

NORTH BERGEN BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019

Prepared by

Business Office

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INTRODUCTORY SECTION



NORTH BERGEN BOARD OF EDUCATION

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

LUIS DIAZ
PRESIDENT

GEORGE J. SOLTER JR., Ed.D
SUPERINTENDENT

CLAUDIA RODRIGUEZ
VICE PRESIDENT

STEVEN P. SOMICK
BUSINESS ADMINISTRATOR

HUGO D. CABRERA
BOARD SECRETARY

December 18, 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, 2019.

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, 2019, 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, 2019, 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 2018/2019 school year with an enrollment of 7,519 students, which is 147 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> |
|--------------------|---------------------------|-----------------------|
| 2018-2019 | 7,519 | -1.92% |
| 2017-2018 | 7,666 | -2.96% |
| 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% |

MAJOR INITIATIVES

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

New programs for the 2019-2020 school year include but not limited to the following: Adding a third Math coach to help teachers with instruction, further developing math lab classrooms where teachers learn by using imbedded professional development, we keep expanding the Community Based Instruction using a Transitional Coordinator for our students who have a severe learning disability, establishing new literacy and math series for instruction, using Read 180 and System 44 in LLD rooms to increase reading comprehension, and infusing science and social studies into the literacy periods in Kindergarten through Grade Four.

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

MAJOR INITIATIVES (Continued)

The technology infrastructure has been upgraded to help prepare the students for 21st century learning skills. All schools have received an upgrade and increased bandwidth has been installed during this school year to help with instruction and to be compliant with the New Jersey Student Learning Assessment (NJSLA). We purchase additional chromebooks annually to help with instruction and assessment with an end goal to be one to one in each classroom. Additionally, the district uses the Google platform for communication, operations, assessment, feedback, and instruction.

Lastly, the district is concentrating our communication to parents and community members that will include social media and technology advances. Our Student Information System Realtime has the ability for parents and students to log on and view any school activity such as grades, discipline records, absences and communicate with the teachers. The district will use Facebook and Twitter to disseminate information to parents, students, staff, and residents concerning school activities. The goal is to have avenues of communication with the public to improve 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 District is progressing with its plan for a new high school, the conversion of the existing high school to a middle school for grades 7-9 and the conversion of all elementary schools from K-8 to Pre-K-6. The voters have passed a referendum approving the projects and the District is pursuing potential funding sources 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, 2019.

ACCOUNTING SYSTEM AND REPORTS

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

CASH MANAGEMENT

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

RISK MANAGEMENT

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

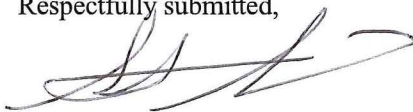
OTHER INFORMATION

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

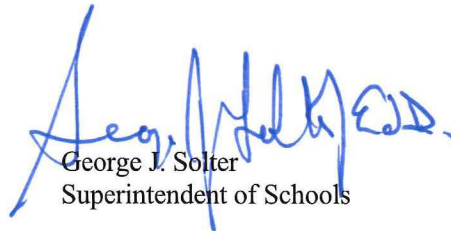
ACKNOWLEDGEMENTS

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

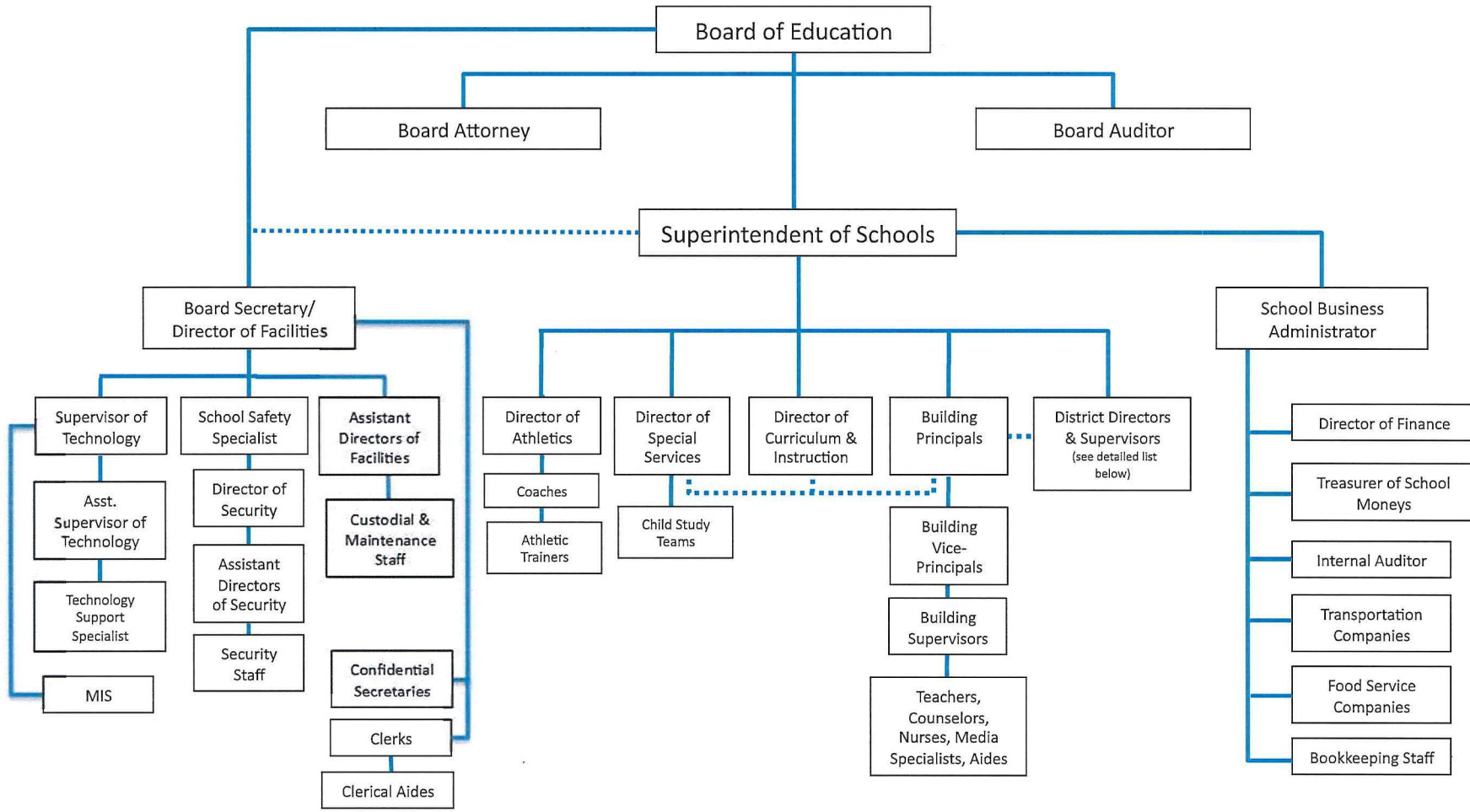
Respectfully submitted,



Steven Somick
School Business Administrator



George J. Solter
Superintendent of Schools



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, 2019**

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|--|---------------------|
| Luis Diaz, President | 2020 |
| Claudia Rodriguez, Vice President | 2021 |
| Patricia Bartoli | 2022 |
| Haissam Jaafar | 2021 |
| Kanaiyalal Patel | 2020 |
| Luis Rabelo | 2022 |
| Claudia Baselice | 2020 |
| Ruth Shaw | 2021 |
| Sai Rao | 2022 |
| 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**

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Oritani Bank
Pascack Road
Township of Washington, New Jersey

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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
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ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
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DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, 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, 2019 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, 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 December 18, 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
December 18, 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, 2019. 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 2018-2019 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 \$33,285,716 (net position).
- Overall District revenues were \$165,286,190. General revenues accounted for \$104,721,963 or 63% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$60,564,227 or 37% of total revenues.
- The School District had \$158,686,946 in expenses for governmental activities; only \$57,563,145 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$104,717,747 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 \$23,344,602 an increase of \$2,642,573 when compared to the ending fund balance at June 30, 2018 of \$20,702,029.
- The General Fund unassigned fund balance at June 30, 2019 was in a deficit position of \$4,026,420, an increase of \$282,545 when compared with the ending fund balance deficit of \$3,743,875 at June 30, 2018.
- The General Fund unassigned budgetary fund balance at June 30, 2019 was \$2,696,161 which represents an increase of \$376,146 when compared to the ending unassigned fund balance at June 30, 2018 of \$2,320,015.

NORTH BERGEN BOARD OF EDUCATION

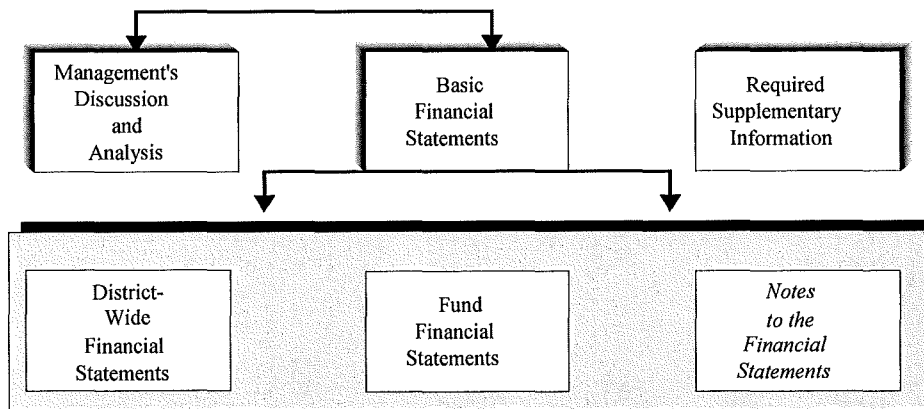
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

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

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has three kinds of funds:

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

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

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

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

Notes to the Financial Statements

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

Other Information

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

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

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$33,285,716 and \$29,647,371 as of June 30, 2019 and 2018, 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, 2019 and 2018

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|----------------------------|----------------------|-----------------------------|---------------------|----------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Assets | | | | | | |
| Current and Other Assets | \$ 30,849,102 | \$ 30,057,537 | \$ 1,331,764 | \$ 1,146,365 | \$ 32,180,866 | \$ 31,203,902 |
| Capital Assets | 58,110,559 | 58,672,108 | 37,090 | 41,149 | 58,147,649 | 58,713,257 |
| Total Assets | <u>88,959,661</u> | <u>88,729,645</u> | <u>1,368,854</u> | <u>1,187,514</u> | <u>90,328,515</u> | <u>89,917,159</u> |
| Deferred Outflows of Resources | | | | | | |
| Deferred Amounts on Net Pension Liability | 6,347,668 | 9,112,117 | | | 6,347,668 | |
| Deferred Amounts on Refunding of Debt | 264,707 | 344,712 | - | - | 264,707 | 344,712 |
| Total Deferred Outflows | <u>6,612,375</u> | <u>9,456,829</u> | <u>-</u> | <u>-</u> | <u>6,612,375</u> | <u>344,712</u> |
| Total Assets and Deferred Outflows | <u>95,572,036</u> | <u>98,186,474</u> | <u>1,368,854</u> | <u>1,187,514</u> | <u>96,940,890</u> | <u>90,261,871</u> |
| Liabilities | | | | | | |
| Long-Term Liabilities | 45,857,541 | 53,090,036 | | | 45,857,541 | 53,090,036 |
| Other Liabilities | 7,536,871 | 9,392,002 | 215,242 | 75,794 | 7,752,113 | 9,467,796 |
| Total Liabilities | <u>53,394,412</u> | <u>62,482,038</u> | <u>215,242</u> | <u>75,794</u> | <u>53,609,654</u> | <u>62,557,832</u> |
| Deferred Inflows of Resources | | | | | | |
| Deferred Amounts on Net Pension Liability | 10,041,466 | 7,162,227 | | | 10,041,466 | 7,162,227 |
| Deferred Commodities Revenue | - | - | 4,054 | 6,558 | 4,054 | 6,558 |
| Total Deferred Inflows | <u>10,041,466</u> | <u>7,162,227</u> | <u>4,054</u> | <u>6,558</u> | <u>10,045,520</u> | <u>6,558</u> |
| Total Liabilities and Deferred Inflows | <u>63,435,878</u> | <u>69,644,265</u> | <u>219,296</u> | <u>82,352</u> | <u>63,655,174</u> | <u>62,564,390</u> |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 52,144,194 | 51,220,429 | 37,090 | 41,149 | 52,181,284 | 51,261,578 |
| Restricted | 14,582,002 | 13,503,685 | | | 14,582,002 | 13,503,685 |
| Unrestricted | (34,590,038) | (36,181,905) | 1,112,468 | 1,064,013 | (33,477,570) | (35,117,892) |
| Total Net Position | <u>\$ 32,136,158</u> | <u>\$ 28,542,209</u> | <u>\$ 1,149,558</u> | <u>\$ 1,105,162</u> | <u>\$ 33,285,716</u> | <u>\$ 29,647,371</u> |

