and Instruction Related Services	17	17	19	19	19	18	18	18	18	18
General Administration	7	7	7	7	7	5	6	6	6	6
School Administrative Services	59	59	59	59	59	55	56	61	61	61
Other Administrative Services	22	22	30	30	30	30	30	30	30	30
Central Services	13	13	13	13	13	13	13	13	13	13
Plant Operations And Maintenance	6	6	6	6	6	6	6	6	3	3
Pupil Transportation	97	99	118	118	118	112	109	109	109	109
Other Support Services	45	45	72	72	72	72	72	73	77	77
Total	<u>840</u>	<u>846</u>	<u>955</u>	<u>916</u>	<u>924</u>	<u>951</u>	<u>950</u>	<u>952</u>	<u>958</u>	<u>965</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	High School				
2007	7,448	\$ 97,021,195	\$ 13,026	7.36%	588	1:14	1:14	7,448	6,998	-0.93%	93.96%
2008	7,424	101,557,615	13,680	5.01%	588	1:13	1:14	7,424	6,984	-0.32%	94.07%
2009	7,508	102,858,075	13,700	0.15%	588	1:12	1:14	7,508	7,060	1.13%	94.03%
2010	7,837	110,337,599	14,079	2.77%	592	1:12	1:14	7,837	7,360	4.38%	93.91%
2011	8,061	108,816,744	13,499	-4.12%	600	1:12	1:14	8,061	7,592	2.86%	94.18%
2012	8,201	114,781,560	13,996	3.68%	640	1:12	1:14	8,080	7,836	0.24%	96.98%
2013	8,068	119,562,030	14,819	5.88%	640	1:12	1:14	8,068	7,808	-0.15%	96.78%
2014	8,048	118,730,948	14,753	-0.45%	640	1:12	1:14	8,048	7,790	-0.25%	96.80%
2015	7,761	120,990,242	15,590	5.67%	641	1:12	1:14	8,031	7,764	-0.21%	96.68%
2016	8,005	124,695,061	15,577	-0.08%	648	1:12	1:14	7,869	7,629	-2.02%	96.95%

Sources: District records

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
District Building										
Elementary										
Robert Fulton/No. 2 (1926)										
Square Feet	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409
Capacity (students)	784	784	784	784	784	784	784	784	784	784
Enrollment	955	955	995	995	995	995	995	995	995	995
Fulton Annex										
Square Feet	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800
Capacity (students)	155	155	155	155	155	155	155	155	155	155
Enrollment	175	175	144	144	144	144	144	144	144	144
Franklin School/No. 3 (1919)										
Square Feet	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434
Capacity (students)	475	475	475	475	475	475	475	475	475	475
Enrollment	659	659	575	575	575	575	575	575	575	575
Franklin Annex (1999)										
Square Feet	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225
Capacity (students)	80	80	80	80	80	80	80	80	80	80
Enrollment	N/A	N/A	85	85	85	85	85	85	85	85
Lincoln School/No. 5 (1915)										
Square Feet	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	682	682	659	659	659	659	659	659	659	659
Lincoln School/No. 5 Annex (2004)										
Square Feet	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300
Capacity (students)	352	352	352	352	352	352	352	352	352	352
Enrollment	401	401	436	436	436	436	436	436	436	436
J.F. Kennedy School/No. 7 (including Annex)										
Square Feet	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125
Capacity (students)	662	662	662	662	662	662	662	662	662	662
Enrollment	540	540	538	538	538	538	538	538	538	538
Horace Mann School/No. 9 (1928)										
Square Feet	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068
Capacity (students)	836	836	836	836	836	836	836	836	836	836
Enrollment	1,026	1,026	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023
McKinnely School/No. 10 (1919)										
Square Feet	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050
Capacity (students)	426	426	426	426	426	426	426	426	426	426
Enrollment	418	418	419	419	419	419	419	419	419	419
High School										
North Bergen High School (1961)										
Square Feet	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973
Capacity (students)	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377
Enrollment	2,421	2,421	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416
Other										
Central Administration (1961)										
Square Feet	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267
Number of Schools at June 30, 2016										
Elementary = 7										
Senior High School = 1										
Other = 1										

