

NORTH BERGEN BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017

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

HAISSAM JAAFAR
PRESIDENT

SAI RAO
VICE PRESIDENT

HUGO D. CABRERA
BOARD SECRETARY

GEORGE J. SOLTER JR., Ed.D
SUPERINTENDENT

STEVEN P. SOMICK
BUSINESS ADMINISTRATOR

November 30, 2017

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, 2017.

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, 2017, 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, 2017, 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 2016/2017 school year with an enrollment of 7900 students, which is 105 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-2017	7,900	-1.31%
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%

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 Superintendent Advisory Committee, School Improvement Panels (ScIP) at each school, and a leadership team.

New programs for the 2016-2017 school year include but not limited to the following: Math coaches to help teachers with instruction, creating math lab classrooms where teachers learn by using imbedded professional development, we keep expanding the Community Based Instruction for our students who have a learning disability, using a online program called "First in Math" to reinforce computation math facts, piloting Read 180 and System 44 in LLD rooms to increase reading comprehension.

Teachers continue to use the scholastic book rooms, further professional 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, and further developing an understanding of the Danielson '07 evaluation for teachers and Marshall evaluation for administrators.

MAJOR INITIATIVES (Continued)

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.

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

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, 2017.

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.

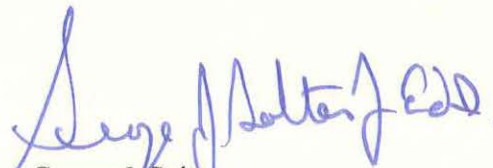
ACKNOWLEDGEMENTS

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,



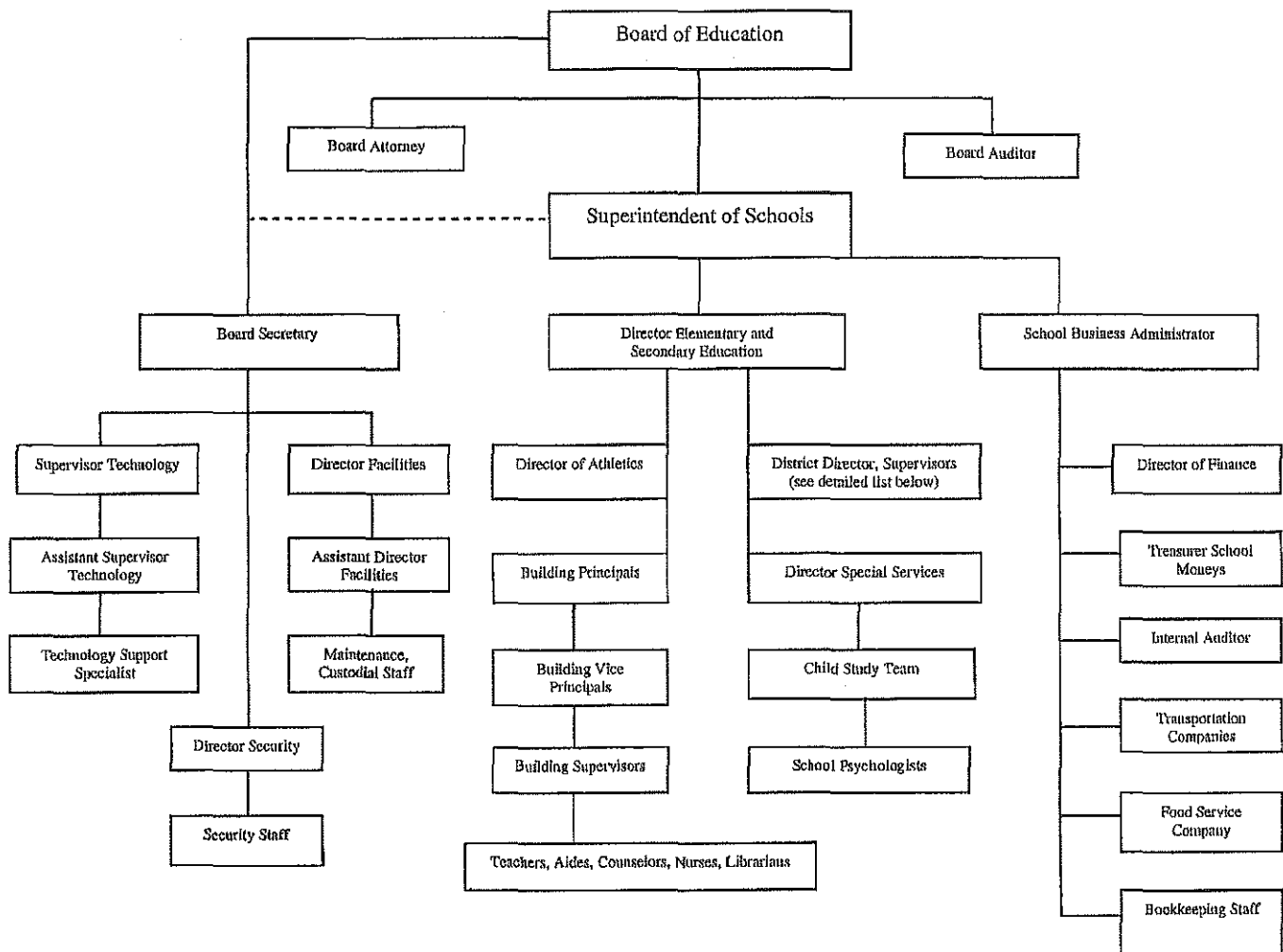
Steven Somick
School Business Administrator



George J. Solter
Superintendent of Schools

NORTH BERGEN BOARD OF EDUCATION

ORGANIZATIONAL CHART



**NORTH BERGEN BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2017**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Haissam Jaafar, President	2018
Sai Rao, Vice President	2019
Patricia Bartoli	2019
Claudia Baselice	2020
Luis Diaz	2020
Kanaiyalal Patel	2020
Luis Rabelo	2019
Claudia Rodriguez	2018
Ruth Shaw	2018
Mark Rogers (Guttenberg)	2020

Other Officials

George J. Solter, Jr. Ed. D., Superintendent of Schools

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.
1 Marine Plaza, Suite 205 North
North Bergen, New Jersey 07047

AUDIT FIRM

Lerch, Vinci & Higgins, LLP
17-17 Route 208N
Fair Lawn, New Jersey 07410

ATTORNEY

Ryglicki & Gillman, P.C.
9060 Palisades Avenue, Suite C6
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
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Bergen Board of Education, as of and for the fiscal year ended June 30, 2017 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 from 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, 2017, 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

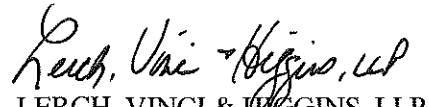
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Bergen Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations 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.

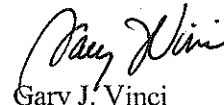
The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial 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 30, 2017 on our consideration of the North Bergen Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Bergen Board of Education's 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 30, 2017

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, 2017. 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 2016-2017 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 \$28,891,531 (net position).
- Overall District revenues were \$165,331,640. General revenues accounted for \$100,567,305 or 61% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$64,764,335 or 39% of total revenues.
- The School District had \$162,406,298 in expenses for governmental activities; only \$61,682,335 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$100,566,911 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 \$21,726,223 a decrease of \$305,420 when compared to the ending fund balance at June 30, 2016 of \$22,031,643.
- The General Fund unassigned fund balance at June 30, 2017 was in a deficit position of \$3,739,862 a decrease of \$28,335 when compared with the ending fund balance deficit of \$3,768,087 at June 30, 2016.
- The General Fund unassigned budgetary fund balance at June 30, 2017 was \$2,229,243 which represents an increase of \$94,695 when compared to the ending unassigned fund balance at June 30, 2016 of \$2,134,548.

NORTH BERGEN BOARD OF EDUCATION

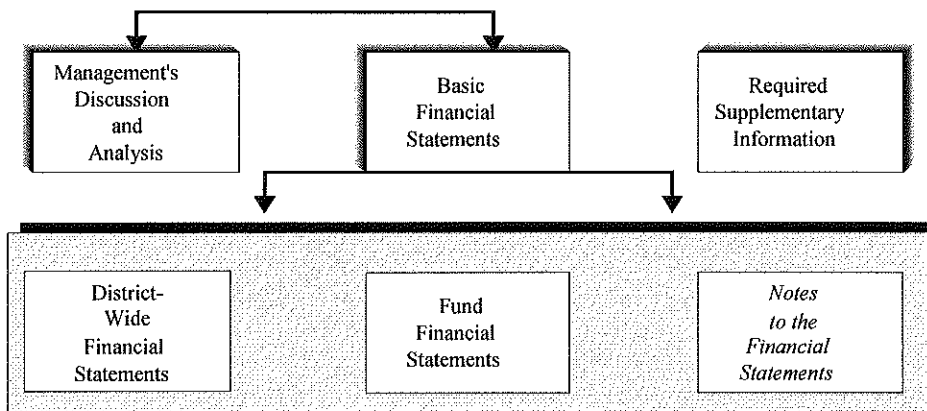
Management's Discussion and Analysis

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 \$28,891,531 and \$29,027,532 as of June 30, 2017 and 2016, 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, 2017 and 2016

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Assets						
Current and Other Assets	\$ 31,292,247	\$ 32,223,172	\$ 1,167,080	\$ 1,171,087	\$ 32,459,327	\$ 33,394,259
Capital Assets	<u>57,950,682</u>	<u>56,607,604</u>	<u>33,240</u>	<u>28,752</u>	<u>57,983,922</u>	<u>56,636,356</u>
Total Assets	<u>89,242,929</u>	<u>88,830,776</u>	<u>1,200,320</u>	<u>1,199,839</u>	<u>90,443,249</u>	<u>90,030,615</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	13,136,102	4,864,427			13,136,102	
Deferred Amounts on Refunding of Debt	<u>429,722</u>	<u>520,791</u>	<u>-</u>	<u>-</u>	<u>429,722</u>	<u>520,791</u>
Total Deferred Outflows	<u>13,565,824</u>	<u>5,385,218</u>	<u>-</u>	<u>-</u>	<u>13,565,824</u>	<u>520,791</u>
Total Assets and Deferred Outflows	<u>102,808,753</u>	<u>94,215,994</u>	<u>1,200,320</u>	<u>1,199,839</u>	<u>104,009,073</u>	<u>90,551,406</u>
Liabilities						
Long-Term Liabilities	65,372,044	55,466,706			65,372,044	55,466,706
Other Liabilities	<u>9,610,428</u>	<u>10,243,121</u>	<u>129,730</u>	<u>137,555</u>	<u>9,740,158</u>	<u>10,380,676</u>
Total Liabilities	<u>74,982,472</u>	<u>65,709,827</u>	<u>129,730</u>	<u>137,555</u>	<u>75,112,202</u>	<u>65,847,382</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability		522,834			-	522,834
Deferred Commodities Revenue	<u>-</u>	<u>-</u>	<u>5,340</u>	<u>18,085</u>	<u>5,340</u>	<u>18,085</u>
Total Deferred Inflows	<u>-</u>	<u>522,834</u>	<u>5,340</u>	<u>18,085</u>	<u>5,340</u>	<u>18,085</u>
Total Liabilities and Deferred Inflows	<u>74,982,472</u>	<u>66,232,661</u>	<u>135,070</u>	<u>155,640</u>	<u>75,117,542</u>	<u>65,865,467</u>
Net Position						
Net Investment in Capital Assets	49,080,720	46,523,366	33,240	28,752	49,113,960	46,552,118
Restricted	13,684,522	18,322,309			13,684,522	18,322,309
Unrestricted	<u>(34,938,961)</u>	<u>(36,862,342)</u>	<u>1,032,010</u>	<u>1,015,447</u>	<u>(33,906,951)</u>	<u>(35,846,895)</u>
Total Net Position	<u>\$ 27,826,281</u>	<u>\$ 27,983,333</u>	<u>\$ 1,065,250</u>	<u>\$ 1,044,199</u>	<u>\$ 28,891,531</u>	<u>\$ 29,027,532</u>

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years 2017 and 2016 are as follows:

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program Revenues						
Charges for Services	\$ 4,239,503	\$ 4,029,702	\$ 599,065	\$ 608,017	\$ 4,838,568	\$ 4,637,719
Operating Grants and Contributions	56,472,260	44,897,037	2,482,935	2,623,970	58,955,195	47,521,007
Capital Grants and Contributions	970,572	1,084,063			970,572	1,084,063
General Revenues						
Property Taxes	48,157,628	47,123,392			48,157,628	47,123,392
State Aid	51,938,020	51,552,636			51,938,020	51,552,636
Investment Earnings	82,733	39,121	394	358	83,127	39,479
Miscellaneous	388,530	649,498	-	-	388,530	649,498
Total Revenues	<u>162,249,246</u>	<u>149,375,449</u>	<u>3,082,394</u>	<u>3,232,345</u>	<u>165,331,640</u>	<u>152,607,794</u>
Expenses						
Instruction						
Regular	67,250,193	60,312,310			67,250,193	60,312,310
Special Education	24,113,217	21,371,331			24,113,217	21,371,331
Other Instruction	11,908,442	10,357,495			11,908,442	10,357,495
School Sponsored Activities and Athletics	2,784,999	2,450,975			2,784,999	2,450,975
Support Services						
Student and Instruction Related Services	18,686,314	16,519,639			18,686,314	16,519,639
General Administration Services	3,052,249	2,800,487			3,052,249	2,800,487
School Administration Services	11,099,792	10,169,920			11,099,792	10,169,920
Plant Operation and Maintenance	16,042,326	13,723,364			16,042,326	13,723,364
Pupil Transportation	3,717,316	3,957,813			3,717,316	3,957,813
Business Services	3,203,625	3,093,191			3,203,625	3,093,191
Interest and Other Chgs on Long-Term Debt	547,825	841,211			547,825	841,211
Food Service	-	-	3,061,343	2,989,029	3,061,343	2,989,029
Total Expenses	<u>162,406,298</u>	<u>145,597,736</u>	<u>3,061,343</u>	<u>2,989,029</u>	<u>165,467,641</u>	<u>148,586,765</u>
Change in Net Position	(157,052)	3,777,713	21,051	243,316	(136,001)	4,021,029
Net Position, Beginning 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>
Net Position, End of Year	<u>\$ 27,826,281</u>	<u>\$ 27,983,333</u>	<u>\$ 1,065,250</u>	<u>\$ 1,044,199</u>	<u>\$ 28,891,531</u>	<u>\$ 29,027,532</u>

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities. The District's total governmental activities revenues were \$162,249,246 for the fiscal year ended June 30, 2017. Tuition accounted for \$4,239,503 representing 3% of total revenues. Local property taxes were \$48,157,628 representing 30% of total revenues. State and federal aid revenues were \$109,380,852 representing 67% 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 \$162,406,298. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$106,056,851 (65%) of total expenditures. Support services totaled \$55,801,622 (34%) of total expenditures and the remainder of expenditures were for interest and other charges on long-term debt totaling \$547,825 (1%).

Total governmental activities expenses surpassed revenues, decreasing net position by \$157,052 over the previous year.

Total and Net Cost of Governmental Activities. The District's total cost of services was \$162,406,298 for the fiscal year ended June 30, 2017. After applying program revenues, derived from charges for services of \$4,239,503; operating grants and contributions of \$56,472,260, and capital grants and contributions of \$970,572, the net cost of services of the District is \$100,723,963. The following is a comparative analysis of the net cost of governmental activities for the fiscal years ended June 30, 2017 and 2016.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Instruction				
Regular	\$ 67,250,193	\$ 60,312,310	\$ 36,903,286	\$ 36,064,710
Special Education	24,113,217	21,371,331	10,281,114	9,820,542
Other Instruction	11,908,442	10,357,495	5,670,357	5,386,470
School Sponsored Activities and Athletics	2,784,999	2,450,975	2,007,219	1,889,945
Support Services				
Student and Instruction Related Services	18,686,314	16,519,639	13,721,924	12,340,128
General Administration	3,052,249	2,800,487	2,417,170	2,279,504
School Administration Services	11,099,792	10,169,920	8,683,652	8,352,633
Plant Operation and Maintenance	16,042,326	13,723,364	13,828,029	11,805,181
Pupil Transportation	3,717,316	3,957,813	3,459,762	3,713,419
Business Services	3,203,625	3,093,191	3,203,625	3,093,191
Interest and Other Charges on Long-Term Debt	<u>547,825</u>	<u>841,211</u>	<u>547,825</u>	<u>841,211</u>
Total	<u>\$ 162,406,298</u>	<u>\$ 145,597,736</u>	<u>\$ 100,723,963</u>	<u>\$ 95,586,934</u>

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 \$21,726,223, a decrease of \$305,420 from last year's fund balance of \$22,031,643.

Revenues for the District's governmental funds were \$136,724,885 total expenditures were \$137,030,305.

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, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>	Amount of Increase (Decrease)	<u>Percent</u>
Local Sources:				
Property Tax Levy	\$ 46,734,214	\$ 45,550,000	\$ 1,184,214	2.60%
Tuition	4,239,503	4,029,702	209,801	5.21%
Miscellaneous	466,258	688,619	(222,361)	-32.29%
State/Federal Sources	<u>72,647,289</u>	<u>70,452,064</u>	<u>2,195,225</u>	3.12%
 Total General Fund Revenues	 <u>\$ 124,087,264</u>	 <u>\$ 120,720,385</u>	 <u>\$ 3,366,879</u>	 <u>2.79%</u>

Total General Fund Revenues increased by \$3,366,879 or approximately 3% over the previous year.