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years 2019 and 2018 are as follows:

| | <u>Governmental</u> | | <u>Business-Type</u> | | <u>Total</u> | |
|---|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|
| | <u>Activities</u> | | <u>Activities</u> | | | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 4,937,577 | \$ 4,598,903 | \$ 568,496 | \$ 563,293 | \$ 5,506,073 | \$ 5,162,196 |
| Operating Grants and Contributions | 52,617,460 | 58,779,883 | 2,432,586 | 2,422,299 | 55,050,046 | 61,202,182 |
| Capital Grants and Contributions | 8,108 | 2,277 | | | 8,108 | 2,277 |
| General Revenues | | | | | | |
| Property Taxes | 51,424,579 | 50,276,595 | | | 51,424,579 | 50,276,595 |
| State Aid | 52,407,907 | 52,961,440 | | | 52,407,907 | 52,961,440 |
| Investment Earnings | 471,909 | 193,891 | 4,216 | 1,643 | 476,125 | 195,534 |
| Miscellaneous | 413,352 | 332,495 | - | - | 413,352 | 332,495 |
| <u>Total Revenues</u> | <u>162,280,892</u> | <u>167,145,484</u> | <u>3,005,298</u> | <u>2,987,235</u> | <u>165,286,190</u> | <u>170,132,719</u> |
| Expenses | | | | | | |
| Instruction | | | | | | |
| Regular | 63,644,374 | 69,252,700 | | | 63,644,374 | 69,252,700 |
| Special Education | 24,258,879 | 25,056,382 | | | 24,258,879 | 25,056,382 |
| Other Instruction | 12,010,820 | 11,534,561 | | | 12,010,820 | 11,534,561 |
| School Sponsored Activities and Athletics | 2,972,354 | 2,922,663 | | | 2,972,354 | 2,922,663 |
| Support Services | | | | | | |
| Student and Instruction Related Services | 17,933,421 | 19,397,649 | | | 17,933,421 | 19,397,649 |
| General Administration Services | 2,743,501 | 2,728,117 | | | 2,743,501 | 2,728,117 |
| School Administration Services | 10,976,374 | 11,310,032 | | | 10,976,374 | 11,310,032 |
| Plant Operation and Maintenance | 16,010,748 | 16,298,080 | | | 16,010,748 | 16,298,080 |
| Pupil Transportation | 3,863,529 | 3,886,776 | | | 3,863,529 | 3,886,776 |
| Business Services | 3,836,790 | 3,547,726 | | | 3,836,790 | 3,547,726 |
| Interest and Other Chgs on Long-Term Debt | 436,153 | 494,870 | | | 436,153 | 494,870 |
| Food Service | - | - | 2,960,902 | 2,947,323 | 2,960,902 | 2,947,323 |
| <u>Total Expenses</u> | <u>158,686,943</u> | <u>166,429,556</u> | <u>2,960,902</u> | <u>2,947,323</u> | <u>161,647,845</u> | <u>169,376,879</u> |
| Change in Net Position | 3,593,949 | 715,928 | 44,396 | 39,912 | 3,638,345 | 755,840 |
| Net Position, Beginning 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> |
| Net Position, End of Year | <u>\$ 32,136,158</u> | <u>\$ 28,542,209</u> | <u>\$ 1,149,558</u> | <u>\$ 1,105,162</u> | <u>\$ 33,285,716</u> | <u>\$ 29,647,371</u> |

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities. The District's total governmental activities revenues were \$162,280,892 for the fiscal year ended June 30, 2019. Tuition accounted for \$4,937,577 representing 3% of total revenues. Local property taxes were \$51,424,579 representing 32% of total revenues. State and federal aid revenues were \$105,033,475 representing 65% of total revenue for the year. Investment earnings and the miscellaneous revenues accounted for less than 1% of the District's revenues.

The total cost of all governmental activities programs and services were \$158,686,943. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$102,886,427 (65%) of total expenditures. Support services totaled \$55,364,363 (35%) of total expenditures and the remainder of expenditures were for interest and other charges on long-term debt totaling \$436,153 which were less than 1% of the District's expenses.

Total governmental activities revenues surpassed expenses, increasing net position by \$3,593,949 over the previous year.

Total and Net Cost of Governmental Activities. The District's total cost of services was \$158,686,943 for the fiscal year ended June 30, 2019. After applying program revenues, derived from charges for services of \$4,937,577; operating grants and contributions of \$52,617,460 and capital grants and contributions of \$8,108 the net cost of services of the District is \$101,123,798. The following is a comparative analysis of the net cost of governmental activities for the fiscal years ended June 30, 2019 and 2018.

| | <u>Total Cost of Services</u> | | <u>Net Cost of Services</u> | |
|--|-----------------------------------|------------------------------|---------------------------------|------------------------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Instruction | | | | |
| Regular | \$ 63,644,374 | \$ 69,252,700 | \$ 37,131,713 | \$ 37,990,372 |
| Special Education | 24,258,879 | 25,056,382 | 10,850,154 | 10,538,161 |
| Other Instruction | 12,010,820 | 11,534,561 | 6,159,177 | 5,958,317 |
| School Sponsored Activities and Athletics | 2,972,354 | 2,922,663 | 2,266,790 | 2,117,337 |
| Support Services | | | | |
| Student and Instruction Related Services | 17,933,421 | 19,397,649 | 13,745,058 | 14,047,763 |
| General Administration | 2,743,501 | 2,728,117 | 2,270,316 | 2,183,743 |
| School Administration Services | 10,976,374 | 11,310,032 | 8,886,252 | 8,592,284 |
| Plant Operation and Maintenance | 16,010,748 | 16,298,080 | 12,657,128 | 14,219,767 |
| Pupil Transportation | 3,863,529 | 3,886,776 | 3,018,319 | 3,608,296 |
| Business Services | 3,836,790 | 3,547,726 | 3,702,738 | 3,297,583 |
| Interest and Other Charges on Long-Term Debt | 436,153 | 494,870 | 436,153 | 494,870 |
| Total | <u>\$ 158,686,943</u> | <u>\$ 166,429,556</u> | <u>\$ 101,123,798</u> | <u>\$ 103,048,493</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 \$23,344,602, an increase of \$2,642,573 from last year's fund balance of \$20,702,029.

Revenues for the District's governmental funds were \$148,839,111; total expenditures were \$146,196,538.

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, 2019</u> | Fiscal Year Ended <u>June 30, 2018</u> | Amount of Increase (Decrease) | Percent |
|-----------------------------|--|--|-------------------------------------|--------------|
| Local Sources: | | | | |
| Property Tax Levy | \$ 49,895,435 | \$ 48,709,108 | \$ 1,186,327 | 2.44% |
| Tuition | 4,937,577 | 4,598,903 | 338,674 | 7.36% |
| Miscellaneous | 885,261 | 526,331 | 358,930 | 68.19% |
| State/Federal Sources | <u>81,264,932</u> | <u>76,231,216</u> | <u>5,033,716</u> | 6.60% |
| Total General Fund Revenues | <u>\$ 136,983,205</u> | <u>\$ 130,065,558</u> | <u>\$ 6,917,647</u> | <u>5.32%</u> |

Total General Fund Revenues increased by \$6,917,647 or approximately 5% over the previous year.

Local property taxes increased \$1,186,327 over the previous year. State and federal aid increased \$5,033,716 or 7%, 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 from Guttenberg Board of Education increased \$338,674. Miscellaneous revenues increased over \$350,000 from 2017-18 to 2018-19 primarily due to higher investment earnings.

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, 2019</u> | Fiscal Year Ended <u>June 30, 2018</u> | Amount of Increase (Decrease) | <u>Percent</u> |
|--------------------|--|--|-------------------------------------|----------------|
| Instruction | \$ 84,225,340 | \$ 81,324,740 | \$ 2,900,600 | 3.57% |
| Support Services | 47,783,794 | 46,033,898 | 1,749,896 | 3.80% |
| Debt Service | 228,236 | 639,993 | (411,757) | -64.34% |
| Capital Outlay | <u>1,530,094</u> | <u>3,068,403</u> | <u>(1,538,309)</u> | -50.13% |
| Total Expenditures | <u>\$ 133,767,464</u> | <u>\$ 131,067,034</u> | <u>\$ 2,700,430</u> | <u>2.06%</u> |

Total General Fund expenditures increased \$2,700,430 or 2% from the previous year due to salary and other contractual increases. The On-Behalf TPAF funding also increased in 2018/19.

For the fiscal year ended June 30, 2019 General Fund expenses and other financing uses exceeded revenues and other financing sources by \$487,349. After deducting statutory reserves and designations in the amount of \$21,269,966, the unassigned fund balance at June 30, 2019 was in a deficit position of \$4,026,420. This deficit occurs because the State has delayed the District's final state aid payments until July 2019. Had these payments been received prior to June 30, 2019, the District would have ended the year with an unassigned fund balance (Budgetary Basis) of \$2,696,161.

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 \$9,787,938 for the fiscal year ended June 30, 2019. State sources in the amount of \$3,727,878 accounted for 38% of the total revenue and federal sources in the amount of \$5,971,633 accounted for 61% of the total revenue in the special revenue fund. Local sources of \$88,427 accounted for the remaining 1%

Total Special Revenue Fund revenues increased \$108,941 from the previous year. State sources increased \$24,013, Federal sources increased by \$47,604, and local sources increased by \$37,324.

Expenditures of the Special Revenue Fund were \$9,787,938. Instructional expenditures were \$7,996,899 or 82%, expenditures for support services were \$1,774,266 or 18% and capital outlay expenditures totaled \$16,773, for the fiscal year ended June 30, 2019.

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

Capital Projects - The capital projects revenues and other financing sources exceeded expenditures and other financing uses by \$3,134,927 increasing the fund balance from \$2,966,074 at June 30, 2018 to \$6,101,001 at June 30, 2019. The increase was due to the capital reserve funds transferred to capital projects to fund a portion of the District's recently approved \$64 million referendum.