Source: District Records

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

<u>School Facilities</u>	<u>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>
North Bergen High School	\$ 544,339	\$ 638,136	\$ 595,942	\$ 464,805	\$ 663,015	\$ 676,438	\$ 658,851	\$ 637,900	\$ 629,935	\$ 318,417
Franklin School	207,128	216,426	182,854	354,624	202,033	195,036	198,994	183,520	202,558	199,757
Horace Mann	374,259	281,046	290,332	283,323	270,101	249,303	306,554	271,850	312,045	190,335
John F. Kennedy	259,681	237,094	307,894	298,033	319,207	296,193	295,791	282,963	282,087	216,192
Lincoln School	320,863	300,952	321,977	313,534	370,947	328,705	313,341	278,965	260,058	243,465
Mc Kinley	223,037	149,403	199,474	355,870	184,365	197,378	193,450	195,682	146,528	229,206
Robert Fulton	<u>343,730</u>	<u>273,421</u>	<u>354,955</u>	<u>353,645</u>	<u>367,238</u>	<u>316,534</u>	<u>304,485</u>	<u>278,950</u>	<u>279,939</u>	<u>224,356</u>
Total School Facilities	<u>\$ 2,273,037</u>	<u>\$ 2,096,478</u>	<u>\$ 2,253,428</u>	<u>\$ 2,423,834</u>	<u>\$ 2,376,906</u>	<u>\$ 2,259,587</u>	<u>\$ 2,271,466</u>	<u>\$ 2,129,830</u>	<u>\$ 2,113,150</u>	<u>\$ 1,621,728</u>

Source: School District Records

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2016
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property	\$ 400,000,000	\$ 5,000
Environmental	1,000,000	10,000
Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
EDP	2,500,000	1,000
Equipment Breakdown	100,000,000	5,000
Crime and Bonds		
Faithful Performance	100,000	500
Forgery and Alteration	100,000	500
Money and Securities	100,000	1,000
Money Orders/Counterfeit	100,000	500
Computer Fraud	100,000	500
Board Administrator	150,000	500
Board Secretary	650,000	1,000
General Liability	16,000,000	-
Student Accident		
Basic/Sports/Football	5,000,000	25,000
Catastrophic	1,000,000	NA
Automobile Liability	16,000,000	
Auto Physical Damage	ACV Basis	1,000
Computers and Scheduled Equipment - Selective		
Data Processing Equipment	2,500,000	1,000
Public Employees' Faithful Performance Bonds (Western Surety)		
Treasurer of School Monies	500,000	1,000

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

Source: School District's records

SINGLE AUDIT



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
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
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Bergen Board of Education as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the North Bergen Board of Education's basic financial statements and have issued our report thereon dated November 29, 2016.

Internal Control Over Financial Reporting

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

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

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


Compliance and Other Matters


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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the North Bergen Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated November 29, 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 North Bergen Board of Education’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the North Bergen Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 29, 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
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
North Bergen Board of Education
North Bergen, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the North Bergen Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the North Bergen Board of Education's major federal and state programs for the fiscal year ended June 30, 2016. The North Bergen Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of 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 North Bergen Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 North Bergen Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the North Bergen Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the North Bergen Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

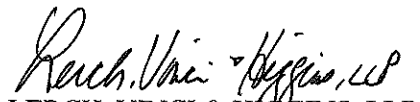
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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


The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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 North Bergen Board of Education 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 November 29, 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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 29, 2016