Local property taxes increased \$1,184,214 over the previous year. State and federal aid increased \$2,195,225 or 3%, primarily due to the State of New Jersey increasing the On-Behalf TPAF funding to the District. Tuition charges increased \$209,801. Miscellaneous revenues decreased from 2015-16 to 2016-17.

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, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>	Amount of Increase (Decrease)	Percent
Instruction	\$ 76,211,670	\$ 72,893,062	\$ 3,318,608	4.55%
Support Services	44,755,964	42,903,320	1,852,644	4.32%
Debt Service	638,251	621,163	17,088	2.75%
Capital Outlay	<u>1,833,186</u>	<u>360,005</u>	<u>1,473,181</u>	409.21%
Total Expenditures	<u>\$ 123,439,071</u>	<u>\$ 116,777,550</u>	<u>\$ 6,661,521</u>	<u>5.70%</u>

Total General Fund expenditures increased \$6,661,521 or 6% from the previous year due to salary and other contractual increases, capital outlay expenditures and increases in the On-Behalf TPAF funding.

For the fiscal year ended June 30, 2017 General Fund revenues and other financing sources exceeded expenditures by \$661,686. After deducting statutory reserves and designations in the amount of \$22,420,379, the unassigned fund balance at June 30, 2017 was in a deficit position of \$3,739,862. This deficit occurs because the State has delayed the District's final state aid payments until July 2017. Had these payments been received prior to June 30, 2017, the District would have ended the year with an unassigned fund balance (Budgetary Basis) of \$2,229,243.

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 \$9,687,956, for the fiscal year ended June 30, 2017. State sources in the amount of \$3,677,140 accounted for 38% of the total revenue and federal sources in the amount of \$5,959,240 accounted for 62% of the total revenue in the special revenue fund.

Total Special Revenue Fund revenues increased \$789,277 or 9% from the previous year. State sources increased \$627,626, and Federal sources increased by \$162,109.

Expenditures of the Special Revenue Fund were \$9,687,956. Instructional expenditures were \$7,802,033 or 81%, expenditures for support services were \$1,874,466 or 19%, for the fiscal year ended June 30, 2017.

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 \$898,842 decreasing the fund balance from \$3,935,234 at June 30, 2016 to \$3,036,392 at June 30, 2017. 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, 2016 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, 2017 amounts to \$57,950,682 and \$33,240 (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 2016-2017 amounted to \$2,357,486 for governmental activities and \$3,012 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2017 and 2016.

	Governmental		Business- Type		Total	
	<u>Activities</u>		<u>Activities</u>		<u>2017</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 4,488,797	\$ 4,488,797			\$ 4,488,797	\$ 4,488,797
Construction in Progress	2,744,425	5,787,745			2,744,425	5,787,745
Site Improvements	65,261	70,346			65,261	70,346
Building	50,357,428	45,949,937			50,357,428	45,949,937
Machinery and Equipment	294,771	310,779	\$ 33,240	\$ 28,752	328,011	339,531
Total	<u>\$ 57,950,682</u>	<u>\$ 56,607,604</u>	<u>\$ 33,240</u>	<u>\$ 28,752</u>	<u>\$ 57,983,922</u>	<u>\$ 56,636,356</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, 2017, the District's long-term liabilities consisted of compensated absences payable of \$7,846,201, serial bonds of \$2,720,302 (including unamortized premium), obligations under lease purchase agreements of \$9,569,210 (net of unamortized discount), Sales/Leaseback obligations of \$675,000 and net pension liability of \$44,561,331 totaling \$65,372,044. This is in comparison to long-term liabilities at June 30, 2016 of \$55,466,706 or an increase of \$9,905,338.

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 2016-2017 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 2017-2018. 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.

FINANCIAL STATEMENTS

NORTH BERGEN BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 18,777,362	\$ 1,943	\$ 18,779,305
Receivables, Net	12,001,950	177,074	12,179,024
Internal Balances	(950,012)	950,012	
Other Receivables	233,388		233,388
Prepaid Items	455,822		455,822
Other Assets	20,000		20,000
Inventory		38,051	38,051
Restricted Assets			
Cash and Cash Equivalents	753,737		753,737
Capital Assets			
Not Being Depreciated	7,233,222		7,233,222
Being Depreciated, Net	<u>50,717,460</u>	<u>33,240</u>	<u>50,750,700</u>
 Total Assets	 <u>89,242,929</u>	 <u>1,200,320</u>	 <u>90,443,249</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	13,136,102		13,136,102
Deferred Amounts on Refunding of Debt	<u>429,722</u>	<u>-</u>	<u>429,722</u>
 Total Deferred Outflows of Resources	 <u>13,565,824</u>	 <u>-</u>	 <u>13,565,824</u>
 Total Assets and Deferred Outflows of Resources	 <u>102,808,753</u>	 <u>1,200,320</u>	 <u>104,009,073</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	5,365,738	129,730	5,495,468
Accrued Interest Payable	44,404		44,404
Payable to Other Governments	412		412
Unearned Revenue	4,199,874		4,199,874
Noncurrent Liabilities			
Due Within One Year	2,703,000		2,703,000
Due Beyond One Year	<u>62,669,044</u>	<u>-</u>	<u>62,669,044</u>
 Total Liabilities	 <u>74,982,472</u>	 <u>129,730</u>	 <u>75,112,202</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, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	-	\$ 5,340	5,340
Total Deferred Inflows of Resources	-	5,340	5,340
Total Liabilities and Deferred Inflows of Resources	\$ 74,982,472	135,070	75,117,542
NET POSITION			
Net Investment in Capital Assets	49,080,720	33,240	49,113,960
Restricted for:			
Capital Projects	11,351,419		11,351,419
Other Purposes	2,333,103		2,333,103
Unrestricted	<u>(34,938,961)</u>	<u>1,032,010</u>	<u>(33,906,951)</u>
Total Net Position	<u>\$ 27,826,281</u>	<u>\$ 1,065,250</u>	<u>\$ 28,891,531</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, 2017**

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	\$ 67,250,193	\$ 4,239,503	\$ 26,107,404		\$ (36,903,286)		\$ (36,903,286)
Special Education	24,113,217		13,832,103		(10,281,114)		(10,281,114)
Other Instruction	11,908,442		6,238,085		(5,670,357)		(5,670,357)
School Sponsored Activities and Athletics	2,784,999		777,780		(2,007,219)		(2,007,219)
Support Services:							
Student and Instruction Related Services	18,686,314		4,964,390		(13,721,924)		(13,721,924)
General Administrative Services	3,052,249		635,079		(2,417,170)		(2,417,170)
School Administrative Services	11,099,792		2,416,140		(8,683,652)		(8,683,652)
Plant Operations and Maintenance	16,042,326		1,243,725	\$ 970,572	(13,828,029)		(13,828,029)
Pupil Transportation	3,717,316		257,554		(3,459,762)		(3,459,762)
Business Services	3,203,625				(3,203,625)		(3,203,625)
Interest on Long-Term Debt	547,825	-	-	-	(547,825)	-	(547,825)
Total Governmental Activities	162,406,298	4,239,503	56,472,260	970,572	(100,723,963)	-	(100,723,963)
Business-Type Activities:							
Food Service	3,061,343	599,065	2,482,935	-	-	\$ 20,657	20,657
Total Business-Type Activities	3,061,343	599,065	2,482,935	-	-	20,657	20,657
Total Primary Government	\$ 165,467,641	\$ 4,838,568	\$ 58,955,195	\$ 970,572	(100,723,963)	20,657	(100,703,306)
General Revenues							
Property Taxes							
Levied for General Purposes					46,734,214		46,734,214
Levied for Debt Service					1,423,414		1,423,414
State Aid - Unrestricted					51,387,346		51,387,346
State Aid - Restricted for Debt Service					550,674		550,674
Investment Earnings					82,733	394	83,127
Miscellaneous Income					388,530	-	388,530
Total General Revenues and Other Items					100,566,911	394	100,567,305
Change in Net Position					(157,052)	21,051	(136,001)
Net Position-Beginning of Year					27,983,333	1,044,199	29,027,532
Net Position-End of Year					\$ 27,826,281	\$ 1,065,250	\$ 28,891,531

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

FUND FINANCIAL STATEMENTS

NORTH BERGEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2017

	<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	\$ 16,910,791	\$ 1,866,571			\$ 18,777,362
Receivables From Other Governments	1,180,768	2,038,086	\$ 8,783,096		12,001,950
Prepaid Items	455,822				455,822
Other Assets	20,000				20,000
Due From Other Funds	5,041,482				5,041,482
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	<u>732,617</u>	<u>-</u>	<u>-</u>	<u>\$ 21,120</u>	<u>753,737</u>
Total Assets	<u>\$ 24,341,480</u>	<u>\$ 3,904,657</u>	<u>\$ 8,783,096</u>	<u>\$ 21,120</u>	<u>\$ 37,050,353</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 4,614,392	\$ 724,846			\$ 5,339,238
Unearned Revenue	75,059	3,179,399	\$ 945,416		4,199,874
Payables to Other Governments		412			412
Other Payables	21,500		5,000		26,500
Due To Other Funds	<u>950,012</u>	<u>-</u>	<u>4,796,288</u>	<u>\$ 11,806</u>	<u>5,758,106</u>
Total Liabilities	<u>5,660,963</u>	<u>3,904,657</u>	<u>5,746,704</u>	<u>11,806</u>	<u>15,324,130</u>
Fund Balances:					
Nonspendable					
Prepays	455,822				455,822
Restricted					
Capital Reserve	8,851,419				8,851,419
Capital Reserve-Designated for Subsequent Year's Budget	2,500,000				2,500,000
Maintenance Reserve	1,600,000				1,600,000
Maintenance Reserve -Designated for Subsequent Year's Budget	300,000				300,000
Emergency Reserve	1,000,000				1,000,000
Excess Surplus	1,138,943				1,138,943
Excess Surplus - Designated for Subsequent Year's Budget	1,326,703				1,326,703
Legally Restricted - Sale/Leaseback Reserve	433,103				433,103
Capital Projects Fund			3,036,392		3,036,392
Debt Service				9,314	9,314
Committed					
Encumbrances	1,379,824				1,379,824
Assigned					
Designated for Subsequent Year's Budget	2,465,663				2,465,663
Encumbrances	968,902				968,902
Unassigned					
General Fund	<u>(3,739,862)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,739,862)</u>
Total Fund Balances	<u>18,680,517</u>	<u>-</u>	<u>3,036,392</u>	<u>9,314</u>	<u>21,726,223</u>
Total Liabilities and Fund Balances	<u>\$ 24,341,480</u>	<u>\$ 3,904,657</u>	<u>\$ 8,783,096</u>	<u>\$ 21,120</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 \$90,816,081 and the accumulated depreciation is \$32,865,399.

57,950,682

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

(44,404)

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)

(51,806,220)

Net Position of Governmental Activities

\$ 27,826,281

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

**NORTH BERGEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<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	\$ 46,734,214			\$ 1,423,414	\$ 48,157,628
Tuition	4,239,503				4,239,503
Interest	82,733				82,733
Miscellaneous	383,525	\$ 51,576	-	5,005	440,106
Total - Local Sources	51,439,975	51,576	-	1,428,419	52,919,970
State Sources	72,349,998	3,677,140	\$ 970,572	550,674	77,548,384
Federal Sources	297,291	5,959,240	-	-	6,256,531
Total Revenues	124,087,264	9,687,956	970,572	1,979,093	136,724,885
EXPENDITURES					
Current					
Instruction					
Regular Instruction	49,359,794	2,862,110			52,221,904
Special Education Instruction	17,632,470	2,144,886			19,777,356
Other Instruction	6,925,821	2,795,037			9,720,858
School Sponsored Activities and Athletics	2,293,585				2,293,585
Support Services					
Student and Instruction Related Services	14,199,502	1,496,023			15,695,525
General Administrative Services	2,697,456				2,697,456
School Administrative Services	9,247,656				9,247,656
Plant Operations and Maintenance	11,989,588	347,997			12,337,585
Pupil Transportation	3,662,163	30,446			3,692,609
Business Services	2,959,599				2,959,599
Debt Service					
Principal	530,000			1,555,000	2,085,000
Interest and Other Charges	108,251			492,357	600,608
Capital Outlay	1,833,186	11,457	1,855,921	-	3,700,564
Total Expenditures	123,439,071	9,687,956	1,855,921	2,047,357	137,030,305
Excess (Deficiency) of Revenues Over (Under) Expenditures	648,193	-	(885,349)	(68,264)	(305,420)
Other Financing Sources (Uses)					
Transfers In/(Out)	13,493	-	(13,493)	-	-
Total Other Financing Sources (Uses)	13,493	-	(13,493)	-	-
Net Change in Fund Balances	661,686	-	(898,842)	(68,264)	(305,420)
Fund Balance, Beginning of Year	18,018,831	-	3,935,234	77,578	22,031,643
Fund Balance, End of Year	\$ 18,680,517	\$ -	\$ 3,036,392	\$ 9,314	\$ 21,726,223

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, 2017**

Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (305,420)

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	\$ 3,700,564	
Depreciation Expense	<u>(2,357,486)</u>	
		1,343,078

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	580,000	
General Obligation Bonds		
Amortization		
Premium	596	
Deferred Charge on Refunding	(2,904)	
Certificates of Participation	975,000	
Amortization		
Premium	137,841	
Discount	(1,773)	
Deferred Charge on Refunding	(88,165)	
Sales/Leaseback Obligations	<u>530,000</u>	
		2,130,595

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		(3,248,407)
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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.

7,188

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>(84,086)</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) \$ (157,052)

**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2017**

ASSETS

Cash	\$ 1,943
Intergovernmental Receivable	
State	5,375
Federal	171,699
Inventories	38,051
Due from Other Funds	<u>950,012</u>
Total Current Assets	<u>1,167,080</u>
Capital Assets	
Equipment	139,736
Accumulated Depreciation	<u>(106,496)</u>
Total Capital Assets	<u>33,240</u>
Total Assets	<u>1,200,320</u>

LIABILITIES

Current Liabilities	
Accounts Payable	<u>129,730</u>
Total Current Liabilities	<u>129,730</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Commodities Revenue	<u>5,340</u>
Total Deferred Inflows of Resources	<u>5,340</u>
Total Liabilities and Deferred Inflows of Resources	<u>135,070</u>

NET POSITION

Net Investment in Capital Assets	33,240
Unrestricted	<u>1,032,010</u>
Total Net Position	<u>\$ 1,065,250</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, 2017**

OPERATING REVENUES

Local Sources	
Daily Sales	
Reimbursable Programs	\$ 59,508
Non-Reimbursable Programs	514,012
Special Functions	<u>25,545</u>
 Total Operating Revenues	 <u>599,065</u>

OPERATING EXPENSES

Salaries and Wages	1,223,531
Employee Benefits	229,305
Cost of Sales	
Reimbursable Programs	1,016,276
Non-Reimbursable Programs	157,985
Other Purchased Services	355,665
Supplies and Materials	75,569
Depreciation	<u>3,012</u>
 Total Operating Expenses	 <u>3,061,343</u>

Operating Income (Loss)	<u>(2,462,278)</u>
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NONOPERATING REVENUES

State Sources	
State School Lunch Program	33,578
Federal Sources	
School Breakfast Program	518,240
National School Lunch Program	1,733,764
Special Milk Program	6,531
After School Snack Program	12,748
Food Distribution Program (USDA Commodities)	178,074
Interest	<u>394</u>
 Total Nonoperating Revenues	 <u>2,483,329</u>

Change in Net Position	21,051
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Net Position, Beginning of Year	<u>1,044,199</u>
---------------------------------	------------------

Net Position, End of Year	<u>\$ 1,065,250</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, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 599,065
Cash Payments for Salaries & Benefits	(1,452,836)
Cash Payments to Suppliers for Goods and Services	<u>(1,435,828)</u>
Net Cash (Used) by Operating Activities	<u>(2,289,599)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash Payments for Interfund Transactions	(18,862)
Cash Received from State and Federal Subsidy Reimbursements	<u>2,317,510</u>
Net Cash Provided by Noncapital Financing Activities	<u>2,298,648</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Cash Payments for Acquisition of Capital Assets	<u>(7,500)</u>
Net Cash (Used) by Noncapital Financing Activities	<u>(7,500)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Received on Deposits	<u>394</u>
Net Cash Provided by Investing Activities	<u>394</u>

Net Change in Cash and Cash Equivalents 1,943

Cash and Cash Equivalents, Beginning of Year -

Cash and Cash Equivalents, End of Year \$ 1,943

Reconciliation of Operating (Loss) to Net Cash

(Used) by Operating Activities	
Operating Income (Loss)	\$ <u>(2,462,278)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities	
Depreciation	3,012
Non-Cash Federal Assistance-Food Distribution Program	178,074
Change in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	
Increase/(Decrease) in Accounts Payable	(7,825)
(Increase)/Decrease in Inventory	12,163
Increase/(Decrease) in Deferred Commodities Revenue	<u>(12,745)</u>
Total Adjustments	<u>172,679</u>
Net Cash (Used) by Operating Activities	<u>\$ (2,289,599)</u>

Non-Cash Investing, Capital and Financing Activities \$ 165,329
 Value Received - Food Distribution Program \$ 165,329

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, 2017**

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 838,595	\$ 4,272,203
Accounts Receivable	34,630	
Due From Other Funds	308,145	-
	<hr/>	<hr/>
Total Assets	1,181,370	\$ 4,272,203
	<hr/>	<hr/>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 218,446
Accrued Salaries and Wages		3,220,028
Intergovernmental Payable	4,384	
Due to Student Groups		292,196
Due to Other Funds	-	541,533
	<hr/>	<hr/>
Total Liabilities	4,384	\$ 4,272,203
	<hr/>	<hr/>
NET POSITION		
Held in Trust for Unemployment Compensation Claims	\$ 1,176,986	
	<hr/>	

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, 2017**

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Employee Deductions	\$ 110,876
Interest	<u>2,738</u>
Total Additions	<u>113,614</u>
DEDUCTIONS	
Unemployment Claims	<u>71,674</u>
Total Deductions	<u>71,674</u>
Change in Net Position	41,940
Net Position, Beginning of Year	<u>1,135,046</u>
Net Position, End of Year	<u>\$ 1,176,986</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, 2017**

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 the Township of North Bergen and one appointed representative from the Guttenberg Board of Education. The Board is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

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

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

B. New Accounting Standards

During fiscal year 2017, the District adopted the following GASB statements:

- 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*. 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. 77, *Tax Abatement Disclosures*. 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. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. *The Financial Reporting Entity, as amended*.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. 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.

