

NORTH BERGEN BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018

Prepared by

Business Office

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INTRODUCTORY SECTION



NORTH BERGEN BOARD OF EDUCATION

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SAI RAO
PRESIDENT

CLAUDIA BASELICE
VICE PRESIDENT

HUGO D. CABRERA
BOARD SECRETARY

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

STEVEN P. SOMICK
BUSINESS ADMINISTRATOR

January 22, 2019

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, 2018.

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, 2018, 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, 2018, 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 2017/2018 school year with an enrollment of 7,666 students, which is 234 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>
2017-2018	7,666	-3.00%
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%

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 and updated programs for the 2017-2018 school year include but are not limited to the following: Math lab sites where teachers observe new techniques through embedded professional development; using standards-based report cards at grades kindergarten, one, and two; using credit recovery to help high school students get back on track for graduation in a timely manner; participating in many field experiences with the STEM academy; developing initiatives to start the Response to Intervention programs for at-risk learners; and instituting professional development with Keys to Literacy.

In addition, teachers continue to use the scholastic book rooms and receive professional development of on using the scholastic reading evaluation kits, beginning, mid year, and post- diagnostic assessments are administered in grades 2 to 11 in mathematics and English Language Arts (ELA), the Link-it system is used to deliver diagnostic, formative, and summative assessments, benchmark assessments are administered in subjects other than math and ELA, and we are expanding the use of our student information system (SIS) Realtime to include staff evaluations,

Professional Development Plans (PDP), Student Growth Objectives (SGO), Individual Education Plans (IEP), and administrator leadership goals. We are also further developing an understanding of the Danielson '07 evaluation model for teachers, researching a specific supervisor evaluation, and exploring the new NJPEPL evaluation for principals.

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 gives parents and students access to log on and view any school activity such as grades, discipline records, and absences. Parents and students can also communicate with the teachers by accessing teacher emails through our district website. 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, 2018.

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.

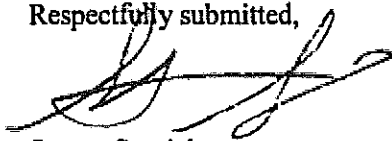
OTHER INFORMATION

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.

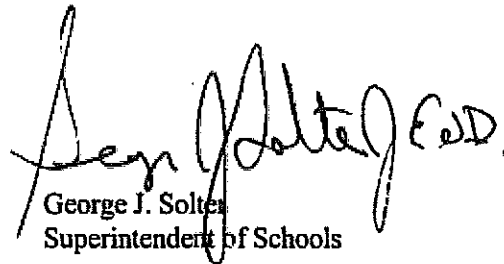
ACKNOWLEDGEMENTS

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.

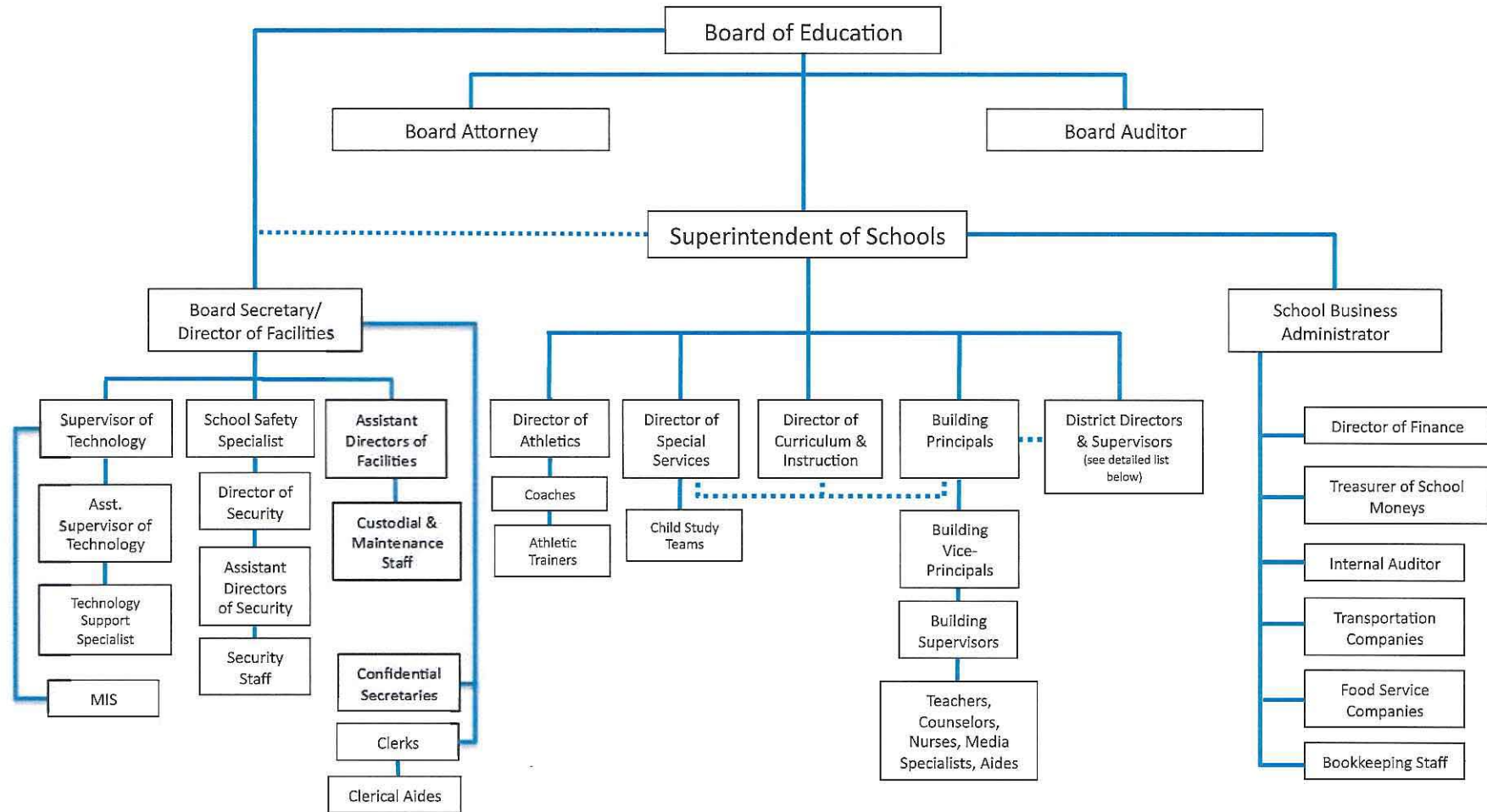
Respectfully submitted,



Steven Somick
School Business Administrator



George J. Soltes
Superintendent of Schools



Director of Early Childhood
 Director of Mathematics
 Director of Title I
 Director of Bilingual and ESL
 Supervisor of Elementary Language Arts
 Supervisor of High School Language Arts
 Supervisor of Elementary Mathematics
 Supervisor of Science
 Supervisor of Social Studies

Supervisor of Art
 Supervisor of Music
 Supervisor Physical Ed. And Health
 Supervisor of World Languages
 Supervisor of SARP
 Supervisors of Special Services
 Supervisor of Absentee Prevention/Residency Program

**NORTH BERGEN BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2018**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Sai Rao, President	2019
Claudia Baselice, Vice President	2020
Patricia Bartoli	2019
Luis Diaz	2020
Haissam Jaafar	2021
Kanaiyalal Patel	2020
Luis Rabelo	2019
Claudia Rodriguez	2021
Ruth Shaw	2021
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.
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AUDIT FIRM

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ATTORNEY

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9060 Palisades Avenue, Suite C6
North Bergen, New Jersey 07047

OFFICIAL DEPOSITORY

Oritani Bank
Pascack Road
Township of Washington, New Jersey

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
DONNAL 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. LEIDIG, CPA, PSA
ROBERT LERCH, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Bergen Board of Education, as of and for the fiscal year ended June 30, 2018 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2018 the North Bergen Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits 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 January 22, 2019 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
January 22, 2019

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, 2018. 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 2017-2018 fiscal year include the following:

- The assets and deferred outflows of resources of the North Bergen Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$29,647,371 (net position).
- Overall District revenues were \$170,132,719. General revenues accounted for \$103,766,064 or 61% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$66,366,655 or 39% of total revenues.
- The School District had \$166,429,556 in expenses for governmental activities; only \$63,381,063 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$103,764,421 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 \$20,702,029 a decrease of \$1,024,194 when compared to the ending fund balance at June 30, 2017 of \$21,726,223.
- The General Fund unassigned fund balance at June 30, 2018 was in a deficit position of \$3,743,875 an increase of \$4,013 when compared with the ending fund balance deficit of \$3,739,862 at June 30, 2017.
- The General Fund unassigned budgetary fund balance at June 30, 2018 was \$2,320,015 which represents an increase of \$90,772 when compared to the ending unassigned fund balance at June 30, 2017 of \$2,229,243.

NORTH BERGEN BOARD OF EDUCATION

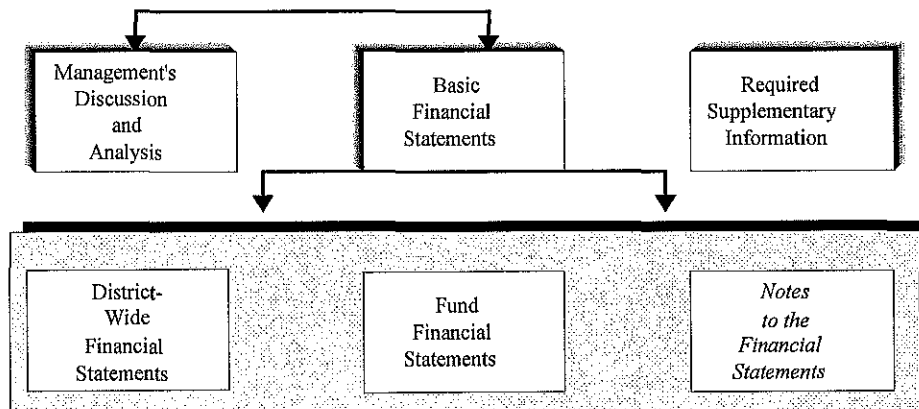
Management's Discussion and Analysis

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 thereafter; 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 term. Funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and dedications during the year, regardless of when cash is received or paid.

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has three kinds of funds:

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

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

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

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

Notes to the Financial Statements

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

Other Information

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

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

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$29,647,371 and \$28,891,531 as of June 30, 2018 and 2017, 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, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and Other Assets	\$ 30,057,537	\$ 31,292,247	\$ 1,146,365	\$ 1,167,080	\$ 31,203,902	\$ 32,459,327
Capital Assets	58,672,108	57,950,682	41,149	33,240	58,713,257	57,983,922
Total Assets	<u>88,729,645</u>	<u>89,242,929</u>	<u>1,187,514</u>	<u>1,200,320</u>	<u>89,917,159</u>	<u>90,443,249</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	9,112,117	13,136,102			9,112,117	
Deferred Amounts on Refunding of Debt	344,712	429,722	-	-	344,712	429,722
Total Deferred Outflows	<u>9,456,829</u>	<u>13,565,824</u>	<u>-</u>	<u>-</u>	<u>9,456,829</u>	<u>429,722</u>
Total Assets and Deferred Outflows	<u>98,186,474</u>	<u>102,808,753</u>	<u>1,187,514</u>	<u>1,200,320</u>	<u>99,373,988</u>	<u>90,872,971</u>
Liabilities						
Long-Term Liabilities	53,090,036	65,372,044			53,090,036	65,372,044
Other Liabilities	9,392,002	9,610,428	75,794	129,730	9,467,796	9,740,158
Total Liabilities	<u>62,482,038</u>	<u>74,982,472</u>	<u>75,794</u>	<u>129,730</u>	<u>62,557,832</u>	<u>75,112,202</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	7,162,227				7,162,227	-
Deferred Commodities Revenue	-	-	6,558	5,340	6,558	5,340
Total Deferred Inflows	<u>7,162,227</u>	<u>-</u>	<u>6,558</u>	<u>5,340</u>	<u>7,168,785</u>	<u>5,340</u>
Total Liabilities and Deferred Inflows	<u>69,644,265</u>	<u>74,982,472</u>	<u>82,352</u>	<u>135,070</u>	<u>69,726,617</u>	<u>75,117,542</u>
Net Position						
Net Investment in Capital Assets	51,220,429	49,080,720	41,149	33,240	51,261,578	49,113,960
Restricted	13,503,685	13,684,522			13,503,685	13,684,522
Unrestricted	(36,181,905)	(34,938,961)	1,064,013	1,032,010	(35,117,892)	(33,906,951)
Total Net Position	<u>\$ 28,542,209</u>	<u>\$ 27,826,281</u>	<u>\$ 1,105,162</u>	<u>\$ 1,065,250</u>	<u>\$ 29,647,371</u>	<u>\$ 28,891,531</u>

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years 2018 and 2017 are as follows:

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program Revenues						
Charges for Services	\$ 4,598,903	\$ 4,239,503	\$ 563,293	\$ 599,065	\$ 5,162,196	\$ 4,838,568
Operating Grants and Contributions	58,779,883	56,472,260	2,422,299	2,482,935	61,202,182	58,955,195
Capital Grants and Contributions	2,277	970,572			2,277	970,572
General Revenues						
Property Taxes	50,276,595	48,157,628			50,276,595	48,157,628
State Aid	52,961,440	51,938,020			52,961,440	51,938,020
Investment Earnings	193,891	82,733	1,643	394	195,534	83,127
Miscellaneous	332,495	388,530	-	-	332,495	388,530
<u>Total Revenues</u>	<u>167,145,484</u>	<u>162,249,246</u>	<u>2,987,235</u>	<u>3,082,394</u>	<u>170,132,719</u>	<u>165,331,640</u>
Expenses						
Instruction						
Regular	69,252,700	67,250,193			69,252,700	67,250,193
Special Education	25,056,382	24,113,217			25,056,382	24,113,217
Other Instruction	11,534,561	11,908,442			11,534,561	11,908,442
School Sponsored Activities and Athletics	2,922,663	2,784,999			2,922,663	2,784,999
Support Services						
Student and Instruction Related Services	19,397,649	18,686,314			19,397,649	18,686,314
General Administration Services	2,728,117	3,052,249			2,728,117	3,052,249
School Administration Services	11,310,032	11,099,792			11,310,032	11,099,792
Plant Operation and Maintenance	16,298,080	16,042,326			16,298,080	16,042,326
Pupil Transportation	3,886,776	3,717,316			3,886,776	3,717,316
Business Services	3,547,726	3,203,625			3,547,726	3,203,625
Interest and Other Chgs on Long-Term Debt	494,870	547,825			494,870	547,825
Food Service	-	-	2,947,323	3,061,343	2,947,323	3,061,343
<u>Total Expenses</u>	<u>166,429,556</u>	<u>162,406,298</u>	<u>2,947,323</u>	<u>3,061,343</u>	<u>169,376,879</u>	<u>165,467,641</u>
Change in Net Position	715,928	(157,052)	39,912	21,051	755,840	(136,001)
Net Position, Beginning 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>
Net Position, End of Year	<u>\$ 28,542,209</u>	<u>\$ 27,826,281</u>	<u>\$ 1,105,162</u>	<u>\$ 1,065,250</u>	<u>\$ 29,647,371</u>	<u>\$ 28,891,531</u>

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities. The District's total governmental activities revenues were \$167,145,484 for the fiscal year ended June 30, 2018. Tuition accounted for \$4,598,903 representing 3% of total revenues. Local property taxes were \$50,276,595 representing 30% of total revenues. State and federal aid revenues were \$111,741,323 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 \$166,429,556. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$108,766,306 (65%) of total expenditures. Support services totaled \$57,168,380 (34%) of total expenditures and the remainder of expenditures were for interest and other charges on long-term debt totaling \$494,870 (1%).

Total governmental activities revenues surpassed expenses, increasing net position by \$715,928 over the previous year.

Total and Net Cost of Governmental Activities. The District's total cost of services was \$166,429,556 for the fiscal year ended June 30, 2018. After applying program revenues, derived from charges for services of \$4,598,903; operating grants and contributions of \$58,779,883, and capital grants and contributions of \$2,277 the net cost of services of the District is \$103,048,493. The following is a comparative analysis of the net cost of governmental activities for the fiscal years ended June 30, 2018 and 2017.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Instruction				
Regular	\$ 69,252,700	\$ 67,250,193	\$ 37,990,372	\$ 36,903,286
Special Education	25,056,382	24,113,217	10,538,161	10,281,114
Other Instruction	11,534,561	11,908,442	5,958,317	5,670,357
School Sponsored Activities and Athletics	2,922,663	2,784,999	2,117,337	2,007,219
Support Services				
Student and Instruction Related Services	19,397,649	18,686,314	14,047,763	13,721,924
General Administration	2,728,117	3,052,249	2,183,743	2,417,170
School Administration Services	11,310,032	11,099,792	8,592,284	8,683,652
Plant Operation and Maintenance	16,298,080	16,042,326	14,219,767	13,828,029
Pupil Transportation	3,886,776	3,717,316	3,608,296	3,459,762
Business Services	3,547,726	3,203,625	3,297,583	3,203,625
Interest and Other Charges on Long-Term Debt	494,870	547,825	494,870	547,825
Total	<u>\$ 166,429,556</u>	<u>\$ 162,406,298</u>	<u>\$ 103,048,493</u>	<u>\$ 100,723,963</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 \$20,702,029 a decrease of \$1,024,194 from last year's fund balance of \$21,726,223.

Revenues for the District's governmental funds were \$141,791,159; total expenditures were \$142,815,353.