NORTH BERGEN BOARD OF EDUCATION
 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 or State Project Number	Grant Period	Award Amount	Balance July 1, 2015	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Prior Years Adjustments	Balance, June 30, 2016			Memo GAAP Receivable	Memo Cumulative Expenditures
												(Accounts Receivable)	Unearned Revenue	Due to Grantor		
U.S. Department of Agriculture																
Passed-Through State Department of Education Enterprise Fund																
School Breakfast Program	10.553	16161NJ304N1099	N/A	7/1/15-6/30/16	\$ 594,980			\$ 548,569	\$ 594,980			\$ (46,411)			\$ (46,411)	\$ 594,980
School Breakfast Program	10.553		N/A	7/1/14-6/30/15	493,599	\$ (48,498)		48,498								
NSLP-Cash Assistance	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	1,805,042			1,667,890	1,805,042			(137,152)			(137,152)	1,805,042
NSLP-Cash Assistance	10.555		N/A	7/1/14-6/30/15	1,720,895	(158,406)		158,406								-
Special Milk Program for Children	10.556	16161NJ304N1099	N/A	7/1/15-6/30/16	4,721			4,368	4,721			(353)			(353)	4,721
Special Milk Program for Children	10.556		N/A	7/1/14-6/30/15	6,351	(564)		564								-
NSLP-Non Cash Assistance	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	180,302			180,302	162,217				\$ 18,085			162,217
NSLP-Non Cash Assistance	10.555		N/A	7/1/14-6/30/15	153,927	9,134	-	-	9,134							9,134
Total Child Nutrition Programs						(198,334)	-	2,608,597	2,576,094	-	-	(183,916)	18,085	-	(183,916)	2,576,094
After School Snack Program	10.558		N/A	7/1/14-6/30/15	10,156	(1,040)		1,040								-
After School Snack Program	10.558	16161NJ304N1099	N/A	7/1/15-6/30/16	13,041			11,999	13,041			(1,042)			(1,042)	13,041
Total U.S. Dept. of Agriculture						(199,374)	-	2,621,636	2,589,135	-	-	(184,958)	18,085	-	(184,958)	2,589,135
U.S. Dept. of Education Passed-Through State Dept. of Education Special Revenue Fund																
N.C.L.B. Consolidated Grant																
Title I, Part A	84.010A		NCLB361015	7/1/14-6/30/15	2,941,986	(972,560)	\$ (297,615)	972,560		\$ 297,615						-
Title I, Part A	84.010A	S010A150030	NCLB361016	7/1/15-6/30/16	3,185,579	-	297,615	1,863,632	2,917,356	(297,615)	\$ -	(1,619,562)	565,838		(1,034,181)	2,917,356
Total Title I						(972,560)	-	2,836,192	2,917,356	-	-	(1,619,562)	565,838	-	(1,034,181)	2,917,356
Title II, Part A	84.367A		NCLB361015	7/1/14-6/30/15	293,590	(107,035)	(7,569)	107,035		7,569						-
Title II, Part A	84.367A	S367A150029	NCLB361016	7/1/15-6/30/16	280,905	-	7,569	201,526	272,181	(7,569)	-	(86,948)	16,293		(70,280)	272,181
Total Title II						(107,035)	-	308,561	272,181	-	-	(86,948)	16,293	-	(70,280)	272,181
Title III	84.365		NCLB361015	7/1/14-6/30/15	140,418	(72,959)	(35,263)	72,959		35,263						-
Title III	84.365	S365A150030	NCLB361016	7/1/15-6/30/16	166,911	-	35,263	118,947	167,761	(35,263)		(83,227)	34,413		(47,315)	167,761
Title III, Immigrant	84.365		NCLB361015	7/1/14-6/30/15		(8,626)	-	8,626								-
Title III, Immigrant	84.365	S365A150030	NCLB361016	7/1/15-6/30/16	15,587	-	-	-	11,389	-	-	(15,587)	4,198		(11,389)	11,389
Total Title III						(81,585)	-	200,532	179,150	-	-	(98,814)	38,611	-	(58,702)	179,150
IDEA Part B																
Basic, Regular	84.027A		FT361015	7/1/14-6/30/15	1,792,103	(261,088)	(100,876)	261,088		100,876	37					-
Basic, Regular	84.027A	H027A150100	FT361016	7/1/15-6/30/16	1,910,285		100,876	1,217,183	1,707,860	(100,876)		(793,978)	305,301		(421,709)	1,707,860
Preschool	84.173A		PS361015	7/1/14-6/30/15	47,640	(14,052)	(4,336)	14,052		4,336						-
Preschool	84.173A	H173A150114	PS361016	7/1/15-6/30/16	50,417	-	4,336	31,258	50,417	(4,336)	-	(23,495)	4,336		(19,159)	50,417
Total IDEA						(275,140)	-	1,523,581	1,758,277	-	37	(817,473)	307,637	37	(440,868)	1,758,277
Preschool Expansion	84.419B	S419B150020		7/1/15-6/30/16	1,263,187			292,019	688,708			(973,168)	576,479		(596,689)	688,708
Race To Top	84.413A		NA	9/1/12-11/30/15	260,257	2,829	-	80,210	63,811	-	(19,228)	-	-	-	-	63,811
Total U.S. Department of Education - Special Revenue Fund						(1,433,491)	-	5,241,095	5,879,483	-	(19,191)	(3,595,965)	1,504,858	37	(2,000,720)	5,879,483
General Fund																
Spec.Ed. Medicaid Reimbursement (MAC)	93.778	1605NJSMAP	NA	7/1/15-6/30/16	24,830			24,830	24,830							24,830
Spec.Ed. Medicaid Reimbursement	93.778	1605NJSMAP	NA	7/1/15-6/30/16	326,292	-	-	215,276	326,292	-	-	(111,016)	-	-	(111,016)	326,292
Total Medicaid Reimbursement						-	-	240,106	351,122	-	-	(111,016)	-	-	(111,016)	351,122
Total Federal Awards						\$ (1,632,865)	\$ -	\$ 8,102,837	\$ 8,819,740	\$ -	\$ (19,191)	\$ (3,891,939)	\$ 1,522,943	\$ 37	\$ (2,296,694)	\$ 8,819,740