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

- 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. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

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, 2017**

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, 2017**

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 types:

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, 2017**

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.

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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 acquisition 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 future periods 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, 2017**

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 and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one item which arises only under the accrual basis of accounting that qualify for reporting in this category. The item that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statement of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

8. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation 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 and salary related payments. 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, 2017**

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.

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

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 2017/2018 District budget certified for taxes.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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)

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 3d).

Maintenance Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2017/2018 District budget certified for taxes.

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 3e).

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that is required to be appropriated in the 2018/2019 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, 2016 audited excess surplus that was appropriated in the 2017/2018 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, 2017**

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 2017/2018 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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 2015-2016 and 2016-2017 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

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 are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds Payable	\$ 2,720,000
Deferred Amount on Refunding	(22,616)
Unamortized Issuance Premium	302
Certificates of Participation (COPS)	8,955,000
Deferred Amount on Refunding	(407,106)
Unamortized Issuance Premium	618,683
Unamortized Discount	(4,473)
Sale/Leaseback Obligations Payable	675,000
Compensated Absences	7,846,201
Net Pension Liability	44,561,331
Deferred Amounts on Net Pension Liability	
Deferred Outflows	<u>(13,136,102)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 51,806,220</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 2016/2017. Also, during 2016/2017 the Board increased the original budget of the General Fund by \$2,219,223 and the Special Revenue Fund by \$1,660,969. The increases were funded by grant awards, the reappropriation of prior year general fund encumbrances, and the appropriation of capital reserve and sale/leaseback funds.

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. Deficit Fund Equity

The District has an unassigned fund balance deficit of \$3,739,862 in the General Fund as of June 30, 2017 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 2016/2017 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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity (Continued)

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 \$3,739,862 in the General Fund is less than the delayed state aid payments at June 30, 2017.

C. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016		\$ 12,276,019
Increased by		
Deposit by Board Resolution - June 2017		<u>2,000,000</u>
		14,276,019
Decreased by		
Budgeted Withdrawal in 2016-2017 Budget	2,240,000	
Authorization Approved by Board Resolution	<u>684,600</u>	
		<u>2,924,600</u>
Balance, June 30, 2017		<u>\$ 11,351,419</u>
<u>Analysis of Restricted for Capital Reserve, June 30, 2017</u>		
Capital Reserve		\$ 8,851,419
Capital Reserve - Designated for Subsequent Year's Budget		<u>2,500,000</u>
		<u>\$ 11,351,419</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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. 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.

The activity of the maintenance reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016	\$ 1,300,000
Increased by	
Deposit by Board Resolution - June 2017	<u>600,000</u>
Balance, June 30, 2017	<u>\$ 1,900,000</u>

Analysis of Restricted for Maintenance Reserve, June 30, 2017

Maintenance Reserve	\$ 1,600,000
Maintenance Reserve - Designated for Subsequent Year's Budget	<u>300,000</u>
	<u>\$ 1,900,000</u>

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

E. 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 or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. 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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Emergency Reserve (Continued)

The activity of the emergency reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016	<u>\$ 1,000,000</u>
Balance, June 30, 2017	<u>\$ 1,000,000</u>

F. Transfers to Capital Outlay

During the 2016/2017 school year, the district increased capital outlay accounts by \$984,600. The increases were funded by capital reserve and sales/leaseback funds.

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, 2017 is \$2,465,646. Of this amount, \$1,326,703 was designated and appropriated in the 2017/2018 original budget certified for taxes and the remaining amount of \$1,138,943 will be appropriated in the 2018/2019 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), National Credit Union Share Insurance Fund (NCUSIF), 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. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2017, the book value of the Board's deposits were \$24,643,840 and bank and brokerage firm balances of the Board's deposits amounted to \$27,720,751. 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>\$ 27,720,751</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2017 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, 2017, the Board had no outstanding investments.

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

B. Receivables

Receivables as of June 30, 2017 for the district’s individual major 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					\$ 34,630	\$ 34,630
Intergovernmental-						
Federal	\$ 2,082	\$ 2,027,003		\$ 171,699		2,200,784
State	255,861		\$ 8,783,096	5,375		9,044,332
Local	<u>922,825</u>	<u>11,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>933,908</u>
Gross Receivables	1,180,768	2,038,086	8,783,096	177,074	34,630	12,213,654
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 1,180,768</u>	<u>\$ 2,038,086</u>	<u>\$ 8,783,096</u>	<u>\$ 177,074</u>	<u>\$ 34,630</u>	<u>\$ 12,213,654</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

	<u>Unearned</u>
General Fund	
Economic Development Authority School	
Facilities Grants	\$ 75,059
Special Revenue Fund	
Unencumbered Grant Draw Downs	3,171,755
Grant Draw Downs Reserved for Encumbrances	7,644
Capital Projects Fund	
Unrealized School Facilities Grant	<u>945,416</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 4,199,874</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Increases</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2017</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 4,488,797			\$ 4,488,797
Construction in Progress	<u>5,787,745</u>	\$ 3,605,180	\$(6,648,500)	<u>2,744,425</u>
Total Capital Assets, Not Being Depreciated	<u>10,276,542</u>	<u>3,605,180</u>	<u>(6,648,500)</u>	<u>7,233,222</u>
Capital Assets, Being Depreciated:				
Buildings	73,875,543	35,670	6,648,500	80,559,713
Site Improvements	135,054			135,054
Machinery and Equipment	<u>2,828,378</u>	59,714	-	<u>2,888,092</u>
Total Capital Assets Being Depreciated	<u>76,838,975</u>	<u>95,384</u>	<u>6,648,500</u>	<u>83,582,859</u>
Less Accumulated Depreciation for:				
Buildings	(27,925,606)	(2,276,679)		(30,202,285)
Site Improvements	(64,708)	(5,085)		(69,793)
Machinery and Equipment	<u>(2,517,599)</u>	<u>(75,722)</u>	-	<u>(2,593,321)</u>
Total Accumulated Depreciation	<u>(30,507,913)</u>	<u>(2,357,486)</u>	<u>-</u>	<u>(32,865,399)</u>
Total Capital Assets, Being Depreciated, net	<u>46,331,062</u>	<u>(2,262,102)</u>	<u>6,648,500</u>	<u>50,717,460</u>
Governmental Activities Capital Assets, net	<u>\$ 56,607,604</u>	<u>\$ 1,343,078</u>	<u>\$ -</u>	<u>\$ 57,950,682</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2017</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 132,236	\$ 7,500	-	\$ 139,736
Total Capital Assets Being Depreciated	<u>132,236</u>	<u>7,500</u>	<u>-</u>	<u>139,736</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(103,484)	(3,012)	-	(106,496)
Total Accumulated Depreciation	<u>(103,484)</u>	<u>(3,012)</u>	<u>-</u>	<u>(106,496)</u>
Total Capital Assets, Being Depreciated, net	<u>28,752</u>	<u>4,488</u>	<u>-</u>	<u>33,240</u>
Business-Type Activities Capital Assets, net	<u>\$ 28,752</u>	<u>\$ 4,488</u>	<u>\$ -</u>	<u>\$ 33,240</u>

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

Governmental Activities:

Instruction		
Regular		\$ 8,703
Total Instruction		<u>8,703</u>
Support Services		
Support Services-Students and Instruction Related		7,945
General Administration		7,550
School Administration		29,489
Operations and Maintenance of Plant		<u>2,303,799</u>
Total Support Services		<u>2,348,783</u>
Total Governmental Funds		<u>\$ 2,357,486</u>
Business-Type Activities:		
Food Service Fund		<u>\$ 3,012</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017:

<u>Project</u>	<u>Remaining Commitment</u>
Window Replacement and New Exterior Doors	
Robert Fulton	\$ 59,245
McKinley	154,934
North Bergen High School Rehabilitation - Security	
Alarm System Upgrades	43,711
North Bergen High School - Air Conditioning	99,798
Elementary Schools - Air Conditioning	690,026
McKinley Elementary	
District Wide Security Upgrades	<u>590,000</u>
 Total	 <u>\$ 1,637,714</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 4,796,288
General Fund	Debt Service Fund	11,806
General Fund	Payroll Agency Fund	233,388
Food Service Enterprise Fund	General Fund	950,012
Unemployment Compensation Trust Fund	Payroll Agency Fund	<u>308,145</u>
 Total		 <u>\$ 6,299,639</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, 2017**

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>
	General Fund
Capital Projects Fund	\$ <u>13,493</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

Operating Leases

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 was issued to finance the acquisition and improvement of real property for school purposes. Lease payments for the fiscal year ended June 30, 2017 were \$545,535. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2018	\$ 547,277
2019	<u>135,520</u>
Total Minimum Lease Payments	682,797
Less: Amount Representing Interest	<u>(7,797)</u>
Present Value of Minimum Lease Payments	<u>\$ 675,000</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 totaling \$21,120 remain on deposit with the respective agents.

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>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,650,000	101,600	1,751,600
2023	<u>1,715,000</u>	<u>34,300</u>	<u>1,749,300</u>
	<u>\$ 8,955,000</u>	<u>\$ 1,145,437</u>	<u>\$ 10,100,437</u>

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2017 are comprised of the following issues:

\$3,125,000, Refunding School Bonds 2009, due in an installment of \$365,000 on March 1, 2018 interest at 4.0%	\$365,000
\$3,225,000, Pension Obligation Refunding Bonds, due in annual installments of \$230,000 to \$300,000 through April 1, 2026, interest at 2.931% to 5.054%	<u>2,355,000</u>
Total	<u>\$2,720,000</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	265,000	67,124	332,124
2023-2026	<u>1,135,000</u>	<u>142,273</u>	<u>1,277,273</u>
	<u>\$ 2,720,000</u>	<u>\$ 582,149</u>	<u>\$ 3,302,149</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2017 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 203,949,327
Less: Net Debt	<u>365,000</u>
Remaining Borrowing Power	<u>\$ 203,584,327</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

	Balance July 1, 2016	<u>Additions</u>	<u>Reductions</u>	Balance June 30, 2017	Due Within One Year
Governmental Activities:					
Obligations Under Lease-					
Purchase Agreement	\$ 9,930,000		\$ 975,000	\$ 8,955,000	\$ 1,010,000
Add: Unamortized Premium	756,524		137,841	618,683	
Less: Unamortized Discount	(6,246)	-	(1,773)	(4,473)	-
	<u>10,680,278</u>	<u>-</u>	<u>1,111,068</u>	<u>9,569,210</u>	<u>1,010,000</u>
Bonds Payable					
	3,300,000		580,000	2,720,000	595,000
Add: Unamortized Premium	898	-	596	302	-
	<u>3,300,898</u>	<u>-</u>	<u>580,596</u>	<u>2,720,302</u>	<u>595,000</u>
Obligations Under Sales/Leaseback					
	1,205,000		530,000	675,000	540,000
Compensated Absences Payable	7,762,115	\$ 548,691	464,605	7,846,201	558,000
Net Pension Liability	32,518,415	13,379,563	1,336,647	44,561,331	-
	<u>\$ 55,466,706</u>	<u>\$ 13,928,254</u>	<u>\$ 4,022,916</u>	<u>\$ 65,372,044</u>	<u>\$ 2,703,000</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.

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 Board's 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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The relationship between the Board and the insurance fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. 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>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2017	\$ 110,876	\$ 71,674	\$ 1,176,986
2016	104,668	74,808	1,135,046
2015	100,744	59,803	1,103,631

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, 2017, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2017, the District has not estimated its arbitrage earnings due to the IRS, if any.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 5 OTHER INFORMATION (Continued)

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.

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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Basis of Accounting

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

Investment Valuation

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

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

Funding Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2015 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 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for the PERS and varying percentages based on experience for TPAF.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.06% for PERS, 7.06% 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, 2017 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, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively 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>
2017	\$ 1,336,647	\$ 5,919,633	\$ 7,138
2016	1,245,417	4,259,285	1,725
2015	1,181,383	2,914,871	5,722

In addition for fiscal year 2016/2017 the District contributed \$7,317 for PERS and the State contributed \$13,833 for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$4,008,160 during the fiscal year ended June 30, 2017 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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Public Employees Retirement System (PERS)

At June 30, 2017, the District reported in the statement of net position (accrual basis) a liability of \$44,561,331 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, the District's proportionate share was .15046 percent, which was an increase of .0056 percent from its proportionate share measured as of June 30, 2015 of .14486 percent.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,585,054 for PERS. At June 30, 2017, 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	\$ 828,706	
Changes of Assumptions	9,230,728	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,699,164	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>1,377,504</u>	<u>\$ -</u>
Total	<u>\$ 13,136,102</u>	<u>\$ -</u>

At June 30, 2017, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2018	\$ 2,978,394
2019	2,978,394
2020	3,378,133
2021	2,851,143
2022	950,038
Thereafter	<u>-</u>
	<u>\$ 13,136,102</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 District's total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was 3.98% (measurement date June 30, 2016).

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2034

Municipal Bond Rate * From July 1, 2034
and Thereafter

* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 3.98%, 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 (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 54,604,710</u>	<u>\$ 44,561,331</u>	<u>\$ 36,269,651</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2016. 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, 2017**

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, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$25,524,361 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, 2017 the State's proportionate share of the net pension liability attributable to the District is \$418,493,907. 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, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was .53199 percent, which was a decrease of .00717 percent from its proportionate share measured as of June 30, 2015 of .53916 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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	7.65%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2016 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%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 3.22% (measurement date June 30, 2016).

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, 2029
Municipal Bond Rate *	From July 1, 2029 and Thereafter

* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 3.22% 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 (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	1% Decrease (<u>2.22%</u>)	Current Discount Rate (<u>3.22%</u>)	1% Increase (<u>4.22%</u>)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ 499,775,248	\$ 418,493,907	\$ 352,117,202

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 584 state and local participating employers and contributing entities for Fiscal Year 2016.

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, 2017**

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, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 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, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 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, 2017**

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, 2016, there were 110,512, retirees receiving post-retirement medical benefits and the State contributed \$1.37 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 (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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, 2017, 2016 and 2015 were \$4,932,401, \$5,071,631 and \$4,627,360, 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. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For North Bergen Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