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, 2018</u>	Fiscal Year Ended <u>June 30, 2017</u>	Amount of Increase (Decrease)	<u>Percent</u>
Local Sources:				
Property Tax Levy	\$ 48,709,108	\$ 46,734,214	\$ 1,974,894	4.23%
Tuition	4,598,903	4,239,503	359,400	8.48%
Miscellaneous	526,331	466,258	60,073	12.88%
State/Federal Sources	<u>76,231,216</u>	<u>72,647,289</u>	<u>3,583,927</u>	4.93%
 Total General Fund Revenues	 <u>\$ 130,065,558</u>	 <u>\$ 124,087,264</u>	 <u>\$ 5,978,294</u>	 <u>4.82%</u>

Total General Fund Revenues increased by \$5,978,294 or approximately 5% over the previous year.

Local property taxes increased \$1,974,894 over the previous year. State and federal aid increased \$3,583,927 or 5%, primarily due to the State of New Jersey providing additional State aid and increases in on-behalf TPAF pension funding to the District. Tuition charges increased \$359,400. Miscellaneous revenues increased slightly from 2016-17 to 2017-18.

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, 2018</u>	Fiscal Year Ended <u>June 30, 2017</u>	Amount of Increase (Decrease)	<u>Percent</u>
Instruction	\$ 81,324,740	\$ 76,211,670	\$ 5,113,070	6.71%
Support Services	46,033,898	44,755,964	1,277,934	2.86%
Debt Service	639,993	638,251	1,742	0.27%
Capital Outlay	<u>3,068,403</u>	<u>1,833,186</u>	<u>1,235,217</u>	67.38%
Total Expenditures	<u>\$ 131,067,034</u>	<u>\$ 123,439,071</u>	<u>\$ 7,627,963</u>	<u>6.18%</u>

Total General Fund expenditures increased \$7,627,963 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, 2018 General Fund expenses exceeded revenues and other financing sources by \$949,622. After deducting statutory reserves and designations in the amount of \$21,459,353 the unassigned fund balance at June 30, 2018 was in a deficit position of \$3,743,875. This deficit occurs because the State has delayed the District’s final state aid payments until July 2018. Had these payments been received prior to June 30, 2018, the District would have ended the year with an unassigned fund balance (Budgetary Basis) of \$2,320,014.

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 \$9,678,997 for the fiscal year ended June 30, 2018. State sources in the amount of \$3,703,865 accounted for 38% of the total revenue and federal sources in the amount of \$5,924,029 accounted for 61% of the total revenue in the special revenue fund.

Total Special Revenue Fund revenues decreased \$8,959 from the previous year. State sources increased \$26,725, and Federal sources decreased by \$35,211.

Expenditures of the Special Revenue Fund were \$9,678,997. Instructional expenditures were \$7,818,828 or 81%, expenditures for support services were \$1,856,329 or 19% and capital outlay expenditures totaled \$3,840, for the fiscal year ended June 30, 2018.

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 \$70,318 decreasing the fund balance from \$3,036,392 at June 30, 2017 to \$2,966,074 at June 30, 2018. 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, 2017 encumbrances.
- Appropriation of additional General Fund State Aid.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2018 amounts to \$58,713,257 and \$57,983,922 (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 2017-2018 amounted to \$2,371,558 for governmental activities and \$4,060 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2018 and 2017.

	Governmental		Business- Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Land	\$ 4,488,797	\$ 4,488,797			\$ 4,488,797	\$ 4,488,797
Construction in Progress	5,625,540	2,744,425			5,625,540	2,744,425
Site Improvements	66,501	65,261			66,501	65,261
Building	48,254,237	50,357,428			48,254,237	50,357,428
Machinery and Equipment	237,033	294,771	\$ 41,149	\$ 33,240	278,182	328,011
Total	\$ 58,672,108	\$ 57,950,682	\$ 41,149	\$ 33,240	\$ 58,713,257	\$ 57,983,922

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

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2018, the District's long-term liabilities consisted of compensated absences payable of \$7,605,642, serial bonds of \$2,125,000, obligations under lease purchase agreements of \$8,433,708 (including unamortized premium and discount), Sales/Leaseback obligations of \$135,000 and net pension liability of \$34,790,686 totaling \$53,090,036. This is in comparison to long-term liabilities at June 30, 2017 of \$65,372,044 or a decrease of \$12,282,008.

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 2017-2018 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 2018-2019. 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, 2018**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 17,912,371	\$ 47,328	\$ 17,959,699
Receivables, Net	12,043,467	460,781	12,504,248
Internal Balances	(603,525)	603,525	
Other Receivables	233,388	601	233,989
Prepaid Items	440,660		440,660
Other Assets	20,000		20,000
Inventory		34,130	34,130
Restricted Assets			
Cash and Cash Equivalents	11,176		11,176
Capital Assets			
Not Being Depreciated	10,114,337		10,114,337
Being Depreciated, Net	<u>48,557,771</u>	<u>41,149</u>	<u>48,598,920</u>
Total Assets	<u>88,729,645</u>	<u>1,187,514</u>	<u>89,917,159</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	9,112,117		9,112,117
Deferred Amounts on Refunding of Debt	<u>344,712</u>	<u>-</u>	<u>344,712</u>
Total Deferred Outflows of Resources	<u>9,456,829</u>	<u>-</u>	<u>9,456,829</u>
Total Assets and Deferred Outflows of Resources	<u>98,186,474</u>	<u>1,187,514</u>	<u>99,373,988</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	6,209,752	75,794	6,285,546
Accrued Interest Payable	36,494		36,494
Payable to Other Governments	6,415		6,415
Unearned Revenue	3,139,341		3,139,341
Noncurrent Liabilities			
Due Within One Year	2,398,325		2,398,325
Due Beyond One Year	<u>50,691,711</u>	<u>-</u>	<u>50,691,711</u>
Total Liabilities	<u>62,482,038</u>	<u>75,794</u>	<u>62,557,832</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, 2018**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	\$ 7,162,227		\$ 7,162,227
Deferred Commodities Revenue	<u>-</u>	\$ 6,558	<u>6,558</u>
Total Deferred Inflows of Resources	<u>7,162,227</u>	<u>6,558</u>	<u>7,168,785</u>
Total Liabilities and Deferred Inflows of Resources	<u>69,644,265</u>	<u>82,352</u>	<u>69,726,617</u>
NET POSITION			
Net Investment in Capital Assets	51,220,429	41,149	51,261,578
Restricted for:			
Capital Projects	11,903,685		11,903,685
Other Purposes	1,600,000		1,600,000
Unrestricted	<u>(36,181,905)</u>	<u>1,064,013</u>	<u>(35,117,892)</u>
Total Net Position	<u>\$ 28,542,209</u>	<u>\$ 1,105,162</u>	<u>\$ 29,647,371</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, 2018

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	\$ 69,252,700	\$ 4,598,903	\$ 26,663,425		\$ (37,990,372)		\$ (37,990,372)
Special Education	25,056,382		14,518,221		(10,538,161)		(10,538,161)
Other Instruction	11,534,561		5,576,244		(5,958,317)		(5,958,317)
School Sponsored Activities and Athletics	2,922,663		805,326		(2,117,337)		(2,117,337)
Support Services:							
Student and Instruction Related Services	19,397,649		5,349,886		(14,047,763)		(14,047,763)
General Administrative Services	2,728,117		544,374		(2,183,743)		(2,183,743)
School Administrative Services	11,310,032		2,717,748		(8,592,284)		(8,592,284)
Plant Operations and Maintenance	16,298,080		2,076,036	\$ 2,277	(14,219,767)		(14,219,767)
Pupil Transportation	3,886,776		278,480		(3,608,296)		(3,608,296)
Business Services	3,547,726		250,143		(3,297,583)		(3,297,583)
Interest on Long-Term Debt	494,870	-	-	-	(494,870)	-	(494,870)
Total Governmental Activities	166,429,556	4,598,903	58,779,883	2,277	(103,048,493)	-	(103,048,493)
Business-Type Activities:							
Food Service	2,947,323	563,293	2,422,299	-	-	\$ 38,269	38,269
Total Business-Type Activities	2,947,323	563,293	2,422,299	-	-	38,269	38,269
Total Primary Government	\$ 169,376,879	\$ 5,162,196	\$ 61,202,182	\$ 2,277	(103,048,493)	38,269	(103,010,224)
General Revenues							
Property Taxes							
Levied for General Purposes					48,709,108		48,709,108
Levied for Debt Service					1,567,487		1,567,487
State Aid - Unrestricted					52,484,655		52,484,655
State Aid - Restricted for Debt Service					476,785		476,785
Investment Earnings					193,891	1,643	195,534
Miscellaneous Income					332,495	-	332,495
Total General Revenues and Other Items					103,764,421	1,643	103,766,064
Change in Net Position					715,928	39,912	755,840
Net Position-Beginning of Year					27,826,281	1,065,250	28,891,531
Net Position-End of Year					\$ 28,542,209	\$ 1,105,162	\$ 29,647,371

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, 2018**

	<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	\$ 16,837,361	\$ 1,075,010			\$ 17,912,371
Receivables From Other Governments	1,471,314	1,869,176	\$ 8,702,977		12,043,467
Prepaid Items	440,660				440,660
Other Assets	20,000				20,000
Due From Other Funds	5,104,315				5,104,315
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	-	-	-	\$ 11,176	11,176
Total Assets	<u>\$ 23,873,650</u>	<u>\$ 2,944,186</u>	<u>\$ 8,702,977</u>	<u>\$ 11,176</u>	<u>\$ 35,531,989</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 5,444,671	\$ 741,511	\$ 4,070		\$ 6,190,252
Unearned Revenue	75,059	2,201,260	863,022		3,139,341
Payables to Other Governments		1,415	5,000		6,415
Other Payables	19,500				19,500
Due To Other Funds	603,525	-	4,864,811	\$ 6,116	5,474,452
Total Liabilities	<u>6,142,755</u>	<u>2,944,186</u>	<u>5,736,903</u>	<u>6,116</u>	<u>14,829,960</u>
Fund Balances:					
Nonspendable					
Prepays	440,660				440,660
Restricted					
Capital Reserve	9,403,685				9,403,685
Capital Reserve-Designated for Subsequent Year's Budget	2,500,000				2,500,000
Maintenance Reserve	1,300,000				1,300,000
Maintenance Reserve -Designated for Subsequent Year's Budget	300,000				300,000
Emergency Reserve	598,500				598,500
Emergency Reserve - Designated for Subsequent Year's Budget	401,500				401,500
Excess Surplus	1,104,475				1,104,475
Excess Surplus - Designated for Subsequent Year's Budget	1,138,943				1,138,943
Capital Projects Fund			2,966,074		2,966,074
Debt Service				5,060	5,060
Committed					
Encumbrances	644,243				644,243
Assigned					
Designated for Subsequent Year's Budget	2,323,285				2,323,285
Encumbrances	1,319,478				1,319,478
Unassigned					
General Fund	(3,743,874)	-	-	-	(3,743,874)
Total Fund Balances	<u>17,730,895</u>	<u>-</u>	<u>2,966,074</u>	<u>5,060</u>	<u>20,702,029</u>
Total Liabilities and Fund Balances	<u>\$ 23,873,650</u>	<u>\$ 2,944,186</u>	<u>\$ 8,702,977</u>	<u>\$ 11,176</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 \$93,909,065 and the accumulated depreciation is \$35,236,957. 58,672,108

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (36,494)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 2) (50,795,434)

Net Position of Governmental Activities \$ 28,542,209

**NORTH BERGEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<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	\$ 48,709,108			\$ 1,567,487	\$ 50,276,595
Tuition	4,598,903				4,598,903
Interest	193,836			55	193,891
Miscellaneous	332,495	\$ 51,103	-	-	383,598
Total - Local Sources	53,834,342	51,103	-	1,567,542	55,452,987
State Sources	75,867,658	3,703,865	\$ 2,277	476,785	80,050,585
Federal Sources	363,558	5,924,029	-	-	6,287,587
Total Revenues	130,065,558	9,678,997	2,277	2,044,327	141,791,159
EXPENDITURES					
Current					
Instruction					
Regular Instruction	52,905,843	3,111,076			56,016,919
Special Education Instruction	18,517,064	2,606,365			21,123,429
Other Instruction	7,439,202	2,101,387			9,540,589
School Sponsored Activities and Athletics	2,462,631				2,462,631
Support Services					
Student and Instruction Related Services	15,101,771	1,415,026			16,516,797
General Administrative Services	2,419,474				2,419,474
School Administrative Services	9,402,029				9,402,029
Plant Operations and Maintenance	12,121,478	399,773			12,521,251
Pupil Transportation	3,811,643	41,530			3,853,173
Business Services	3,177,503				3,177,503
Debt Service					
Principal	540,000			1,605,000	2,145,000
Interest and Other Charges	99,993			443,581	543,574
Capital Outlay	3,068,403	3,840	20,741	-	3,092,984
Total Expenditures	131,067,034	9,678,997	20,741	2,048,581	142,815,353
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,001,476)	-	(18,464)	(4,254)	(1,024,194)
Other Financing Sources (Uses)					
Transfers In/(Out)	51,854	-	(51,854)	-	-
Total Other Financing Sources (Uses)	51,854	-	(51,854)	-	-
Net Change in Fund Balances	(949,622)	-	(70,318)	(4,254)	(1,024,194)
Fund Balance, Beginning of Year	18,680,517	-	3,036,392	9,314	21,726,223
Fund Balance, End of Year	\$ 17,730,895	\$ -	\$ 2,966,074	\$ 5,060	\$ 20,702,029

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, 2018**

Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (1,024,194)

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	\$ 3,092,984	
Depreciation Expense	<u>(2,371,558)</u>	721,426

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

Principal Repayments		
General Obligation Bonds	595,000	
Amortization		
Premium	302	
Deferred Charge on Refunding	(2,700)	
Certificates of Participation	1,010,000	
Amortization		
Premium	126,970	
Discount	(1,468)	
Deferred Charge on Refunding	(82,310)	
Sales/Leaseback Obligations	<u>540,000</u>	2,185,794

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

(Increase) in Pension Expense - Public Employees' Retirement System		(1,415,567)
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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.

7,910

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>240,559</u>
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Change in Net Position of Governmental Activities (Exhibit A-2)		<u><u>\$ 715,928</u></u>
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**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2018**

ASSETS

Cash	\$ 47,328
Intergovernmental Receivable	
State	5,979
Federal	454,802
Accounts Receivable	601
Inventories	34,130
Due from Other Funds	<u>603,525</u>
Total Current Assets	<u>1,146,365</u>
Capital Assets	
Equipment	151,705
Accumulated Depreciation	<u>(110,556)</u>
Total Capital Assets, Net	<u>41,149</u>
Total Assets	<u>1,187,514</u>

LIABILITIES

Current Liabilities	
Accounts Payable	<u>75,794</u>
Total Current Liabilities	<u>75,794</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Commodities Revenue	<u>6,558</u>
Total Deferred Inflows of Resources	<u>6,558</u>
Total Liabilities and Deferred Inflows of Resources	<u>82,352</u>

NET POSITION

Net Investment in Capital Assets	41,149
Unrestricted	<u>1,064,013</u>
Total Net Position	<u>\$ 1,105,162</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, 2018**

OPERATING REVENUES

Local Sources	
Daily Sales	
Reimbursable Programs	\$ 28,457
Non-Reimbursable Programs	510,051
Special Functions	<u>24,785</u>
 Total Operating Revenues	 <u>563,293</u>

OPERATING EXPENSES

Salaries and Wages	1,230,289
Employee Benefits	192,047
Cost of Sales	
Reimbursable Programs	918,880
Non-Reimbursable Programs	168,317
Other Purchased Services	358,400
Supplies and Materials	75,330
Depreciation	<u>4,060</u>
 Total Operating Expenses	 <u>2,947,323</u>

Operating Income (Loss)	<u>(2,384,030)</u>
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NONOPERATING REVENUES

State Sources	
State School Lunch Program	29,585
Federal Sources	
School Breakfast Program	508,535
National School Lunch Program	1,699,711
Special Milk Program	7,029
After School Snack Program	12,736
Food Distribution Program (USDA Commodities)	164,703
Interest Income	<u>1,643</u>
 Total Nonoperating Revenues	 <u>2,423,942</u>

Change in Net Position	39,912
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Net Position, Beginning of Year	<u>1,065,250</u>
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Net Position, End of Year	<u>\$ 1,105,162</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, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 563,293
Cash Payments for Salaries & Benefits	(1,422,336)
Cash Payments to Suppliers for Goods and Services	<u>(1,405,622)</u>
Net Cash (Used) by Operating Activities	<u>(2,264,665)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash Received for Interfund Transactions	346,487
Cash Received from State and Federal Subsidy Reimbursements	<u>1,973,889</u>
Net Cash Provided by Noncapital Financing Activities	<u>2,320,376</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Cash Payments for Acquisition of Capital Assets	<u>(11,969)</u>
Net Cash (Used) by Noncapital Financing Activities	<u>(11,969)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Received on Deposits	<u>1,643</u>
Net Cash Provided by Investing Activities	<u>1,643</u>

Net Change in Cash and Cash Equivalents

45,385

Cash and Cash Equivalents, Beginning of Year

1,943

Cash and Cash Equivalents, End of Year

\$ 47,328**Reconciliation of Operating (Loss) to Net Cash****(Used) by Operating Activities**

Operating Income (Loss)	\$ (2,384,030)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities	
Depreciation	4,060
Non-Cash Federal Assistance-Food Distribution Program	164,703
Change in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	(601)
Increase/(Decrease) in Accounts Payable	(53,936)
(Increase)/Decrease in Inventory	3,921
Increase/(Decrease) in Deferred Commodities Revenue	<u>1,218</u>
Total Adjustments	<u>119,365</u>

Net Cash (Used) by Operating Activities

\$ (2,264,665)

Non-Cash Investing, Capital and Financing Activities

Value Received - Food Distribution Program

\$ 165,921

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, 2018**

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,070,853	\$ 4,029,287
Accounts Receivable	30,843	30,000
Due From Other Funds	<u>106,353</u>	<u>-</u>
Total Assets	<u>1,208,049</u>	<u>\$ 4,059,287</u>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 57,063
Accrued Salaries and Wages		3,383,564
Intergovernmental Payable	5,499	
Due to Student Groups		278,919
Due to Other Funds	<u>-</u>	<u>339,741</u>
Total Liabilities	<u>5,499</u>	<u>\$ 4,059,287</u>
NET POSITION		
Held in Trust for Unemployment Compensation Claims	<u>\$ 1,202,550</u>	

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

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Employee Deductions	\$ 110,239
Interest Income	<u>7,638</u>
Total Additions	<u>117,877</u>
DEDUCTIONS	
Unemployment Claims	<u>92,313</u>
Total Deductions	<u>92,313</u>
Change in Net Position	25,564
Net Position, Beginning of Year	<u>1,176,986</u>
Net Position, End of Year	<u>\$ 1,202,550</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, 2018**

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 Guttenburg Board of Education. The Board is responsible for the fiscal control of the District. A superintendent of schools 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 2018, the District adopted the following GASB statements:

- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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. 85, *Omnibus 2017*. 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*. 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 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. 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.
- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, will be effective beginning with the fiscal year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

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, 2018**

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. 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, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

The District reports the following major proprietary funds which are organized to be self-supporting through user charges:

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

Additionally, the government reports the following fund types:

The *fiduciary trust funds* is used to account for resources legally held in trust for state unemployment insurance claims. All resources of the funds, 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.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Prepaid Items*

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

5. *Restricted Assets*

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

6. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at 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>
Site Improvements	20
Buildings	40
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 amount 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, 2018**

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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items, which arise only under the accrual basis of accounting that qualify for reporting in this category. The one item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory 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. Proprietary Funds do not permit the accrual of unused vacation and sick leave. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

9. *Pensions*

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

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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*

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 with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

11. *Net Position/Fund Balance*

District-Wide Statements

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

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

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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

Capital Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2018/2019 District budget certified for taxes.