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, 2018 encumbrances.
- Withdrawals from Capital Reserve.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2019 and 2018 amounts to \$58,147,649 and \$58,713,257 (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 2018-2019 amounted to \$2,665,719 for governmental activities and \$4,059 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2019 and 2018.

| | Governmental | | Business- Type | | Total | |
|--------------------------|----------------------|----------------------|-----------------------|------------------|----------------------|----------------------|
| | <u>Activities</u> | | <u>Activities</u> | | | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Land | \$ 4,488,797 | \$ 4,488,797 | | | \$ 4,488,797 | \$ 4,488,797 |
| Construction in Progress | 1,706,179 | 5,625,540 | | | 1,706,179 | 5,625,540 |
| Site Improvements | 1,289,090 | 66,501 | | | 1,289,090 | 66,501 |
| Building | 50,387,296 | 48,254,237 | | | 50,387,296 | 48,254,237 |
| Machinery and Equipment | <u>239,197</u> | <u>237,033</u> | <u>\$ 37,090</u> | <u>\$ 41,149</u> | <u>276,287</u> | <u>278,182</u> |
| Total | <u>\$ 58,110,559</u> | <u>\$ 58,672,108</u> | <u>\$ 37,090</u> | <u>\$ 41,149</u> | <u>\$ 58,147,649</u> | <u>\$ 58,713,257</u> |

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

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

LONG TERM LIABILITIES

At June 30, 2019, the District's long-term liabilities consisted of compensated absences payable of \$7,473,341, serial bonds of \$1,890,000, obligations under lease purchase agreements of \$6,870,878 (including unamortized premium and discount) and net pension liability of \$29,623,322 totaling \$45,857,541. This is in comparison to long-term liabilities at June 30, 2018 of \$53,090,036 or a decrease of \$7,232,495.

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 2018-2019 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 2019-2020. 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, 2019

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|-------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 25,731,140 | \$ 58,454 | \$ 25,789,594 |
| Receivables, Net | 5,497,408 | 193,842 | 5,691,250 |
| Internal Balances | (1,051,090) | 1,051,090 | |
| Other Receivables | 244,093 | | 244,093 |
| Prepaid Items | 398,500 | | 398,500 |
| Other Assets | 20,000 | | 20,000 |
| Inventory | | 28,378 | 28,378 |
| Restricted Assets | | | |
| Cash and Cash Equivalents | 9,051 | | 9,051 |
| Capital Assets | | | |
| Not Being Depreciated | 6,194,976 | | 6,194,976 |
| Being Depreciated, Net | <u>51,915,583</u> | <u>37,090</u> | <u>51,952,673</u> |
| Total Assets | <u>88,959,661</u> | <u>1,368,854</u> | <u>90,328,515</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Amounts on Net Pension Liability | 6,347,668 | | 6,347,668 |
| Deferred Amounts on Refunding of Debt | <u>264,707</u> | <u>-</u> | <u>264,707</u> |
| Total Deferred Outflows of Resources | <u>6,612,375</u> | <u>-</u> | <u>6,612,375</u> |
| Total Assets and Deferred Outflows of Resources | <u>95,572,036</u> | <u>1,368,854</u> | <u>96,940,890</u> |
| LIABILITIES | | | |
| Accounts Payable and Other Current Liabilities | 5,818,631 | 215,242 | 6,033,873 |
| Accrued Interest Payable | 32,371 | | 32,371 |
| Payable to Other Governments | 24,394 | | 24,394 |
| Unearned Revenue | 1,661,475 | | 1,661,475 |
| Noncurrent Liabilities | | | |
| Due Within One Year | 2,377,842 | | 2,377,842 |
| Due Beyond One Year | <u>43,479,699</u> | <u>-</u> | <u>43,479,699</u> |
| Total Liabilities | <u>53,394,412</u> | <u>215,242</u> | <u>53,609,654</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, 2019**

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|----------------------|
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Amounts on Net Pension Liability | \$ 10,041,466 | | \$ 10,041,466 |
| Deferred Commodities Revenue | <u>-</u> | \$ 4,054 | <u>4,054</u> |
| Total Deferred Inflows of Resources | <u>10,041,466</u> | <u>4,054</u> | <u>10,045,520</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>63,435,878</u> | <u>219,296</u> | <u>63,655,174</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 52,144,194 | 37,090 | 52,181,284 |
| Restricted for: | | | |
| Capital Projects | 13,282,002 | | 13,282,002 |
| Other Purposes | 1,300,000 | | 1,300,000 |
| Unrestricted | <u>(34,590,038)</u> | <u>1,112,468</u> | <u>(33,477,570)</u> |
| Total Net Position | <u>\$ 32,136,158</u> | <u>\$ 1,149,558</u> | <u>\$ 33,285,716</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, 2019**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | | <u>Net (Expense) Revenue and Changes in Net Position</u> | | |
|---|-----------------------|---------------------------------|---|---|--|-------------------------------------|----------------------|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
| Governmental Activities: | | | | | | | |
| Instruction: | | | | | | | |
| Regular | \$ 63,644,374 | \$ 4,937,577 | \$ 21,575,084 | | \$ (37,131,713) | | \$ (37,131,713) |
| Special Education | 24,258,879 | | 13,408,725 | | (10,850,154) | | (10,850,154) |
| Other Instruction | 12,010,820 | | 5,851,643 | | (6,159,177) | | (6,159,177) |
| School Sponsored Activities and Athletics | 2,972,354 | | 705,564 | | (2,266,790) | | (2,266,790) |
| Support Services: | | | | | | | |
| Student and Instruction Related Services | 17,933,421 | | 4,188,363 | | (13,745,058) | | (13,745,058) |
| General Administrative Services | 2,743,501 | | 473,185 | | (2,270,316) | | (2,270,316) |
| School Administrative Services | 10,976,374 | | 2,090,122 | | (8,886,252) | | (8,886,252) |
| Plant Operations and Maintenance | 16,010,748 | | 3,345,512 | \$ 8,108 | (12,657,128) | | (12,657,128) |
| Pupil Transportation | 3,863,529 | | 845,210 | | (3,018,319) | | (3,018,319) |
| Business Services | 3,836,790 | | 134,052 | | (3,702,738) | | (3,702,738) |
| Interest on Long-Term Debt | 436,153 | - | - | - | (436,153) | - | (436,153) |
| Total Governmental Activities | 158,686,943 | 4,937,577 | 52,617,460 | 8,108 | (101,123,798) | - | (101,123,798) |
| Business-Type Activities: | | | | | | | |
| Food Service | 2,960,902 | 568,496 | 2,432,586 | - | - | \$ 40,180 | 40,180 |
| Total Business-Type Activities | 2,960,902 | 568,496 | 2,432,586 | - | - | 40,180 | 40,180 |
| Total Primary Government | \$ 161,647,845 | \$ 5,506,073 | \$ 55,050,046 | \$ 8,108 | (101,123,798) | 40,180 | (101,083,618) |
| General Revenues | | | | | | | |
| Property Taxes | | | | | | | |
| Levied for General Purposes | | | | | 49,895,435 | | 49,895,435 |
| Levied for Debt Service | | | | | 1,529,144 | | 1,529,144 |
| State Aid - Unrestricted | | | | | 51,877,191 | | 51,877,191 |
| State Aid - Restricted for Debt Service | | | | | 530,716 | | 530,716 |
| Investment Earnings | | | | | 471,909 | 4,216 | 476,125 |
| Miscellaneous Income | | | | | 413,352 | - | 413,352 |
| Total General Revenues and Other Items | | | | | 104,717,747 | 4,216 | 104,721,963 |
| Change in Net Position | | | | | 3,593,949 | 44,396 | 3,638,345 |
| Net Position-Beginning of Year | | | | | 28,542,209 | 1,105,162 | 29,647,371 |
| Net Position-End of Year | | | | | \$ 32,136,158 | \$ 1,149,558 | \$ 33,285,716 |

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, 2019**

| | <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 | \$ 20,881,347 | | \$ 4,849,793 | | \$ 25,731,140 |
| Receivables From Other Governments | 1,450,829 | \$ 1,974,320 | 2,072,259 | | 5,497,408 |
| Prepaid Items | 398,500 | | | | 398,500 |
| Other Assets | 20,000 | | | | 20,000 |
| Due From Other Funds | 339,127 | | | | 339,127 |
| Restricted Assets: | | | | | |
| Cash and Cash Equivalents with Fiscal Agent | - | - | - | \$ 9,051 | 9,051 |
| Total Assets | <u>\$ 23,089,803</u> | <u>\$ 1,974,320</u> | <u>\$ 6,922,052</u> | <u>\$ 9,051</u> | <u>\$ 31,995,226</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 4,775,667 | \$ 809,653 | \$ 213,811 | | \$ 5,799,131 |
| Unearned Revenue | | 1,054,235 | 607,240 | | 1,661,475 |
| Payables to Other Governments | | 24,394 | | | 24,394 |
| Other Payables | 19,500 | | | | 19,500 |
| Due To Other Funds | 1,051,090 | 86,038 | - | \$ 8,996 | 1,146,124 |
| Total Liabilities | <u>5,846,257</u> | <u>1,974,320</u> | <u>821,051</u> | <u>8,996</u> | <u>8,650,624</u> |
| Fund Balances: | | | | | |
| Nonspendable | | | | | |
| Prepays | 398,500 | | | | 398,500 |
| Restricted | | | | | |
| Capital Reserve | 8,433,216 | | | | 8,433,216 |
| Capital Reserve-Designated for Subsequent Year's Budget | 222,000 | | | | 222,000 |
| Maintenance Reserve | 1,000,000 | | | | 1,000,000 |
| Maintenance Reserve -Designated for Subsequent Year's Budget | 300,000 | | | | 300,000 |
| Emergency Reserve | 598,500 | | | | 598,500 |
| Excess Surplus | 1,108,696 | | | | 1,108,696 |
| Excess Surplus - Designated for Subsequent Year's Budget | 1,104,475 | | | | 1,104,475 |
| Capital Projects Fund | | | 5,443,768 | | 5,443,768 |
| Debt Service | | | 657,233 | 55 | 657,288 |
| Committed | | | | | |
| Encumbrances | 1,313,238 | | | | 1,313,238 |
| Assigned | | | | | |
| Designated for Subsequent Year's Budget | 4,903,089 | | | | 4,903,089 |
| Encumbrances | 1,888,252 | | | | 1,888,252 |
| Unassigned | | | | | |
| General Fund | (4,026,420) | - | - | - | (4,026,420) |
| Total Fund Balances | <u>17,243,546</u> | <u>-</u> | <u>6,101,001</u> | <u>55</u> | <u>23,344,602</u> |
| Total Liabilities and Fund Balances | <u>\$ 23,089,803</u> | <u>\$ 1,974,320</u> | <u>\$ 6,922,052</u> | <u>\$ 9,051</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 \$96,013,235 and the accumulated depreciation is \$37,902,676.