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2015			Cash Received	Budgetary Expenditures	Cancelled Encumbrances	Prior Year Adjustment	Balance June 30, 2016			Memo	
				Unearned Revenue/ (Accts Rec)	Due to Grantor	Carryover Amount					(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund															
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	\$ 50,413,223				\$ 45,456,152	\$ 50,413,223			\$ (4,957,071)			\$ 50,413,223	
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	50,413,223	\$ (4,897,798)			4,897,798								
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	4,568,078				4,118,904	4,568,078			(449,174)			4,568,078	
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	4,568,078	(443,803)			443,803								
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	835,101				752,987	835,101			(82,114)			835,101	
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	835,101	(81,133)			81,133								
Under Adequacy Aid	16-495-034-5120-096	7/1/15-6/30/16	500,000				450,836	500,000			(49,164)			500,000	
Under Adequacy Aid	15-495-034-5120-096	7/1/14-6/30/15	500,000	(48,576)			48,576								
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	74,130				66,841	74,130			(7,289)			74,130	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	74,130	(7,202)			7,202								
PARCC Readiness	16-495-034-5120-098	7/1/15-6/30/16	74,130				66,841	74,130			(7,289)			74,130	
PARCC Readiness	15-495-034-5120-098	7/1/14-6/30/15	74,130	(7,202)			7,202								
Total State Aid Public				(5,485,714)			56,398,275	56,464,662			(5,552,101)			56,464,662	
Reimbursed TPAF Pension															
Non-Contributory Insurance	16-495-034-5094-007	7/1/15-6/30/16	202,103				202,103	202,103						202,103	
Pension Contribution	16-495-034-5094-006	7/1/15-6/30/16	4,057,182				4,057,182	4,057,182						4,057,182	
Post Retirement Contribution	16-495-034-5094-001	7/1/15-6/30/16	5,071,631				5,071,631	5,071,631						5,071,631	
Total Reimbursed TPAF Pension							9,330,916	9,330,916						9,330,916	
Transportation Aid															
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	138,421				124,810	138,421			(13,611)			138,421	
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	138,421	(13,448)			13,448								
Nonpublic Transportation Aid	N/A	7/1/15-6/30/16	58,464					58,464			(58,464)			58,464	
Nonpublic Transportation Aid	N/A	7/1/14-6/30/15	9,918	(9,918)			9,918								
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	336,923					336,923			(336,923)			336,923	
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	298,938	(298,938)			298,938								
Reimbursed TPAF Soc. Security Contr.	16-495-034-5094-003	7/1/15-6/30/16	3,876,091				3,685,445	3,876,091			(190,646)			3,876,091	
Reimbursed TPAF Soc. Security Contr.	15-495-034-5094-003	7/1/14-6/30/15	3,862,079	(192,689)			192,689								
Total General Fund				(6,000,707)			70,054,439	70,205,477			(6,151,745)			70,205,477	
Special Revenue Fund															
Preschool Education Aid	15-495-034-5120-086	7/1/14-6/30/15	3,208,908	2,316,617		\$ (2,637,508)	320,891								
Preschool Education Aid	16-495-034-5120-086	7/1/15-6/30/16	3,762,168			2,637,508	3,385,951	2,969,570	\$ 12,631		(376,217)	\$ 3,442,737		2,969,570	
Bridging the Device Gap	15E00116	1/1/14-6/30/15	75612				75,612	75,612						75,612	
Total Special Revenue Fund				2,316,617			3,782,454	3,045,182	12,631		(376,217)	3,442,737		3,045,182	
Debt Service Fund															
Debt Service Aid	16-495-034-5120-075	7/1/15-6/30/16	551,188				551,188	551,188						551,188	
Total State Department of Education				(3,684,090)			74,388,081	73,801,847	12,631		(6,527,962)	3,442,737		73,801,847	
State Department of Agriculture															
Food Service Enterprise Fund															
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	34,835				30,070	34,835			(4,765)			34,835	
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	32,878	(3,866)			3,866								
Total State Department of Agriculture				(3,866)			33,936	34,835			(4,765)			34,835	