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

Maintenance Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2018/2019 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.

Emergency Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of emergency reserve fund balance appropriated in the adopted 2018/2019 District budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that is required to be appropriated in the 2019/2020 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, 2017 audited excess surplus that was appropriated in the 2018/2019 original budget certified for taxes.

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, 2018**

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.

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.

Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2018/2019 District budget certified for taxes.

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

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

12. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Board itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Board for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2016-2017 and 2017-2018 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

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

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

Bonds Payable	\$ 2,125,000
Deferred Amount on Refunding	(19,916)
Certificates of Participation (COPS)	7,945,000
Deferred Amount on Refunding	(324,796)
Unamortized Issuance Premium	491,713
Unamortized Discount	(3,005)
Sale/Leaseback Obligations Payable	135,000
Compensated Absences	7,605,642
Net Pension Liability	34,790,686
Deferred Amounts on Net Pension Liability	
Deferred Outflows	(9,112,117)
Deferred Inflows	<u>7,162,227</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 50,795,434</u>

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 2017/2018. Also, during 2017/2018 the Board increased the original budget by \$5,255,174. The increase was funded by additional state aid appropriated, grant awards and the reappropriation of prior year general fund encumbrances.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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 deficit of \$3,743,874 in the General Fund as of June 30, 2018 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 2017/2018 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$3,743,874 in the General Fund is less than the delayed state aid payments at June 30, 2018.

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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2017		\$ 11,351,419
Increased by		
Deposit by Board Resolution - June 2018	\$ 3,000,000	
Amount Restored to Capital Reserve	51,854	
Interest	<u>412</u>	
		<u>3,052,266</u>
		14,403,685
Decreased by		
Budgeted Withdrawal in 2017-2018 Budget		<u>2,500,000</u>
Balance, June 30, 2018		<u>\$ 11,903,685</u>

Analysis of Restricted for Capital Reserve, June 30, 2018

Capital Reserve		\$ 9,403,685
Capital Reserve - Designated for Subsequent Year's Budget		<u>2,500,000</u>
		<u>\$ 11,903,685</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.

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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2017	\$ 1,900,000
Decreased by	
Budgeted Withdrawal in 2017-2018 Budget	<u>300,000</u>
Balance, June 30, 2018	<u>\$ 1,600,000</u>

Analysis of Restricted for Maintenance Reserve, June 30, 2018

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

The activity of the emergency reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2017	<u>\$ 1,000,000</u>
Balance, June 30, 2018	<u>\$ 1,000,000</u>

F. Transfers to Capital Outlay

During the 2017/2018 school year, the District transferred \$339,857 to the non-equipment capital outlay accounts.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

G. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2018 is \$2,243,418. Of this amount, \$1,138,943 was designated and appropriated in the 2018/2019 original budget certified for taxes and the remaining amount of \$1,104,475 will be appropriated in the 2019/2020 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 and NCUSIF.

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, 2018, the book value of the Board's deposits were \$23,071,015 and bank and brokerage firm balances of the Board's deposits amounted to \$25,693,641. 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>\$ 25,693,641</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018 the Board’s bank balances were not exposed to custodial credit risk as follows:

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; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; 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; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law,” (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2018, 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, 2018 for the district’s individual major funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Other Funds</u>	<u>Total</u>
Receivables:						
Accounts				\$ 601	\$ 60,843	\$ 61,444
Intergovernmental-						
Federal		\$ 1,854,582		454,802		2,309,384
State	\$ 88,107		\$ 8,702,977	5,979		8,797,063
Local	<u>1,383,207</u>	<u>14,594</u>	-	-	-	<u>1,397,801</u>
Gross Receivables	1,471,314	1,869,176	8,702,977	461,382	60,843	12,565,692
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 1,471,314</u>	<u>\$ 1,869,176</u>	<u>\$ 8,702,977</u>	<u>\$ 461,382</u>	<u>\$ 60,843</u>	<u>\$ 12,565,692</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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	2,147,673
Grant Draw Downs Reserved for Encumbrances	53,587
Capital Projects Fund	
Unrealized School Facilities Grant	<u>863,022</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 3,139,341</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Increases</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2018</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 4,488,797			\$ 4,488,797
Construction in Progress	2,744,425	\$ 3,003,581	\$ (122,466)	5,625,540
Total Capital Assets, Not Being Depreciated	<u>7,233,222</u>	<u>3,003,581</u>	<u>(122,466)</u>	<u>10,114,337</u>
Capital Assets, Being Depreciated:				
Buildings	80,559,713	60,091	122,466	80,742,270
Site Improvements	135,054	6,658		141,712
Machinery and Equipment	2,888,092	22,654	-	2,910,746
Total Capital Assets Being Depreciated	<u>83,582,859</u>	<u>89,403</u>	<u>122,466</u>	<u>83,794,728</u>
Less Accumulated Depreciation for:				
Buildings	(30,202,285)	(2,285,748)		(32,488,033)
Site Improvements	(69,793)	(5,418)		(75,211)
Machinery and Equipment	(2,593,321)	(80,392)	-	(2,673,713)
Total Accumulated Depreciation	<u>(32,865,399)</u>	<u>(2,371,558)</u>	<u>-</u>	<u>(35,236,957)</u>
Total Capital Assets, Being Depreciated, net	<u>50,717,460</u>	<u>(2,282,155)</u>	<u>122,466</u>	<u>48,557,771</u>
Governmental Activities Capital Assets, net	<u>\$ 57,950,682</u>	<u>\$ 721,426</u>	<u>\$ -</u>	<u>\$ 58,672,108</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	<u>Balance</u> <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2018</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 139,736	\$ 11,969	-	\$ 151,705
Total Capital Assets Being Depreciated	<u>139,736</u>	<u>11,969</u>	<u>-</u>	<u>151,705</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(106,496)	(4,060)	-	(110,556)
Total Accumulated Depreciation	<u>(106,496)</u>	<u>(4,060)</u>	<u>-</u>	<u>(110,556)</u>
Total Capital Assets, Being Depreciated, net	<u>33,240</u>	<u>7,909</u>	<u>-</u>	<u>41,149</u>
Business-Type Activities Capital Assets, net	<u>\$ 33,240</u>	<u>\$ 7,909</u>	<u>\$ -</u>	<u>\$ 41,149</u>

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

Governmental Activities:

Instruction		
Regular		\$ <u>11,557</u>
Total Instruction		<u>11,557</u>
Support Services		
Support Services-Students and Instruction Related		9,447
General Administration		7,550
School Administration		28,129
Operations and Maintenance of Plant		<u>2,314,875</u>
Total Support Services		<u>2,360,001</u>
Total Governmental Funds		<u>\$ 2,371,558</u>
Business-Type Activities:		
Food Service Fund		<u>\$ 4,060</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018:

<u>Project</u>	<u>Remaining Commitment</u>
Window Replacement and New Exterior Doors McKinley	\$ 153,917
North Bergen High School Boiler	144,314
North Bergen High School Field	53,672
Elementary Schools - Air Conditioning	55,406
District Wide Security Upgrades	<u>282,396</u>
 Total	 <u>\$ 689,705</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2018, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 4,864,811
General Fund	Debt Service Fund	6,116
General Fund	Payroll Agency Fund	233,388
Food Service Enterprise Fund	General Fund	603,525
Unemployment Compensation Trust Fund	Payroll Agency Fund	<u>106,353</u>
 Total		 <u>\$ 5,814,193</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, 2018**

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	\$ 51,854

The above transfers is the result of the cancellation of a capital project partially funded by capital reserve.

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, 2018 were \$547,277. The future minimum lease payments for these operating leases are as follows:

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

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	8/1/1998	\$ 9,000,000	FFL Savings Corp	Trust Company of NJ
Improvements to Various Schools	1/5/2000	10,000,000	FFL Savings Corp	Trust Company of NJ

Interest earned on balance and unexpended costs of issuance balances totaling \$11,176 remain on deposit with the respective agents.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Lease Purchase Agreements (Continued)

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

Governmental Activities:

Fiscal Year Ended <u>June 30,</u>	<u>Certificates of Participation</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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>\$ 7,945,000</u>	<u>\$ 817,181</u>	<u>\$ 8,762,181</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, 2018 are comprised of the following issues:

\$3,225,000, Pension Obligation Refunding Bonds, due in annual installments of \$235,000 to \$300,000 through April 1, 2026, interest at 3.319% to 5.054%	<u>\$2,125,000</u>
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**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

General Obligation Bonds (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,	Serial Bonds		Total
	Principal	Interest	
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	275,000	55,850	330,850
2025-2026	<u>860,000</u>	<u>86,423</u>	<u>946,423</u>
	<u>\$ 2,125,000</u>	<u>\$ 466,824</u>	<u>\$ 2,591,824</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2018 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 223,256,144
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 223,256,144</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018, was as follows:

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2018</u>	Due Within <u>One Year</u>
Governmental Activities:					
Obligations Under Lease-					
Purchase Agreement	\$ 8,955,000		\$ 1,010,000	\$ 7,945,000	\$ 1,450,000
Add: Unamortized Premium	618,683		126,970	491,713	
Less: Unamortized Discount	(4,473)	-	(1,468)	(3,005)	-
	<u>9,569,210</u>	<u>-</u>	<u>1,135,502</u>	<u>8,433,708</u>	<u>1,450,000</u>
Bonds Payable	2,720,000		595,000	2,125,000	235,000
Add: Unamortized Premium	302	-	302	-	-
	<u>2,720,302</u>	<u>-</u>	<u>595,302</u>	<u>2,125,000</u>	<u>235,000</u>
Obligations Under Sales/Leaseback	675,000		540,000	135,000	135,000
Compensated Absences Payable	7,846,201	\$ 777,505	1,018,064	7,605,642	578,325
Net Pension Liability	44,561,331	-	9,770,645	34,790,686	-
	<u>\$ 65,372,044</u>	<u>\$ 777,505</u>	<u>\$ 13,059,513</u>	<u>\$ 53,090,036</u>	<u>\$ 2,398,325</u>

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

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 North Jersey Educational Insurance Fund (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.

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 fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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 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:

Year Ended <u>June 30,</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ 110,239	\$ 92,313	\$ 1,202,550
2017	110,876	71,674	1,176,986
2016	104,668	74,808	1,135,046

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, 2018, 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, 2018, 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, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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. PERS is a cost sharing multiple employer defined benefit pension plan.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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. TPAF is a cost sharing multiple employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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 (“Division”), 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, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Investments are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 33 percent with an unfunded actuarial accrued liability of 90.90 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 25.41 percent and \$67.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 48.10 percent and \$23.3 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, 2016 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 7.00 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.

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 7.34% for PERS, 7.34% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2018.

Annual Pension Costs (APC)

For the fiscal year ended June 30, 2018 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

During the fiscal years ended June 30, 2018, 2017 and 2016 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, 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>
2018	\$ 1,384,539	\$ 8,022,614	\$ 6,571
2017	1,336,647	5,919,633	7,138
2016	1,245,417	4,259,285	1,725

In addition for fiscal years 2017/2018 and 2016/2017 the District contributed \$18,797 and \$7,317, respectively for PERS and the State contributed \$11,925 and \$13,833, respectively 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 Statement No. 85, *Omnibus 2017* (GASB No. 85). 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 \$4,025,100 during the fiscal year ended June 30, 2018 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. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the fiscal year ended June 30, 2017. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

To facilitate the separate actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2017 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2017.

At June 30, 2018, the District reported in the statement of net position (accrual basis) a liability of \$34,790,686 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017 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, 2017, the District's proportionate share was .14945 percent, which was a decrease of .00101 percent from its proportionate share measured as of June 30, 2016 of .15046 percent.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,800,106 for PERS. The pension contribution made by the District during the current 2017/2018 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2018 with a measurement date of the prior fiscal year end of June 30, 2017. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2018 for contributions made subsequent to the current fiscal year end. At June 30, 2018, 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	\$ 819,201	
Changes of Assumptions	7,009,124	\$ 6,983,428
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	236,901	
Changes in Proportion and Differences Between Board Contributions and Proportionate Share of Contributions	<u>1,046,891</u>	<u>178,799</u>
Total	<u>\$ 9,112,117</u>	<u>\$ 7,162,227</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

At June 30, 2018, 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:

Year Ending <u>June 30,</u>	<u>Total</u>
2019	\$ 1,100,569
2020	1,500,309
2021	1,019,306
2022	(917,721)
2023	(752,573)
Thereafter	<u>-</u>
	<u>\$ 1,949,890</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
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, 2016 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, 2018**

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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
US Equities	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	5.00%
2017	June 30, 2016	3.98%

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as a non-employer toward the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2017. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2017, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, 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, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$24,581,383 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. 85.

At June 30, 2018 the State's proportionate share of the net pension liability attributable to the District is \$354,838,049. 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, 2017. At June 30, 2017, the state's share of the net pension liability attributable to the District was .52628 percent, which was a decrease of .00571 percent from its proportionate share measured as of June 30, 2016 of .53199 percent.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

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, 2016 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, 2018**

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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	4.25%
2017	June 30, 2016	3.22%

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, 2036
Municipal Bond Rate *	From July 1, 2036 and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.25%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current rate:

	<u>1% Decrease (3.25%)</u>	<u>Current Discount Rate (4.25%)</u>	<u>1% Increase (5.25%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 421,558,733</u>	<u>\$ 354,838,049</u>	<u>\$ 299,873,260</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2017. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2017 was not provided by the pension system.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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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 plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report effective for the fiscal year ended June 30, 2017. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage and prescription drug benefits to qualified retired education participants. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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, 2018**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2016:

Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>-</u>
Total	<u>366,078</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the State had a \$69.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.5 billion for state active and retired members and \$43.8 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Funded Status and Funding Progress (Continued)

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, 2016, 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.

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, 2017, there were 112,966, retirees receiving post-retirement medical benefits and the State contributed \$1.39 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 \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

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, as a nonemployer contributing entity, to the State Health Benefits Program Fund -- Local Education Retired for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2018, 2017 and 2016 were \$5,181,636, \$4,932,401 and \$5,071,631, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund -- Local Education Retired for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal year ended June 30, 2017. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District’s proportionate share percentage determined under Statement No. 75 is zero percent and the State’s proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$13,977,192. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 the State’s proportionate share of the OPEB liability attributable to the District is \$214,957,613. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2017 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2017. At June 30, 2017, the state’s share of the OPEB liability attributable to the District was .40074 percent, which was an increase of .00016 percent from its proportionate share measured as of June 30, 2016 of .40058 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	RP-2014 Headcount-Weighted Healthy Employee, Healthy Annuitant and Disabled Male/Female Mortality Table with Fully Generational Mortality Improvement Projections from the Central Year Using Scale MP-2017
Long-Term Rate of Return	1.00%

*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5 percent and decreases to a 5.0 percent long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2017.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	3.58%
2017	June 30, 2016	2.85%

The discount rate represents the municipal bond return rate as chosen by the Division. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2016 Measurement Date	\$ <u>231,663,923</u>
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 10,146,364
Interest on the Total OPEB Liability	6,807,664
Changes of Assumptions	(28,399,011)
Gross Benefit Payments	(5,462,469)
Contributions from the Member	201,142
Net Changes	<u>\$ (16,706,310)</u>
Balance, June 30, 2017 Measurement Date	\$ <u>214,957,613</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2017 was not provided by the pension system.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.58%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate:

	1% Decrease (<u>2.58%</u>)	Current Discount Rate (<u>3.58%</u>)	1% Increase (<u>4.58%</u>)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>255,170,195</u>	\$ <u>214,957,613</u>	\$ <u>183,060,611</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$ 176,781,857	\$ 214,957,613	\$ 265,654,568

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017 were not provided by the pension system.