58,110,559

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

(32,371)

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)

(49,286,632)

Net Position of Governmental Activities

\$ 32,136,158

**NORTH BERGEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | <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 | \$ 49,895,435 | | | \$ 1,529,144 | \$ 51,424,579 |
| Tuition | 4,937,577 | | | | 4,937,577 |
| Interest | 471,909 | | | | 471,909 |
| Miscellaneous | 413,352 | \$ 88,427 | - | - | 501,779 |
| Total - Local Sources | <u>55,718,273</u> | <u>88,427</u> | <u>-</u> | <u>1,529,144</u> | <u>57,335,844</u> |
| State Sources | 80,858,977 | 3,727,878 | \$ 8,108 | 530,716 | 85,125,679 |
| Federal Sources | 405,955 | 5,971,633 | - | - | 6,377,588 |
| Total Revenues | <u>136,983,205</u> | <u>9,787,938</u> | <u>8,108</u> | <u>2,059,860</u> | <u>148,839,111</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Instruction | | | | | |
| Regular Instruction | 53,228,255 | 3,278,463 | | | 56,506,718 |
| Special Education Instruction | 20,393,496 | 1,709,174 | | | 22,102,670 |
| Other Instruction | 7,902,667 | 3,009,262 | | | 10,911,929 |
| School Sponsored Activities and Athletics | 2,700,922 | | | | 2,700,922 |
| Support Services | | | | | |
| Student and Instruction Related Services | 15,228,391 | 1,355,658 | | | 16,584,049 |
| General Administrative Services | 2,544,814 | | 1,240 | | 2,546,054 |
| School Administrative Services | 9,929,095 | | | | 9,929,095 |
| Plant Operations and Maintenance | 12,657,098 | 367,929 | 17,728 | | 13,042,755 |
| Pupil Transportation | 3,797,075 | 50,679 | | | 3,847,754 |
| Business Services | 3,627,321 | | | | 3,627,321 |
| Debt Service | | | | | |
| Principal | 135,000 | | | 1,685,000 | 1,820,000 |
| Interest and Other Charges | 93,236 | | | 379,865 | 473,101 |
| Capital Outlay | 1,530,094 | 16,773 | 557,303 | - | 2,104,170 |
| Total Expenditures | <u>133,767,464</u> | <u>9,787,938</u> | <u>576,271</u> | <u>2,064,865</u> | <u>146,196,538</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>3,215,741</u> | <u>-</u> | <u>(568,163)</u> | <u>(5,005)</u> | <u>2,642,573</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | 1,254,910 | | 4,958,000 | | 6,212,910 |
| Transfers Out | <u>(4,958,000)</u> | <u>-</u> | <u>(1,254,910)</u> | <u>-</u> | <u>(6,212,910)</u> |
| Total Other Financing Sources (Uses) | <u>(3,703,090)</u> | <u>-</u> | <u>3,703,090</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | (487,349) | - | 3,134,927 | (5,005) | 2,642,573 |
| Fund Balance, Beginning of Year | <u>17,730,895</u> | <u>-</u> | <u>2,966,074</u> | <u>5,060</u> | <u>20,702,029</u> |
| Fund Balance, End of Year | <u>\$ 17,243,546</u> | <u>\$ -</u> | <u>\$ 6,101,001</u> | <u>\$ 55</u> | <u>\$ 23,344,602</u> |

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

**NORTH BERGEN BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 2,642,573**

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

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

| | | |
|----------------------|--------------------|-----------|
| Capital Outlay | \$ 2,104,170 | |
| Depreciation Expense | <u>(2,665,719)</u> | (561,549) |

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 | 235,000 | |
| Amortization | | |
| Deferred Charge on Refunding | (2,489) | |
| Certificates of Participation | 1,450,000 | |
| Amortization | | |
| Premium | 115,835 | |
| Discount | (3,005) | |
| Deferred Charge on Refunding | (77,516) | |
| Sales/Leaseback Obligations | <u>135,000</u> | 1,852,825 |

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 | | (476,324) |
|---|--|-----------|

| | | |
|---|--|-------|
| 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. | | 4,123 |
|---|--|-------|

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>132,301</u> |
|----------------------|--|----------------|

| | | |
|---|--|----------------------------|
| Change in Net Position of Governmental Activities (Exhibit A-2) | | <u>\$ 3,593,949</u> |
|---|--|----------------------------|

**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2019**

ASSETS

| | |
|------------------------------|------------------|
| Cash | \$ 58,454 |
| Intergovernmental Receivable | |
| State | 2,921 |
| Federal | 190,921 |
| Inventories | 28,378 |
| Due from Other Funds | <u>1,051,090</u> |
| Total Current Assets | <u>1,331,764</u> |
| Capital Assets | |
| Equipment | 151,705 |
| Accumulated Depreciation | <u>(114,615)</u> |
| Total Capital Assets, Net | <u>37,090</u> |
| Total Assets | <u>1,368,854</u> |

LIABILITIES

| | |
|---------------------------|----------------|
| Current Liabilities | |
| Accounts Payable | <u>215,242</u> |
| Total Current Liabilities | <u>215,242</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|---|----------------|
| Deferred Commodities Revenue | <u>4,054</u> |
| Total Deferred Inflows of Resources | <u>4,054</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>219,296</u> |

NET POSITION

| | |
|----------------------------------|---------------------|
| Net Investment in Capital Assets | 37,090 |
| Unrestricted | <u>1,112,468</u> |
| Total Net Position | <u>\$ 1,149,558</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, 2019**

OPERATING REVENUES

| | |
|------------------------------|--------------------|
| Local Sources | |
| Daily Sales | |
| Reimbursable Programs | \$ 16,753 |
| Non-Reimbursable Programs | 539,495 |
| Special Functions | <u>12,248</u> |
| Total Operating Revenues | <u>568,496</u> |

OPERATING EXPENSES

| | |
|------------------------------|----------------------|
| Salaries and Wages | 1,445,538 |
| Employee Benefits | 14,933 |
| Cost of Sales | |
| Reimbursable Programs | 889,198 |
| Non-Reimbursable Programs | 167,882 |
| Other Purchased Services | 363,398 |
| Supplies and Materials | 75,894 |
| Depreciation | <u>4,059</u> |
| Total Operating Expenses | <u>2,960,902</u> |

| | |
|-------------------------|--------------------|
| Operating Income (Loss) | <u>(2,392,406)</u> |
|-------------------------|--------------------|

NONOPERATING REVENUES

| | |
|--|----------------------|
| State Sources | |
| State School Lunch Program | 29,218 |
| Federal Sources | |
| School Breakfast Program | 517,352 |
| National School Lunch Program | 1,689,764 |
| Special Milk Program | 5,246 |
| After School Snack Program | 15,466 |
| Food Distribution Program (USDA Commodities) | 175,540 |
| Interest Income | <u>4,216</u> |
| Total Nonoperating Revenues | <u>2,436,802</u> |

| | |
|------------------------|--------|
| Change in Net Position | 44,396 |
|------------------------|--------|

| | |
|---------------------------------|------------------|
| Net Position, Beginning of Year | <u>1,105,162</u> |
|---------------------------------|------------------|

| | |
|---------------------------|---------------------|
| Net Position, End of Year | <u>\$ 1,149,558</u> |
|---------------------------|---------------------|

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, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|--------------------|
| Cash Received from Customers | \$ 568,496 |
| Cash Payments for Salaries & Benefits | (1,460,471) |
| Cash Payments to Suppliers for Goods and Services | <u>(1,177,535)</u> |
| Net Cash (Used) by Operating Activities | <u>(2,069,510)</u> |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

| | |
|---|------------------|
| Cash Received for Interfund Transactions | (447,565) |
| Cash Received from State and Federal Subsidy Reimbursements | <u>2,523,985</u> |
| Net Cash Provided by Noncapital Financing Activities | <u>2,076,420</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|--|------------------|
| Interest Received on Deposits | <u>4,216</u> |
| Net Cash Provided by Investing Activities | <u>4,216</u> |
| Net Change in Cash and Cash Equivalents | 11,126 |
| Cash and Cash Equivalents, Beginning of Year | <u>47,328</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 58,454</u> |

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

| | |
|--|-----------------------|
| Operating Income (Loss) | <u>\$ (2,392,406)</u> |
| Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities | |
| Depreciation | 4,059 |
| Non-Cash Federal Assistance-Food Distribution Program | 175,540 |
| Change in Assets and Liabilities | |
| (Increase)/Decrease in Accounts Receivable | 601 |
| Increase/(Decrease) in Accounts Payable | 139,448 |
| (Increase)/Decrease in Inventory | 5,752 |
| Increase/(Decrease) in Deferred Commodities Revenue | <u>(2,504)</u> |
| Total Adjustments | <u>322,896</u> |
| Net Cash (Used) by Operating Activities | <u>\$ (2,069,510)</u> |
| Non-Cash Investing, Capital and Financing Activities | |
| Value Received - Food Distribution Program | <u>\$ 173,036</u> |

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

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2019**

| | <u>Unemployment Compensation Trust</u> | <u>Agency Fund</u> |
|---|--|---------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 1,060,709 | \$ 4,345,661 |
| Accounts Receivable | 97,213 | |
| Due From Other Funds | <u>145,228</u> | <u>-</u> |
| Total Assets | <u>1,303,150</u> | <u>\$ 4,345,661</u> |
| LIABILITIES | | |
| Payroll Deductions and Withholdings | | \$ 50,669 |
| Accrued Salaries and Wages | | 3,596,802 |
| Intergovernmental Payable | 6,386 | |
| Accounts Payable | | 10,101 |
| Due to Student Groups | | 298,768 |
| Due to Other Funds | <u>-</u> | <u>389,321</u> |
| Total Liabilities | <u>6,386</u> | <u>\$ 4,345,661</u> |
| NET POSITION | | |
| Held in Trust for Unemployment Compensation Claims | <u>\$ 1,296,764</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, 2019**

| | <u>Unemployment Compensation Trust</u> |
|---------------------------------|--|
| ADDITIONS | |
| Employee Deductions | \$ 112,801 |
| Interest Income | 20,783 |
| | <hr/> |
| Total Additions | 133,584 |
| | <hr/> |
| DEDUCTIONS | |
| Unemployment Claims | 39,370 |
| | <hr/> |
| Total Deductions | 39,370 |
| | <hr/> |
| Change in Net Position | 94,214 |
| Net Position, Beginning of Year | 1,202,550 |
| | <hr/> |
| Net Position, End of Year | \$ 1,296,764 |
| | <hr/> <hr/> |

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, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The North Bergen Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials from the Township of North Bergen and one appointed representative from the Guttenberg Board of Education. The Board is responsible for the fiscal control of the District. A superintendent 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 2019, the District adopted the following GASB statement:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. 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.

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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- 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. 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.

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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

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

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

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

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

Additionally, the government reports the following fund types:

The *fiduciary trust funds* are 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 repayment of 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 |
| Office Equipment and Furniture | 5-15 |
| Computer Equipment | 5 |

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to 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.

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. 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. The District does not have accumulated vacation and sick leave in its Proprietary Fund. 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Pensions*

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

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

10. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Position/Fund Balance (Continued)

Governmental Fund Statements

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

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

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

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

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

Capital Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2019/2020 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. (See Note 3D).

Maintenance Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that is required to be appropriated in the 2020/2021 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, 2018 audited excess surplus that was appropriated in the 2019/2020 original budget certified for taxes.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

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

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

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 2019/2020 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. Fund Balance Policies (Continued)

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.

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 2017-2018 and 2018-2019 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, 2019**

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the district-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable and the deferred amounts on net pension liability, 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 | \$ 1,890,000 |
| Deferred Amount on Refunding | (17,427) |
| Certificates of Participation (COPS) | 6,495,000 |
| Deferred Amount on Refunding | (247,280) |
| Unamortized Issuance Premium | 375,878 |
| Compensated Absences | 7,473,341 |
| Net Pension Liability | 29,623,322 |
| Deferred Amounts on Net Pension Liability | |
| Deferred Outflows | (6,347,668) |
| Deferred Inflows | <u>10,041,466</u> |
| Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities | <u>\$ 49,286,632</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 2018/2019. Also, during 2018/2019 the Board increased the original General Fund budget by \$6,996,031 and the Special Revenue Fund budget by \$125,276. The increase was funded by grant awards, the reappropriation of prior year general fund encumbrances and withdrawals from capital reserve.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 \$4,026,420 in the General Fund as of June 30, 2019 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 2018/2019 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 \$4,026,420 in the General Fund is less than the delayed state aid payments at June 30, 2019.