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, 2017**

	<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 Tax Levy	\$ 46,734,214		\$ 46,734,214	\$ 46,734,214	
Tuition					
LEA's	4,350,000		4,350,000	4,137,749	\$ (212,251)
Summer School	65,000		65,000	48,704	(16,296)
Other				53,050	53,050
Interest on Capital Reserve	3,000		3,000		(3,000)
Interest				82,733	82,733
Miscellaneous	500,000	-	500,000	383,525	(116,475)
Total Local Sources	<u>51,652,214</u>	<u>-</u>	<u>51,652,214</u>	<u>51,439,975</u>	<u>(212,239)</u>
State Sources					
Special Education Aid	4,632,403		4,632,403	4,632,403	
Equalization Aid	50,667,188		50,667,188	50,667,188	
Under Adequacy Aid	500,000		500,000	500,000	
Security Aid	901,738		901,738	901,738	
Transportation Aid	172,404		172,404	172,404	
PARCC Readiness Aid	74,130		74,130	74,130	
Per Pupil Growth Aid	74,130		74,130	74,130	
Professional Learning Community Aid	73,140		73,140	73,140	
Extraordinary Aid	400,000		400,000	389,366	
Non-Public Transportation Aid				57,942	57,942
TPAF On Behalf					
NCGI Premium				206,983	206,983
Pension Contribution				5,712,650	5,712,650
Long Term Disability Insurance				13,833	13,833
Post Retirement				4,932,401	4,932,401
Social Security Contribution	-	-	-	4,008,160	4,008,160
Total State Source	<u>57,495,133</u>	<u>-</u>	<u>57,495,133</u>	<u>72,416,468</u>	<u>14,931,969</u>
Federal Sources					
Medicaid SEMI/ARRA				18,104	18,104
Medicaid Administrative (MAC)				50,800	50,800
Medicaid Reimbursement Program	219,170	-	219,170	228,387	9,217
Total Federal Sources	<u>219,170</u>	<u>-</u>	<u>219,170</u>	<u>297,291</u>	<u>78,121</u>
Total Revenues	<u>109,366,517</u>	<u>-</u>	<u>109,366,517</u>	<u>124,153,734</u>	<u>14,797,851</u>
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Preschool/Kindergarten	1,896,474	\$ (23,600)	1,872,874	1,847,695	25,179
Grades 1-5	10,926,015	(74,000)	10,852,015	10,761,115	90,900
Grades 6-8	6,064,651	(32,800)	6,031,851	5,791,790	240,061
Grades 9-12	11,080,300	(204,300)	10,876,000	10,815,682	60,318
Regular Programs - Home Instruction					
Salaries of Teachers	182,912	26,600	209,512	209,446	66
Purchased Professional Educational Services	31,500	(14,800)	16,700	12,751	3,949
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	988,721	379,870	1,368,591	1,366,767	1,824
Purchased Professional Educational Services	178,500	25,807	204,307	185,933	18,374
Other Purchased Services	722,600	66,354	788,954	678,155	110,799
General Supplies	1,071,240	(169,119)	902,121	839,722	62,399
Textbooks	312,383	(48,377)	264,006	230,794	33,212
Total Regular Programs	<u>33,455,296</u>	<u>(68,365)</u>	<u>33,386,931</u>	<u>32,739,850</u>	<u>647,081</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<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	\$ 248,822	-	\$ 248,822	\$ 243,496	\$ 5,326
Other Salaries for Instruction	117,990	-	117,990	115,250	2,740
Total Cognitive - Moderate	<u>366,812</u>	<u>-</u>	<u>366,812</u>	<u>358,746</u>	<u>8,066</u>
Learning and Learning Disabilities					
Salaries of Teachers	3,000,749	-	3,000,749	2,964,064	36,685
Other Salaries for Instruction	1,401,953	-	1,401,953	1,344,210	57,743
Purchased Professional-Educational Services	16,000	\$ 20,850	36,850		36,850
General Supplies	8,000	53	8,053	1,233	6,820
Textbooks	10,000	(850)	9,150	-	9,150
Total Learning and Learning Disabilities	<u>4,436,702</u>	<u>20,053</u>	<u>4,456,755</u>	<u>4,309,507</u>	<u>147,248</u>
Resource Room / Resource Center					
Salaries of Teachers	4,374,474	1,800	4,376,274	4,352,391	23,883
Total Resource Room / Resource Center	<u>4,374,474</u>	<u>1,800</u>	<u>4,376,274</u>	<u>4,352,391</u>	<u>23,883</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	426,313	(77,200)	349,113	252,163	96,950
Other Salaries for Instruction	351,833	(30,500)	321,333	159,380	161,953
General Supplies	-	-	-	-	-
Total Preschool Disabilities - Part-Time	<u>778,146</u>	<u>(107,700)</u>	<u>670,446</u>	<u>411,543</u>	<u>258,903</u>
Home Instruction					
Salaries of Teachers	296,815	105,900	402,715	402,663	52
Purchased Professional Educational Services	40,510	16,920	57,430	46,857	10,573
Total Home Instruction	<u>337,325</u>	<u>122,820</u>	<u>460,145</u>	<u>449,520</u>	<u>10,625</u>
Total Special Education	<u>10,293,459</u>	<u>36,973</u>	<u>10,330,432</u>	<u>9,881,707</u>	<u>448,725</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,259,425	(165,370)	1,094,055	1,006,729	87,326
Other Salaries for Instruction	43,090	-	43,090	39,579	3,511
Purchased Professional Educational Services	20,000	-	20,000		20,000
Other Purchased Services	18,300	(3,900)	14,400		14,400
General Supplies	51,000	6,540	57,540	19,162	38,378
Other Objects	2,000	-	2,000	-	2,000
Total Basic Skills/Remedial - Instruction	<u>1,393,815</u>	<u>(162,730)</u>	<u>1,231,085</u>	<u>1,065,470</u>	<u>165,615</u>
Bilingual Education					
Salaries of Teachers	3,377,283	14,000	3,391,283	3,391,198	85
Other Salaries for Instruction	69,844	(4,500)	65,344	31,779	33,565
Other Purchased Services	4,000	13,831	17,831	8,899	8,932
General Supplies	40,685	(4,000)	36,685	9,805	26,880
Textbooks	2,715	-	2,715	328	2,387
Total Bilingual Education	<u>3,494,527</u>	<u>19,331</u>	<u>3,513,858</u>	<u>3,442,009</u>	<u>71,849</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
School Sponsored Co-Curricular Activities					
Salaries	\$ 314,875	\$ (11,400)	\$ 303,475	\$ 279,534	\$ 23,941
Purchased Services	96,400	1,130	97,530	96,907	623
Supplies and Materials	2,475	-	2,475	1,561	914
Other Objects	225	-	225	-	225
Total School Sponsored Co-Curricular Activities	<u>413,975</u>	<u>(10,270)</u>	<u>403,705</u>	<u>378,002</u>	<u>25,703</u>
School Sponsored Athletics - Instruction					
Salaries	714,075	4,550	718,625	713,952	4,673
Purchased Services	493,834	24,335	518,169	510,425	7,744
Supplies and Materials	157,950	4,008	161,958	151,039	10,919
Other Objects	-	-	-	-	-
Total School Sponsored Athletics - Instruction	<u>1,365,859</u>	<u>32,893</u>	<u>1,398,752</u>	<u>1,375,416</u>	<u>23,336</u>
Total - Instruction	<u>50,416,931</u>	<u>(152,168)</u>	<u>50,264,763</u>	<u>48,882,454</u>	<u>1,382,309</u>
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Regular	11,180	(2,001)	9,179	1,341	7,838
Tuition - Other LEA's Within State - Special	125,179	31,505	156,684	33,299	123,385
Tuition to County Vocational School/Dist.-Reg.	42,694	3,794	46,488	2,135	44,353
Tuition to CSSD & Reg. Day Schools	1,932,422	(48,000)	1,884,422	1,659,418	225,004
Tuition to Private Schools Disabled W/I State	817,760	144,568	962,328	913,550	48,778
Tuition - State Facilities	4,500	1	4,501	4,500	1
Tuition - Other	291,977	(122,956)	169,021	62,503	106,518
Total Undistributed Expenditures - Instruction	<u>3,225,712</u>	<u>6,911</u>	<u>3,232,623</u>	<u>2,676,746</u>	<u>555,877</u>
Attendance and Social Work Services					
Salaries	704,191	95,000	799,191	789,801	9,390
Other Purchased Services	1,700	320	2,020	1,516	504
Supplies and Materials	400	(320)	80	-	80
Total Attendance and Social Work Services	<u>706,291</u>	<u>95,000</u>	<u>801,291</u>	<u>791,317</u>	<u>9,974</u>
Health Services					
Salaries	951,622	(470)	951,152	931,146	20,006
Purchased Professional Technical Services	15,780	3,620	19,400	12,087	7,313
Other Purchased Services	6,950	-	6,950	5,841	1,109
Supplies and Materials	30,850	389	31,239	29,763	1,476
Total Health Services	<u>1,005,202</u>	<u>3,539</u>	<u>1,008,741</u>	<u>978,837</u>	<u>29,904</u>
Other Support Services-Speech, OT, PT and Related					
Salaries	123,325	-	123,325	110,145	13,180
Purchased Professional Educational Services	471,932	131,003	602,935	596,087	6,848
Supplies and Materials	6,000	-	6,000	-	6,000
Total Other Support Services	<u>601,257</u>	<u>131,003</u>	<u>732,260</u>	<u>706,232</u>	<u>26,028</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Other Support Services - Students - Extra Serv.					
Salaries	\$ 629,262	\$ (14,000)	\$ 615,262	\$ 531,500	\$ 83,762
Purchased Professional Educational Services	346,934	(28,959)	317,975	263,739	54,236
Total Other Support Services - Students - Extra Serv. -	<u>976,196</u>	<u>(42,959)</u>	<u>933,237</u>	<u>795,239</u>	<u>137,998</u>
Guidance					
Salaries of Other Professional Staff	1,479,836	25,500	1,505,336	1,478,711	26,625
Salaries of Secretarial and Clerical Assistants	169,145	(1,500)	167,645	162,709	4,936
Purchased Professional-Educational Services		-			
Other Purchased Prof. and Tech. Services	25,000	-	25,000	19,640	5,360
Other Purchased Services	21,200	5,401	26,601	23,677	2,924
Supplies and Materials	15,000	(5,401)	9,599	4,279	5,320
Total Guidance	<u>1,710,181</u>	<u>24,000</u>	<u>1,734,181</u>	<u>1,689,016</u>	<u>45,165</u>
Other Support Services - Child Study Team					
Salaries of Other Professional Staff	2,589,333	(56,000)	2,533,333	2,478,675	54,658
Salaries of Secretarial and Clerical Assistants	303,407	3,000	306,407	300,457	5,950
Other Purchased Professional/Technical Services	122,600	(5,632)	116,968	103,587	13,381
Residential Costs	525	(120)	405		405
Misc. Purchased Services	18,000	40,610	58,610	32,738	25,872
Supplies and Materials	9,500	-	9,500	8,721	779
Total Other Support Services - Child Study Team	<u>3,043,365</u>	<u>(18,142)</u>	<u>3,025,223</u>	<u>2,924,178</u>	<u>101,045</u>
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	188,492	15,900	204,392	204,377	15
Salaries of Other Professional Staff	855,513	115,570	971,083	964,509	6,574
Purchased Prof. Educational Services	600	-	600		600
Other Purchased Professional/Technical Services	900	-	900		900
Other Purchased Services	2,000	(2,000)			-
Supplies and Materials	1,000	(1,000)			-
Total Improvement of Instruction Services	<u>1,048,505</u>	<u>128,470</u>	<u>1,176,975</u>	<u>1,168,886</u>	<u>8,089</u>
Educational Media Services/School Library					
Salaries	261,454	-	261,454	232,870	28,584
Other Purchased Services	8,400	-	8,400	410	7,990
Supplies and Materials	41,000	-	41,000	37,448	3,552
Total Educational Media Services/School Library	<u>310,854</u>	<u>-</u>	<u>310,854</u>	<u>270,728</u>	<u>40,126</u>
Instructional Staff Training Services					
Salaries of Other Professional Staff	628,930	59,580	688,510	688,414	96
Salaries of Secretarial and Clerical Assist.	3,559	(3,500)	59		59
Purchased Professional-Educational Serv.	75,050	9,950	85,000	60,778	24,222
Other Purchased Professional and Tech Svcs	4,000	(4,000)			-
Other Purchased Services	14,000	(14,000)			-
Supplies and Materials	11,000	(11,000)			-
Other Objects	3,800	(3,800)			-
Total Instructional Staff Training Services	<u>740,339</u>	<u>33,230</u>	<u>773,569</u>	<u>749,192</u>	<u>24,377</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services General Administration					
Salaries	\$ 901,775	\$ (21,200)	\$ 880,575	\$ 811,209	\$ 69,366
Legal Services	568,100	57,809	625,909	606,064	19,845
Audit Fees	100,000	2,305	102,305	84,204	18,101
Expenditure and Internal Control Audit Fees	5,000	-	5,000	-	5,000
Architectural/Engineering Services	180,000	71,436	251,436	246,280	5,156
Other Purchased Professional Services	191,000	31,390	222,390	212,362	10,028
Communications/Telephone	161,000	(8,842)	152,158	145,767	6,391
BOE Other Purchased Services	12,000	(1,326)	10,674	5,242	5,432
Miscellaneous Purchased Services	97,400	(27,325)	70,075	52,293	17,782
Supplies and Materials	51,000	5,000	56,000	44,909	11,091
BOE In-House Training/Meeting Supplies	1,500	-	1,500	-	1,500
Judgments Against The School District	20,300	(13,100)	7,200	-	7,200
Miscellaneous Expenditures	8,300	-	8,300	3,200	5,100
BOE Membership Dues and Fees	59,300	(8,400)	50,900	44,865	6,035
Total Support Services General Administration	<u>2,356,675</u>	<u>87,747</u>	<u>2,444,422</u>	<u>2,256,395</u>	<u>188,027</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals	3,110,214	55,600	3,165,814	3,086,221	79,593
Salaries of Other Professional Staff	1,519,160	(10,220)	1,508,940	1,441,699	67,241
Salaries of Secretarial and Clerical Assistants	1,722,828	1,620	1,724,448	1,679,173	45,275
Purchased Prof. and Tech. Services	41,500	10,200	51,700	50,620	1,080
Other Purchased Services	139,853	10,485	150,338	84,824	65,514
Supplies and Materials	58,700	(4,431)	54,269	39,677	14,592
Other Objects	1,000	-	1,000	-	1,000
Total Support Services School Administration	<u>6,593,255</u>	<u>63,254</u>	<u>6,656,509</u>	<u>6,382,214</u>	<u>274,295</u>
Central Services					
Salaries	1,350,159	-	1,350,159	1,226,640	123,519
Purchased Professional Services	56,200	1,785	57,985	39,437	18,548
Purchased Technical Services	41,000	7,000	48,000	45,886	2,114
Misc. Purchased Services	45,653	9,346	54,999	23,042	31,957
Supplies and Materials	27,800	196	27,996	26,380	1,616
Interest on Current Loans	20,000	(6,500)	13,500	970	12,530
Other Objects	7,050	-	7,050	741	6,309
Total Central Services	<u>1,547,862</u>	<u>11,827</u>	<u>1,559,689</u>	<u>1,363,096</u>	<u>196,593</u>
Admin. Info. Technology					
Salaries	808,300	-	808,300	676,881	131,419
Purchased Professional Services	116,247	15,731	131,978	120,280	11,698
Purchased Technical Services	114,791	44,273	159,064	67,273	91,791
Other Purchased Services	5,500	-	5,500	1,782	3,718
Supplies and Materials	3,000	-	3,000	1,216	1,784
Total Admin. Info. Technology	<u>1,047,838</u>	<u>60,004</u>	<u>1,107,842</u>	<u>867,432</u>	<u>240,410</u>
Required Maintenance for School Facilities					
Salaries	1,163,975	(100,950)	1,063,025	896,532	166,493
Cleaning, Repair and Maintenance Services	868,100	90,088	958,188	637,201	320,987
General Supplies	186,421	12,286	198,707	136,933	61,774
Total Required Maintenance for School Facilities	<u>2,218,496</u>	<u>1,424</u>	<u>2,219,920</u>	<u>1,670,666</u>	<u>549,254</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 4,118,604	\$ 115,960	\$ 4,234,564	\$ 4,132,905	\$ 101,659
Purchased Professional and Technical Services	190,000	17,503	207,503	207,354	149
Cleaning, Repair and Maintenance	208,842	(885)	207,957	203,886	4,071
Rental Land and Buildings	352,330	2,600	354,930	354,930	-
Other Purchased Property Services	98,640	14,400	113,040	106,896	6,144
Insurance	667,000	(26,430)	640,570	582,882	57,688
Miscellaneous Purchased Services	50,970	2,000	52,970	20,068	32,902
General Supplies	249,834	(5,368)	244,466	177,220	67,246
Energy (Natural Gas)	379,668	29,968	409,636	277,374	132,262
Energy (Electricity)	591,236	21,753	612,989	545,946	67,043
Energy (Gasoline)	27,000	16,151	43,151	10,113	33,038
Other Objects	7,000	-	7,000	-	7,000
Total Other Operational and Maintenance of Plant	<u>6,941,124</u>	<u>187,652</u>	<u>7,128,776</u>	<u>6,619,574</u>	<u>509,202</u>
Care and Upkeep of Grounds					
Salaries	108,872	(80,600)	28,272	-	28,272
Purchased Professional and Technical Services	53,481	(4,133)	49,348	20,086	29,262
Cleaning, Repair and Maintenance	5,725	6,300	12,025	10,124	1,901
General Supplies	1,500	600	2,100	-	2,100
Total Care and Upkeep of Grounds	<u>169,578</u>	<u>(77,833)</u>	<u>91,745</u>	<u>30,210</u>	<u>61,535</u>
Security					
Salaries	1,160,118	125,400	1,285,518	1,251,365	34,153
Purchased Professional and Technical Services	9,554	1,700	11,254	2,836	8,418
Cleaning, Repair and Maintenance	2,296	-	2,296	1,390	906
General Supplies	41,050	(2,416)	38,634	23,813	14,821
Total Security	<u>1,213,018</u>	<u>124,684</u>	<u>1,337,702</u>	<u>1,279,404</u>	<u>58,298</u>
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	59,260	(5,000)	54,260	46,036	8,224
Salaries for Pupil Transportation (Between Home and School) - Special	80,210	23,600	103,810	98,366	5,444
Other Purchased Prof. and Tech. Serv.	13,000	-	13,000	-	13,000
Cleaning, Repair and Maintenance	23,700	(3,600)	20,100	6,861	13,239
Contracted Services (Between Home and School) - Vendors	1,093,869	(138,657)	955,212	919,409	35,803
Contracted Services (Between Home and School) - Joint Agreements	94,733	1,580	96,313	3,536	92,777
Contracted Services (Other Than Between Home and School) - Vendors	160,339	19,345	179,684	98,774	80,910
Contracted Services (Spec Ed)-Vendors	961,533	162,350	1,123,883	1,073,608	50,275
Contracted Services (Spec Ed)-Joint Agreements	1,205,075	64,476	1,269,551	995,896	273,655
Misc. Purchased Services - Transportation	500	50	550	455	95
General Supplies	8,000	-	8,000	-	8,000
Transportation Supplies	9,500	2,742	12,242	5,638	6,604
Aid in Lieu of Payments - Nonpublic School	418,108	(15,000)	403,108	339,194	63,914
Aid in Lieu of Payments - Charter Schools	21,489	-	21,489	19,448	2,041
Total Student Transportation Services	<u>4,149,316</u>	<u>111,886</u>	<u>4,261,202</u>	<u>3,607,221</u>	<u>653,981</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Unallocated Benefits					
Group Insurance	\$ 35,734	\$ 44,851	\$ 80,585	\$ 76,738	\$ 3,847
Social Security Contributions	1,433,754	(60,020)	1,373,734	1,321,155	52,579
Other Retirement Contributions					
PFRS	1,357,345	(5,905)	1,351,440	1,351,102	338
ERIP	58,500	(6,000)	52,500	46,240	6,260
Regular	48,000	(48,000)			-
Unemployment Compensation	150,000	(23,086)	126,914		126,914
Workmen's Compensation	515,000	-	515,000	477,806	37,194
Health Benefits	17,470,650	(181,440)	17,289,210	16,272,069	1,017,141
Unused Sick Payment to Terminated/Retired Staff	833,325	280,486	1,113,811	861,026	252,785
Total Unallocated Benefits	21,902,308	886	21,903,194	20,406,136	1,497,058
TPAF On Behalf (Non-Budget)					
NCGI Premium				206,983	(206,983)
Pension Contribution				5,712,650	(5,712,650)
Long Term Disability Insurance				13,833	(13,833)
Post Retirement				4,932,401	(4,932,401)
Social Security Contribution	-	-	-	4,008,160	(4,008,160)
Total TPAF On-Behalf Contributions	-	-	-	14,874,027	(14,874,027)
Total Undistributed Expenditures	61,507,372	932,583	62,439,955	72,106,746	(9,666,791)
Total Current Expenditures	111,924,303	780,415	112,704,718	120,989,200	(8,284,482)
CAPITAL OUTLAY					
Equipment					
Grades 1-5	10,000		10,000		10,000
Grades 6-8	10,000		10,000		10,000
Grades 9-12	25,000		25,000		25,000
Undistributed Expenditures					
General Administration	15,000		15,000		15,000
School Administration	10,000		10,000		10,000
Central Services	10,000		10,000		10,000
Admin. Info. Tech.	15,000		15,000	4,815	10,185
Required Maintenance	60,000	77,966	137,966	121,223	16,743
Care and Upkeep	9,000		9,000	5,000	4,000
Security	15,000		15,000		15,000
School Buses - Regular	12,000	-	12,000	-	12,000
Total Equipment	191,000	77,966	268,966	131,038	137,928
Facilities Acquisition and Construction Services					
Architectural/Engineering	240,000	161,540	401,540	220,459	181,081
Construction Services	2,000,000	1,215,746	3,215,746	1,486,504	1,729,242
Assessment for Debt Service on SDA Funding	92,716	-	92,716	92,716	-
Total Facilities Acquis. and Const. Services	2,332,716	1,377,286	3,710,002	1,799,679	1,910,323
Interest Deposit to Capital Reserve	3,000	-	3,000	-	3,000
Total Capital Outlay	2,526,716	1,455,252	3,981,968	\$ 1,930,717	2,051,251