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.

G. Subsequent Events

On December 11, 2018, the voters of North Bergen approved a referendum (a) to acquire real property formerly known as the Hudson County Technical High School, located at Tonnelle Avenue and 85th Street, in North Bergen and described on the Township tax map as Block 458, Lot 1 and Block, 458.01, Lots 1 and 6.01 (High School West), and to provide for additions, renovations, alterations and improvements thereto and also to the existing North Bergen High School facilities (High School East), including fixtures, furnishings, equipment, site work and related work; (b) to appropriate \$64,958,000 for such purposes, including \$4,958,000 from capital reserve; and (c) to issue bonds of the school district in the principal amount of \$60,000,000.

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, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 48,709,108		\$ 48,709,108	\$ 48,709,108	
Tuition					
LEA's	4,733,172		4,733,172	4,536,811	\$ (196,361)
Summer School	70,000		70,000	44,076	(25,924)
Other				18,016	18,016
Interest on Capital Reserve	3,500		3,500	412	(3,088)
Interest on Emergency Reserve	1,000		1,000		(1,000)
Interest on Maintenance Reserve	1,200		1,200		(1,200)
Miscellaneous	500,000	-	500,000	525,919	25,919
Total Local Sources	54,017,980	-	54,017,980	53,834,342	(183,638)
State Sources					
Special Education Aid	4,632,403		4,632,403	4,632,403	
Equalization Aid	50,667,188	\$ 1,227,898	51,895,086	51,895,086	
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	351,036	(48,964)
Non-Public Transportation Aid				43,500	43,500
Lead Testing for Schools Aid				3,600	3,600
TPAF On Behalf					
NCGI Premium				190,076	190,076
Pension Contribution				7,832,538	7,832,538
Long Term Disability Insurance				11,925	11,925
Post Retirement				5,181,636	5,181,636
Social Security Contribution	-	-	-	4,025,100	4,025,100
Total State Source	57,495,133	1,227,898	58,723,031	75,962,442	17,239,411
Federal Sources					
Medicaid Administrative (MAC)				57,894	57,894
Medicaid Reimbursement Program	250,328	-	250,328	305,664	55,336
Total Federal Sources	250,328	-	250,328	363,558	113,230
Total Revenues	111,763,441	1,227,898	112,991,339	130,160,342	17,169,003
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Preschool/Kindergarten	1,955,265	40,200	1,995,465	1,939,248	56,217
Grades 1-5	11,206,986	(284,300)	10,922,686	10,771,069	151,617
Grades 6-8	6,218,838	-	6,218,838	5,968,125	250,713
Grades 9-12	11,231,504	(129,550)	11,101,954	10,980,378	121,576
Regular Programs - Home Instruction					
Salaries of Teachers	187,036	55,900	242,936	242,921	15
Purchased Professional Educational Services	33,000	(3,971)	29,029	20,066	8,963

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	\$ 1,185,362	\$ 156,600	\$ 1,341,962	\$ 1,291,029	\$ 50,933
Purchased Professional Educational Services	204,307	12,605	216,912	198,433	18,479
Other Purchased Services	760,254	98,851	859,105	708,431	150,674
General Supplies	917,020	448,030	1,365,050	1,068,355	296,695
Textbooks	312,706	325,943	638,649	491,158	147,491
Total Regular Programs	34,212,278	720,308	34,932,586	33,679,213	1,253,373
Special Education					
Cognitive - Moderate					
Salaries of Teachers	256,535	12,600	269,135	269,090	45
Other Salaries for Instruction	121,648	20,240	141,888	141,888	-
Total Cognitive - Moderate	378,183	32,840	411,023	410,978	45
Learning and Learning Disabilities					
Salaries of Teachers	3,093,773	(368,700)	2,725,073	2,718,128	6,945
Other Salaries for Instruction	1,445,414	(106,100)	1,339,314	1,263,400	75,914
Purchased Professional-Educational Services	36,850	35,600	72,450	58,402	14,048
General Supplies	8,000	(2,300)	5,700	2,308	3,392
Textbooks	9,150	(5,200)	3,950	-	3,950
Total Learning and Learning Disabilities	4,593,187	(446,700)	4,146,487	4,042,238	104,249
Resource Room / Resource Center					
Salaries of Teachers	4,510,082	174,460	4,684,542	4,625,718	58,824
Total Resource Room / Resource Center	4,510,082	174,460	4,684,542	4,625,718	58,824
Preschool Disabilities - Part-Time					
Salaries of Teachers	439,529	(119,700)	319,829	252,202	67,627
Other Salaries for Instruction	362,740	(100,000)	262,740	233,795	28,945
Total Preschool Disabilities - Part-Time	802,269	(219,700)	582,569	485,997	96,572
Home Instruction					
Salaries of Teachers	306,016	15,900	321,916	321,868	48
Purchased Professional Educational Services	40,510	13,923	54,433	45,769	8,664
Total Home Instruction	346,526	29,823	376,349	367,637	8,712
Total Special Education	10,630,247	(429,277)	10,200,970	9,932,568	268,402
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,298,467	(103,000)	1,195,467	1,067,334	128,133
Other Salaries for Instruction	44,426	-	44,426	37,966	6,460
Purchased Professional Educational Services	20,000	-	20,000	-	20,000
Other Purchased Services	18,300	-	18,300	-	18,300
General Supplies	57,540	-	57,540	27,862	29,678
Other Objects	2,000	-	2,000	-	2,000
Total Basic Skills/Remedial - Instruction	1,440,733	(103,000)	1,337,733	1,133,162	204,571

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Bilingual Education					
Salaries of Teachers	\$ 3,478,886	-	\$ 3,478,886	\$ 3,421,263	\$ 57,623
Other Salaries for Instruction	72,009	-	72,009	33,573	38,436
Other Purchased Services	16,331	\$ 6,750	23,081	12,697	10,384
General Supplies	36,685	21,915	58,600	43,728	14,872
Textbooks	2,715	14,958	17,673	12,660	5,013
Total Bilingual Education	3,606,626	43,623	3,650,249	3,523,921	126,328
School Sponsored Co-Curricular Activities					
Salaries	324,635	200	324,835	317,710	7,125
Purchased Services	96,400	1,500	97,900	96,487	1,413
Supplies and Materials	2,475	-	2,475	2,011	464
Other Objects	225	-	225	-	225
Total School Sponsored Co-Curricular Activities	423,735	1,700	425,435	416,208	9,227
School Sponsored Athletics - Instruction					
Salaries	736,212	6,395	742,607	725,203	17,404
Purchased Services	506,144	34,826	540,970	518,607	22,363
Supplies and Materials	162,028	10,389	172,417	163,080	9,337
Total School Sponsored Athletics - Instruction	1,404,384	51,610	1,455,994	1,406,890	49,104
Total - Instruction	51,718,003	284,964	52,002,967	50,091,962	1,911,005
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Regular	9,180	(8,500)	680	-	680
Tuition - Other LEA's Within State - Special	125,179	(107,629)	17,550	17,502	48
Tuition to County Vocational School/Dist.-Reg.	42,694	(23,246)	19,448	-	19,448
Tuition to CSSD & Reg. Day Schools	1,848,355	(289,500)	1,558,855	1,534,594	24,261
Tuition to Private Schools Disabled W/I State	864,860	487,829	1,352,689	1,279,551	73,138
Tuition - State Facilities	32,952	-	32,952	32,952	-
Tuition - Other	125,000	(103,399)	21,601	20,567	1,034
Total Undistributed Expenditures - Instruction	3,048,220	(44,445)	3,003,775	2,885,166	118,609
Attendance and Social Work Services					
Salaries	823,966	(4,000)	819,966	779,875	40,091
Other Purchased Services	2,020	68	2,088	1,561	527
Supplies and Materials	80	-	80	-	80
Total Attendance and Social Work Services	826,066	(3,932)	822,134	781,436	40,698
Health Services					
Salaries	981,123	38,080	1,019,203	893,747	125,456
Purchased Professional Technical Services	15,780	16,440	32,220	30,043	2,177
Other Purchased Services	6,950	68	7,018	5,659	1,359
Supplies and Materials	30,850	(800)	30,050	28,436	1,614
Total Health Services	1,034,703	53,788	1,088,491	957,885	130,606

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Other Support Services-Speech, OT, PT and Related					
Salaries	\$ 127,148	\$ (2,800)	\$ 124,348	\$ 118,712	\$ 5,636
Purchased Professional Educational Services	521,832	41,560	563,392	494,738	68,654
Supplies and Materials	6,000	(6,000)	-	-	-
Total Other Support Services	654,980	32,760	687,740	613,450	74,290
Other Support Services - Students - Extra Serv.					
Salaries	648,769	462,820	1,111,589	1,104,507	7,082
Purchased Professional Educational Services	297,034	242,380	539,414	450,596	88,818
Total Other Support Services - Students - Extra Serv. -	945,803	705,200	1,651,003	1,555,103	95,900
Guidance					
Salaries of Other Professional Staff	1,525,712	16,600	1,542,312	1,515,079	27,233
Salaries of Secretarial and Clerical Assistants	174,389	-	174,389	120,426	53,963
Purchased Professional-Educational Services	-	-	-	-	-
Other Purchased Prof. and Tech. Services	25,000	-	25,000	14,567	10,433
Other Purchased Services	24,150	2,500	26,650	19,027	7,623
Supplies and Materials	12,050	-	12,050	6,497	5,553
Total Guidance	1,761,301	19,100	1,780,401	1,675,596	104,805
Other Support Services - Child Study Team					
Salaries of Other Professional Staff	2,636,610	(118,300)	2,518,310	2,444,705	73,605
Salaries of Secretarial and Clerical Assistants	315,906	3,300	319,206	312,356	6,850
Other Purchased Professional/Technical Services	111,900	70,500	182,400	151,579	30,821
Residential Costs	525	-	525	-	525
Misc. Purchased Services	57,700	(14,001)	43,699	31,565	12,134
Supplies and Materials	9,500	-	9,500	8,758	742
Total Other Support Services - Child Study Team	3,132,141	(58,501)	3,073,640	2,948,963	124,677
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	194,335	-	194,335	112,722	81,613
Salaries of Other Professional Staff	973,587	-	973,587	896,562	77,025
Purchased Prof. Educational Services	600	-	600	-	600
Other Purchased Professional/Technical Services	900	-	900	-	900
Other Purchased Services	2,000	-	2,000	-	2,000
Supplies and Materials	1,000	-	1,000	-	1,000
Total Improvement of Instruction Services	1,172,422	-	1,172,422	1,009,284	163,138
Educational Media Services/School Library					
Salaries	269,559	-	269,559	231,375	38,184
Other Purchased Services	8,400	34	8,434	568	7,866
Supplies and Materials	41,000	285	41,285	27,202	14,083
Total Educational Media Services/School Library	318,959	319	319,278	259,145	60,133

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 627,807	-	\$ 627,807	\$ 580,459	\$ 47,348
Salaries of Secretarial and Clerical Assist.	3,669	-	3,669		3,669
Purchased Professional-Educational Serv.	75,050	\$ (6,755)	68,295	49,276	19,019
Other Purchased Professional and Tech Svcs	4,000	-	4,000		4,000
Other Purchased Services	5,000	-	5,000		5,000
Supplies and Materials	6,000	-	6,000		6,000
Other Objects	3,800	-	3,800	-	3,800
Total Instructional Staff Training Services	725,326	(6,755)	718,571	629,735	88,836
Support Services General Administration					
Salaries	904,730	(68,700)	836,030	704,975	131,055
Legal Services	428,500	64,654	493,154	454,191	38,963
Audit Fees	100,000	-	100,000	96,003	3,997
Expenditure and Internal Control Audit Fees	5,000	(2,000)	3,000		3,000
Architectural/Engineering Services	170,000	126,898	296,898	288,592	8,306
Other Purchased Professional Services	238,700	(79,964)	158,736	145,625	13,111
Communications/Telephone	141,500	25,902	167,402	147,847	19,555
BOE Other Purchased Services	12,000	-	12,000	9,120	2,880
Miscellaneous Purchased Services	77,700	(2,629)	75,071	38,798	36,273
Supplies and Materials	51,000	(5,886)	45,114	27,889	17,225
BOE In-House Training/Meeting Supplies	1,500	-	1,500		1,500
Judgments Against The School District	15,800	20,500	36,300	36,265	35
Miscellaneous Expenditures	8,300	-	8,300	4,993	3,307
BOE Membership Dues and Fees	54,900	(15,980)	38,920	32,873	6,047
Total Support Services General Administration	2,209,630	62,795	2,272,425	1,987,171	285,254
Support Services School Administration					
Salaries of Principals/Asst. Principals	3,088,954	117,300	3,206,254	3,031,643	174,611
Salaries of Other Professional Staff	1,604,454	21,300	1,625,754	1,352,973	272,781
Salaries of Secretarial and Clerical Assistants	1,772,664	58,000	1,830,664	1,706,939	123,725
Purchased Prof. and Tech. Services	42,500	10,000	52,500	51,640	860
Other Purchased Services	143,853	(8,695)	135,158	97,780	37,378
Supplies and Materials	53,700	624	54,324	34,572	19,752
Other Objects	1,000	-	1,000	-	1,000
Total Support Services School Administration	6,707,125	198,529	6,905,654	6,275,547	630,107
Central Services					
Salaries	1,392,013	44,000	1,436,013	1,213,492	222,521
Purchased Professional Services	56,200	8,450	64,650	48,645	16,005
Purchased Technical Services	47,500	1,589	49,089	11,688	37,401
Misc. Purchased Services	45,653	1,848	47,501	31,531	15,970
Supplies and Materials	27,800	518	28,318	18,754	9,564
Interest on Current Loans	13,500	-	13,500	272	13,228
Other Objects	7,050	-	7,050	2,482	4,568
Total Central Services	1,589,716	56,405	1,646,121	1,326,864	319,257

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Admin. Info. Technology					
Salaries	\$ 833,357	\$ 26,000	\$ 859,357	\$ 818,162	\$ 41,195
Purchased Professional Services	120,500	-	120,500	116,990	3,510
Purchased Technical Services	110,538	36,366	146,904	68,837	78,067
Other Purchased Services	5,500	69	5,569	2,928	2,641
Supplies and Materials	3,000	-	3,000	2,205	795
Total Admin. Info. Technology	<u>1,072,895</u>	<u>62,435</u>	<u>1,135,330</u>	<u>1,009,122</u>	<u>126,208</u>
Required Maintenance for School Facilities					
Salaries	1,200,059	(72,709)	1,127,350	843,071	284,279
Cleaning, Repair and Maintenance Services	868,100	(897)	867,203	621,874	245,329
General Supplies	176,421	843	177,264	146,873	30,391
Total Required Maintenance for School Facilities	<u>2,244,580</u>	<u>(72,763)</u>	<u>2,171,817</u>	<u>1,611,818</u>	<u>559,999</u>
Custodial Services					
Salaries	4,263,222	19,509	4,282,731	4,072,963	209,768
Purchased Professional and Technical Services	190,000	10,095	200,095	188,071	12,024
Cleaning, Repair and Maintenance	208,842	2,400	211,242	207,331	3,911
Rental Land and Buildings	352,330	8,700	361,030	361,017	13
Other Purchased Property Services	98,640	13,600	112,240	111,188	1,052
Insurance	650,570	-	650,570	575,988	74,582
Miscellaneous Purchased Services	50,970	(14,150)	36,820	17,656	19,164
General Supplies	209,834	16,487	226,321	182,208	44,113
Energy (Natural Gas)	379,668	(79,550)	300,118	252,498	47,620
Energy (Electricity)	591,236	(29,000)	562,236	469,338	92,898
Energy (Gasoline)	27,000	2,887	29,887	12,277	17,610
Other Objects	7,000	-	7,000	2,475	4,525
Total Other Operational and Maintenance of Plant	<u>7,029,312</u>	<u>(49,022)</u>	<u>6,980,290</u>	<u>6,453,010</u>	<u>527,280</u>
Care and Upkeep of Grounds					
Salaries	112,247	(5,500)	106,747		106,747
Purchased Professional and Technical Services	51,981	(6,435)	45,546	28,222	17,324
Cleaning, Repair and Maintenance	5,725	30,000	35,725	34,163	1,562
General Supplies	1,500	1,061	2,561	60	2,501
Total Care and Upkeep of Grounds	<u>171,453</u>	<u>19,126</u>	<u>190,579</u>	<u>62,445</u>	<u>128,134</u>
Security					
Salaries	1,241,960	127,700	1,369,660	1,347,059	22,601
Purchased Professional and Technical Services	9,554	3,911	13,465	1,741	11,724
Cleaning, Repair and Maintenance	2,296	54,000	56,296	32,201	24,095
General Supplies	28,050	(1,800)	26,250	19,011	7,239
Total Security	<u>1,281,860</u>	<u>183,811</u>	<u>1,465,671</u>	<u>1,400,012</u>	<u>65,659</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	\$ 61,097	\$ 3,000	\$ 64,097	\$ 52,590	\$ 11,507
Salaries for Pupil Transportation					
(Between Home and School) - Special	82,697	36,100	118,797	118,652	145
Other Purchased Prof. and Tech. Serv.	13,000	-	13,000		13,000
Cleaning, Repair and Maintenance	23,700	-	23,700	5,180	18,520
Contracted Services (Between Home and School) - Vendors	1,102,100	108,043	1,210,143	1,137,014	73,129
Contracted Services (Between Home and School) - Joint Agreements	1,186,844	187,180	1,374,024	1,154,675	219,349
Contracted Services (Other Than Between Home and School) - Vendors	170,289	61,223	231,512	149,028	82,484
Contracted Services (Spec Ed)-Vendors	961,533	(32,548)	928,985	772,773	156,212
Contracted Services (Spec Ed)-Joint Agreements	94,733	(64,785)	29,948	6,000	23,948
Misc. Purchased Services - Transportation	550	194	744	610	134
General Supplies	5,000	-	5,000		5,000
Transportation Supplies	9,500	562	10,062	5,209	4,853
Aid in Lieu of Payments - Nonpublic School	418,108	(12,000)	406,108	327,933	78,175
Aid in Lieu of Payments - Charter Schools	21,489	-	21,489	11,050	10,439
Total Student Transportation Services	4,150,640	286,969	4,437,609	3,740,714	696,895
Unallocated Benefits					
Group Insurance	37,044	52,600	89,644	79,488	10,156
Social Security Contributions	1,479,635	786	1,480,421	1,480,010	411
Other Retirement Contributions					
PERS	1,456,615	(24,600)	1,432,015	1,429,179	2,836
ERIP	49,500	11,211	60,711	56,162	4,549
Unemployment Compensation	118,215	(78,200)	40,015		40,015
Workmen's Compensation	515,000	143,194	658,194	651,907	6,287
Health Benefits	18,799,545	(739,900)	18,059,645	17,997,143	62,502
Unused Sick Payment to Terminated/Retired Staff	558,325	460,014	1,018,339	1,018,064	275
Total Unallocated Benefits	23,013,879	(174,895)	22,838,984	22,711,953	127,031
TPAF On Behalf (Non-Budget)					
NCGI Premium				190,076	(190,076)
Pension Contribution				7,832,538	(7,832,538)
Long Term Disability Insurance				11,925	(11,925)
Post Retirement				5,181,636	(5,181,636)
Social Security Contribution	-	-	-	4,025,100	(4,025,100)
Total TPAF On-Behalf Contributions	-	-	-	17,241,275	(17,241,275)
Total Undistributed Expenditures	63,091,011	1,270,924	64,361,935	77,135,694	(12,773,759)
Interest Deposit to Emergency Reserve	1,000	-	1,000	-	1,000
Interest Deposit to Maintenance Reserve	1,200	-	1,200	-	1,200
Total Current Expenditures	114,811,214	1,555,888	116,367,102	127,227,656	(10,860,554)

NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
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	\$ 17,912	7,088
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		15,000
Required Maintenance	60,000	-	60,000	14,709	45,291
Care and Upkeep	9,000		9,000		9,000
Security	15,000		15,000		15,000
School Buses - Regular	12,000	-	12,000	-	12,000
Total Equipment	191,000	-	191,000	32,621	158,379
Facilities Acquisition and Construction Services					
Architectural/Engineering	278,400	\$ 152,148	430,548	286,537	144,011
Construction Services	2,320,000	1,691,169	4,011,169	2,756,394	1,254,775
Assessment for Debt Service on SDA Funding	92,716	-	92,716	92,716	-
Total Facilities Acquis. and Const. Services	2,691,116	1,843,317	4,534,433	3,135,647	1,398,786
Interest Deposit to Capital Reserve	3,500	-	3,500	-	3,500
Total Capital Outlay	2,885,616	1,843,317	4,728,933	3,168,268	1,560,665
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	395,117	(4,140)	390,977	388,608	2,369
Other Salaries for Instruction	27,346	1,040	28,386	28,382	4
Total Summer School - Instruction	422,463	(3,100)	419,363	416,990	2,373
Summer School - Support Services					
Salaries of Teachers	26,784	1,100	27,884	25,434	2,450
Total Summer School - Support Services	26,784	1,100	27,884	25,434	2,450
Total Special Schools	449,247	(2,000)	447,247	442,424	4,823
Transfer of Funds To Charter Schools	209,730	56,999	266,729	228,686	38,043
Total Expenditures	118,355,807	3,454,204	121,810,011	131,067,034	(9,257,023)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,592,366)	(2,226,306)	(8,818,672)	(906,692)	7,911,980
Other Financing Sources (Uses)					
Transfer In	-	-	-	51,854	51,854
Total Other Financing Sources (Uses)	-	-	-	51,854	51,854

NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ (6,592,366)	\$ (2,226,306)	\$ (8,818,672)	\$ (854,838)	\$ 7,963,834
Fund Balances, Beginning of Year	<u>24,649,622</u>	<u>-</u>	<u>24,649,622</u>	<u>24,649,622</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 18,057,256</u>	<u>\$ (2,226,306)</u>	<u>\$ 15,830,950</u>	<u>\$ 23,794,784</u>	<u>\$ 7,963,834</u>
Recapitulation of Fund Balance					
Nonspendable					
Prepays				\$ 440,660	
Restricted					
Capital Reserve				9,403,685	
Capital Reserve Designated for Subsequent Year's Budget				2,500,000	
Maintenance Reserve				1,300,000	
Maintenance Reserve Designated for Subsequent Year's Budget				300,000	
Emergency Reserve				598,500	
Emergency Reserve Designated for Subsequent Year's Budget				401,500	
Excess Surplus				1,104,475	
Excess Surplus Designated for Subsequent Year's Budget				1,138,943	
Committed					
Encumbrances				644,243	
Assigned					
Designated for Subsequent Year's Budget				2,323,285	
Encumbrances				1,319,478	
Unassigned				<u>2,320,015</u>	
Fund Balance (Budgetary Basis)				23,794,784	
Less State Aid Revenue Not Recognized on GAAP Basis				<u>(6,063,889)</u>	
Fund Balance (GAAP Basis)				<u>\$ 17,730,895</u>	

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 5,987,733	-	\$ 5,987,733	\$ 3,748,500	\$ (2,239,233)
Federal	4,499,502	\$ 1,761,376	6,260,878	6,011,517	(249,361)
Local Sources					
Miscellaneous	<u>50,000</u>	<u>39,594</u>	<u>89,594</u>	<u>50,156</u>	<u>(39,438)</u>
Total Revenues	<u>10,537,235</u>	<u>1,800,970</u>	<u>12,338,205</u>	<u>9,810,173</u>	<u>(2,528,032)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	3,436,854	469,096	3,905,950	3,715,038	190,912
Other Salaries for Instruction	156,372	359,000	515,372	376,794	138,578
Purchased Prof. and Tech. Svcs.		126,285	126,285	126,285	-
Other Purchased Services	1,554,854	254,702	1,809,556	1,805,945	3,611
General Supplies	<u>205,400</u>	<u>252,227</u>	<u>457,627</u>	<u>365,156</u>	<u>92,471</u>
Total Instruction	<u>5,353,480</u>	<u>1,461,310</u>	<u>6,814,790</u>	<u>6,389,218</u>	<u>425,572</u>
Support Services					
Salaries of Supervisors	132,450	-	132,450	132,450	-
Salaries of Program Directors	196,059	806	196,865	196,845	20
Salaries of Other Professional Staff	190,058	(47)	190,011	103,031	86,980
Salaries of Secretaries and Clerical Assistants	152,799	(2,695)	150,104	122,035	28,069
Other Salaries	116,772	31,500	148,272	126,036	22,236
Salaries of Master Teachers	84,310	810	85,120	85,112	8
Personal Services-Employee Benefits	1,667,593	808,226	2,475,819	1,789,539	686,280
Purchased Professional and Technical Service	35,751	123,162	158,913	129,725	29,188
Purchased Professional - Educational Services	-	44,300	44,300	44,300	-
Purchased Educational Services - Contracted Pre-K		5,600	5,600	5,516	84
Other Purchased Professional - Education Services	30,000	(12,700)	17,300	16,474	826
Other Purchased Professional Services	5,000	8,600	13,600	13,398	202
Cleaning, Repair and Maintenance Services	85,000	-	85,000	75,522	9,478
Rentals	350,000	(3,500)	346,500	294,282	52,218
Other Purchased Services	7,000	18,596	25,596	21,199	4,397
Contracted Services - Transportation	90,000	(1,000)	89,000	42,005	46,995
Travel	2,000	-	2,000	-	2,000
Miscellaneous Purchased Services		27,500	27,500	27,344	156
Supplies and Materials	<u>44,675</u>	<u>86,401</u>	<u>131,076</u>	<u>126,168</u>	<u>4,908</u>
Total Support Services	<u>3,189,467</u>	<u>1,135,559</u>	<u>4,325,026</u>	<u>3,350,981</u>	<u>974,045</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	350,000	4,066	354,066	17,702	336,364
Non-Instructional Equipment	<u>1,644,288</u>	<u>(799,965)</u>	<u>844,323</u>	<u>52,272</u>	<u>792,051</u>
Total Facilities Acquisition and Construction Services	<u>1,994,288</u>	<u>(795,899)</u>	<u>1,198,389</u>	<u>69,974</u>	<u>1,128,415</u>
Total Expenditures	<u>10,537,235</u>	<u>1,800,970</u>	<u>12,338,205</u>	<u>9,810,173</u>	<u>2,528,032</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, 2018**

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)	\$ 130,160,342	\$ 9,810,173
Difference - budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2017-2018)	(6,063,889)	
State Aid payment recognized for GAAP statements, not recognized for budgetary purposes (2016-2017)	5,969,105	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2018		(219,731)
Encumbrances, June 30, 2017 (net of cancellations)	-	88,555
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 130,065,558</u>	<u>\$ 9,678,997</u>
Uses/Outflows of Resources		
Actual expenditure amounts (budgetary basis) (Exhibits C-1, C-2)	\$ 131,067,034	\$ 9,810,173
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, 2018		(219,731)
Encumbrances, June 30, 2017 (net of cancellations)	-	88,555
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 131,067,034</u>	<u>\$ 9,678,997</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III
PENSION INFORMATION
AND
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

**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 Five Fiscal Years ***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.14945%	0.15046%	0.14486%	0.14330%	0.14066%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 34,790,686	\$ 44,561,331	\$ 32,518,415	\$ 26,830,553	\$ 26,881,871
District's Covered-Employee Payroll	\$ 10,356,895	\$ 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	335.92%	431.63%	312.45%	267.74%	271.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	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 Five Fiscal Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,384,539	\$ 1,336,647	\$ 1,245,417	\$ 1,181,383	\$ 1,051,611
Contributions in Relation to the Contractually Required Contributions	<u>1,384,539</u>	<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>	<u>\$ -</u>
District's Covered- Employee Payroll	\$ 10,356,895	\$ 10,323,957	\$ 10,407,670	\$ 10,021,208	\$ 9,888,563
Contributions as a Percentage of Covered-Employee Payroll	13.37%	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 Five Fiscal Years ***

	<u>2018</u>	<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%	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>354,838,049</u>	<u>418,493,907</u>	<u>340,769,186</u>	<u>288,185,424</u>	<u>266,185,254</u>
Total	<u>\$ 354,838,049</u>	<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	\$ 54,819,749	\$ 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	0
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	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, 2018**

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.

**NORTH BERGEN BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last One Fiscal Year*

	2018
Total OPEB Liability	
Service Cost	\$ 10,146,364
Interest on Total OPEB Liability	6,807,664
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions	(28,399,011)
Gross Benefit Payments	(5,462,469)
Contribution from the Member	201,142
Net Change in Total OPEB Liability	(16,706,310)
Total OPEB Liability - Beginning	231,663,923
Total OPEB Liability - Ending	\$ 214,957,613
District's Proportionate Share of OPEB Liability	\$ -
State's Proportionate Share of OPEB Liability	214,957,613
Total OPEB Liability - Ending	\$ 214,957,613
District's Covered-Employee Payroll	\$ 65,176,644
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*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. 75. 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 CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability 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, 2018

	Preschool Education	Juvenile Comm. Serv.	Hudson County Consortium	Subtotal Page 2	Subtotal Page 3	Grand Total
REVENUES						
Intergovernmental						
State	\$ 3,748,500					\$ 3,748,500
Federal				\$ 4,150,840	\$ 1,860,677	6,011,517
Other	-	\$ 48,156	\$ 2,000	-	-	50,156
Total Revenues	3,748,500	48,156	2,000	4,150,840	1,860,677	9,810,173
EXPENDITURES						
Instruction						
Salaries of Teachers	1,428,088			2,286,950		3,715,038
Other Salaries for Instruction	376,794					376,794
Purchased Prof. and Tech. Svcs.				126,285	-	126,285
Other Purchased Services	1,396				1,804,549	1,805,945
General Supplies	85,572	-	-	239,773	39,811	365,156
Total Instruction	1,891,850	-	-	2,653,008	1,844,360	6,389,218
Support Services						
Salaries of Supervisors of Instruction	132,450					132,450
Salaries of Program Directors	129,580			67,265		196,845
Salaries of Other Professional Staff	97,331			5,700		103,031
Salaries of Secretaries and Clerical Assistants	80,849			41,186		122,035
Other Salaries	111,420	14,616				126,036
Salaries of Master Teachers	85,112					85,112
Personal Services-Employee Benefits	586,320			1,203,219		1,789,539
Purchased Professional and Technical Service		15,370	2,000	112,355		129,725
Purchased Professional - Educational Services				44,300		44,300
Purchased Educational Services - Contracted Pre-K	5,516					5,516
Other Purchased Professional - Education Services	16,474					16,474
Other Purchased Professional Services	13,398					13,398
Cleaning, Repairs and Maintenance	75,522					75,522
Rentals	294,282					294,282
Other Purchased Services		11,414		9,785		21,199
Contracted Transportation Services	42,005					42,005
Miscellaneous Purchased Services	27,344					27,344
Supplies and Materials	92,913	6,756	-	14,022	12,477	126,168
Total Support Services	1,790,516	48,156	2,000	1,497,832	12,477	3,350,981
Facilities Acquisition and Construction Services						
Instructional Equipment	13,862				3,840	17,702
NonInstructional	52,272	-	-	-	-	52,272
Total Facilities Acquisition and Construction Services	66,134	-	-	-	3,840	69,974
Total Expenditures	3,748,500	48,156	2,000	4,150,840	1,860,677	9,810,173
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

ESEA/N.C.L.B. Consolidated

	Title I	Title I SIA	Title II A	Title III	Title III Immig	Title IV	Page Total
REVENUES							
Intergovernmental							
Federal	\$ 3,365,261	\$ 83,187	\$ 451,249	\$ 204,761	\$ 18,262	\$ 28,120	\$ 4,150,840
Total Revenues	<u>3,365,261</u>	<u>83,187</u>	<u>451,249</u>	<u>204,761</u>	<u>18,262</u>	<u>28,120</u>	<u>4,150,840</u>
EXPENDITURES							
Instruction							
Salaries of Teachers	1,947,652		242,974	79,074	17,250		2,286,950
Purchased Prof. and Tech. Serv.	126,285						126,285
General Supplies	23,480	80,187	-	116,257	-	19,849	239,773
Total Instruction	<u>2,097,417</u>	<u>80,187</u>	<u>242,974</u>	<u>195,331</u>	<u>17,250</u>	<u>19,849</u>	<u>2,653,008</u>
Support Services							
Salaries of Supervisors of Instruction	67,265						67,265
Salaries of Other Professional Staff	5,700						5,700
Salaries of Secretaries and Clerical Assistants	41,186						41,186
Personal Services-Employee Benefits	1,076,961		120,375	4,871	1,012		1,203,219
Purchased Professional and Technical Svcs.	8,625	3,000	87,900	4,559		8,271	112,355
Purchased Professional - Educational Svcs.	44,300						44,300
Other Purchased Services	9,785						9,785
Supplies and Materials	14,022	-	-	-	-	-	14,022
Total Support Services	<u>1,267,844</u>	<u>3,000</u>	<u>208,275</u>	<u>9,430</u>	<u>1,012</u>	<u>8,271</u>	<u>1,497,832</u>
Total Expenditures	<u>3,365,261</u>	<u>83,187</u>	<u>451,249</u>	<u>204,761</u>	<u>18,262</u>	<u>28,120</u>	<u>4,150,840</u>
Fund Balance, Beginning of Year	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<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, 2018**