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, 2019**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2019 is as follows:

| | | |
|--|------------------|---------------------|
| Balance, July 1, 2018 | | \$ 11,903,685 |
| Increased by | | |
| Deposit by Board Resolution - June 2019 | \$ 3,025,000 | |
| Amount Restored to Capital Reserve - Capital Projects | 1,254,910 | |
| Amount Restored to Capital Reserve - Excess Proceeds | <u>4,621</u> | |
| | | <u>4,284,531</u> |
| | | 16,188,216 |
| Decreased by | | |
| Budgeted Withdrawal in 2018-2019 Budget | 2,500,000 | |
| Withdrawal by Resolution | 75,000 | |
| Approved Withdrawal for Referendum | <u>4,958,000</u> | |
| | | <u>7,533,000</u> |
| Balance, June 30, 2019 | | <u>\$ 8,655,216</u> |
| <u>Analysis of Restricted for Capital Reserve, June 30, 2019</u> | | |
| Capital Reserve | | \$ 8,433,216 |
| Capital Reserve - Designated for Subsequent Year's Budget | | <u>222,000</u> |
| | | <u>\$ 8,655,216</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, 2019**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2019 is as follows:

| | |
|---|---------------------|
| Balance, July 1, 2018 | \$ 1,600,000 |
| Decreased by | |
| Budgeted Withdrawal in 2018-2019 Budget | <u>300,000</u> |
| Balance, June 30, 2019 | <u>\$ 1,300,000</u> |

Analysis of Restricted for Maintenance Reserve, June 30, 2019

| | |
|---|---------------------|
| Maintenance Reserve | \$ 1,000,000 |
| Maintenance Reserve - Designated for Subsequent Year's Budget | <u>300,000</u> |
| | <u>\$ 1,300,000</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, 2019 is as follows:

| | |
|---|-------------------|
| Balance, July 1, 2018 | \$ 1,000,000 |
| Decreased by | |
| Budgeted Withdrawal in 2018-2019 Budget | <u>401,500</u> |
| Balance, June 30, 2019 | <u>\$ 598,500</u> |

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

F. 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, 2019 is \$2,213,171. Of this amount, \$1,104,475 was designated and appropriated in the 2019/2020 original budget certified for taxes and the remaining amount of \$1,108,696 will be appropriated in the 2020/2021 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, 2019, the book value of the Board's deposits were \$31,205,015 and bank and brokerage firm balances of the Board’s deposits amounted to \$34,050,928. 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>\$ 34,050,928</u> |

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2019 none of the Board’s bank balances were exposed to custodial credit risk.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

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, 2019, 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, 2019 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 | | | | | \$ 97,213 | \$ 97,213 |
| Intergovernmental- | | | | | | |
| Federal | | \$ 1,951,610 | | \$ 190,921 | | 2,142,531 |
| State | \$ 295,245 | | \$ 2,072,259 | 2,921 | | 2,370,425 |
| Local | <u>1,155,584</u> | <u>22,710</u> | - | - | - | <u>1,178,294</u> |
| Gross Receivables | 1,450,829 | 1,974,320 | 2,072,259 | 193,842 | 97,213 | 5,788,463 |
| Less: Allowance for Uncollectibles | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Total Receivables | <u>\$ 1,450,829</u> | <u>\$ 1,974,320</u> | <u>\$ 2,072,259</u> | <u>\$ 193,842</u> | <u>\$ 97,213</u> | <u>\$ 5,788,463</u> |

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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> |
|---|-------------------------|
| Special Revenue Fund | |
| Unencumbered Grant Draw Downs | 1,007,133 |
| Grant Draw Downs Reserved for Encumbrances | 47,102 |
| Capital Projects Fund | |
| Unrealized School Facilities Grant | <u>607,240</u> |
| Total Unearned Revenue for Governmental Funds | <u>\$ 1,661,475</u> |

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

| | <u>Balance</u> <u>July 1, 2018</u> | <u>Increases</u> | <u>Transfers</u> | <u>Balance</u> <u>June 30, 2019</u> |
|--|---------------------------------------|---------------------|--------------------|--|
| Governmental Activities: | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 4,488,797 | | | \$ 4,488,797 |
| Construction in Progress | <u>5,625,540</u> | \$ 2,024,654 | \$ (5,944,015) | <u>1,706,179</u> |
| Total Capital Assets, Not Being Depreciated | <u>10,114,337</u> | <u>2,024,654</u> | <u>(5,944,015)</u> | <u>6,194,976</u> |
| Capital Assets, Being Depreciated: | | | | |
| Buildings | 80,742,270 | | 4,651,376 | 85,393,646 |
| Site Improvements | 141,712 | | 1,292,639 | 1,434,351 |
| Machinery and Equipment | <u>2,910,746</u> | <u>79,516</u> | <u>-</u> | <u>2,990,262</u> |
| Total Capital Assets Being Depreciated | <u>83,794,728</u> | <u>79,516</u> | <u>5,944,015</u> | <u>89,818,259</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings | (32,488,033) | (2,518,317) | | (35,006,350) |
| Site Improvements | (75,211) | (70,050) | | (145,261) |
| Machinery and Equipment | <u>(2,673,713)</u> | <u>(77,352)</u> | <u>-</u> | <u>(2,751,065)</u> |
| Total Accumulated Depreciation | <u>(35,236,957)</u> | <u>(2,665,719)</u> | <u>-</u> | <u>(37,902,676)</u> |
| Total Capital Assets, Being Depreciated, net | <u>48,557,771</u> | <u>(2,586,203)</u> | <u>5,944,015</u> | <u>51,915,583</u> |
| Governmental Activities Capital Assets, net | <u>\$ 58,672,108</u> | <u>\$ (561,549)</u> | <u>\$ -</u> | <u>\$ 58,110,559</u> |

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

| | Balance <u>July 1, 2018</u> | <u>Increases</u> | <u>Decreases</u> | Balance <u>June 30, 2019</u> |
|--|--------------------------------|-------------------|------------------|---------------------------------|
| Business-Type Activities: | | | | |
| Capital Assets, Being Depreciated: | | | | |
| Machinery and Equipment | \$ 151,705 | - | - | \$ 151,705 |
| Total Capital Assets Being Depreciated | <u>151,705</u> | <u>-</u> | <u>-</u> | <u>151,705</u> |
| Less Accumulated Depreciation for: | | | | |
| Machinery and Equipment | (110,556) | \$ (4,059) | - | (114,615) |
| Total Accumulated Depreciation | <u>(110,556)</u> | <u>(4,059)</u> | <u>-</u> | <u>(114,615)</u> |
| Total Capital Assets, Being Depreciated, net | <u>41,149</u> | <u>(4,059)</u> | <u>-</u> | <u>37,090</u> |
| Business-Type Activities Capital Assets, net | <u>\$ 41,149</u> | <u>\$ (4,059)</u> | <u>\$ -</u> | <u>\$ 37,090</u> |

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

| | |
|---|---------------------|
| Governmental Activities: | |
| Instruction | |
| Regular | \$ 13,055 |
| Total Instruction | <u>13,055</u> |
| Support Services | |
| Support Services-Students and Instruction Related | 14,416 |
| General Administration | 7,551 |
| School Administration | 27,188 |
| Operations and Maintenance of Plant | <u>2,603,509</u> |
| Total Support Services | <u>2,652,664</u> |
| Total Governmental Funds | <u>\$ 2,665,719</u> |
| Business-Type Activities: | |
| Food Service Fund | <u>\$ 4,059</u> |

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019:

| <u>Project</u> | <u>Remaining Commitment</u> |
|--|---------------------------------|
| Referendum Project -North Bergen High School (West) | \$ 1,350,000 |
| Referendum Project - North Bergen High School (East) | 250,000 |
| New Exterior Doors and Roof/Masonry - McKinley | 445,000 |
| New Exterior and Interior Doors - Lincoln | <u>167,217</u> |
| Total | <u>\$ 2,212,217</u> |

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, is as follows:

Due To/From Other Funds

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|--------------------------------------|----------------------|-------------------------|
| General Fund | Special Revenue Fund | \$ 86,038 |
| General Fund | Debt Service Fund | 8,996 |
| General Fund | Payroll Agency Fund | 244,093 |
| Food Service Enterprise Fund | General Fund | 1,051,090 |
| Unemployment Compensation Trust Fund | Payroll Agency Fund | <u>145,228</u> |
| Total | | <u>\$ 1,535,445</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, 2019**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund Transfers

| <u>Transfer Out</u> | <u>General Fund</u> | <u>Transfer In Capital Projects Fund</u> | <u>Total</u> |
|-----------------------|-------------------------|--|---------------------|
| General Fund | | \$ 4,958,000 | \$ 4,958,000 |
| Capital Projects Fund | \$ 1,254,910 | - | 1,254,910 |
| | <u>\$ 1,254,910</u> | <u>\$ 4,958,000</u> | <u>\$ 6,212,910</u> |

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

F. Leases

Operating Leases

The District previously entered into a contract for a textbook sale/leaseback totaling \$2,535,000. The contract was issued to finance the acquisition and improvement of school property. The contract was for a term of five year and ended in the 2018/19 school year. Lease payments for the fiscal year ended June 30, 2019 were \$135,000.

Lease Purchase Agreements

The District has entered into lease purchase agreements and issued certificates of participation (“COPS”). Refunding “COPS” were issued in 2010 and 2016. Information on the “COPS” is as follows:

| <u>Series</u> | <u>Date of Issuance</u> | <u>Certificates Issued</u> | <u>Lessor</u> | <u>Agent</u> |
|---------------------------------|-----------------------------|--------------------------------|------------------|---------------------|
| Improvements to Various Schools | 8/1/1998 | \$ 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 the balances and unexpended costs of issuance balances totaling \$9,051 remain on deposit with the respective agents.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 June 30, | <u>Certificates of Participation</u> | | <u>Total</u> |
|----------------------------------|--------------------------------------|-------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 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>\$ 6,495,000</u> | <u>\$ 531,300</u> | <u>\$ 7,026,300</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 and other purposes permitted by statute. 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, 2019 are comprised of the following issues:

\$3,225,000, Pension Obligation Refunding Bonds, due in annual installments of \$240,000 to \$300,000 through April 1, 2026, interest at 3.719% to 5.054% \$1,890,000

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

Governmental Activities:

| Fiscal Year Ending June 30, | <u>Serial Bonds</u> | | <u>Total</u> |
|-----------------------------------|---------------------|-------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 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 |
| 2024 | 285,000 | 43,464 | 328,464 |
| 2025-2026 | <u>575,000</u> | <u>42,959</u> | <u>617,959</u> |
| | <u>\$ 1,890,000</u> | <u>\$ 372,840</u> | <u>\$ 2,262,840</u> |

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2019 was as follows:

| | |
|---|-----------------------|
| 4% of Equalized Valuation Basis (Municipal) | \$ 241,826,950 |
| Less: Net Debt | <u>60,000,000</u> |
| Remaining Borrowing Power | <u>\$ 181,826,950</u> |