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<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	\$ 383,237	-	\$ 383,237	\$ 266,299	\$ 116,938
Other Salaries for Instruction	66,524	\$ (40,000)	26,524	-	26,524
Total Summer School - Instruction	449,761	(40,000)	409,761	266,299	143,462
Summer School - Support Services					
Salaries of Teachers	25,979	-	25,979	21,000	4,979
Total Summer School - Support Services	25,979	-	25,979	21,000	4,979
Total Special Schools	475,740	(40,000)	435,740	287,299	148,441
Transfer of Funds To Charter Schools	208,299	\$ 23,556	231,855	231,855	-
Total Expenditures	115,135,058	2,219,223	117,354,281	123,439,071	(6,084,790)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,768,541)	(2,219,223)	(7,987,764)	714,663	8,702,427
Other Financing Sources (Uses)					
Transfer In	-	-	-	13,493	13,493
Total Other Financing Sources (Uses)	-	-	-	13,493	13,493
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(5,768,541)	(2,219,223)	(7,987,764)	728,156	8,715,920
Fund Balances, Beginning of Year	23,921,466	-	23,921,466	23,921,466	-
Fund Balances, End of Year	\$ 18,152,925	\$ (2,219,223)	\$ 15,933,702	\$ 24,649,622	\$ 8,715,920
Recapitulation of Fund Balance					
Nonspendable					
Prepays				\$ 455,822	
Restricted					
Capital Reserve				8,851,419	
Capital Reserve Designated for Subsequent Year's Budget				2,500,000	
Maintenance Reserve				1,600,000	
Maintenance Reserve Designated for Subsequent Year's Budget				300,000	
Emergency Reserve				1,000,000	
Excess Surplus				1,138,943	
Excess Surplus Designated for Subsequent Year's Budget				1,326,703	
Legally Restricted - Sale/Leaseback Reserve				433,103	
Committed					
Encumbrances				1,379,824	
Assigned					
Designated for Subsequent Year's Budget				2,465,663	
Encumbrances				968,902	
Unassigned				2,229,243	
Fund Balance (Budgetary Basis)				24,649,622	
Less State Aid Revenue Not Recognized on GAAP Basis				(5,969,105)	
Fund Balance (GAAP Basis)				\$ 18,680,517	

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 6,399,476	-	\$ 6,399,476	\$ 3,660,520	\$ (2,738,956)
Federal	6,333,424	\$ 1,615,570	7,948,994	6,019,792	(1,929,202)
Local Sources					
Miscellaneous	50,000	45,399	95,399	57,805	(37,594)
Total Revenues	<u>12,782,900</u>	<u>1,660,969</u>	<u>14,443,869</u>	<u>9,738,117</u>	<u>(4,705,752)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	3,466,611	737,189	4,203,800	3,488,654	715,146
Other Salaries for Instruction	229,039	297,000	526,039	430,187	95,852
Unused Vacation Payment to Terminated/Retired Staff	50,000	-	50,000	50,000	50,000
Purchased Prof. and Tech. Svcs.	110,014	185,295	295,309	269,914	25,395
Other Purchased Services	1,569,315	432,820	2,002,135	1,997,129	5,006
General Supplies	355,718	174,505	530,223	337,784	192,439
Total Instruction	<u>5,780,697</u>	<u>1,826,809</u>	<u>7,607,506</u>	<u>6,523,668</u>	<u>1,083,838</u>
Support Services					
Salaries of Supervisors	192,480	1,050	193,530	192,290	1,240
Salaries of Program Directors	130,000	-	130,000	126,030	3,970
Salaries of Other Professional Staff	165,533	4,260	169,793	100,059	69,734
Salaries of Secretaries and Clerical Assistants	122,946	11,840	134,786	133,660	1,126
Other Salaries	144,827	14,142	158,969	134,387	24,582
Salaries of Master Teachers	77,000	45,000	122,000	83,124	38,876
Personal Services-Employee Benefits	1,377,555	639,907	2,017,462	1,596,488	420,974
Other Purchased Professional/Educational Serv.	40,789	27,499	68,288	43,509	24,779
Purchased Professional and Technical Services	71,000	128,760	199,760	186,164	13,596
Cleaning, Repair and Maintenance Services	84,000	(31,250)	52,750	29,597	23,153
Rentals	480,000	-	480,000	308,374	171,626
Other Purchased Services	17,000	9,404	26,404	17,530	8,874
Contracted Services - Transportation	73,000	(2,700)	70,300	31,546	38,754
Travel	3,000	-	3,000	-	3,000
Miscellaneous Purchased Services	-	27,400	27,400	26,821	579
Supplies and Materials	117,640	90,261	207,901	153,839	54,062
Total Support Services	<u>3,096,770</u>	<u>965,573</u>	<u>4,062,343</u>	<u>3,163,418</u>	<u>898,925</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	94,845	(4,300)	90,545	25,392	65,153
Non-Instructional Equipment	3,810,588	(1,127,113)	2,683,475	25,639	2,657,836
Total Facilities Acquisition and Construction Services	<u>3,905,433</u>	<u>(1,131,413)</u>	<u>2,774,020</u>	<u>51,031</u>	<u>2,722,989</u>
Total Expenditures	<u>12,782,900</u>	<u>1,660,969</u>	<u>14,443,869</u>	<u>9,738,117</u>	<u>4,705,752</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, 2017**

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual revenue amounts (budgetary basis) (Exhibits C-1,C-2)	\$ 124,153,734	\$ 9,738,117
Difference - budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2016-2017)	(5,969,105)	
State Aid payment recognized for GAAP statements, not recognized for budgetary purposes (2015-2016)	5,902,635	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2017		(90,699)
Encumbrances, June 30, 2016 (net of cancellations)	-	40,538
	<hr/>	<hr/>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 124,087,264</u>	<u>\$ 9,687,956</u>
Uses/Outflows of Resources		
Actual expenditure amounts (budgetary basis) (Exhibits C-1, C-2)	\$ 123,439,071	\$ 9,738,117
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, 2017		(90,699)
Encumbrances, June 30, 2016 (net of cancellations)	-	40,538
	<hr/>	<hr/>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 123,439,071</u>	<u>\$ 9,687,956</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 Four Fiscal Years ***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.15046%	0.14486%	0.14330%	0.14066%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 44,561,331	\$ 32,518,415	\$ 26,830,553	\$ 26,881,871
District's Covered-Employee Payroll	\$ 10,323,957	\$ 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	431.63%	312.45%	267.74%	271.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	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 Four Fiscal Years**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,336,647	\$ 1,245,417	\$ 1,181,383	\$ 1,051,611
Contributions in Relation to the Contractually Required Contributions	<u>1,336,647</u>	<u>1,245,417</u>	<u>1,181,383</u>	<u>1,051,611</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	\$ 10,323,957	\$ 10,407,670	\$ 10,021,208	\$ 9,888,563
Contributions as a Percentage of Covered-Employee Payroll	12.95%	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 Four Fiscal Years ***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	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>418,493,907</u>	<u>340,769,186</u>	<u>288,185,424</u>	<u>266,185,254</u>
Total	<u>\$ 418,493,907</u>	<u>\$ 340,769,186</u>	<u>\$ 288,185,424</u>	<u>\$ 266,185,254</u>
District's Covered-Employee Payroll	\$ 54,487,044	\$ 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	0
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	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, 2017**

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, 2017

	Preschool Education	Juvenile Comm. Serv.	Subtotal Page 2	Subtotal Page 3	Grand Total
REVENUES					
Intergovernmental					
State	\$ 3,660,520				\$ 3,660,520
Federal			\$ 3,796,991	\$ 2,222,801	6,019,792
Other	-	\$ 57,805	-	-	57,805
Total Revenues	3,660,520	57,805	3,796,991	2,222,801	9,738,117
EXPENDITURES					
Instruction					
Salaries of Teachers	1,355,085		2,133,569		3,488,654
Other Salaries for Instruction	430,187				430,187
Purchased Prof. and Tech. Svcs.			133,214	136,700	269,914
Other Purchased Services	1,319			1,995,810	1,997,129
General Supplies	76,626	-	190,509	70,649	337,784
Total Instruction	1,863,217	-	2,457,292	2,203,159	6,523,668
Support Services					
Salaries of Supervisors of Instruction	126,760		65,530		192,290
Salaries of Program Directors	126,030				126,030
Salaries of Other Professional Staff	94,209		5,850		100,059
Salaries of Secretaries and Clerical Assistants	92,330		41,330		133,660
Other Salaries	119,196	15,191			134,387
Salaries of Master Teachers	83,124				83,124
Personal Services-Employee Benefits	594,245	1,162	1,001,081		1,596,488
Purchased Professional/Educational Serv.	19,318	24,191			43,509
Purchased Professional and Technical Serv.			186,164		186,164
Cleaning, Repairs and Maintenance	29,597				29,597
Rentals	308,374				308,374
Other Purchased Services		8,856	8,674		17,530
Contracted Transportation Services	31,546				31,546
Miscellaneous Purchased Services	26,821				26,821
Supplies and Materials	94,722	8,405	31,070	19,642	153,839
Total Support Services	1,746,272	57,805	1,339,699	19,642	3,163,418
Facilities Acquisition and Construction Services					
Instructional Equipment	25,392			-	25,392
NonInstructional	25,639	-	-	-	25,639
Total Facilities Acquisition and Construction Services	51,031	-	-	-	51,031
Total Expenditures	3,660,520	57,805	3,796,991	2,222,801	9,738,117
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, 2017**

N.C.L.B. Consolidated

	<u>Title I</u>	<u>Title II A</u>	<u>Title III</u>	<u>Title III Immig</u>	<u>Page Total</u>
REVENUES					
Intergovernmental					
Federal	\$ 3,384,547	\$ 267,291	\$ 140,955	\$ 4,198	\$ 3,796,991
Total Revenues	<u>3,384,547</u>	<u>267,291</u>	<u>140,955</u>	<u>4,198</u>	<u>3,796,991</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	1,888,568	172,183	69,486	3,332	2,133,569
Purchased Prof. and Tech. Serv.	133,214				133,214
General Supplies	128,256	-	62,253	-	190,509
Total Instruction	<u>2,150,038</u>	<u>172,183</u>	<u>131,739</u>	<u>3,332</u>	<u>2,457,292</u>
Support Services					
Salaries of Supervisors of Instruction	65,530				65,530
Salaries of Other Professional Staff	5,850				5,850
Salaries of Secretaries and Clerical Assistants	40,010		1,320		41,330
Personal Services-Employee Benefits	929,988	67,131	3,096	866	1,001,081
Purchased Professional and Technical	153,687	27,977	4,500		186,164
Other Purchased Services	8,374		300		8,674
Supplies and Materials	31,070	-	-	-	31,070
Total Support Services	<u>1,234,509</u>	<u>95,108</u>	<u>9,216</u>	<u>866</u>	<u>1,339,699</u>
Total Expenditures	<u>3,384,547</u>	<u>267,291</u>	<u>140,955</u>	<u>4,198</u>	<u>3,796,991</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	IDEA		Page Total
	Basic	Preschool	
REVENUES			
Intergovernmental			
Federal	\$ 2,167,404	\$ 55,397	\$ 2,222,801
Total Revenues	<u>2,167,404</u>	<u>55,397</u>	<u>2,222,801</u>
EXPENDITURES			
Instruction			
Purchased Professional and Technical Services	136,700		136,700
Other Purchased Services	1,940,413	55,397	1,995,810
General Supplies	<u>70,649</u>	<u>-</u>	<u>70,649</u>
Total Instruction	<u>2,147,762</u>	<u>55,397</u>	<u>2,203,159</u>
Support Services			
Supplies and Materials	<u>19,642</u>	<u>-</u>	<u>19,642</u>
Total Support Services	<u>19,642</u>	<u>-</u>	<u>19,642</u>
Facilities Acquisition and Construction Svcs			
Instructional Equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total Facilities Acquisition and Construction Svcs.	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,167,404</u>	<u>55,397</u>	<u>2,222,801</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Instruction			
Salaries of Teachers	\$ 1,355,161	\$ 1,355,085	\$ 76
Other Salaries of Instruction	448,683	430,187	18,496
Unused Vacation Payments to Terminated/Retired Staff	50,000		50,000
Other Purchased Services	5,000	1,319	3,681
General Supplies	83,000	76,626	6,374
	<u>1,941,844</u>	<u>1,863,217</u>	<u>78,627</u>
Total Instruction			
Support Services			
Salaries of Supervisors	130,000	126,760	3,240
Salaries of Program Directors	128,000	126,030	1,970
Salaries of Other Professional Staff	94,371	94,209	162
Salaries of Secretaries and Clerical Assistants	93,456	92,330	1,126
Other Salaries	129,027	119,196	9,831
Salaries of Master Teachers	83,500	83,124	376
Personal Services - Employee Benefit:	731,740	594,245	137,495
Other Purchased Professional Educational Services	31,700	19,318	12,382
Cleaning, Repairs and Maintenance	52,750	29,597	23,153
Rentals	330,000	308,374	21,626
Contracted Transportation Services (Between Home and School)	62,300	29,371	32,929
Contracted Transportation Services (Field Trips)	4,000	2,175	1,825
Travel	2,000		2,000
Miscellaneous Purchased Services	27,400	26,821	579
Supplies and Materials	98,913	94,722	4,191
	<u>1,999,157</u>	<u>1,746,272</u>	<u>252,885</u>
Total Support Services			
Facilities Acquisition and Construction Services			
Instructional Equipment	75,000	25,392	49,608
Non Instructional Equipment	2,383,475	25,639	2,357,836
	<u>2,458,475</u>	<u>51,031</u>	<u>2,407,444</u>
Total Facilities Acquisition and Construction Services			
Total Expenditures	<u>\$ 6,399,476</u>	<u>\$ 3,660,520</u>	<u>\$ 2,738,956</u>
Total Revised 2016-2017 Preschool Education Aid Allocation			\$ 3,762,168
Actual Preschool Education Aid Carryover (June 30, 2016)			3,442,737
Add: Prior Year Encumbrances Cancelled			336
Total Preschool Education Aid Funds Available for 2016-2017 Budget			7,205,241
Less: 2016-2017 Budgeted Preschool Education Aid (including Prior Year Budgeted Carryover)			<u>6,399,476</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2017			805,765
Add: 2016-2017 Unexpended Preschool Education Aid			2,738,956
2016-2017 Carryover - Preschool Education Aid/Preschool			<u>\$ 3,544,721</u>
2016-2017 Preschool Education Aid Carryover Budgeted for Preschool Programs 2017-2018			<u>\$ 3,442,737</u>