	IDEA		
	Basic	Preschool	Page Total
REVENUES			
Intergovernmental			
Federal	\$ 1,809,875	\$ 50,802	\$ 1,860,677
Total Revenues	1,809,875	50,802	1,860,677
EXPENDITURES			
Instruction			
Other Purchased Services	1,753,747	50,802	1,804,549
General Supplies	39,811	-	39,811
Total Instruction	1,793,558	50,802	1,844,360
Support Services			
Supplies and Materials	12,477	-	12,477
Total Support Services	12,477	-	12,477
Facilities Acquisition and Construction Svcs			
Instructional Equipment	3,840	-	3,840
Total Facilities Acquisition and Construction Svcs.	3,840	-	3,840
Total Expenditures	1,809,875	50,802	1,860,677
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Instruction			
Salaries of Teachers	\$ 1,428,392	\$ 1,428,088	\$ 304
Other Salaries of Instruction	515,372	376,794	138,578
Unused Vacation Payments to Terminated/Retired Staff			-
Other Purchased Services	5,000	1,396	3,604
General Supplies	<u>150,000</u>	<u>85,572</u>	<u>64,428</u>
 Total Instruction	 <u>2,098,764</u>	 <u>1,891,850</u>	 <u>206,914</u>
Support Services			
Salaries of Supervisors	132,450	132,450	-
Salaries of Program Directors	129,600	129,580	20
Salaries of Other Professional Staff	184,311	97,331	86,980
Salaries of Secretaries and Clerical Assistants	108,918	80,849	28,069
Other Salaries	118,482	111,420	7,062
Salaries of Master Teachers	85,120	85,112	8
Personal Services - Employee Benefit:	1,255,265	586,320	668,945
Purchased Educational Services - Contracted Pre-K	5,600	5,516	84
Other Purchased Professional - Education Services	17,300	16,474	826
Other Purchased Professional Services	13,600	13,398	202
Cleaning, Repairs and Maintenance	85,000	75,522	9,478
Rentals	346,500	294,282	52,218
Contracted Transportation Services (Between Home and School)	79,000	35,680	43,320
Contracted Transportation Services (Field Trips)	10,000	6,325	3,675
Travel	2,000		2,000
Miscellaneous Purchased Services	27,500	27,344	156
Supplies and Materials	<u>94,000</u>	<u>92,913</u>	<u>1,087</u>
 Total Support Services	 <u>2,694,646</u>	 <u>1,790,516</u>	 <u>904,130</u>
Facilities Acquisition and Construction Services			
Instructional Equipment	350,000	13,862	336,138
Non Instructional Equipment	<u>844,323</u>	<u>52,272</u>	<u>792,051</u>
 Total Facilities Acquisition and Construction Services	 <u>1,194,323</u>	 <u>66,134</u>	 <u>1,128,189</u>
 Total Expenditures	 <u>\$ 5,987,733</u>	 <u>\$ 3,748,500</u>	 <u>\$ 2,239,233</u>
 Total Revised 2017-2018 Preschool Education Aid Allocation			
			\$ 2,544,996
Actual Preschool Education Aid Carryover (June 30, 2017)			3,544,721
Add: Prior Year Encumbrances Cancelled			<u>690</u>
Total Preschool Education Aid Funds Available for 2017-2018 Budget			6,090,407
Less: 2017-2018 Budgeted Preschool Education Aid (including Prior Year Budgeted Carryover)			<u>5,987,733</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2018			102,674
 Add: 2017-2018 Unexpended Preschool Education Aid			<u>2,239,233</u>
2017-2018 Carryover - Preschool Education Aid/Preschool			<u>\$ 2,341,907</u>
 2017-2018 Preschool Education Aid Carryover Budgeted for Preschool Programs 2018-2019			<u>\$ 3,544,721</u>

CAPITAL PROJECTS FUND

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Issue/Project Title</u>	<u>Expenditures to Date</u>			<u>Cancellations</u>	<u>Balance, June 30, 2018</u>
	<u>Modified Appropriations</u>	<u>Prior Years</u>	<u>Current Year</u>		
Lease Purchase 1998- Various Impvts.	\$ 9,000,000	\$ 8,342,767			\$ 657,233
Lease Purchase 1999- Various Impvts.	10,120,852	10,120,852			-
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	2,450,121			8,379
Robert Fulton Elementary School Rehabilitation - Window Replacement and Exterior Doors	2,474,430	2,318,539			155,891
McKinley Elementary School Rehabilitation - Window Replacement	1,261,001	1,100,441			160,560
McKinley Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	493,789	181,141	\$ 3,750		308,898
Robert Fulton Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	831,220	359,942			471,278
Robert Fulton Elementary School Rehabilitation - Basement Foundation and Exterior Walls	131,971			\$ 131,971	-
North Bergen High School Rehabilitation	201,519	189,787	1,947		9,785
North Bergen High School Rehabilitation Fire Alarm System Upgrades	2,349,688	1,501,163			848,525
Lincoln Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	711,351	313,582			397,769
Horace Mann Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	754,250	444,768			309,482
McKinley Elementary School Rehabilitation - Security Camera Installation	148,107	75,604			72,503
Lincoln Elementary School Rehabilitation - Security Camera Installation	221,656	145,197			76,459
John F. Kennedy Elementary School Security Camera Installation	153,322	101,859			51,463
Horace Mann Elementary School Rehabilitation - Security Camera Installation	171,904	120,666	7,522		43,716
Franklin Elementary School Rehabilitation - Security Camera Installation	151,603	94,965			56,638
Robert Fulton Elementary School Rehabilitation - Security Camera Installation	245,691	170,351	7,522	-	67,818
	<u>\$ 36,595,896</u>	<u>\$ 32,614,088</u>	<u>\$ 20,741</u>	<u>\$ 131,971</u>	<u>\$ 3,829,096</u>

Reconciliation of Project Balances to Fund Balance

Project Balances at June 30, 2018	\$ 3,829,096
Less: Unrealized Revenue SDA Grants	(863,022)
Fund Balance (GAAP)	<u>\$ 2,966,074</u>

Recapitulation of Fund Balance

Restricted for Capital Projects	
Year-End Encumbrances	\$ 222,682
Available for Capital Projects	<u>2,743,392</u>
Total Fund Balance- Restricted for Capital Projects	<u>\$ 2,966,074</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, 2018**

REVENUES AND OTHER FINANCING SOURCES

State Share	
SDA Grant Cancelled	\$ (80,117)
Total Revenues	<u>(80,117)</u>

EXPENDITURES AND OTHER FINANCING USES

Architectural/Engineering Services	19,431
Construction Services	1,310
Cancelled - Restored to Capital Reserve	<u>51,854</u>
Total Expenditures	<u>72,595</u>

Excess of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources (152,712)

Fund Balance, Beginning of Year 3,981,808

Fund Balance, End of Year \$ 3,829,096

Reconciliation to GAAP Fund Balance, June 30, 2018

Fund Balance, Budgetary Basis	\$ 3,829,096
Less: School Development Authority (SDA) Unearned Revenue	<u>(863,022)</u>
Fund Balance, GAAP Basis	<u>\$ 2,966,074</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, 2018**

	<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	<u>497,124</u>	<u>-</u>	<u>497,124</u>	<u>497,124</u>
 Total Revenues and Other Financing Sources	 <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	<u>1,015,774</u>	<u>-</u>	<u>1,015,774</u>	<u>1,042,435</u>
 Total Expenditures and Other Financing Uses	 <u>1,184,401</u>	 <u>-</u>	 <u>1,184,401</u>	 <u>1,184,585</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 184</u>	 <u>\$ -</u>	 <u>\$ 184</u>	 <u>\$ -</u>

Additional Project Information:

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

Percentage Increase over Original Authorized

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

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
LINCOLN ELEMENTARY SCHOOL REHABILITATION - WINDOW REPLACEMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2018**

	<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	<u>433,412</u>	<u>-</u>	<u>433,412</u>	<u>433,412</u>
 Total Revenues and Other Financing Sources	 <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	<u>871,953</u>	<u>-</u>	<u>871,953</u>	<u>908,834</u>
 Total Expenditures and Other Financing Uses	 <u>1,032,583</u>	 <u>-</u>	 <u>1,032,583</u>	 <u>1,032,766</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 183</u>	 <u>\$ -</u>	 <u>\$ 183</u>	 <u>\$ -</u>

Additional Project Information:

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

Percentage Increase over Original Authorized

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

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
NORTH BERGEN HIGH SCHOOL ADDITION AND REHABILITATION
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 827,591		\$ 827,591	\$ 827,591
Local Sources	<u>827,280</u>	<u>-</u>	<u>827,280</u>	<u>827,280</u>
 Total Revenues and Other Financing Sources	 <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	<u>1,271,859</u>	<u>-</u>	<u>1,271,859</u>	<u>1,456,286</u>
 Total Expenditures and Other Financing Uses	 <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, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 496,901		\$ 496,901	\$ 496,901
Local Sources	<u>345,919</u>	<u>-</u>	<u>345,919</u>	<u>345,919</u>
 Total Revenues and Other Financing Sources	 <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	<u>686,451</u>	<u>-</u>	<u>686,451</u>	<u>741,682</u>
 Total Expenditures and Other Financing Uses	 <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, 2018**

	<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>1,203,944</u>	<u>-</u>	<u>1,203,944</u>	<u>1,203,944</u>
 Total Revenues and Other Financing Sources	 <u>2,458,500</u>	 <u>-</u>	 <u>2,458,500</u>	 <u>2,458,500</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	307,275		307,275	295,020
Construction Services	<u>2,142,846</u>	<u>-</u>	<u>2,142,846</u>	<u>2,163,480</u>
 Total Expenditures and Other Financing Uses	 <u>2,450,121</u>	 <u>-</u>	 <u>2,450,121</u>	 <u>2,458,500</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 8,379</u>	 <u>\$ -</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, 2018**

	<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	132,185	-	132,185	296,932
Construction Services	<u>2,186,354</u>	<u>-</u>	<u>2,186,354</u>	<u>2,177,498</u>
Total Expenditures and Other Financing Uses	<u>2,318,539</u>	<u>-</u>	<u>2,318,539</u>	<u>2,474,430</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 155,891</u>	<u>\$ -</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, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 673,885		\$ 673,885	\$ 673,885
Local Sources	<u>587,116</u>	<u>-</u>	<u>587,116</u>	<u>587,116</u>
Total Revenues and Other Financing Sources	<u>1,261,001</u>	<u>-</u>	<u>1,261,001</u>	<u>1,261,001</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	154,363		154,363	151,320
Construction Services	<u>946,078</u>	<u>-</u>	<u>946,078</u>	<u>1,109,681</u>
Total Expenditures and Other Financing Uses	<u>1,100,441</u>	<u>-</u>	<u>1,100,441</u>	<u>1,261,001</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 160,560</u>	<u>\$ -</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, 2018**

	<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	28,621	\$ 3,750	32,371	59,255
Construction Services	<u>152,520</u>	<u>-</u>	<u>152,520</u>	<u>434,534</u>
 Total Expenditures and Other Financing Uses	 <u>181,141</u>	 <u>3,750</u>	 <u>184,891</u>	 <u>493,789</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 312,648</u>	 <u>\$ (3,750)</u>	 <u>\$ 308,898</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, 2018**

	<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	29,852		29,852	99,746
Construction Services	<u>330,090</u>	<u>-</u>	<u>330,090</u>	<u>731,474</u>
 Total Expenditures and Other Financing Uses	 <u>359,942</u>	 <u>-</u>	 <u>359,942</u>	 <u>831,220</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 471,278</u>	 <u>\$ -</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, 2018**

	<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)		
Local Sources	<u>51,854</u>	<u>(51,854)</u>	-	-
 Total Revenues and Other Financing Sources	 <u>131,971</u>	 <u>(131,971)</u>	 -	 -
Expenditures and Other Financing Uses				
Architectural/Engineering Services	-	-	-	-
Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Expenditures and Other Financing Uses	 <u>-</u>	 <u>-</u>	 -	 -
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 131,971</u>	 <u>\$ (131,971)</u>	 <u>\$ -</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	3610-110-14-1022
Grant Date	January 6, 2014
Original Authorized Cost	\$ 131,971
Revised Authorized Cost	\$ -

Percentage Increase over Original Authorized

Cost	-100%
Percentage Completion	N/A
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**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, 2018**

	<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	24,246	\$ 637	24,883	24,182
Construction Services	<u>165,541</u>	<u>1,310</u>	<u>166,851</u>	<u>177,337</u>
 Total Expenditures and Other Financing Uses	 <u>189,787</u>	 <u>1,947</u>	 <u>191,734</u>	 <u>201,519</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 11,732</u>	 <u>\$ (1,947)</u>	 <u>\$ 9,785</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	95%
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, 2018**

	<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	130,111		130,111	281,963
Construction Services	<u>1,371,052</u>	<u>-</u>	<u>1,371,052</u>	<u>2,067,725</u>
 Total Expenditures and Other Financing Uses	 <u>1,501,163</u>	 <u>-</u>	 <u>1,501,163</u>	 <u>2,349,688</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 848,525</u>	 <u>\$ -</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, 2018**

	<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	<u>403,235</u>	<u>-</u>	<u>403,235</u>	<u>403,235</u>
 Total Revenues and Other Financing Sources	 <u>711,351</u>	 <u>-</u>	 <u>711,351</u>	 <u>711,351</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	22,552		22,552	85,362
Construction Services	<u>291,030</u>	<u>-</u>	<u>291,030</u>	<u>625,989</u>
 Total Expenditures and Other Financing Uses	 <u>313,582</u>	 <u>-</u>	 <u>313,582</u>	 <u>711,351</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 397,769</u>	 <u>\$ -</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, 2018**

	<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	37,978		37,978	90,510
Construction Services	<u>406,790</u>	<u>-</u>	<u>406,790</u>	<u>663,740</u>
 Total Expenditures and Other Financing Uses	 <u>444,768</u>	 <u>-</u>	 <u>444,768</u>	 <u>754,250</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 309,482</u>	 <u>\$ -</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, 2018**

	<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	7,000		7,000	17,773
Construction Services	<u>68,604</u>	<u>-</u>	<u>68,604</u>	<u>130,334</u>
 Total Expenditures and Other Financing Uses	 <u>75,604</u>	 <u>-</u>	 <u>75,604</u>	 <u>148,107</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 72,503</u>	 <u>\$ -</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, 2018**

	<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	13,444		13,444	26,599
Construction Services	<u>131,753</u>	<u>-</u>	<u>131,753</u>	<u>195,057</u>
 Total Expenditures and Other Financing Uses	 <u>145,197</u>	 <u>-</u>	 <u>145,197</u>	 <u>221,656</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 76,459</u>	 <u>\$ -</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, 2018**

	<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	9,431		9,431	18,399
Construction Services	<u>92,428</u>	<u>-</u>	<u>92,428</u>	<u>134,923</u>
 Total Expenditures and Other Financing Uses	 <u>101,859</u>	 <u>-</u>	 <u>101,859</u>	 <u>153,322</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 51,463</u>	 <u>\$ -</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, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 65,614		\$ 65,614	\$ 65,614
Local Sources	<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	16,503	\$ 7,522	24,025	24,025
Construction Services	<u>104,163</u>	<u>-</u>	<u>104,163</u>	<u>147,879</u>
 Total Expenditures and Other Financing Uses	 <u>120,666</u>	 <u>7,522</u>	 <u>128,188</u>	 <u>171,904</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 51,238</u>	 <u>\$ (7,522)</u>	 <u>\$ 43,716</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	75%
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, 2018

	<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	8,793		8,793	18,192
Construction Services	<u>86,172</u>	<u>-</u>	<u>86,172</u>	<u>133,411</u>
 Total Expenditures and Other Financing Uses	 <u>94,965</u>	 <u>-</u>	 <u>94,965</u>	 <u>151,603</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 56,638</u>	 <u>\$ -</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, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 60,439		\$ 60,439	\$ 60,439
Local Sources	<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	28,206	\$ 7,522	35,728	35,728
Construction Services	<u>142,145</u>	<u>-</u>	<u>142,145</u>	<u>209,963</u>
 Total Expenditures and Other Financing Uses	 <u>170,351</u>	 <u>7,522</u>	 <u>177,873</u>	 <u>245,691</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 75,340</u>	 <u>\$ (7,522)</u>	 <u>\$ 67,818</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	72%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2018

PROPRIETARY FUNDS

**NORTH BERGEN BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018**

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, 2018**

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

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 278,919	\$ 3,750,368	\$ 4,029,287
Accounts Receivable	-	30,000	30,000
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 278,919</u>	<u>\$ 3,780,368</u>	<u>\$ 4,059,287</u>
LIABILITIES			
Payroll and Payroll Deductions and Withholdings		\$ 57,063	\$ 57,063
Accrued Salaries and Wages		3,383,564	3,383,564
Due to Other Funds		339,741	339,741
Due to Student Groups	\$ 278,919	-	278,919
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>\$ 278,919</u>	<u>\$ 3,780,368</u>	<u>\$ 4,059,287</u>

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOT APPLICABLE

**STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Balance, July 1, <u>2017</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2018</u>
ELEMENTARY SCHOOLS	\$ 109,677	\$ 225,848	\$ 234,231	\$ 101,294
HIGH SCHOOL				
Athletic	1,892	78,368	76,440	3,820
General	<u>180,627</u>	<u>274,878</u>	<u>281,700</u>	<u>173,805</u>
Total	<u>\$ 292,196</u>	<u>\$ 579,094</u>	<u>\$ 592,371</u>	<u>\$ 278,919</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Balance, July 1, <u>2017</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2018</u>
ASSETS				
Cash	\$ 3,980,007	\$ 103,437,621	\$ 103,667,260	\$ 3,750,368
Accounts Receivable	-	<u>30,000</u>	-	<u>30,000</u>
Total Assets	<u>\$ 3,980,007</u>	<u>\$ 103,467,621</u>	<u>\$ 103,667,260</u>	<u>\$ 3,780,368</u>
LIABILITIES				
Payroll and Payroll Deductions and Withholdings	\$ 218,446	\$ 99,916,122	\$ 100,077,505	\$ 57,063
Accrued Salaries and Wages	3,220,028	3,384,598	3,221,062	3,383,564
Due to Other Funds	<u>541,533</u>	<u>136,901</u>	<u>338,693</u>	<u>339,741</u>
Total Liabilities	<u>\$ 3,980,007</u>	<u>\$ 103,437,621</u>	<u>\$ 103,637,260</u>	<u>\$ 3,780,368</u>

LONG-TERM DEBT

NORTH BERGEN BOARD OF EDUCATION
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<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, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2018</u>
			<u>Date</u>	<u>Amount</u>					
Refunding School Bonds	5/21/2009	\$ 3,125,000				\$ 365,000		\$ 365,000	
Pension Obligation Refunding Bonds	10/31/2013	3,225,000	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>2,355,000</u>	<u>-</u>	<u>230,000</u>	<u>\$ 2,125,000</u>
						<u>\$ 2,720,000</u>	<u>\$ -</u>	<u>\$ 595,000</u>	<u>\$ 2,125,000</u>