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2019, was as follows:

| | Balance <u>July 1, 2018</u> | <u>Additions</u> | <u>Reductions</u> | Balance <u>June 30, 2019</u> | Due Withim <u>One Year</u> |
|-----------------------------------|--------------------------------|------------------|---------------------|---------------------------------|-------------------------------|
| Governmental Activities: | | | | | |
| Obligations Under Lease- | | | | | |
| Purchase Agreement | \$ 7,945,000 | | \$ 1,450,000 | \$ 6,495,000 | \$ 1,540,000 |
| Add: Unamortized Premium | 491,713 | | 115,835 | 375,878 | |
| Less: Unamortized Discount | <u>(3,005)</u> | <u>-</u> | <u>(3,005)</u> | <u>-</u> | <u>-</u> |
| | 8,433,708 | - | 1,562,830 | 6,870,878 | 1,540,000 |
| Bonds Payable | <u>2,125,000</u> | <u>-</u> | <u>235,000</u> | <u>1,890,000</u> | <u>240,000</u> |
| | 2,125,000 | - | 235,000 | 1,890,000 | 240,000 |
| Obligations Under Sales/Leaseback | 135,000 | | 135,000 | - | |
| Compensated Absences Payable | 7,605,642 | | 132,301 | 7,473,341 | 597,842 |
| Net Pension Liability | <u>34,790,686</u> | <u>-</u> | <u>5,167,364</u> | <u>29,623,322</u> | <u>-</u> |
| | <u>\$ 53,090,036</u> | <u>\$ -</u> | <u>\$ 7,232,495</u> | <u>\$ 45,857,541</u> | <u>\$ 2,377,842</u> |

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

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board is a member of the New Jersey School Insurance Group – North Jersey Educational Insurance Fund (the “Fund”). 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 funds. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

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

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

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

| <u>Year Ended</u> <u>June 30,</u> | <u>Employee</u> <u>Contributions</u> | <u>Amount</u> <u>Reimbursed</u> | <u>Ending</u> <u>Balance</u> |
|--------------------------------------|---|------------------------------------|---------------------------------|
| 2019 | \$ 112,801 | \$ 39,370 | \$ 1,296,764 |
| 2018 | 110,239 | 92,313 | 1,202,550 |
| 2017 | 110,876 | 71,674 | 1,176,986 |

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, 2019, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2019, the District has not estimated its arbitrage earnings due to the IRS, if any.

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 Board employees who are eligible for pension coverage:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, 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. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage 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, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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.

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 |

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

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 and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits (“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.

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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

Actuarial Methods and Assumptions

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

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 members 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 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2019.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer 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. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

| Fiscal Year Ended June 30, | <u>PERS</u> | On-Behalf <u>TPAF</u> | <u>DCRP</u> |
|----------------------------------|--------------|--------------------------|-------------|
| 2019 | \$ 1,496,515 | \$ 10,626,282 | \$ 5,748 |
| 2018 | 1,384,539 | 8,022,614 | 6,571 |
| 2017 | 1,336,647 | 5,919,633 | 7,138 |

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$6,799, \$18,797 and \$7,317, respectively for PERS and the State contributed \$10,743, \$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 \$4,108,435 during the fiscal year ended June 30, 2019 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

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. 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 measurement period July 1, 2017 through June 30, 2018. 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 (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) 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, 2018 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$29,623,322 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 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 the District’s share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District’s proportionate share was .15045 percent, which was an increase of .001 percent from its proportionate share measured as of June 30, 2017 of .14945 percent.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,972,839 for PERS. The pension contribution made by the District during the current 2018/2019 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, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. 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, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, 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 | \$ 564,921 | \$ 152,747 |
| Changes of Assumptions | 4,881,433 | 9,471,963 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | | 277,868 |
| Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions | <u>901,314</u> | <u>138,888</u> |
| Total | <u>\$ 6,347,668</u> | <u>\$ 10,041,466</u> |

At June 30, 2019, 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:

| <u>Year Ending June 30,</u> | <u>Total</u> |
|-------------------------------------|-----------------------|
| 2020 | \$ 500,487 |
| 2021 | 19,484 |
| 2022 | (1,917,543) |
| 2023 | (1,752,393) |
| 2024 | (543,833) |
| Thereafter | <u>-</u> |
| | <u>\$ (3,693,798)</u> |

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2017 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, 2019**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------------|--------------------------|---|
| Risk Mitigation Strategies | 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% |
| 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> |
|--------------------|-------------------------|----------------------|
| 2019 | June 30, 2018 | 5.66% |
| 2018 | June 30, 2017 | 5.00% |

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. 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, 2018, 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, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$19,725,378 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the net pension liability attributable to the District is \$338,362,968. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the State's share of the net pension liability attributable to the District was .53187 percent, which was an increase of .00559 percent from its proportionate share measured as of June 30, 2017 of .52628 percent.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

| | |
|---------------------------|------------|
| Inflation Rate | 2.25% |
| Salary Increases: | |
| 2011-2026 | 1.55-4.55% |
| Thereafter | 2.00-5.45% |
| Investment Rate of Return | 7.00% |
| Mortality Rate Table | RP-2006 |

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, 2017 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, 2019**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Risk Mitigation Strategies | 5.00% | 5.51% |
| Cash Equivalents | 5.50% | 1.00% |
| U.S. Treasuries | 3.00% | 1.87% |
| Investment Grade Credit | 10.00% | 3.78% |
| 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, 2019**

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> |
|--------------------|-------------------------|----------------------|
| 2019 | June 30, 2018 | 4.86% |
| 2018 | June 30, 2017 | 4.25% |

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, 2040 |
| Municipal Bond Rate * | From July 1, 2040 and Thereafter |

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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 4.86%, 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 (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

| | 1% Decrease (3.86%) | Current Discount Rate (4.86%) | 1% Increase (5.86%) |
|--|------------------------------------|--|------------------------------------|
| State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District | <u>\$ 399,938,603</u> | <u>\$ 338,362,968</u> | <u>\$ 287,318,267</u> |

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 for the fiscal year ended June 30, 2018. 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 Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. 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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of 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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

| | |
|---|--------------------|
| Active Plan Members | 217,131 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 145,050 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | <u> -</u> |
| Total | <u>362,181</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.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$4,820,064, \$5,181,636 and \$4,932,401, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan 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.

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 Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. 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 measurement period July 1, 2017 through June 30, 2018. 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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$9,162,749. 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, 2019 the State’s proportionate share of the OPEB liability attributable to the District is \$186,170,673. 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, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state’s share of the OPEB liability attributable to the District was .40 percent, which was no change from its proportionate share measured as of June 30, 2017 of .40 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. 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 | Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. |
| 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.

The actuarial assumptions used in the June 30, 2017 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.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight 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 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven 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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

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, 2018.

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> |
|--------------------|-------------------------|----------------------|
| 2019 | June 30, 2018 | 3.87% |
| 2018 | June 30, 2017 | 3.58% |

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.

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, 2019 (measurement date June 30, 2018) is as follows:

| | <u>Total OPEB Liability (State Share 100%)</u> |
|--|--|
| Balance, June 30, 2017 Measurement Date | \$ 214,957,613 |
| Changes Recognized for the Fiscal Year: | |
| Service Cost | 8,379,228 |
| Interest on the Total OPEB Liability | 7,910,186 |
| Differences Between Expected and Actual Experience | (18,906,253) |
| Changes of Assumptions | (21,364,016) |
| Gross Benefit Payments | (4,978,137) |
| Member Contributions | 172,052 |
| Net Changes | <u>\$ (28,786,940)</u> |
| Balance, June 30, 2018 Measurement Date | <u>\$ 186,170,673</u> |

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

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, 2018. 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, 2018 was not provided by the pension system.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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 3.87%, 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 (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

| | 1% Decrease <u>(2.87%)</u> | Current Discount Rate <u>(3.87%)</u> | 1% Increase <u>(4.87%)</u> |
|--|---|---|---|
| State's Proportionate Share of the OPEB Liability Attributable to the District | \$ <u>220,091,633</u> | \$ <u>186,170,673</u> | \$ <u>159,207,012</u> |

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:

| | 1% Decrease | Healthcare Cost Trend Rates | 1% Increase |
|--|------------------------|--|------------------------|
| Total OPEB Liability (School Retirees) | \$ <u>153,880,904</u> | \$ <u>186,170,673</u> | \$ <u>228,875,128</u> |

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

F. Subsequent Events

On December 19, 2019, the District adopted a resolution authorizing the sale of \$20,000,000 School Bonds to finance a portion of the referendum approved by the voters of the District on December 11, 2018. As of the date of this report, the Board has not awarded the sale of the Bonds.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

G. Tax Abatements

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

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | <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 | \$ 49,895,435 | | \$ 49,895,435 | \$ 49,895,435 | |
| Tuition | | | | | |
| LEA's | 5,226,100 | | 5,226,100 | 4,928,526 | \$ (297,574) |
| Summer School | 70,000 | | 70,000 | 9,051 | (60,949) |
| Interest on Capital Reserve | 5,500 | | 5,500 | | (5,500) |
| Interest on Emergency Reserve | 1,500 | | 1,500 | | (1,500) |
| Interest on Maintenance Reserve | 3,000 | | 3,000 | | (3,000) |
| Interest | | | | 471,909 | 471,909 |
| Miscellaneous | 500,000 | - | 500,000 | 413,352 | (86,648) |
| Total Local Sources | <u>55,701,535</u> | <u>-</u> | <u>55,701,535</u> | <u>55,718,273</u> | <u>16,738</u> |
| State Sources | | | | | |
| Special Education Aid | 5,808,963 | | 5,808,963 | 5,808,963 | - |
| Equalization Aid | 51,895,086 | | 51,895,086 | 51,895,086 | |
| Security Aid | 2,787,698 | | 2,787,698 | 2,787,698 | |
| Transportation Aid | 747,436 | | 747,436 | 747,436 | |
| Extraordinary Aid | 400,000 | | 400,000 | 619,582 | 219,582 |
| Non-Public Transportation Aid | | | | 93,380 | 93,380 |
| TPAF On Behalf | | | | | |
| NCGI Premium | | | | 217,875 | 217,875 |
| Pension Contribution | | | | 10,408,407 | 10,408,407 |
| Long Term Disability Insurance | | | | 10,743 | 10,743 |
| Post Retirement | | | | 4,820,064 | 4,820,064 |
| Social Security Contribution | - | - | - | 4,108,435 | 4,108,435 |
| Total State Source | <u>61,639,183</u> | <u>-</u> | <u>61,639,183</u> | <u>81,517,669</u> | <u>19,878,486</u> |
| Federal Sources | | | | | |
| Medicaid Administrative (MAC) | | | | 63,139 | 63,139 |
| Medicaid Reimbursement Program | 274,848 | - | 274,848 | 342,816 | 67,968 |
| Total Federal Sources | <u>274,848</u> | <u>-</u> | <u>274,848</u> | <u>405,955</u> | <u>131,107</u> |
| Total Revenues | <u>117,615,566</u> | <u>-</u> | <u>117,615,566</u> | <u>137,641,897</u> | <u>20,026,331</u> |
| CURRENT EXPENDITURES | | | | | |
| Regular Programs - Instruction | | | | | |
| Salaries of Teachers | | | | | |
| Preschool/Kindergarten | 2,067,634 | - | 2,067,634 | 2,000,141 | 67,493 |
| Grades 1-5 | 11,596,715 | (74,000) | 11,522,715 | 10,656,902 | 865,813 |
| Grades 6-8 | 6,461,622 | (17,000) | 6,444,622 | 6,047,044 | 397,578 |
| Grades 9-12 | 11,407,510 | (552,000) | 10,855,510 | 10,743,802 | 111,708 |
| Regular Programs - Home Instruction | | | | | |
| Salaries of Teachers | 192,834 | 75,000 | 267,834 | 267,276 | 558 |
| Purchased Professional Educational Services | 33,000 | 354 | 33,354 | 22,851 | 10,503 |