CAPITAL PROJECTS FUND

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Issue/Project Title</u>	<u>Expenditures to Date</u>			<u>Balance, June 30, 2017</u>
	<u>Modified Appropriations</u>	<u>Prior Years</u>	<u>Current Year</u>	
Lease Purchase 1998- Various Impvts.	\$ 9,000,000	\$ 8,313,951	\$ 28,816	\$ 657,233
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	1,522,639		132,232
North Bergen High School Rehabilitation - Brick Façade Repair and Restoration	842,820	842,720		100
Horace Mann Elementary School Rehabilitation - Window Replacement and Exterior Doors	2,458,500	2,414,451	35,670	8,379
Robert Fulton Elementary School Rehabilitation - Window Replacement and Exterior Doors	2,474,430	2,222,517	96,022	155,891
McKinley Elementary School Rehabilitation - Window Replacement	1,261,001	110,045	990,396	160,560
McKinley Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	493,789	146,110	35,031	312,648
Robert Fulton Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	831,220	342,963	16,979	471,278
Robert Fulton Elementary School Rehabilitation - Basement Foundation and Exterior Walls	131,971			131,971
North Bergen High School Rehabilitation	201,519	145,282	44,505	11,732
North Bergen High School Rehabilitation Fire Alarm System Upgrades	2,349,688	1,342,206	158,957	848,525
Lincoln Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	711,351	34,697	278,885	397,769
Horace Mann Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	754,250	435,920	8,848	309,482
McKinley Elementary School Rehabilitation - Security Camera Installation	148,107	73,329	2,275	72,503
Lincoln Elementary School Rehabilitation - Security Camera Installation	221,656	140,828	4,369	76,459
John F. Kennedy Elementary School Security Camera Installation	153,322	98,794	3,065	51,463
Horace Mann Elementary School Rehabilitation - Security Camera Installation	171,904	111,337	9,329	51,238
Franklin Elementary School Rehabilitation - Security Camera Installation	151,603	92,107	2,858	56,638
Robert Fulton Elementary School Rehabilitation - Security Camera Installation	245,691	151,934	18,417	75,340
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>\$ 31,354,494</u>	<u>\$ 1,869,414</u>	<u>\$ 3,981,808</u>
Prior Year Adjustment			\$ 13,493	
Current Year Expenditures			<u>1,855,921</u>	
			<u>\$ 1,869,414</u>	
<u>Reconciliation of Project Balances to Fund Balance</u>				
Project Balances at June 30, 2017				\$ 3,981,808
Less: Unrealized Revenue SDA Grants				<u>(945,416)</u>
Fund Balance (GAAP)				<u>\$ 3,036,392</u>
<u>Recapitulation of Fund Balance</u>				
Restricted for Capital Projects				
Year-End Encumbrances				\$ 291,156
Available for Capital Projects				<u>2,745,236</u>
Total Fund Balance- Restricted for Capital Projects				<u>\$ 3,036,392</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, 2017**

REVENUES AND OTHER FINANCING SOURCES

Local Sources	
Transfer from Capital Reserve	\$ <u> -</u>
 Total Revenues	 <u> -</u>

EXPENDITURES AND OTHER FINANCING USES

Architectural/Engineering Services	130,834
Construction Services	1,725,087
Prior Year Adjustment	<u>13,493</u>
 Total Expenditures	 <u>1,869,414</u>
 Excess of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources	 (1,869,414)
 Fund Balance, Beginning of Year	 <u>5,851,222</u>
 Fund Balance, End of Year	 <u>\$ 3,981,808</u>

Reconciliation to GAAP Fund Balance, June 30, 2017

Fund Balance, Budgetary Basis	\$ 3,981,808
Less: School Development Authority (SDA) Unearned Revenue	<u>(945,416)</u>
Fund Balance, GAAP Basis	<u>\$ 3,036,392</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, 2017**

	<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, 2017**

	<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, 2017**

	<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	827,280	-	827,280	827,280
	<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	250,780		250,780	198,585
Construction Services	1,271,859	-	1,271,859	1,456,286
	<u>1,522,639</u>	<u>-</u>	<u>1,522,639</u>	<u>1,654,871</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 132,232</u>	<u>\$ -</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, 2017**

	<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	345,919	\$ -	345,919	345,919
	<u>842,820</u>	<u>-</u>	<u>842,820</u>	<u>842,820</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	156,269	-	156,269	101,138
Construction Services	686,451	-	686,451	741,682
	<u>842,720</u>	<u>-</u>	<u>842,720</u>	<u>842,820</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 100</u>	<u>\$ -</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, 2017**

	<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	<u>1,253,944</u>	<u>(50,000)</u>	<u>1,203,944</u>	<u>1,203,944</u>
Total Revenues and Other Financing Sources	<u>2,508,500</u>	<u>(50,000)</u>	<u>2,458,500</u>	<u>2,458,500</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	297,312	\$ 9,963	307,275	295,020
Construction Services	<u>2,117,139</u>	<u>25,707</u>	<u>2,142,846</u>	<u>2,163,480</u>
Total Expenditures and Other Financing Uses	<u>2,414,451</u>	<u>35,670</u>	<u>2,450,121</u>	<u>2,458,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 94,049</u>	<u>\$ (85,670)</u>	<u>\$ 8,379</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	189,187
Revised Authorized Cost	\$ 2,458,500

Percentage Increase over Original Authorized

Cost	8%
Percentage Completion	96%
Original Target Completion Date	June 30, 2012
Revised Target Completion Date	June 30, 2017

**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, 2017**

	<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>-</u>	<u>1,106,478</u>	<u>1,106,478</u>
Total Revenues and Other Financing Sources	<u>2,474,430</u>	<u>-</u>	<u>2,474,430</u>	<u>2,474,430</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	107,722	\$ 24,463	132,185	296,932
Construction Services	<u>2,114,795</u>	<u>71,559</u>	<u>2,186,354</u>	<u>2,177,498</u>
Total Expenditures and Other Financing Uses	<u>2,222,517</u>	<u>96,022</u>	<u>2,318,539</u>	<u>2,474,430</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 251,913</u>	<u>\$ (96,022)</u>	<u>\$ 155,891</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	94%
Original Target Completion Date	June 30, 2014
Revised Target Completion Date	December 31, 2017

**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, 2017**

	<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	537,116	\$ 50,000	587,116	587,116
	<u>1,211,001</u>	<u>50,000</u>	<u>1,261,001</u>	<u>1,261,001</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	110,045	44,318	154,363	151,320
Construction Services	-	946,078	946,078	1,109,681
	<u>110,045</u>	<u>990,396</u>	<u>1,100,441</u>	<u>1,261,001</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,100,956</u>	<u>\$ (940,396)</u>	<u>\$ 160,560</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	150,955
Revised Authorized Cost	\$ 1,261,001

Percentage Increase over Original Authorized

Cost	14%
Percentage Completion	7%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	December 31, 2017

**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, 2017**

	<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	<u>323,315</u>	<u>-</u>	<u>323,315</u>	<u>323,315</u>
 Total Revenues and Other Financing Sources	 <u>493,789</u>	 <u>-</u>	 <u>493,789</u>	 <u>493,789</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	14,721	\$ 13,900	28,621	59,255
Construction Services	<u>131,389</u>	<u>21,131</u>	<u>152,520</u>	<u>434,534</u>
 Total Expenditures and Other Financing Uses	 <u>146,110</u>	 <u>35,031</u>	 <u>181,141</u>	 <u>493,789</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 347,679</u>	 <u>\$ (35,031)</u>	 <u>\$ 312,648</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	37%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2018

**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, 2017**

	<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>359,854</u>	<u>-</u>	<u>359,854</u>	<u>359,854</u>
Total Revenues and Other Financing Sources	<u>831,220</u>	<u>-</u>	<u>831,220</u>	<u>831,220</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	29,275	\$ 577	29,852	99,746
Construction Services	<u>313,688</u>	<u>16,402</u>	<u>330,090</u>	<u>731,474</u>
Total Expenditures and Other Financing Uses	<u>342,963</u>	<u>16,979</u>	<u>359,942</u>	<u>831,220</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 488,257</u>	<u>\$ (16,979)</u>	<u>\$ 471,278</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	43%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2018

**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, 2017**

	<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	<u>51,854</u>	<u>-</u>	<u>51,854</u>	<u>51,854</u>
Total Revenues and Other Financing Sources	<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	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,134</u>
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, 2018			

**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, 2017**

	<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>104,666</u>	<u>-</u>	<u>104,666</u>	<u>104,666</u>
 Total Revenues and Other Financing Sources	 <u>201,519</u>	 <u>-</u>	 <u>201,519</u>	 <u>201,519</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	23,991	\$ 255	24,246	24,182
Construction Services	<u>121,291</u>	<u>44,250</u>	<u>165,541</u>	<u>177,337</u>
 Total Expenditures and Other Financing Uses	 <u>145,282</u>	 <u>44,505</u>	 <u>189,787</u>	 <u>201,519</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 56,237</u>	 <u>\$ (44,505)</u>	 <u>\$ 11,732</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	94%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	December 31, 2017

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, 2017

	<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>1,320,873</u>	<u>-</u>	<u>1,320,873</u>	<u>1,320,873</u>
 Total Revenues and Other Financing Sources	 <u>2,349,688</u>	 <u>-</u>	 <u>2,349,688</u>	 <u>2,349,688</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	128,914	\$ 1,197	130,111	281,963
Construction Services	<u>1,213,292</u>	<u>157,760</u>	<u>1,371,052</u>	<u>2,067,725</u>
 Total Expenditures and Other Financing Uses	 <u>1,342,206</u>	 <u>158,957</u>	 <u>1,501,163</u>	 <u>2,349,688</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 1,007,482</u>	 <u>\$ (158,957)</u>	 <u>\$ 848,525</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	64%			
Original Target Completion Date	June 30, 2015			
Revised Target Completion Date	December 31, 2017			

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, 2017

	<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	14,117	\$ 8,435	22,552	85,362
Construction Services	20,580	270,450	291,030	625,989
	<u>34,697</u>	<u>278,885</u>	<u>313,582</u>	<u>711,351</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 676,654</u>	<u>\$ (278,885)</u>	<u>\$ 397,769</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	44%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	December 31, 2017

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, 2017

	<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>305,832</u>	<u>-</u>	<u>305,832</u>	<u>305,832</u>
 Total Revenues and Other Financing Sources	 <u>754,250</u>	 <u>-</u>	 <u>754,250</u>	 <u>754,250</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	37,266	\$ 712	37,978	90,510
Construction Services	<u>398,654</u>	<u>8,136</u>	<u>406,790</u>	<u>663,740</u>
 Total Expenditures and Other Financing Uses	 <u>435,920</u>	 <u>8,848</u>	 <u>444,768</u>	 <u>754,250</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 318,330</u>	 <u>\$ (8,848)</u>	 <u>\$ 309,482</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	59%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2018

**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, 2017**

	<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	<u>70,005</u>	<u>-</u>	<u>70,005</u>	<u>70,005</u>
Total Revenues and Other Financing Sources	<u>148,107</u>	<u>-</u>	<u>148,107</u>	<u>148,107</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	6,825	\$ 175	7,000	17,773
Construction Services	<u>66,504</u>	<u>2,100</u>	<u>68,604</u>	<u>130,334</u>
Total Expenditures and Other Financing Uses	<u>73,329</u>	<u>2,275</u>	<u>75,604</u>	<u>148,107</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 74,778</u>	<u>\$ (2,275)</u>	<u>\$ 72,503</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	51%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2018

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, 2017

	<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	<u>134,443</u>	<u>-</u>	<u>134,443</u>	<u>134,443</u>
Total Revenues and Other Financing Sources	<u>221,656</u>	<u>-</u>	<u>221,656</u>	<u>221,656</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	13,108	\$ 336	13,444	26,599
Construction Services	<u>127,720</u>	<u>4,033</u>	<u>131,753</u>	<u>195,057</u>
Total Expenditures and Other Financing Uses	<u>140,828</u>	<u>4,369</u>	<u>145,197</u>	<u>221,656</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 80,828</u>	<u>\$ (4,369)</u>	<u>\$ 76,459</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	66%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2018

**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, 2017**

	<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	<u>94,315</u>	<u>-</u>	<u>94,315</u>	<u>94,315</u>
 Total Revenues and Other Financing Sources	 <u>153,322</u>	 <u>-</u>	 <u>153,322</u>	 <u>153,322</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	9,195	\$ 236	9,431	18,399
Construction Services	<u>89,599</u>	<u>2,829</u>	<u>92,428</u>	<u>134,923</u>
 Total Expenditures and Other Financing Uses	 <u>98,794</u>	 <u>3,065</u>	 <u>101,859</u>	 <u>153,322</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 54,528</u>	 <u>\$ (3,065)</u>	 <u>\$ 51,463</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	66%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2018

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, 2017

	<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	\$ 65,614		\$ 65,614	\$ 65,614
Local Sources	<u>106,290</u>	<u>-</u>	<u>106,290</u>	<u>106,290</u>
 Total Revenues and Other Financing Sources	 <u>171,904</u>	 <u>-</u>	 <u>171,904</u>	 <u>171,904</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	10,362	\$ 6,141	16,503	20,628
Construction Services	<u>100,975</u>	<u>3,188</u>	<u>104,163</u>	<u>151,276</u>
 Total Expenditures and Other Financing Uses	 <u>111,337</u>	 <u>9,329</u>	 <u>120,666</u>	 <u>171,904</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 60,567</u>	 <u>\$ (9,329)</u>	 <u>\$ 51,238</u>	 <u>\$ -</u>

Additional Project Information:

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

Percentage Increase over Original Authorized

Cost	59%
Percentage Completion	70%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2018

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, 2017

	<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	\$ 63,672		\$ 63,672	\$ 63,672
Local Sources	<u>87,931</u>	<u>-</u>	<u>87,931</u>	<u>87,931</u>
 Total Revenues and Other Financing Sources	 <u>151,603</u>	 <u>-</u>	 <u>151,603</u>	 <u>151,603</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	8,573	\$ 220	8,793	18,192
Construction Services	<u>83,534</u>	<u>2,638</u>	<u>86,172</u>	<u>133,411</u>
 Total Expenditures and Other Financing Uses	 <u>92,107</u>	 <u>2,858</u>	 <u>94,965</u>	 <u>151,603</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 59,496</u>	 <u>\$ (2,858)</u>	 <u>\$ 56,638</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	63%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2018

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, 2017

	<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	\$ 60,439		\$ 60,439	\$ 60,439
Local Sources	<u>185,252</u>	<u>-</u>	<u>185,252</u>	<u>185,252</u>
 Total Revenues and Other Financing Sources	 <u>245,691</u>	 <u>-</u>	 <u>245,691</u>	 <u>245,691</u>
 Expenditures and Other Financing Uses				
Architectural/Engineering Services	14,141	\$ 14,065	28,206	29,483
Construction Services	<u>137,793</u>	<u>4,352</u>	<u>142,145</u>	<u>216,208</u>
 Total Expenditures and Other Financing Uses	 <u>151,934</u>	 <u>18,417</u>	 <u>170,351</u>	 <u>245,691</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 93,757</u>	 <u>\$ (18,417)</u>	 <u>\$ 75,340</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	69%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2018

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, 2017

	<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	\$ 265,558		\$ 265,558	\$ 265,558
Local Sources	176,142	-	176,142	176,142
	<u>441,700</u>	<u>-</u>	<u>441,700</u>	<u>441,700</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	27,308		27,308	53,004
Construction Services	414,392	-	414,392	388,696
	<u>441,700</u>	<u>-</u>	<u>441,700</u>	<u>441,700</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	3610-050-09-1001
Grant Date	February 26, 2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 592,319
Additional (Reduction) in Authorized Cost	(150,619)
Revised Authorized Cost	\$ 441,700
Percentage Increase over Original Authorized Cost	-25%
Percentage Completion	100%
Original Target Completion Date	October 31, 2010
Revised Target Completion Date	October 31, 2010

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
NORTH BERGEN HIGH SCHOOL REHABILITATION - MAINTENANCE ROOM CONVERSION
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2017**

	<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
	<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
	<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, 2017**

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, 2017**

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

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 292,196	\$ 3,980,007	\$ 4,272,203
Due from Other Funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 292,196</u>	<u>\$ 3,980,007</u>	<u>\$ 4,272,203</u>
LIABILITIES			
Payroll and Payroll Deductions and Withholdings		\$ 218,446	\$ 218,446
Accrued Salaries and Wages		3,220,028	3,220,028
Due to Other Funds		541,533	541,533
Due to Student Groups	<u>\$ 292,196</u>	<u>-</u>	<u>292,196</u>
Total Liabilities	<u>\$ 292,196</u>	<u>\$ 3,980,007</u>	<u>\$ 4,272,203</u>

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

**STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Balance, July 1, 2016	Cash Receipts	Cash Disbursements	Balance, June 30, 2017
ELEMENTARY SCHOOLS	\$ 111,049	\$ 215,039	\$ 216,411	\$ 109,677
HIGH SCHOOL				
Athletic	495	27,030	25,633	1,892
General	<u>158,550</u>	<u>265,881</u>	<u>243,804</u>	<u>180,627</u>
Total	<u>\$ 270,094</u>	<u>\$ 507,950</u>	<u>\$ 485,848</u>	<u>\$ 292,196</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Balance, July 1, 2016	Cash Receipts	Cash Disbursements	Balance, June 30, 2017
ASSETS				
Cash	<u>\$ 3,924,174</u>	<u>\$ 94,362,500</u>	<u>\$ 94,306,667</u>	<u>\$ 3,980,007</u>
Total Assets	<u>\$ 3,924,174</u>	<u>\$ 94,362,500</u>	<u>\$ 94,306,667</u>	<u>\$ 3,980,007</u>
LIABILITIES				
Payroll and Payroll Deductions and Withholdings	\$ 591,354	\$ 91,050,655	\$ 91,423,563	\$ 218,446
Accrued Salaries and Wages	3,117,988	3,206,743	3,104,703	3,220,028
Due to Other Funds	<u>214,832</u>	<u>326,701</u>	<u>-</u>	<u>541,533</u>
Total Liabilities	<u>\$ 3,924,174</u>	<u>\$ 94,584,099</u>	<u>\$ 94,528,266</u>	<u>\$ 3,980,007</u>