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
OBLIGATIONS UNDER LEASE-PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<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, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2018</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Certificates of Participation	7/1/2010	\$ 5,590,000	12/15/2018	\$ 1,155,000	3.750 %	\$ 1,765,000		\$ 610,000	\$ 1,155,000
Refunding Certificates of Participation	2/25/2016	7,575,000	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>7,190,000</u>	<u>-</u>	<u>400,000</u>	<u>6,790,000</u>
						<u>\$ 8,955,000</u>	<u>\$ -</u>	<u>\$ 1,010,000</u>	<u>\$ 7,945,000</u>

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SALES/LEASEBACK OBLIGATIONS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Description</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance June 30, 2018</u>
Acquisition and Improvement of Real Property for School Purposes	1/31/2014	\$ 2,535,000	1.54%	<u>\$ 675,000</u>	<u>\$ -</u>	<u>\$ 540,000</u>	<u>\$ 135,000</u>

**NORTH BERGEN BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 1,567,487		\$ 1,567,487	\$ 1,567,487	
Miscellaneous				55	\$ 55
State Sources					
Debt Service Aid	<u>476,785</u>	<u>-</u>	<u>476,785</u>	<u>476,785</u>	<u>-</u>
Total Revenues	<u>2,044,272</u>	<u>-</u>	<u>2,044,272</u>	<u>2,044,327</u>	<u>55</u>
EXPENDITURES					
Debt Service:					
Lease Purchase					
Principal	1,010,000		1,010,000	1,010,000	
Interest	328,256		328,256	328,256	
Pension Obligation Bonds					
Principal	230,000		230,000	230,000	
Interest	100,725		100,725	100,725	
Bonds					
Principal	365,000		365,000	365,000	
Interest	<u>14,600</u>	<u>-</u>	<u>14,600</u>	<u>14,600</u>	<u>-</u>
Total Expenditures	<u>2,048,581</u>	<u>-</u>	<u>2,048,581</u>	<u>2,048,581</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,309)	-	(4,309)	(4,254)	55
Fund Balance, Beginning of Year	<u>9,314</u>	<u>-</u>	<u>9,314</u>	<u>9,314</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 5,005</u>	<u>\$ -</u>	<u>\$ 5,005</u>	<u>\$ 5,060</u>	<u>\$ 55</u>

Recapitulation of Fund Balance:

Designated for Subsequent Year's Budget
Available for Debt Service

\$ 5,005
55

\$ 5,060

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,									
	2009	2010	2011 (1)	2012	2013	2014 (2)	2015	2016	2017	2018
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 51,220,429
Restricted	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	13,503,685
Unrestricted	(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)	(36,181,905)
Total Governmental Activities Net Position	\$ 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	\$ 28,542,209
Business-Type Activities										
Net Investment in Capital Assets		\$ 12,800	\$ 24,908	\$ 23,185	\$ 21,462	\$ 34,275	\$ 31,513	\$ 28,752	\$ 33,240	\$ 41,149
Unrestricted	\$ (52,945)	129,864	204,372	387,268	549,791	691,390	769,370	1,015,447	1,032,010	1,064,013
Total Business-Type Activities Net Position	\$ (52,945)	\$ 142,664	\$ 229,280	\$ 410,453	\$ 571,253	\$ 725,665	\$ 800,883	\$ 1,044,199	\$ 1,065,250	\$ 1,105,162
District-Wide										
Net Investment in Capital Assets	\$ 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	\$ 51,261,578
Restricted	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	13,503,685
Unrestricted	(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)	(35,117,892)
Total District Net Position	\$ 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	\$ 29,647,371

- (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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 69,252,700
Special Education	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	25,056,382
Other Instruction	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	11,534,561
School Sponsored Activities And Athletics	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	2,922,663
Community Services Programs	125,000									
Support Services:										
Student & Instruction Related Services	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	19,397,649
General Administration	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	2,728,117
School Administrative Services	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	11,310,032
Plant Operations And Maintenance	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	16,298,080
Pupil Transportation	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	3,886,776
Business and Other Support Services	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	3,547,726
Interest On Long-Term Debt	1,155,510	1,081,169	964,942	925,499	900,966	910,459	819,740	841,211	547,825	494,870
Total Governmental Activities Expenses	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	166,429,556
Business-Type Activities:										
Food Service	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	2,947,323
Total Business-Type Activities Expense	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	2,947,323
Total District Expenses	\$ 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	\$ 169,376,879
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Instruction	\$ 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	\$ 4,598,903
Operating Grants And Contributions	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	58,779,883
Capital Grants And Contributions	-	1,415,573	1,201,613	896,328	697,311	84,373	1,984,809	1,084,063	970,572	2,277
Total Governmental Activities Program Revenues	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	63,381,063
Business-Type Activities:										
Charges For Services										
Food Service	\$ 750,148	\$ 741,010	\$ 734,672	\$ 723,677	\$ 637,575	\$ 596,612	\$ 603,366	\$ 608,017	\$ 599,065	\$ 563,293
Operating Grants And Contributions	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	2,422,299
Total Business Type Activities Program Revenues	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	2,985,592
Total District Program Revenues	\$ 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	\$ 66,366,655
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (103,048,493)
Business-Type Activities	(13,195)	182,809	73,562	180,976	160,715	154,281	75,092	242,958	20,657	38,269
Total District-Wide Net Expense	\$ (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)	\$ (103,010,224)

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental Activities:										
General Revenues										
Property Taxes - General Purposes	\$ 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	\$ 48,709,108
Property Taxes - Debt Service	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	1,567,487
State Aid - Unrestricted	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	52,484,655
State Aid - Restricted for Debt Service	646,355	666,069	550,958	544,966	551,162	550,827	550,049	551,188	550,674	476,785
Investment Earnings	46,337	23,024	15,034	12,744	15,591	18,341	19,253	39,121	82,733	193,891
Miscellaneous Income	1,394,609	610,062	717,003	1,157,236	615,273	306,307	763,735	649,498	388,530	332,495
Gain (Loss) on Disposal of Assets	-	-	-	-	-	10,000	-	-	-	-
Transfers	-	(12,800)	(13,054)	-	-	-	-	-	-	-
Total Governmental Activities	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	103,764,421
Business-Type Activities:										
General Revenues										
Investment Earnings	-	12,800	13,054	197	85	131	126	358	394	1,643
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities	-	12,800	13,054	197	85	131	126	358	394	1,643
Total District-Wide	\$ 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	\$ 103,766,064
Change in Net Position										
Governmental Activities	\$ 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)	\$ 715,928
Business-Type Activities	(13,195)	195,609	86,616	181,173	160,800	154,412	75,218	243,316	21,051	39,912
Total District	\$ 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)	\$ 755,840

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 6,127,537	\$ 5,766,175								
Unreserved	(2,354,090)	(2,716,512)								
Nonspendable										
Restricted			\$ 7,194,281	\$ 7,605,189	\$ 10,231,727	\$ 16,046,061	\$ 746,280	\$ 424,454	\$ 455,822	\$ 440,660
Committed			104,291	422,972	88,967	26,686	13,469,501	18,804,592	17,150,168	16,747,103
Assigned			1,219,248	4,259,700	4,652,890	3,503,405	57,114	465,127	1,379,824	644,243
Unassigned	-	-	(2,813,482)	(2,984,615)	(3,317,010)	(4,726,127)	3,696,448	2,092,745	3,434,565	3,642,763
Total General Fund	<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>	<u>\$ 17,730,895</u>
All Other Governmental Funds										
Reserved	\$ 31,037	\$ 2,246,942								
Unreserved	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	\$ 2,971,134
Unassigned	-	-	-	-	(5,000)	-	-	-	-	-
Total All Other Governmental Funds	<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>	<u>\$ 2,971,134</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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Property Taxes	\$ 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	\$ 50,276,595
Tuition Charges	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	4,598,903
Interest Earnings	46,337	23,024	15,034	12,744	15,591	18,341	19,253	39,121	82,733	193,891
Miscellaneous	1,459,365	669,843	773,567	1,206,933	665,266	356,390	812,423	701,532	440,106	383,598
State Sources	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	80,050,585
Federal Sources	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	6,287,587
Total Revenue	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	141,791,159
Expenditures										
Instruction										
Regular Instruction	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	56,016,919
Special Education Instruction	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	21,123,429
Other Instruction	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	9,540,589
School Sponsored Activities and Athletics	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	2,462,631
Community Service Programs	125,000									
Support Services:										
Student and Inst. Related Services	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	16,516,797
General Administration	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	2,419,474
School Administrative Services	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	9,402,029
Plant Operations And Maintenance	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	12,521,251
Pupil Transportation	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	3,853,173
Business and Other Support Services	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	3,177,503
Capital Outlay	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	3,092,984
Debt Service:										
Principal	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	2,145,000
Interest and Other Charges	1,122,875	975,056	892,591	833,024	814,168	840,890	740,491	815,092	600,608	543,574
Debt Insurance Cost	84,911		189,516							
Advance Refunding Escrow	45,823	-	45,983	-	-	-	-	-	-	-
Total Expenditures	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	142,815,353
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	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)	(1,024,194)
Other Financing Sources (Uses)										
Proceeds From Borrowing	3,125,000		5,590,000			5,760,000		7,575,000		
Capital Leases (Non-Budgeted)								800,793		
Premium on Issuance of Bonds/Certificates of Participation	65,734							(8,172,342)		
Payments to Refunding Escrow Agent	(3,060,000)		(5,310,000)			(3,149,873)				
Original Issue Discount			(32,693)							
Transfers In	5,941	4,251,497	1,767,818			1,500,000	2,364,834	233,650	13,493	51,854
Transfers Out	(5,941)	(4,264,297)	(1,780,872)			(1,500,000)	(2,364,834)	(233,650)	(13,493)	(51,854)
Total Other Financing Sources (Uses)	130,734	(12,800)	234,253	-	-	2,610,127	-	203,451	-	-
Net Change in Fund Balances	\$ 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)	\$ (1,024,194)
Debt Service as a Percentage of										
Noncapital Expenditures	2.66%	2.51%	2.28%	1.93%	1.81%	2.19%	2.20%	2.26%	2.01%	1.92%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Refunds</u>	<u>E-Rate</u>	<u>Solar Energy</u>	<u>Gate Receipts</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2018	4,598,903	193,836	40,605	25,153	173,635	15,043	78,059	5,125,234

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^a
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
2018	55,202,800	1,483,782,500	508,458,867	352,107,800	181,295,400	2,580,847,367	3,545,902	2,584,393,269	6,209,345,294	1.967

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>	Local School <u>District</u>	<u>Municipality</u>	<u>County</u>
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
2018	5.636	1.967	2.585	1.084

Source: Abstract of Ratables, County Board of Taxation

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

Taxpayer	2018		2009	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Hartz Mountain Development	\$ 119,457,200	4.62%	\$ 96,440,000	3.82%
M-Industries LLC			22,714,000	0.90%
FC/Treeco Col. Pk. LLC	31,257,500	1.21%	24,962,200	0.99%
7912 River Road Apts., LLC			23,250,000	0.92%
Woodcliff Gardens	24,219,100	0.94%	23,956,000	0.95%
5851 Westside Assoc.	22,230,400	0.86%	16,373,000	0.65%
8100 River Road	68,083,000	2.63%		
7855 Blvd East	45,021,300	1.74%		
7400 River Road	37,803,700	1.46%		
8200 Boulevard East	18,995,500	0.74%		
Independent Realty	24,930,300	0.96%		
Voronado Re Trust	74,694,200	2.89%		
J-RAJ Realty, LLC			25,476,300	1.01%
LCI Holding, Inc.			21,526,900	0.85%
Home Depot			17,483,500	0.69%
Westview Tower Realty Co			18,000,000	0.71%
	<u>\$ 466,692,200</u>	<u>18.06%</u>	<u>\$ 290,181,900</u>	<u>11.50%</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	
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
2018	50,276,595	50,276,595	100.00%	N/A

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

Governmental Activities

Fiscal Year Ended June 30,	General Obligation Bonds	Certificates of Participation	Capital Leases	Inter- governmental Loan	Sales Leaseback	Total District	Population	Per Capita
2009	\$ 6,865,000	\$ 16,295,000	\$ 125,823	\$ 212,550	\$ 721,781	\$ 24,220,154	54,912	\$ 441
2010	6,365,000	15,580,000	23,855	141,700	244,836	22,355,391	60,809	368
2011	5,880,000	15,030,000		70,850		20,980,850	61,819	339
2012	5,385,000	14,175,000				19,560,000	62,462	313
2013	4,880,000	13,290,000				18,170,000	63,040	288
2014	4,435,000	12,375,000			2,180,000	18,990,000	63,441	299
2015	3,870,000	11,425,000			1,710,000	17,005,000	63,449	268
2016	3,300,000	9,930,000			1,205,000	14,435,000	63,649	227
2017	2,720,000	8,955,000			675,000	12,350,000	63,659	194
2018	2,125,000	7,945,000			135,000	10,205,000	63,659	160

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
2009	\$ 6,865,000		\$ 6,865,000	0.27%	\$ 125
2010	6,365,000		6,365,000	0.25%	105
2011	5,880,000		5,880,000	0.23%	95
2012	5,385,000		5,385,000	0.21%	86
2013	4,880,000		4,880,000	0.20%	77
2014	4,435,000		4,435,000	0.18%	70
2015	3,870,000		3,870,000	0.15%	61
2016	3,300,000		3,300,000	0.13%	52
2017	2,720,000		2,720,000	0.11%	43
2018	2,125,000		2,125,000	0.08%	33

Source: District records

**NORTH BERGEN BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2017
(Unaudited)**

Direct Debt:	
North Bergen Board of Education (as of June 30, 2018)	\$ 2,125,000
Township of North Bergen (1)	<u>62,668,166</u>
Total Direct Debt	<u>64,793,166</u>
Overlapping Debt Apportioned to the Municipality:	
Hudson County:	
County of Hudson (A)	37,918,845
North Bergen Municipal Utilities Authority	<u>44,956,469</u>
Total Overlapping Debt	<u>82,875,314</u>
Total Direct and Overlapping Debt	<u>\$ 147,668,480</u>

(A) The debt for this entity was apportioned by dividing the Municipality's 2017 equalized value by the total 2017 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,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 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	\$ 223,256,144
Total Net Debt Applicable to Limit	<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>	<u>-</u>
Legal Debt Margin	<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>	<u>\$ 223,256,144</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.52%	1.27%	1.09%	0.97%	0.87%	0.75%	0.58%	0.38%	0.18%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2018

Equalized Valuation Basis

2015	\$ 5,140,980,313
2016	5,492,689,648
2017	6,110,540,811
	<u>\$ 16,744,210,772</u>

Average Equalized Valuation of Taxable Property	<u>\$ 5,581,403,591</u>
Debt Limit (4 % of Average Equalization Value)	\$ 223,256,144
Total Net Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>\$ 223,256,144</u>

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>
2008	6.70%	\$ 44,735	54,986
2009	11.60%	42,981	54,912
2010	11.50%	44,598	60,809
2011	10.70%	45,609	61,819
2012	10.70%	47,153	62,462
2013	9.70%	47,867	63,040
2014	7.30%	51,056	63,441
2015	5.70%	54,768	63,449
2016	5.00%	55,986	63,649
2017	4.40%	N/A	63,659

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>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>	<u>2018</u>
Instruction										
Regular	444	432	440	480	480	467	530	530	530	530
Special Education	75	75	75	75	75	84	50	57	59	59
Other Instruction	112	85	85	85	85	85	61	61	65	60
Support Services:										
Student and Instruction Related Services	19	19	19	18	18	18	18	18	18	35
General Administration	7	7	7	5	6	6	6	6	7	7
School Administrative Services	59	59	59	55	56	61	61	61	61	61
Other Administrative Services	30	30	30	30	30	30	30	30	30	30
Central Services	13	13	13	13	13	13	13	13	13	13
Administrative Information Technology	6	6	6	6	6	6	3	3	3	3
Plant Operations And Maintenance	118	118	118	112	109	109	109	109	106	106
Pupil Transportation	3	3	3	3	3	3	3	3	3	3
Other Support Services	72	72	72	72	72	73	77	77	77	77
Total	<u>955</u>	<u>916</u>	<u>927</u>	<u>954</u>	<u>953</u>	<u>955</u>	<u>961</u>	<u>968</u>	<u>972</u>	<u>984</u>

Source: District Personnel Records

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

Pupil/Teacher Ratio

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Elementary</u>	<u>High School</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
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	6.16%	641	1:12	1:14	7,714	7,330	-1.96%	95.02%
2018	7,666	137,033,795	17,876	8.09%	649	1:12	1:14	7,643	7,257	-0.92%	94.95%

Sources: District records

Note: a Operating expenditures equal total expenditures less debt service and capital outlay.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	995	995	995	995	995	995	995	995	995	1,022
Fulton Annex										
Square Feet	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800
Capacity (students)	155	155	155	155	155	155	155	155	155	155
Enrollment	144	144	144	144	144	144	144	144	144	223
Franklin School/No. 3 (1919)										
Square Feet	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434
Capacity (students)	475	475	475	475	475	475	475	475	475	475
Enrollment	575	575	575	575	575	575	575	575	575	530
Franklin Annex (1999)										
Square Feet	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225
Capacity (students)	80	80	80	80	80	80	80	80	80	80
Enrollment	85	85	85	85	85	85	85	85	85	97
Lincoln School/No. 5 (1915)										
Square Feet	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	659	659	659	659	659	659	659	659	659	972
Lincoln School/No. 5 Annex (2004)										
Square Feet	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300
Capacity (students)	352	352	352	352	352	352	352	352	352	352
Enrollment	436	436	436	436	436	436	436	436	436	422
J.F. Kennedy School/No. 7 (including Annex)										
Square Feet	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125
Capacity (students)	662	662	662	662	662	662	662	662	662	662
Enrollment	538	538	538	538	538	538	538	538	538	549
Horace Mann School/No. 9 (1928)										
Square Feet	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068
Capacity (students)	836	836	836	836	836	836	836	836	836	836
Enrollment	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,135
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	419	419	419	419	419	419	419	419	419	361
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	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,355
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, 2018										
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>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>	<u>2018</u>
North Bergen High School	\$ 595,942	\$ 464,805	\$ 663,015	\$ 676,438	\$ 658,851	\$ 637,900	\$ 629,935	\$ 318,417	\$ 451,186	\$ 414,783
Franklin School	182,854	354,624	202,033	195,036	198,994	183,520	202,558	199,757	153,315	149,453
Horace Mann	290,332	283,323	270,101	249,303	306,554	271,850	312,045	190,335	235,531	230,235
John F. Kennedy	307,894	298,033	319,207	296,193	295,791	282,963	282,087	216,192	208,711	222,152
Lincoln School	321,977	313,534	370,947	328,705	313,341	278,965	260,058	243,465	290,374	258,402
Mc Kinley	199,474	355,870	184,365	197,378	193,450	195,682	146,528	229,206	154,055	108,112
Robert Fulton	<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>	<u>228,681</u>
Total School Facilities	<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>	<u>\$ 1,611,818</u>

Source: School District Records

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2018
(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

EXHIBIT K-1

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. LEIDIG, CPA, PSA
ROBERT LERCH, CPA

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

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Trustees
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, 2018 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 January 22, 2019.