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | <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 | \$ 1,877,818 | \$ (528,904) | \$ 1,348,914 | \$ 1,024,045 | \$ 324,869 |
| Purchased Professional Educational Services | 215,000 | - | 215,000 | 175,077 | 39,923 |
| Other Purchased Services | 863,854 | (452,414) | 411,440 | 282,174 | 129,266 |
| General Supplies | 1,168,131 | 737,207 | 1,905,338 | 1,224,881 | 680,457 |
| Textbooks | 469,054 | 59,878 | 528,932 | 192,230 | 336,702 |
| Total Regular Programs | <u>36,353,172</u> | <u>(751,879)</u> | <u>35,601,293</u> | <u>32,636,423</u> | <u>2,964,870</u> |
| Special Education | | | | | |
| Cognitive - Moderate | | | | | |
| Salaries of Teachers | 264,488 | 105,000 | 369,488 | 368,495 | 993 |
| Other Salaries for Instruction | 137,791 | - | 137,791 | 122,237 | 15,554 |
| Total Cognitive - Moderate | <u>402,279</u> | <u>105,000</u> | <u>507,279</u> | <u>490,732</u> | <u>16,547</u> |
| Learning and Learning Disabilities | | | | | |
| Salaries of Teachers | 3,198,000 | (303,000) | 2,895,000 | 2,877,309 | 17,691 |
| Other Salaries for Instruction | 1,490,222 | 452,800 | 1,943,022 | 1,769,956 | 173,066 |
| Purchased Professional-Educational Services | 36,850 | 70,600 | 107,450 | 107,211 | 239 |
| General Supplies | 8,000 | 134 | 8,134 | 1,363 | 6,771 |
| Textbooks | 9,150 | (5,300) | 3,850 | - | 3,850 |
| Total Learning and Learning Disabilities | <u>4,742,222</u> | <u>215,234</u> | <u>4,957,456</u> | <u>4,755,839</u> | <u>201,617</u> |
| Resource Room / Resource Center | | | | | |
| Salaries of Teachers | 5,069,189 | (47,000) | 5,022,189 | 4,677,643 | 344,546 |
| Total Resource Room / Resource Center | <u>5,069,189</u> | <u>(47,000)</u> | <u>5,022,189</u> | <u>4,677,643</u> | <u>344,546</u> |
| Preschool Disabilities - Part-Time | | | | | |
| Salaries of Teachers | 349,023 | - | 349,023 | 264,177 | 84,846 |
| Other Salaries for Instruction | 373,985 | - | 373,985 | 318,285 | 55,700 |
| Total Preschool Disabilities - Part-Time | <u>723,008</u> | <u>-</u> | <u>723,008</u> | <u>582,462</u> | <u>140,546</u> |
| Home Instruction | | | | | |
| Salaries of Teachers | 315,502 | - | 315,502 | 278,581 | 36,921 |
| Purchased Professional Educational Services | 40,510 | 4,070 | 44,580 | 35,742 | 8,838 |
| Total Home Instruction | <u>356,012</u> | <u>4,070</u> | <u>360,082</u> | <u>314,323</u> | <u>45,759</u> |
| Total Special Education | <u>11,292,710</u> | <u>277,304</u> | <u>11,570,014</u> | <u>10,820,999</u> | <u>749,015</u> |
| Basic Skills/Remedial - Instruction | | | | | |
| Salaries of Teachers | 1,338,720 | - | 1,338,720 | 1,250,636 | 88,084 |
| Other Salaries for Instruction | 45,803 | - | 45,803 | 29,438 | 16,365 |
| 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 | 21,627 | 35,913 |
| Other Objects | 2,000 | - | 2,000 | - | 2,000 |
| Total Basic Skills/Remedial - Instruction | <u>1,482,363</u> | <u>-</u> | <u>1,482,363</u> | <u>1,301,701</u> | <u>180,662</u> |

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final To Actual |
|--|--------------------|------------------|-------------------|-------------------|--------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Bilingual Education | | | | | |
| Salaries of Teachers | \$ 3,686,732 | - | \$ 3,686,732 | \$ 3,434,267 | \$ 252,465 |
| Other Salaries for Instruction | 74,241 | - | 74,241 | 60,564 | 13,677 |
| Other Purchased Services | 20,331 | \$ 4,171 | 24,502 | 11,877 | 12,625 |
| General Supplies | 45,346 | 1,182 | 46,528 | 27,296 | 19,232 |
| Textbooks | 15,463 | - | 15,463 | - | 15,463 |
| Total Bilingual Education | 3,842,113 | 5,353 | 3,847,466 | 3,534,004 | 313,462 |
| School Sponsored Co-Curricular Activities | | | | | |
| Salaries | 334,907 | 27,500 | 362,407 | 350,417 | 11,990 |
| Purchased Services | 97,900 | 450 | 98,350 | 96,316 | 2,034 |
| Supplies and Materials | 2,475 | - | 2,475 | 1,361 | 1,114 |
| Other Objects | 225 | - | 225 | - | 225 |
| Total School Sponsored Co-Curricular Activities | 435,507 | 27,950 | 463,457 | 448,094 | 15,363 |
| School Sponsored Athletics - Instruction | | | | | |
| Salaries | 759,034 | 56,600 | 815,634 | 814,718 | 916 |
| Purchased Services | 525,944 | 19,985 | 545,929 | 541,279 | 4,650 |
| Supplies and Materials | 160,528 | (6,573) | 153,955 | 143,216 | 10,739 |
| Total School Sponsored Athletics - Instruction | 1,445,506 | 70,012 | 1,515,518 | 1,499,213 | 16,305 |
| Total - Instruction | 54,851,371 | (371,260) | 54,480,111 | 50,240,434 | 4,239,677 |
| Undistributed Expenditures | | | | | |
| Instruction | | | | | |
| Tuition - Other LEA's Within State - Regular | 9,180 | 11,867 | 21,047 | 15,162 | 5,885 |
| Tuition - Other LEA's Within State - Special | 35,179 | (35,100) | 79 | - | 79 |
| Tuition to County Vocational School/Dist.-Reg. | 60,694 | (42,312) | 18,382 | - | 18,382 |
| Tuition to CSSD & Reg. Day Schools | 1,793,353 | (328,147) | 1,465,206 | 1,464,660 | 546 |
| Tuition to APSSD W/I State | 1,038,860 | 449,042 | 1,487,902 | 1,469,086 | 18,816 |
| Tuition - State Facilities | 4,500 | - | 4,500 | 4,500 | - |
| Tuition - Other | 63,601 | 192,300 | 255,901 | 255,828 | 73 |
| Total Undistributed Expenditures - Instruction | 3,005,367 | 247,650 | 3,253,017 | 3,209,236 | 43,781 |
| Attendance and Social Work Services | | | | | |
| Salaries | 799,509 | - | 799,509 | 610,073 | 189,436 |
| Other Purchased Services | 2,020 | - | 2,020 | 954 | 1,066 |
| Supplies and Materials | - | - | - | - | - |
| Total Attendance and Social Work Services | 801,529 | - | 801,529 | 611,027 | 190,502 |
| Health Services | | | | | |
| Salaries | 1,061,953 | (20,200) | 1,041,753 | 879,158 | 162,595 |
| Purchased Professional Technical Services | 15,780 | 16,224 | 32,004 | 25,887 | 6,117 |
| Other Purchased Services | 6,950 | 5,200 | 12,150 | 11,652 | 498 |
| Supplies and Materials | 30,850 | - | 30,850 | 29,382 | 1,468 |
| Total Health Services | 1,115,533 | 1,224 | 1,116,757 | 946,079 | 170,678 |

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final To Actual |
|--|--------------------|----------------|------------------|------------------|--------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Undistributed Expenditures (Continued) | | | | | |
| Other Support Services-Speech, OT, PT and Related | | | | | |
| Salaries | \$ 131,090 | \$ 5,900 | \$ 136,990 | \$ 136,902 | \$ 88 |
| Purchased Professional Educational Services | 411,532 | 227,765 | 639,297 | 585,605 | 53,692 |
| Supplies and Materials | 6,000 | (4,968) | 1,032 | - | 1,032 |
| Total Other Support Services | 548,622 | 228,697 | 777,319 | 722,507 | 54,812 |
| Other Support Services - Students - Extra Serv. | | | | | |
| Salaries | 1,046,000 | 151,400 | 1,197,400 | 1,172,302 | 25,098 |
| Purchased Professional Educational Services | 407,234 | 217,453 | 624,687 | 569,592 | 55,095 |
| Total Other Support Services - Students - Extra Serv. - | 1,453,234 | 368,853 | 1,822,087 | 1,741,894 | 80,193 |
| Guidance | | | | | |
| Salaries of Other Professional Staff | 1,592,702 | - | 1,592,702 | 1,454,978 | 137,724 |
| Salaries of Secretarial and Clerical Assistants | 179,795 | - | 179,795 | 49,171 | 130,624 |
| Purchased Professional-Educational Services | - | - | - | - | - |
| Other Purchased Prof. and Tech. Services | 25,000 | 5,078 | 30,078 | 30,076 | 2 |
| Other Purchased Services | 24,150 | 6,913 | 31,063 | 13,631 | 17,432 |
| Supplies and Materials | 12,050 | 209 | 12,259 | 4,953 | 7,306 |
| Total Guidance | 1,833,697 | 12,200 | 1,845,897 | 1,552,809 | 293,088 |
| Other Support Services - Child Study Team | | | | | |
| Salaries of Other Professional Staff | 2,598,237 | (34,430) | 2,563,807 | 2,350,470 | 213,337 |
| Salaries of Secretarial and Clerical Assistants | 325,699 | 4,430 | 330,129 | 328,061 | 2,068 |
| Other Purchased Professional/Technical Services | 123,900 | 67,246 | 191,146 | 165,510 | 25,636 |
| Residential Costs | 525 | - | 525 | - | 525 |
| Misc. Purchased Services | 45,700 | (6,450) | 39,250 | 30,874 | 8,376 |
| Supplies and Materials | 9,500 | - | 9,500 | 8,117 | 1,383 |
| Total Other Support Services - Child Study Team | 3,103,561 | 30,796 | 3,134,357 | 2,883,032 | 251,325 |
| Improvement of Instruction Services | | | | | |
| Salaries of Supervisors of Instruction | 200,359 | (40,000) | 160,359 | 141,796 | 18,563 |
| Salaries of Other Professional Staff | 1,003,768 | 119,000 | 1,122,768 | 1,097,330 | 25,438 |
| 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 | 1,208,627 | 79,000 | 1,287,627 | 1,239,126 | 48,501 |
| Educational Media Services/School Library | | | | | |
| Salaries | 277,915 | - | 277,915 | 206,376 | 71,539 |
| Other Purchased Services | 8,400 | - | 8,400 | 466 | 7,934 |
| Supplies and Materials | 41,000 | 140 | 41,140 | 37,061 | 4,079 |
| Total Educational Media Services/School Library | 327,315 | 140 | 327,455 | 243,903 | 83,552 |