LONG-TERM DEBT

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<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, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>					
Refunding School Bonds	5/21/2009	\$ 3,125,000	3/1/2018	365,000	4.000 %	\$ 720,000		\$ 355,000	\$ 365,000
Pension Obligation Refunding Bonds	10/31/2013	3,225,000	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>2,580,000</u>	<u>-</u>	<u>225,000</u>	<u>2,355,000</u>
						<u>\$ 3,300,000</u>	<u>\$ -</u>	<u>\$ 580,000</u>	<u>\$ 2,720,000</u>

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
OBLIGATIONS UNDER LEASE-PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<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, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Certificates of Participation	7/1/2010	\$ 5,590,000	12/15/2017	610,000	3.375 %	\$ 2,355,000		\$ 590,000	\$ 1,765,000
			12/15/2018	1,155,000	3.750				
Refunding Certificates of Participation	2/25/2016	7,575,000	12/15/2017	400,000	3.00	<u>7,575,000</u>	\$ -	<u>385,000</u>	<u>7,190,000</u>
			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				
					<u>\$ 9,930,000</u>	<u>\$ -</u>	<u>\$ 975,000</u>	<u>\$ 8,955,000</u>	

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SALES/LEASEBACK OBLIGATIONS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Description</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance June 30, 2017</u>
Acquisition and Improvement of Real Property for School Purposes	1/31/2014	\$ 2,535,000	1.54%	<u>\$ 1,205,000</u>	<u>\$ -</u>	<u>\$ 530,000</u>	<u>\$ 675,000</u>

**NORTH BERGEN BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<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	\$ 1,423,414		\$ 1,423,414	\$ 1,423,414	
Miscellaneous				5,005	
State Sources					
Debt Service Aid	<u>550,674</u>	<u>-</u>	<u>550,674</u>	<u>550,674</u>	<u>-</u>
Total Revenues	<u>1,974,088</u>	<u>-</u>	<u>1,974,088</u>	<u>1,979,093</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service:					
Lease Purchase					
Principal	975,000		975,000	975,000	
Interest	357,250		357,250	357,250	
Pension Obligation Bonds					
Principal	225,000		225,000	225,000	
Interest	106,307		106,307	106,307	
Bonds					
Principal	355,000		355,000	355,000	
Interest	<u>28,800</u>	<u>-</u>	<u>28,800</u>	<u>28,800</u>	<u>-</u>
Total Expenditures	<u>2,047,357</u>	<u>-</u>	<u>2,047,357</u>	<u>2,047,357</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(73,269)	-	(73,269)	(68,264)	-
Fund Balance, Beginning of Year	<u>77,578</u>	<u>-</u>	<u>77,578</u>	<u>77,578</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,309</u>	<u>\$ -</u>	<u>\$ 4,309</u>	<u>\$ 9,314</u>	<u>\$ -</u>

Recapitulation of Fund Balance:

Designated for Subsequent Year's Budget
Available for Future Debt Service

\$ 4,309
5,005
\$ 9,314

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,									
	2008	2009	2010	2011 (1)	2012	2013	2014 (2)	2015	2016	2017
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 49,080,720
Restricted	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	13,684,522
Unrestricted	(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)	(34,938,961)
Total Governmental Activities Net Position	\$ 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	\$ 27,826,281
Business-Type Activities										
Net Investment in Capital Assets	\$ 520		\$ 12,800	\$ 24,908	\$ 23,185	\$ 21,462	\$ 34,275	\$ 31,513	\$ 28,752	\$ 33,240
Unrestricted	(40,270)	(52,945)	129,864	204,372	387,268	549,791	691,390	769,370	1,015,447	1,032,010
Total Business-Type Activities Net Position	\$ (39,750)	\$ (52,945)	\$ 142,664	\$ 229,280	\$ 410,453	\$ 571,253	\$ 725,665	\$ 800,883	\$ 1,044,199	\$ 1,065,250
District-Wide										
Net Investment in Capital Assets	\$ 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	\$ 49,113,960
Restricted	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	13,684,522
Unrestricted	(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)	(33,906,951)
Total District Net Position	\$ 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	\$ 28,891,531

- (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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 46,582,265	\$ 42,407,760	\$ 45,774,580	\$ 44,937,810	\$ 46,698,490	\$ 49,890,427	\$ 48,062,992	\$ 56,216,853	\$ 60,312,310	\$ 67,250,193
Special Education	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	24,113,217
Other Instruction	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	11,908,442
School Sponsored Activities And Athletics	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	2,784,999
Community Services Programs		125,000								
Support Services:										
Student & Instruction Related Services	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	18,686,314
General Administration	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	3,052,249
School Administrative Services	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	11,099,792
Plant Operations And Maintenance	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	16,042,326
Pupil Transportation	3,367,082	3,626,295	3,528,580	3,727,566	4,059,359	3,825,607	3,796,694	4,019,075	3,957,813	3,717,316
Business and Other Support Services	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	3,203,625
Interest On Long-Term Debt	1,261,737	1,155,310	1,081,169	964,942	925,499	900,966	910,459	819,740	841,211	547,825
Total Governmental Activities Expenses	104,363,149	106,062,823	112,883,758	111,958,876	116,450,857	123,402,494	122,013,783	137,560,889	145,597,736	162,406,298
Business-Type Activities:										
Food Service	2,552,147	2,642,969	2,667,679	2,778,034	2,911,970	2,947,175	2,903,222	2,945,158	2,989,029	3,061,343
Total Business-Type Activities Expense	2,552,147	2,642,969	2,667,679	2,778,034	2,911,970	2,947,175	2,903,222	2,945,158	2,989,029	3,061,343
Total District Expenses	\$ 106,915,296	\$ 108,705,792	\$ 115,551,437	\$ 114,736,910	\$ 119,362,827	\$ 126,349,669	\$ 124,917,005	\$ 140,506,047	\$ 148,586,765	\$ 165,467,641
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Instruction	\$ 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	\$ 4,239,503
Operating Grants And Contributions	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	56,472,260
Capital Grants And Contributions	31,181	-	1,415,573	1,201,613	896,328	697,311	84,373	1,984,809	1,084,063	970,572
Total Governmental Activities Program Revenues	32,367,231	22,686,595	39,273,721	29,275,488	29,934,040	30,671,921	28,238,089	44,589,837	50,010,802	61,682,335
Business-Type Activities:										
Charges For Services										
Food Service	\$ 768,623	\$ 750,148	\$ 741,010	\$ 734,672	\$ 723,677	\$ 637,575	\$ 596,612	\$ 603,366	\$ 608,017	\$ 599,065
Operating Grants And Contributions	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	2,482,935
Total Business Type Activities Program Revenues	2,513,815	2,629,774	2,850,488	2,851,596	3,092,946	3,107,890	3,057,503	3,020,250	3,231,987	3,082,000
Total District Program Revenues	\$ 34,881,046	\$ 25,316,369	\$ 42,124,209	\$ 32,127,084	\$ 33,026,986	\$ 33,779,811	\$ 31,295,592	\$ 47,610,087	\$ 53,242,789	\$ 64,764,335
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (100,723,963)
Business-Type Activities	(38,332)	(13,195)	182,809	73,562	180,976	160,715	154,281	75,092	242,958	20,657
Total District-Wide Net Expense	\$ (72,034,250)	\$ (83,389,423)	\$ (73,427,228)	\$ (82,609,826)	\$ (86,335,841)	\$ (92,569,858)	\$ (93,621,413)	\$ (92,895,960)	\$ (95,343,976)	\$ (100,703,306)

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental Activities:										
General Revenues										
Property Taxes - General Purposes	\$ 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	\$ 46,734,214
Property Taxes - Debt Service	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	1,423,414
State Aid - Unrestricted	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	51,387,346
State Aid - Restricted for Debt Service	619,497	646,355	666,069	550,958	544,966	551,162	550,827	550,049	551,188	550,674
Investment Earnings	263,800	46,337	23,024	15,034	12,744	15,591	18,341	19,253	39,121	82,733
Miscellaneous Income	439,563	1,394,609	610,062	717,003	1,157,236	615,273	306,307	763,735	649,498	388,530
Gain (Loss) on Disposal of Assets	(36,205)	-	-	-	-	-	10,000	-	-	-
Transfers	-	-	(12,800)	(13,054)	-	-	-	-	-	-
Total Governmental Activities	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	100,566,911
Business-Type Activities:										
General Revenues										
Investment Earnings	-	-	12,800	13,054	197	85	131	126	358	394
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities	-	-	12,800	13,054	197	85	131	126	358	394
Total District-Wide	\$ 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	\$ 100,567,305
Change in Net Position										
Governmental Activities	\$ 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	\$ (157,052)
Business-Type Activities	(38,332)	(13,195)	195,609	86,616	181,173	160,800	154,412	75,218	243,316	21,051
Total District	\$ 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	\$ (136,001)

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 275,554	\$ 6,127,537	\$ 5,766,175							
Unreserved	(199,833)	(2,354,090)	(2,716,512)							
Nonspendable								\$ 746,280	\$ 424,454	\$ 455,822
Restricted				\$ 7,194,281	\$ 7,605,189	\$ 10,231,727	\$ 16,046,061	13,469,501	18,804,592	17,150,168
Committed				104,291	422,972	88,967	26,686	57,114	465,127	1,379,824
Assigned				1,219,248	4,259,700	4,652,890	3,503,405	3,696,448	2,092,745	3,434,565
Unassigned	-	-	-	(2,813,482)	(2,984,615)	(3,317,010)	(4,726,127)	(3,659,697)	(3,768,087)	(3,739,862)
Total General Fund	<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>	<u>\$ 18,680,517</u>
All Other Governmental Funds										
Reserved	\$ 31,037	\$ 31,037	\$ 2,246,942							
Unreserved	(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	\$ 3,045,706
Unassigned	-	-	-	-	-	(5,000)	-	-	-	-
Total All Other Governmental Funds	<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>	<u>\$ 3,045,706</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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Property Taxes	\$ 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	\$ 48,157,628
Tuition Charges	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	4,239,503
Interest Earnings	263,800	46,337	23,024	15,034	12,744	15,591	18,341	19,253	39,121	82,733
Miscellaneous	509,106	1,459,365	669,843	773,567	1,206,933	665,266	356,390	812,423	701,532	440,106
State Sources	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	77,548,384
Federal Sources	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	6,256,531
Total Revenue	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	136,724,885
Expenditures										
Instruction										
Regular Instruction	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	52,221,904
Special Education Instruction	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	19,777,356
Other Instruction	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	9,720,858
School Sponsored Activities and Athletics	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	2,293,585
Community Service Programs		125,000								
Support Services:										
Student and Inst. Related Services	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	15,695,525
General Administration	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	2,697,456
School Administrative Services	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	9,247,656
Plant Operations And Maintenance	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	12,337,585
Pupil Transportation	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	3,692,609
Business and Other Support Services	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	2,959,599
Capital Outlay	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	3,700,564
Debt Service:										
Principal	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	2,085,000
Interest and Other Charges	1,179,106	1,122,875	975,056	892,591	833,024	814,168	840,890	740,491	815,092	600,608
Debt Issuance Cost		84,911		189,516						
Advance Refunding Escrow		45,823		45,983						
Total Expenditures	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	137,030,305
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(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	(305,420)
Other Financing Sources (Uses)										
Proceeds From Borrowing		3,125,000		5,590,000			5,760,000		7,575,000	
Capital Leases (Non-Budgeted)	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	46,917	5,941	4,251,497	1,767,818			1,500,000	2,364,834	233,650	
Transfers Out	(46,917)	(5,941)	(4,264,297)	(1,780,872)			(1,500,000)	(2,364,834)	(233,650)	
Total Other Financing Sources (Uses)	238,050	130,734	(12,800)	234,253	-	-	2,610,127	-	203,451	-
Net Change in Fund Balances	\$ (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	\$ (305,420)
Debt Service as a Percentage of										
Noncapital Expenditures	2.63%	2.66%	2.51%	2.28%	1.93%	1.81%	2.19%	2.20%	2.26%	2.01%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	Tuition	Interest on Investments	Refunds	E-Rate	Solar Energy	Gate Receipts	Miscellaneous	Total
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
2017	4,239,503	82,733	61,722	35,929	252,919	11,515	21,440	4,705,761

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
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
2017	49,625,100	1,480,100,600	501,492,600	354,589,100	174,509,200	2,560,316,600	3,940,684	2,564,257,284	5,615,942,611	1.920

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>
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
2017	5.531	1.920	2.538	1.073

Source: Abstract of Ratables, County Board of Taxation

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

Taxpayer	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Hartz Mountain Development	\$ 121,469,200	4.74%	\$ 116,059,200	4.66%
M-Industries LLC			31,478,100	1.26%
FC/Treeco Col. Pk. LLC	31,257,500	1.22%	31,257,500	1.26%
7912 River Road Apts., LLC			24,960,000	1.00%
Woodcliff Gardens	24,084,800	0.94%	23,956,000	0.96%
5851 Westside Assoc.	22,230,400	0.87%		
8100 River Road	68,193,400	2.66%		
7855 Blvd East	44,932,600	1.75%		
7400 River Road	38,150,900	1.49%		
Mack Cali	38,134,200	1.49%		
Independent Realty	24,930,300	0.97%		
Voronado Re Trust	74,488,500	2.90%		
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	0.72%
Park-Hudson Tenants Corp.			15,294,000	0.61%
	<u>\$ 487,871,800</u>	<u>19.03%</u>	<u>\$ 354,828,400</u>	<u>14.25%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
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
2017	48,157,628	48,095,718	99.87%	\$ 61,910

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

Fiscal Year Ended June 30,	Governmental Activities							Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Inter- governmental Loan	Sales Leaseback	Total District			
2008	\$ 7,215,000	\$ 16,940,000	\$ 222,230	\$ 283,400	\$ 1,182,247	\$ 25,842,877	54,912	\$ 471	
2009	6,865,000	16,295,000	125,823	212,550	721,781	24,220,154	60,815	398	
2010	6,365,000	15,580,000	23,855	141,700	244,836	22,355,391	61,774	362	
2011	5,880,000	15,030,000		70,850		20,980,850	62,307	337	
2012	5,385,000	14,175,000				19,560,000	62,781	312	
2013	4,880,000	13,290,000				18,170,000	63,062	288	
2014	4,435,000	12,375,000			2,180,000	18,990,000	62,889	302	
2015	3,870,000	11,425,000			1,710,000	17,005,000	62,889	270	
2016	3,300,000	9,930,000			1,205,000	14,435,000	62,886	230	
2017	2,720,000	8,955,000			675,000	12,350,000	62,886	196	

Source: District records

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2008	\$ 7,215,000		\$ 7,215,000	0.29%	\$ 131
2009	6,865,000		6,865,000	0.27%	113
2010	6,365,000		6,365,000	0.25%	103
2011	5,880,000		5,880,000	0.23%	94
2012	5,385,000		5,385,000	0.21%	86
2013	4,880,000		4,880,000	0.20%	77
2014	4,435,000		4,435,000	0.18%	71
2015	3,870,000		3,870,000	0.15%	62
2016	3,300,000		3,300,000	0.13%	52
2017	2,720,000		2,720,000	0.11%	43

Source: District records

**NORTH BERGEN BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2016
(Unaudited)**

Direct Debt:	
North Bergen Board of Education (as of June 30, 2017)	\$ 2,720,000
Township of North Bergen (1)	<u>57,999,195</u>
Total Direct Debt	<u>60,719,195</u>
Overlapping Debt Apportioned to the Municipality:	
Hudson County:	
County of Hudson (A)	48,409,806
North Bergen Municipal Utilities Authority	<u>49,471,685</u>
Total Overlapping Debt	<u>97,881,491</u>
Total Direct and Overlapping Debt	<u>\$ 158,600,686</u>

(A) The debt for this entity was apportioned by dividing the Municipality's 2016 equalized value by the total 2016 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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 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	\$ 203,949,327
Total Net Debt Applicable to Limit	<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>	<u>365,000</u>
Legal Debt Margin	<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>	<u>\$ 203,584,327</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.78%	1.52%	1.27%	1.09%	0.97%	0.87%	0.75%	0.58%	0.38%	0.18%

Legal Debt Margin Calculation for Fiscal Year 2017

Equalized Valuation Basis

2014	\$ 4,662,529,600
2015	5,140,980,313
2016	<u>5,492,689,648</u>
	<u>\$ 15,296,199,561</u>

Average Equalized Valuation of Taxable Property

\$ 5,098,733,187

Debt Limit (4 % of Average Equalization Value)

\$ 203,949,327

Total Net Debt Applicable to Limit

365,000

Legal Debt Margin

\$ 203,584,327

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>
2007	5.00%	\$ 41,848	55,326
2008	6.70%	44,735	54,986
2009	11.60%	42,981	54,912
2010	11.50%	44,593	60,815
2011	10.70%	45,584	61,774
2012	10.70%	47,172	62,307
2013	9.70%	47,911	62,781
2014	7.30%	51,267	63,062
2015	5.70%	53,945	62,889
2016	5.00%	N/A	62,886

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>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>	<u>2017</u>
Instruction										
Regular	408	444	432	440	480	480	467	530	530	530
Special Education	62	75	75	75	75	75	84	50	57	59
Other Instruction	108	112	85	85	85	85	85	61	61	65
Support Services:										
Student and Instruction Related Services	17	19	19	19	18	18	18	18	18	18
General Administration	7	7	7	7	5	6	6	6	6	7
School Administrative Services	59	59	59	59	55	56	61	61	61	61
Other Administrative Services	22	30	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	3	3	3
Pupil Transportation	99	118	118	118	112	109	109	109	109	106
Other Support Services	45	72	72	72	72	72	73	77	77	73
Total	<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>	<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				
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%
2017	7,900	130,644,133	16,537	6.08%	641	1:12	1:14	7,714	7,330	-1.96%	95.02%

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	995	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	144	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	575	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	85	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	659	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	436	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	538	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	1,023	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	419	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	2,416	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, 2017										
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>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>	<u>2017</u>
North Bergen High School	\$ 638,136	\$ 595,942	\$ 464,805	\$ 663,015	\$ 676,438	\$ 658,851	\$ 637,900	\$ 629,935	\$ 318,417	\$ 451,186
Franklin School	216,426	182,854	354,624	202,033	195,036	198,994	183,520	202,558	199,757	153,315
Horace Mann	281,046	290,332	283,323	270,101	249,303	306,554	271,850	312,045	190,335	235,531
John F. Kennedy	237,094	307,894	298,033	319,207	296,193	295,791	282,963	282,087	216,192	208,711
Lincoln School	300,952	321,977	313,534	370,947	328,705	313,341	278,965	260,058	243,465	290,374
Mc Kinley	149,403	199,474	355,870	184,365	197,378	193,450	195,682	146,528	229,206	154,055
Robert Fulton	<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>	<u>177,494</u>
Total School Facilities	<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>	<u>\$ 1,670,666</u>

Source: School District Records

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2017
(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
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ANDREW D. PARENTE, CPA, RMA, PSA

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Bergen Board of Education as of and for the fiscal year ended June 30, 2017 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 30, 2017.