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 January 22, 2019.

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
January 22, 2019



LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
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MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA

**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, 2018. 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, 2018.

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.

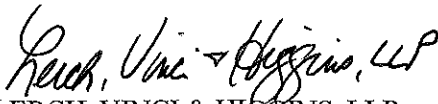
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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, 2018 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 January 22, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 22, 2019

NORTH BERGEN BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal/Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2017	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Refund To State	Prior Years Adjustments	Balance, June 30, 2018			Memo GAAP Receivable	Memo Cumulative Expenditures	
													(Accounts Receivable)	Unearned Revenue	Due to Grantor			
U.S. Department of Agriculture																		
Passed-Through State Department of Education																		
Enterprise Fund																		
School Breakfast Program	10.553	1861NJ304N1099	N/A	7/1/17-6/30/18	\$ 508,535			\$ 400,723	\$ 508,535				\$ (107,812)			\$ (107,812)	\$ 508,535	
School Breakfast Program	10.553	171NJ304N1099	N/A	7/1/16-6/30/17	518,240	\$ (40,199)		40,199										
NSLP-Cash Assistance	10.555	1861NJ304N1099	N/A	7/1/17-6/30/18	1,699,711			1,356,662	1,699,711				(343,049)			(343,049)	1,699,711	
NSLP-Cash Assistance	10.555	171NJ304N1099	N/A	7/1/16-6/30/17	1,733,764	(129,922)		129,922										
Special Milk Program for Children	10.556	1861NJ304N1099	N/A	7/1/17-6/30/18	7,029			5,719	7,029				(1,310)			(1,310)	7,029	
Special Milk Program for Children	10.556	171NJ304N1099	N/A	7/1/16-6/30/17	6,531	(611)		611										
NSLP-Non Cash Assistance	10.555	1861NJ304N1099	N/A	7/1/17-6/30/18	165,921			165,921	159,363					\$ 6,558			159,363	
NSLP-Non Cash Assistance	10.555	171NJ304N1099	N/A	7/1/16-6/30/17	165,329	5,340	-	-	5,340	-	-	-	-	-	-	-	5,340	
Total Child Nutrition Programs						(165,392)	-	2,099,757	2,379,978	-	-	-	(452,171)	6,558	-	(452,171)	2,379,978	
After School Snack Program	10.558	171NJ304N1099	N/A	7/1/16-6/30/17	12,748	(967)		967									-	
After School Snack Program	10.558	1861NJ304N1099	N/A	7/1/17-6/30/18	12,736	-	-	10,105	12,736	-	-	-	(2,631)	-	-	(2,631)	12,736	
Total U.S. Dept. of Agriculture						(166,359)	-	2,110,829	2,392,714	-	-	-	(454,802)	6,558	-	(454,802)	2,392,714	
U.S. Dept. of Education Passed-Through																		
State Dept. of Education																		
Special Revenue Fund																		
Title I, Part A	84.010A	S010A160030	NCLB361017	7/1/16-6/30/17	3,000,270	(1,301,778)	\$ (263,562)	1,301,778		\$ 263,562		\$ 835			\$ 835		-	
Title I, Part A	84.010A	S010A170030	NCLB361018	7/1/17-6/30/18	3,244,356	-	263,562	2,175,826	3,365,261	(263,562)	-	-	(1,332,092)	142,657	-	(1,167,896)	3,365,261	
Title I, SIA, Part A	84.010A	S010A170030	NCLB361018	7/1/17-6/30/18	94,057	-	-	-	83,187	-	-	-	(94,057)	10,870	-	(15,817)	83,187	
Total Title I						(1,301,778)	-	3,477,604	3,448,448	-	-	835	(1,426,149)	153,527	835	(1,183,713)	3,448,448	
Title II, Part A	84.367A	S367A160025	NCLB361017	7/1/16-6/30/17	250,998	(89,629)		89,629									-	
Title II, Part A	84.367A	S367A150029	NCLB361016	7/1/15-6/30/16	280,905	375	-	-		-	\$ 375	-					-	
Title II, Part A	84.367A	S367A180030	NCLB361018	7/1/17-6/30/18	469,712	-	-	311,609	451,249	-	-	-	(158,103)	18,463	-	(139,640)	451,249	
Total Title II						(89,254)	-	401,238	451,249	-	375	-	(158,103)	18,463	-	(139,640)	451,249	
Title III	84.365	S365A160030	NCLB361017	7/1/16-6/30/17	171,847	(70,045)	(65,305)	70,045		65,305							-	
Title III	84.365	S365A180030	NCLB361018	7/1/17-6/30/18	177,870	-	65,305	132,173	204,761	(65,305)			(111,002)	38,414		(11,838)	204,761	
Title III, Immigrant	84.365	S365A170030	NCLB361018	7/1/17-6/30/18	43,095	-	-	-	18,262	-	-	-	(43,095)	24,833	-	(18,262)	18,262	
Total Title III						(70,045)	-	202,218	223,023	-	-	-	(154,097)	63,247	-	(30,100)	223,023	
Title IV	84.424	S424A180031	NCLB361018	7/1/17-6/30/18	41,353	-	-	22,349	28,120	-	-	-	(19,004)	13,233	-	(5,771)	28,120	
IDEA Part B																		
Basic, Regular	84.027A	H027A160100	FT361017	7/1/16-6/30/17	1,807,590	(642,377)	(13,053)	642,377		13,053		578		578			-	
Basic, Regular	84.027A	H027A170100	FT361018	7/1/17-6/30/18	1,797,713	-	13,053	1,352,077	1,809,875	(13,053)			(458,689)	891		(446,204)	1,809,875	
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	-	-	-				2		2			-	
Preschool	84.173A	H173A170114	PS361018	7/1/17-6/30/18	50,802	-	-	-	50,802	-	-	-	(50,802)	-	-	(49,155)	50,802	
Total IDEA						(642,340)	-	1,994,454	1,860,677	-	37	580	(509,491)	891	580	(495,359)	1,860,677	
Total U.S. Department of Education - Special Revenue Fund						(2,103,417)	-	6,097,863	6,011,517	-	412	1,415	(2,266,844)	249,361	1,415	(1,854,583)	6,011,517	
General Fund																		
Spec.Ed. Medicaid Reimbursement (MAC)	93.778	1805NJ5MAP	NA	7/1/17-6/30/18	57,894			57,894	57,894									57,894
Spec.Ed. Medicaid Reimbursement	93.778	1705NJ5MAP	NA	7/1/16-6/30/17	228,388	(2,082)		2,082										
Spec.Ed. Medicaid Reimbursement	93.778	1805NJ5MAP	NA	7/1/17-6/30/18	305,664	-	-	305,664	305,664	-	-	-	-	-	-	-	305,664	
Total Medicaid Reimbursement						(2,082)	-	365,640	363,558	-	-	-	-	-	-	-	363,558	
Total Federal Awards						\$ (2,271,858)	\$ -	\$ 8,574,332	\$ 8,767,789	\$ -	\$ 412	\$ 1,415	\$ (2,721,646)	\$ 255,919	\$ 1,415	\$ (2,309,385)	\$ 8,767,789	

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2017		Carryover Amount	Cash Received	Budgetary Expenditures	Cancelled Encumbrances	Prior Year Adjustment	Balance, June 30, 2018			Memo	
				Unearned Revenue/ (Accts Rec)	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund															
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	\$ 51,895,086				\$ 46,811,862	\$ 51,895,086				(5,083,224)		*	\$ 51,895,086
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	50,667,188	\$ (4,951,555)			4,951,555							*	
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	4,632,403				4,178,650	4,632,403				(453,753)		*	4,632,403
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	4,632,403	(452,711)			452,711							*	
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	901,738				813,411	901,738				(88,327)		*	901,738
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	901,738	(88,124)			88,124							*	
Under Adequacy Aid	18-495-034-5120-096	7/1/17-6/30/18	500,000				451,024	500,000				(48,976)		*	500,000
Under Adequacy Aid	17-495-034-5120-096	7/1/16-6/30/17	500,000	(48,864)			48,864							*	
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	74,130				66,869	74,130				(7,261)		*	74,130
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	74,130	(7,244)			7,244							*	
PARCC Readiness	18-495-034-5120-098	7/1/17-6/30/18	74,130				66,869	74,130				(7,261)		*	74,130
PARCC Readiness	17-495-034-5120-098	7/1/16-6/30/17	74,130	(7,244)			7,244							*	
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	73,140				65,976	73,140				(7,164)		*	73,140
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	73,140	(7,148)			7,148							*	
Total State Aid Public				(5,562,890)			58,017,551	58,150,627				(5,695,966)		*	58,150,627
Reimbursed TPAF Pension															
Non-Contributory Insurance	18-495-034-5094-004	7/1/17-6/30/18	190,076				190,076	190,076						*	190,076
Pension Contribution	18-495-034-5094-002	7/1/17-6/30/18	7,832,538				7,832,538	7,832,538						*	7,832,538
Long Term Disability Insurance	18-495-034-5094-004	7/1/17-6/30/18	11,925				11,925	11,925						*	11,925
Post Retirement Contribution	18-495-034-5094-001	7/1/17-6/30/18	5,181,636				5,181,636	5,181,636						*	5,181,636
Total Reimbursed TPAF Pension							13,216,175	13,216,175						*	13,216,175
Other															
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	172,404				155,517	172,404				(16,887)		*	172,404
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	172,404	(16,849)			16,849							*	
Nonpublic Transportation Aid	N/A	7/1/17-6/30/18	43,500					43,500				(43,500)		*	43,500
Nonpublic Transportation Aid	N/A	7/1/16-6/30/17	57,942	(57,942)			57,942							*	
				(74,791)			230,308	215,904				(60,387)		*	215,904
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	351,036					351,036				(351,036)		*	351,036
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	389,366	(389,366)			389,366							*	
Lead Testing for Schools Aid	18-495-034-5120-104	7/1/17-6/30/18	3,600				3,600	3,600						*	3,600
Reimbursed TPAF Soc. Security Contr.	18-495-034-5094-003	7/1/17-6/30/18	4,025,100				4,025,100	4,025,100						*	4,025,100
Reimbursed TPAF Soc. Security Contr.	17-495-034-5094-003	7/1/16-6/30/17	4,008,160	(197,919)			197,919							*	
Total General Fund				(6,224,966)			76,080,019	75,962,442				(6,107,389)		*	75,962,442
Special Revenue Fund															
Preschool Education Aid	17-495-034-5120-086	7/1/16-6/30/17	3,762,168	3,168,504		\$ (3,545,411)	376,217		\$ 690					*	
Preschool Education Aid	18-495-034-5120-086	7/1/17-6/30/18	2,544,996			3,545,411	2,290,496	3,748,500				(254,500)	\$ 2,341,907	*	3,748,500
Total Special Revenue Fund				3,168,504			2,666,713	3,748,500	690			(254,500)	2,341,907	*	3,748,500
Debt Service Fund															
Debt Service Aid	18-495-034-5120-075	7/1/17-6/30/18	476,785				476,785	476,785						*	476,785
Total State Department of Education				(3,056,462)			79,223,517	80,187,727	690			(6,361,889)	2,341,907	*	80,187,727
State Department of Agriculture															
Food Service Enterprise Fund															
State School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	29,585				23,606	29,585				(5,979)		*	29,585
State School Lunch Program	17-100-010-3350-023	7/1/16-6/30/17	33,578	(5,375)			5,375							*	
Total State Department of Agriculture				(5,375)			28,981	29,585				(5,979)		*	29,585

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2017					Refund of Prior Year Balances	Balance, June 30, 2018			Memo			
				Unearned Revenue/ (Accts Rec)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures		Adjustment	(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		\$ (687,354)	\$ 687,354		
Lincoln School - Windows	3610-090-09-1009	N/A	890,041	(599,248)						(599,354)	106		(599,248)	599,248		
North Bergen High School - Maintenance Room Conversion	3610-050-09-1013	N/A	210,845	(97,567)						(97,567)			(97,567)	97,567		
North Bergen High School - Guidance and Health Suites	3610-050-09-1010	N/A	827,591	(827,591)						(827,591)			(827,591)	827,591		
North Bergen High School - Brick Façade Repair and Restoration	3610-050-09-1007	N/A	626,251	(489,063)						(496,901)	7,838		(489,063)	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	(1,281,769)						(1,367,952)	86,183		(1,281,769)	1,281,769		
McKinley School - Windows	3610-100-14-1014	N/A	673,885	(668,053)						(673,885)	5,832		(668,053)	668,053		
McKinley School - Exterior	3610-100-14-1025	N/A	170,474	(109,967)			\$ 2,277			(170,474)	58,230		(112,244)	112,244		
Robert Fulton - Roof	3610-110-14-1021	N/A	471,366	(218,513)						(471,366)	252,853		(218,513)	218,513		
North Bergen High School - Rehabilitation	3610-050-14-1001	N/A	96,853	(96,853)						(96,853)			(96,853)	96,853		
North Bergen High School - Fire Alarm	3610-050-14-1002	N/A	1,028,815	(808,442)						(925,934)	117,492		(808,442)	808,442		
Lincoln School - Exterior	3610-090-14-1024	N/A	308,116	(190,369)						(308,116)	117,747		(190,369)	190,369		
Horace Mann School - Roof	3610-070-14-1020	N/A	448,418	(270,009)						(448,418)	178,409		(270,009)	270,009		
McKinley School - Security	3610-100-14-1015	N/A	78,102	(45,898)						(78,102)	32,204		(45,898)	45,898		
Lincoln School - Security	3610-090-14-1012	N/A	87,213	(43,170)						(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	(57,651)						(63,672)	6,021		(57,651)	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				(7,837,678)				2,277					(8,702,977)	863,022	(7,839,955)	7,839,955
Total State Assistance Subject to Single Audit Determination				\$ (10,899,515)	\$ -	\$ -	\$ 79,252,498	\$ 80,219,589	\$ 690	\$ -	\$ (15,070,845)	\$ 3,204,929	\$ -	\$ (7,889,434)	\$ 88,057,267	
Less: State Aid Not Subject to Single Audit and Major Program Determination																
Reimbursed TPAF Pension																
Non-Contributory Insurance							(190,076)	(190,076)								
Pension Contribution							(7,832,538)	(7,832,538)								
Long Term Disability Insurance							(11,925)	(11,925)								
Post Retirement Contribution							(5,181,636)	(5,181,636)								
Total State Assistance Subject to Major Program Determination				\$ (10,899,515)	\$ -	\$ -	\$ 66,036,323	\$ 67,003,414	\$ 690	\$ -	\$ (15,070,845)	\$ 3,204,929	\$ -			

**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, 2018**

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 \$94,784 for the general fund and a decrease of \$131,176 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	\$ 363,558	\$ 75,867,658	\$ 76,231,216
Special Revenue Fund	5,924,029	3,703,865	9,627,894
Capital Projects Fund		2,277	2,277
Debt Service Fund		476,785	476,785
Food Service Fund	2,392,714	29,585	2,422,299
	<u> </u>	<u> </u>	<u> </u>
Total Financial Assistance	<u>\$ 8,680,301</u>	<u>\$ 80,080,170</u>	<u>\$ 88,760,471</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, 2018**

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 \$4,025,100 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, 2018. The amount reported as TPAF Pension System Contributions in the amount of \$8,022,614, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$5,181,636 and TPAF Long-Term Disability Insurance in the amount of \$11,925 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2018.

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, 2018**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to the basic financial statements noted? _____ yes X no

Federal Awards Section

Internal Control over Major Programs:

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

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553</u>	<u>1861NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>1861NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.556</u>	<u>1861NJ304N1099</u>	<u>Special Milk Program for Children</u>
<u>84.367</u>	<u>S367A180030</u>	<u>Title II, Part A</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

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

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Part I – Summary of Auditor’s Results

State Awards Section

Dollar threshold used to distinguish between Type A and Type B Programs \$ 2,010,102

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>
18-495-034-5120-078	Equalization Aid
18-495-034-5120-096	Under Adequacy Aid
18-495-034-5120-089	Special Education Aid
18-495-034-5120-084	Security Aid
18-495-034-5120-098	PARCC Readiness
18-495-034-5120-097	Per Pupil Growth Aid
18-495-034-5120-101	Professional Learning Community Aid

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018**

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, 2018**

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.