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2015			Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Year Balances	Balance, June 30, 2016			Memo	
				Unearned Revenue/ (Accts Rec)	Due to Grantor	Carryover Amount					(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
Economic Development Authority															
Capital Projects Fund															
Franklin School - Windows	3610-060-09-1008	N/A	\$ 1,016,408	\$ (687,354)							\$ (687,461)	\$ 107		\$ (687,461)	\$ 687,354
Lincoln School - Windows	3610-090-09-1009	N/A	890,041	(599,248)							(599,354)	106		(599,354)	599,248
North Bergen High School - Maintenance Room Conversion	3610-050-09-1013	N/A	210,845	(97,567)							(97,567)			(97,567)	97,567
North Bergen High School - Guidance and Health Suites	3610-050-09-1010	N/A	827,591	(827,591)							(827,591)			(827,591)	827,591
North Bergen High School - Brick Façade Repair and Restoration	3610-050-09-1007	N/A	626,251	(478,978)		\$ 10,085					(496,901)	7,838		(496,901)	489,063
Horace Mann- Windows and Doors	3610-070-10-1003	N/A	1,254,556	(1,254,556)							(1,254,556)			(1,254,556)	1,254,556
Robert Fulton - Windows and Doors	3610-110-10-1006	N/A	1,387,825	(1,042,079)			186,606				(1,367,952)	139,267		(1,367,952)	1,228,685
McKinley School - Windows	3610-100-14-1014	N/A	673,885	(49,803)			17,003				(673,885)	607,079		(673,885)	66,806
McKinley School - Exterior	3610-100-14-1025	N/A	170,474	(6,393)			82,307				(170,474)	81,774		(170,474)	88,700
Robert Fulton - Roof	3610-110-14-1021	N/A	471,366	(2,322)			205,883				(471,366)	263,161		(471,366)	208,205
Robert Fulton - Foundation	3610-110-14-1022	N/A	80,117	-			80,117				(80,117)	80,117		(80,117)	-
North Bergen High School - Rehabilitation	3610-050-14-1001	N/A	96,853	(7,554)			80,644				(96,853)	8,655		(96,853)	88,198
North Bergen High School - Fire Alarm	3610-050-14-1002	N/A	1,028,815	(485,683)			226,260				(925,934)	213,991		(925,934)	711,943
Lincoln School - Exterior	3610-090-14-1024	N/A	308,116	(7,968)			13,096				(308,116)	287,052		(308,116)	21,064
Horace Mann School - Roof	3610-070-14-1020	N/A	448,418	(2,459)			262,179				(448,418)	183,780		(448,418)	264,638
McKinley School - Security	3610-100-14-1015	N/A	78,102	(44,516)							(78,102)	33,586		(78,102)	44,516
Lincoln School - Security	3610-090-14-1012	N/A	87,213	(41,451)							(43,170)	1,719		(43,170)	41,451
Kennedy School - Security	3610-080-14-1011	N/A	59,007	(29,209)							(29,209)			(29,209)	29,209
Horace Mann School - Security	3610-070-14-1099	N/A	63,614	(32,479)							(32,479)			(32,479)	32,479
Franklin School - Security	3610-060-14-1008	N/A	63,672	(55,916)							(63,672)	7,756		(63,672)	55,916
Robert Fulton School - Security	3610-110-14-1016	N/A	60,439	(29,917)							(29,917)			(29,917)	29,917
Total Economic Development Authority				(5,783,043)	-	-	-	1,084,063	-	-	(8,783,094)	1,915,988	-	(8,783,094)	6,867,106
Total State Assistance Subject to Single Audit Determination				\$ (9,470,999)	\$ -	\$ -	\$ 74,422,017	\$ 74,920,745	\$ 12,631	\$ -	\$ (15,315,821)	\$ 5,358,725	\$ -	\$ (9,036,969)	\$ 80,703,788
Less: State Aid Not Subject to Single Audit and Major Program Determination															
Reimbursed TPAF Pension															
Non-Contributory Insurance															
Pension Contribution															
Post Retirement Contribution															
Total State Assistance Subject to Major Program Determination				\$ (9,470,999)	\$ -	\$ -	\$ 65,091,101	\$ 65,589,829	\$ 12,631	\$ -	\$ (15,315,821)	\$ 5,358,725	\$ -		