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.

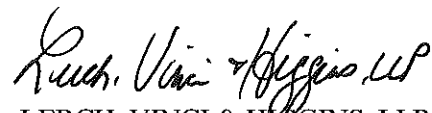
Compliance and Other Matters


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 30, 2017.

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 30, 2017



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
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, 2017. 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 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, 2017.

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.

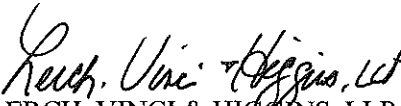
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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, 2017 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 30, 2017, 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. Minci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 30, 2017

NORTH BERGEN BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal/Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2017										
						Balance July 1, 2016	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Prior Years Adjustments	(Accounts Receivable)	Unearned Revenue	Due to Grantor	Memo GAAP Receivable	Memo Cumulative Expenditures
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	\$ (46,411)	\$ 46,411									
School Breakfast Program	10.553	171NJ304N1099	N/A	7/1/16-6/30/17	518,240		478,041	\$ 518,240				\$ (40,199)		\$ (40,199)	\$ 518,240	
NSLP-Cash Assistance	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	1,805,942	(137,152)	137,152									
NSLP-Cash Assistance	10.555	171NJ304N1099	N/A	7/1/16-6/30/17	1,733,764		1,603,842	1,733,764				(129,922)		(129,922)	1,733,764	
Special Milk Program for Children	10.556	16161NJ304N1099	N/A	7/1/15-6/30/16	4,721	(353)	353									
Special Milk Program for Children	10.556	171NJ304N1099	N/A	7/1/16-6/30/17	6,531		5,920	6,531				(611)		(611)	6,531	
NSLP-Non Cash Assistance	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	180,302	18,085		18,085							18,085	
NSLP-Non Cash Assistance	10.555	171NJ304N1099	N/A	7/1/16-6/30/17	165,329	-	165,329	159,989					5,340		159,989	
Total Child Nutrition Programs						(165,831)	-	2,437,048	2,436,609			(170,732)	5,340		(170,732)	2,436,609
After School Snack Program	10.558	171NJ304N1099	N/A	7/1/16-6/30/17	12,748		11,781	12,748				(967)		(967)	12,748	
After School Snack Program	10.558	16161NJ304N1099	N/A	7/1/15-6/30/16	13,041	(1,042)	1,042									
Total U.S. Dept. of Agriculture						(166,873)	-	2,449,871	2,449,357			(171,699)	5,340		(171,699)	2,449,357
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	S010A160030	NCLB361017	7/1/16-6/30/17	3,000,270		\$ 647,839	2,082,769	3,384,547	\$ (647,839)		(1,565,340)	263,562		(1,287,026)	3,384,547
Title I, Part A	84.010A	S010A150030	NCLB361016	7/1/15-6/30/16	3,185,579	(1,053,724)	(647,839)	971,723	-	647,839	\$ 82,001	-	-		-	
Total Title I						(1,053,724)	-	3,054,492	3,384,547		82,001	(1,565,340)	263,562		(1,287,026)	3,384,547
Title II, Part A	84.367A	S367A160029	NCLB361017	7/1/16-6/30/17	250,998		16,293	177,662	267,291	(16,293)		(89,629)	-		(87,329)	267,291
Title II, Part A	84.367A	S367A150029	NCLB361016	7/1/15-6/30/16	280,905	(70,655)	(16,293)	70,655	-	16,293	375	-	-	375	-	
Total Title II						(70,655)	-	248,317	267,291		375	(89,629)	-	375	(87,329)	267,291
Title III	84.365	S365A160030	NCLB361017	7/1/16-6/30/17	171,847		34,413	70,910	140,955	(34,413)		(135,350)	65,305		(68,544)	140,955
Title III	84.365	S365A150030	NCLB361016	7/1/15-6/30/16	166,911	(48,814)	(34,413)	48,814				34,413				
Title III, Immigrant	84.365	S365A160030	NCLB361017	7/1/16-6/30/17			4,198	4,198	4,198			(4,198)			4,198	
Title III, Immigrant	84.365	S365A150030	NCLB361016	7/1/15-6/30/16	15,587	(11,389)	(4,198)	11,389				4,198				
Total Title III						(60,203)	-	135,311	145,153			(135,350)	65,305		(68,544)	145,153
IDEA Part B																
Basic, Regular	84.027A	H027A160100	FT361017	7/1/16-6/30/17	1,807,590		372,867	1,525,027	2,167,404	(372,867)		(655,430)	13,053		(584,104)	2,167,404
Basic, Regular	84.027A	H027A150100	FT361016	7/1/15-6/30/16	1,910,285	(490,677)	(372,867)	421,111		372,867	69,566					
Basic, Regular	84.027A		FT361015	7/1/14-6/30/15	1,792,103	37								37		
Preschool	84.173A	H173A160114	PS361017	7/1/16-6/30/17	51,061		4,336	55,397	55,397			(4,336)			55,397	
Preschool	84.173A	H173A150114	PS361016	7/1/15-6/30/16	50,417	(19,159)	(4,336)	19,159				4,336				
Total IDEA						(509,799)	-	2,020,694	2,222,801		69,566	(655,430)	13,053	37	(584,104)	2,222,801
Preschool Expansion	84.419B	S419B150020		7/1/15-6/30/16	1,265,187	(396,689)		396,689								
Total U.S. Department of Education - Special Revenue Fund						(2,091,070)	-	5,855,503	6,019,792		151,942	(2,445,749)	341,920	412	(2,027,003)	6,019,792
General Fund																
ARRA - Medicaid Reimbursement Program	93.778	1705NJSMAP	NA	10/1/08-12/31/10	18,104		18,104	18,104								18,104
Spec.Ed. Medicaid Reimbursement (MAC)	93.778	1705NJSMAP	NA	7/1/16-6/30/17	50,800		50,800	50,800								50,800
Spec.Ed. Medicaid Reimbursement	93.778	1705NJSMAP	NA	7/1/16-6/30/17	228,388		226,306	228,388				(2,082)		(2,082)	228,388	
Spec.Ed. Medicaid Reimbursement	93.778	1605NJSMAP	NA	7/1/15-6/30/16	326,292	(111,016)	111,016									
Total Medicaid Reimbursement						(111,016)	-	406,226	297,292			(2,082)			(2,082)	297,292
Total Federal Awards						\$ (2,368,959)	\$ -	\$ 8,711,600	\$ 8,766,441	\$ -	\$ 151,942	\$ (2,619,530)	\$ 347,260	\$ 412	\$ (2,200,784)	\$ 8,766,441

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2016			Cash Received	Budgetary Expenditures	Cancelled Encumbrances	Prior Year Adjustment	Balance, June 30, 2017			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	\$ (4,957,071)		\$ 4,957,071								*	
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	50,667,188			45,715,633	\$ 50,667,188			\$ (4,951,535)				*	\$ 50,667,188
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	4,568,078	(449,174)		449,174								*	-
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	4,632,403			4,179,692	4,632,403			(452,711)				*	4,632,403
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	835,101	(82,114)		82,114								*	-
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	901,738			813,614	901,738			(88,124)				*	901,738
Under Adequacy Aid	16-495-034-5120-096	7/1/15-6/30/16	500,000	(49,164)		49,164								*	-
Under Adequacy Aid	17-495-034-5120-096	7/1/16-6/30/17	500,000			451,136	500,000			(48,864)				*	500,000
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	74,130	(7,289)		7,289								*	-
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	74,130			66,886	74,130			(7,244)				*	74,130
PARCC Readiness	16-495-034-5120-098	7/1/15-6/30/16	74,130	(7,289)		7,289								*	-
PARCC Readiness	17-495-034-5120-098	7/1/16-6/30/17	74,130			66,886	74,130			(7,244)				*	74,130
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	73,140			65,992	73,140			(7,148)				*	73,140
Total State Aid Public				(5,552,101)			56,911,940	56,922,729			(5,562,890)			*	56,922,729
Reimbursed TPAF Pension															
Non-Contributory Insurance	17-495-034-5094-004	7/1/16-6/30/17	206,983			206,983	206,983							*	206,983
Pension Contribution	17-495-034-5094-002	7/1/16-6/30/17	5,712,650			5,712,650	5,712,650							*	5,712,650
Long Term Disability Insurance	17-495-034-5094-004	7/1/16-6/30/17	13,833			13,833	13,833							*	13,833
Post Retirement Contribution	17-495-034-5094-001	7/1/16-6/30/17	4,932,401			4,932,401	4,932,401							*	4,932,401
Total Reimbursed TPAF Pension							10,865,867	10,865,867						*	10,865,867
Transportation Aid															
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	138,421	(13,611)		13,611								*	-
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	172,404			155,555	172,404			(16,849)				*	172,404
Nonpublic Transportation Aid	N/A	7/1/15-6/30/16	58,464	(58,464)		58,464								*	-
Nonpublic Transportation Aid	N/A	7/1/16-6/30/17	57,942				57,942			(57,942)				*	(57,942)
Extraordinary Aid	16-495-034-5120-044	7/1/15-6/30/16	336,923	(336,923)		336,923								*	-
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	389,366				389,366			(389,366)				*	389,366
Reimbursed TPAF Soc. Security Contr.	16-495-034-5094-003	7/1/15-6/30/16	3,876,091	(190,646)		190,646								*	-
Reimbursed TPAF Soc. Security Contr.	17-495-034-5094-003	7/1/16-6/30/17	4,008,160			3,810,241	4,008,160			(197,919)				*	(197,919)
Total General Fund				(6,151,745)			72,343,247	72,416,468			(6,224,966)			*	(255,861)
Special Revenue Fund															
Preschool Education Aid	17-495-034-5120-086	7/1/16-6/30/17	3,762,168		\$ 3,443,073	3,385,951	3,660,520			(376,217)	\$ 3,544,721			*	3,660,520
Preschool Education Aid	16-495-034-5120-086	7/1/15-6/30/16	3,762,168	3,066,520	(3,443,073)	376,217		\$ 336						*	-
Total Special Revenue Fund				3,066,520			3,762,168	3,660,520	336		(376,217)	3,544,721		*	3,660,520
Debt Service Fund															
Debt Service Aid	17-495-034-5120-075	7/1/16-6/30/17	550,674			550,674	550,674							*	550,674
Total State Department of Education				(3,085,225)			76,656,089	76,627,662	336		(6,601,183)	3,544,721		*	(255,861)
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	(4,765)		4,765								*	-
State School Lunch Program	17-100-010-3350-023	7/1/16-6/30/17	33,578			28,203	33,578			(5,375)				*	(5,375)
Total State Department of Agriculture				(4,765)			32,968	33,578			(5,375)			*	(5,375)

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2016			Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Year Balances	Balance, June 30, 2017			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)	87,567	
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	(489,063)						(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	(1,228,685)		53,084				(1,367,952)	86,183		(1,367,952)	1,281,769	
McKinley School - Windows	3610-100-14-1014	N/A	673,885	(66,806)		601,247				(673,885)	5,832		(673,885)	668,053	
McKinley School - Exterior	3610-100-14-1025	N/A	170,474	(88,700)		21,267				(170,474)	60,507		(170,474)	109,967	
Robert Fulton - Roof	3610-110-14-1021	N/A	471,366	(208,205)		10,308				(471,366)	252,853		(471,366)	218,513	
Robert Fulton - Foundation	3610-110-14-1022	N/A	80,117	-						(80,117)	80,117		(80,117)	-	
North Bergen High School - Rehabilitation	3610-050-14-1001	N/A	96,853	(88,198)		8,655				(96,853)	-		(96,853)	96,853	
North Bergen High School - Fire Alarm	3610-050-14-1002	N/A	1,028,815	(711,945)		96,499				(925,934)	117,492		(925,934)	808,442	
Lincoln School - Exterior	3610-090-14-1024	N/A	308,116	(21,064)		169,305				(308,116)	117,747		(308,116)	190,369	
Horace Mann School - Roof	3610-070-14-1020	N/A	448,418	(264,638)		5,371				(448,418)	178,409		(448,418)	270,009	
McKinley School - Security	3610-100-14-1015	N/A	78,102	(44,516)		1,382				(78,102)	32,204		(78,102)	45,898	
Lincoln School - Security	3610-090-14-1012	N/A	87,213	(41,451)		1,719				(43,170)	-		(43,170)	43,170	
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	65,614	(32,479)						(32,479)			(32,479)	32,479	
Franklin School - Security	3610-060-14-1008	N/A	63,672	(55,916)			1,735			(63,672)	6,021		(63,672)	57,651	
Robert Fulton School - Security	3610-110-14-1016	N/A	60,439	(29,917)						(29,917)	-		(29,917)	29,917	
Total Economic Development Authority				<u>(6,867,106)</u>			<u>970,572</u>			<u>(8,783,094)</u>	<u>945,416</u>		<u>(8,783,094)</u>	<u>7,827,678</u>	
Total State Assistance Subject to Single Audit Determination				<u>\$ (9,957,096)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,689,057</u>	<u>\$ 77,631,812</u>	<u>\$ 336</u>	<u>\$ -</u>	<u>\$ (15,389,652)</u>	<u>\$ 4,490,137</u>	<u>\$ -</u>	<u>\$ (9,044,330)</u>	<u>\$ 84,488,918</u>
Less: State Aid Not Subject to Single Audit and Major Program Determination															
Reimbursed TPAF Pension															
Non-Contributory Insurance							(206,983)	(206,983)							
Pension Contribution							(5,712,650)	(5,712,650)							
Long Term Disability Insurance							(13,833)	(13,833)							
Post Retirement Contribution							(4,932,401)	(4,932,401)							
Total State Assistance Subject to Major Program Determination				<u>\$ (9,957,096)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,823,190</u>	<u>\$ 66,765,945</u>	<u>\$ 336</u>	<u>\$ -</u>	<u>\$ (15,389,652)</u>	<u>\$ 4,490,137</u>	<u>\$ -</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, 2017**

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 Title 2 U.S. Code of Federal Regulations Part 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 \$66,470 for the general fund and a decrease of \$50,161 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	\$ 297,291	\$ 72,349,998	\$ 72,647,289
Special Revenue Fund	5,959,240	3,677,140	9,636,380
Capital Projects Fund		970,572	970,572
Debt Service Fund		550,674	550,674
Food Service Fund	<u>2,449,357</u>	<u>33,578</u>	<u>2,482,935</u>
Total Financial Assistance	<u>\$ 8,705,888</u>	<u>\$ 77,581,962</u>	<u>\$ 86,287,850</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, 2017**

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 \$4,008,160 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, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$5,919,633 , TPAF Post-Retirement Medical Benefits Contributions in the amount of \$4,932,401 and TPAF Long-Term Disability Insurance in the amount of \$13,833 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance 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, 2017**

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:

CFDA Number(s)	FAIN Number(s)	<u>Name of Federal Program or Cluster</u>
84.010	S010A160030	Title I

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, 2017**

Part I – Summary of Auditor’s Results

State Awards Section

Dollar threshold used to distinguish between Type A and Type B Programs \$ 2,002,978

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>
17-495-034-5120-078	Equalization Aid
17-495-034-5120-096	Under Adequacy Aid
17-495-034-5120-089	Special Education Aid
17-495-034-5120-084	Security Aid
17-495-034-5120-098	PARCC Readiness
17-495-034-5120-097	Per Pupil Growth Aid
17-495-034-5120-101	Professional Learning Community Aid
17-495-034-5094-003	Reimbursed TPAF Social Security
17-495-034-5120-075	Debt Service Aid

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

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, 2017**

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.