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the North Bergen Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with 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 \$104,535 for the general fund and a decrease of \$79,933 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	\$ 351,122	\$ 70,100,942	\$ 70,452,064
Special Revenue Fund	5,797,131	3,049,514	8,846,645
Capital Projects Fund		1,084,063	1,084,063
Debt Service Fund		551,188	551,188
Food Service Fund	<u>2,589,135</u>	<u>34,835</u>	<u>2,623,970</u>
Total Financial Assistance	<u>\$ 8,737,388</u>	<u>\$ 74,820,542</u>	<u>\$ 83,557,930</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 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 \$3,876,091 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 \$4,259,285 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$5,071,631 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.

**NORTH BERGEN BOARD OF EDUCATION
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 auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to the 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 deficiency(ies) identified? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? _____ yes X none

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.419</u>	<u>S419B150020</u>	<u>Preschool Expansion Aid</u>
<u>84.027</u>	<u>H027A150100</u>	<u>IDEA Basic</u>
<u>84.173</u>	<u>H173A150114</u>	<u>IDEA Preschool</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

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

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Part I – Summary of Auditor’s Results

State Awards Section

Dollar threshold used to distinguish between Type A and Type B Programs

\$ 1,967,695

Auditee qualified as low-risk auditee?

X yes _____ no

Internal Control over Major Programs:

1) Material weakness(es) identified?

_____ yes X no

2) Significant deficiency(ies) identified that are not considered to be material weaknesses?

_____ yes X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?

_____ yes X none

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-096</u>	<u>Under Adequacy 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</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-086</u>	<u>Preschool Education Aid</u>
_____	_____
_____	_____
_____	_____

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
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.

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
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.

CURRENT YEAR STATE AWARDS

THERE ARE NONE.

**NORTH BERGEN BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 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. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.