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final To Actual |
|--|--------------------|-----------------|------------------|------------------|--------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Undistributed Expenditures (Continued) | | | | | |
| Instructional Staff Training Services | | | | | |
| Salaries of Other Professional Staff | \$ 647,269 | \$ (62,000) | \$ 585,269 | \$ 546,990 | \$ 38,279 |
| Salaries of Secretarial and Clerical Assist. | 3,783 | - | 3,783 | 3,783 | 3,783 |
| Purchased Professional-Educational Serv. | 75,050 | - | 75,050 | 51,330 | 23,720 |
| Other Purchased Professional and Tech Svcs | 4,000 | - | 4,000 | 4,000 | 4,000 |
| Other Purchased Services | 5,000 | - | 5,000 | 5,000 | 5,000 |
| Supplies and Materials | 6,000 | - | 6,000 | 6,000 | 6,000 |
| Other Objects | 3,800 | - | 3,800 | - | 3,800 |
| Total Instructional Staff Training Services | 744,902 | (62,000) | 682,902 | 598,320 | 84,582 |
| Support Services General Administration | | | | | |
| Salaries | 784,730 | 600 | 785,330 | 781,395 | 3,935 |
| Legal Services | 431,500 | 138,355 | 569,855 | 534,232 | 35,623 |
| Audit Fees | 90,000 | 4,000 | 94,000 | 85,673 | 8,327 |
| Expenditure and Internal Control Audit Fees | 5,000 | (5,000) | - | - | - |
| Architectural/Engineering Services | 210,000 | (29,631) | 180,369 | 83,863 | 96,506 |
| Other Purchased Professional Services | 180,000 | 29,220 | 209,220 | 198,457 | 10,763 |
| Communications/Telephone | 145,400 | 13,563 | 158,963 | 149,098 | 9,865 |
| BOE Other Purchased Services | 12,000 | - | 12,000 | 7,216 | 4,784 |
| Miscellaneous Purchased Services | 81,800 | (21,934) | 59,866 | 48,155 | 11,711 |
| Supplies and Materials | 51,000 | 60,767 | 111,767 | 100,139 | 11,628 |
| BOE In-House Training/Meeting Supplies | 1,500 | (1,500) | - | - | - |
| Judgments Against The School District | 15,800 | 4,360 | 20,160 | 15,637 | 4,523 |
| Miscellaneous Expenditures | 8,300 | (2,380) | 5,920 | 3,777 | 2,143 |
| BOE Membership Dues and Fees | 51,900 | (20,138) | 31,762 | 31,762 | - |
| Total Support Services General Administration | 2,068,930 | 170,282 | 2,239,212 | 2,039,404 | 199,808 |
| Support Services School Administration | | | | | |
| Salaries of Principals/Asst. Principals | 3,264,309 | 105,000 | 3,369,309 | 3,127,455 | 241,854 |
| Salaries of Other Professional Staff | 1,656,152 | 2,000 | 1,658,152 | 1,495,258 | 162,894 |
| Salaries of Secretarial and Clerical Assistants | 1,847,414 | 120,000 | 1,967,414 | 1,793,047 | 174,367 |
| Purchased Prof. and Tech. Services | 42,500 | - | 42,500 | 42,500 | - |
| Other Purchased Services | 133,853 | 2,408 | 136,261 | 73,483 | 62,778 |
| Supplies and Materials | 53,700 | 4,071 | 57,771 | 32,029 | 25,742 |
| Other Objects | 1,000 | - | 1,000 | - | 1,000 |
| Total Support Services School Administration | 6,998,928 | 233,479 | 7,232,407 | 6,563,772 | 668,635 |
| Central Services | | | | | |
| Salaries | 1,440,530 | 41,600 | 1,482,130 | 1,375,267 | 106,863 |
| Purchased Professional Services | 56,200 | 108,400 | 164,600 | 150,975 | 13,625 |
| Purchased Technical Services | 47,500 | (21,654) | 25,846 | 17,696 | 8,150 |
| Misc. Purchased Services | 45,653 | 2,897 | 48,550 | 27,294 | 21,256 |
| Supplies and Materials | 27,800 | 390 | 28,190 | 26,967 | 1,223 |
| Interest on Current Loans | 13,500 | (3,000) | 10,500 | 1,543 | 8,957 |
| Other Objects | 7,050 | - | 7,050 | 3,570 | 3,480 |
| Total Central Services | 1,638,233 | 128,633 | 1,766,866 | 1,603,312 | 163,554 |

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | <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 | \$ 885,997 | \$ 29,700 | \$ 915,697 | \$ 870,898 | \$ 44,799 |
| Purchased Professional Services | 120,500 | 9,360 | 129,860 | 129,715 | 145 |
| Purchased Technical Services | 110,538 | 67,312 | 177,850 | 101,143 | 76,707 |
| Other Purchased Services | 5,500 | - | 5,500 | 4,419 | 1,081 |
| Supplies and Materials | 3,000 | - | 3,000 | 824 | 2,176 |
| Total Admin. Info. Technology | <u>1,125,535</u> | <u>106,372</u> | <u>1,231,907</u> | <u>1,106,999</u> | <u>124,908</u> |
| Required Maintenance for School Facilities | | | | | |
| Salaries | 1,162,297 | (77,000) | 1,085,297 | 795,894 | 289,403 |
| Cleaning, Repair and Maintenance Services | 864,900 | 80,294 | 945,194 | 757,155 | 188,039 |
| General Supplies | 176,421 | 18,453 | 194,874 | 129,024 | 65,850 |
| Total Required Maintenance for School Facilities | <u>2,203,618</u> | <u>21,747</u> | <u>2,225,365</u> | <u>1,682,073</u> | <u>543,292</u> |
| Custodial Services | | | | | |
| Salaries | 4,415,495 | 28,802 | 4,444,297 | 4,189,933 | 254,364 |
| Purchased Professional and Technical Services | 190,000 | 4,331 | 194,331 | 127,317 | 67,014 |
| Cleaning, Repair and Maintenance | 208,842 | 5,200 | 214,042 | 211,152 | 2,890 |
| Rental Land and Buildings | 361,030 | - | 361,030 | 353,577 | 7,453 |
| Other Purchased Property Services | 111,640 | 4,505 | 116,145 | 115,106 | 1,039 |
| Insurance | 650,570 | 55,392 | 705,962 | 551,493 | 154,469 |
| Miscellaneous Purchased Services | 49,820 | - | 49,820 | 27,278 | 22,542 |
| General Supplies | 226,300 | 10,604 | 236,904 | 202,904 | 34,000 |
| Energy (Natural Gas) | 300,118 | 73,097 | 373,215 | 291,152 | 82,063 |
| Energy (Electricity) | 562,230 | 79,662 | 641,892 | 590,169 | 51,723 |
| Energy (Gasoline) | 29,800 | 4,062 | 33,862 | 10,325 | 23,537 |
| Other Objects | 7,000 | - | 7,000 | - | 7,000 |
| Total Other Operational and Maintenance of Plant | <u>7,112,845</u> | <u>265,655</u> | <u>7,378,500</u> | <u>6,670,406</u> | <u>708,094</u> |
| Care and Upkeep of Grounds | | | | | |
| Salaries | 115,727 | - | 115,727 | - | 115,727 |
| Purchased Professional and Technical Services | 45,000 | (3,000) | 42,000 | 15,275 | 26,725 |
| Cleaning, Repair and Maintenance | 35,725 | 3,000 | 38,725 | 37,924 | 801 |
| General Supplies | 2,500 | - | 2,500 | 739 | 1,761 |
| Total Care and Upkeep of Grounds | <u>198,952</u> | <u>-</u> | <u>198,952</u> | <u>53,938</u> | <u>145,014</u> |
| Security | | | | | |
| Salaries | 1,403,355 | 42,000 | 1,445,355 | 1,370,972 | 74,383 |
| Purchased Professional and Technical Services | 265,554 | 500 | 266,054 | 201,622 | 64,432 |
| Cleaning, Repair and Maintenance | 56,296 | 22,857 | 79,153 | 45,032 | 34,121 |
| General Supplies | 29,500 | 1,200 | 30,700 | 18,124 | 12,576 |
| Total Security | <u>1,754,705</u> | <u>66,557</u> | <u>1,821,262</u> | <u>1,635,750</u> | <u>185,512</u> |

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final To Actual |
|--|--------------------|------------------|--------------------|--------------------|--------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Student Transportation Services | | | | | |
| Salaries for Pupil Transportation (Between Home and School) - Regular | \$ 81,652 | \$ (25,000) | \$ 56,652 | \$ 46,117 | \$ 10,535 |
| Salaries for Pupil Transportation (Between Home and School) - Special | 106,912 | 59,105 | 166,017 | 143,495 | 22,522 |
| Other Purchased Prof. and Tech. Serv. | 13,000 | - | 13,000 | - | 13,000 |
| Cleaning, Repair and Maintenance | 23,700 | (500) | 23,200 | 13,682 | 9,518 |
| Contracted Services (Between Home and School) - Vendors | 1,129,000 | 49,200 | 1,178,200 | 1,155,423 | 22,777 |
| Contracted Services (Between Home and School) - Joint Agreements | 42,300 | (9,105) | 33,195 | 4,942 | 28,253 |
| Contracted Services (Other Than Between Home and School) - Vendors | 193,000 | 46,568 | 239,568 | 163,649 | 75,919 |
| Contracted Services (Spec Ed)-Vendors | 962,000 | (79,000) | 883,000 | 772,128 | 110,872 |
| Contracted Services (Spec Ed)-Joint Agreements | 1,450,000 | 96,069 | 1,546,069 | 995,456 | 550,613 |
| Misc. Purchased Services - Transportation | 600 | 600 | 1,200 | 991 | 209 |
| General Supplies | 5,000 | - | 5,000 | - | 5,000 |
| Transportation Supplies | 10,000 | 825 | 10,825 | 4,913 | 5,912 |
| Aid in Lieu of Payments - Nonpublic School | 408,597 | (5,000) | 403,597 | 391,217 | 12,380 |
| Aid in Lieu of Payments - Charter Schools | 24,300 | 5,000 | 29,300 | 27,652 | 1,648 |
| Total Student Transportation Services | 4,450,061 | 138,762 | 4,588,823 | 3,719,665 | 869,158 |
| Unallocated Benefits | | | | | |
| Group Insurance | 39,144 | 1,592 | 40,736 | 16,138 | 24,598 |
| Social Security Contributions | 1,535,510 | (13,800) | 1,521,710 | 1,385,351 | 136,359 |
| Other Retirement Contributions | | | | | |
| PERS | 1,462,815 | 48,000 | 1,510,815 | 1,503,314 | 7,501 |
| ERIP | 53,000 | 3,000 | 56,000 | 54,845 | 1,155 |
| Unemployment Compensation | 118,215 | (47,900) | 70,315 | 64,709 | 5,606 |
| Workmen's Compensation | 652,000 | 62,900 | 714,900 | 713,898 | 1,002 |
| Health Benefits | 20,075,000 | (550,149) | 19,524,851 | 18,418,748 | 1,106,103 |
| Unused Sick Payment to Terminated/Retired Staff | 578,325 | 357 | 578,682 | 510,814 | 67,868 |
| Total Unallocated Benefits | 24,514,009 | (496,000) | 24,018,009 | 22,667,817 | 1,350,192 |
| TPAF On Behalf (Non-Budget) | | | | | |
| NCGI Premium | - | - | - | 217,875 | (217,875) |
| Pension Contribution | - | - | - | 10,408,407 | (10,408,407) |
| Long Term Disability Insurance | - | - | - | 10,743 | (10,743) |
| Post Retirement | - | - | - | 4,820,064 | (4,820,064) |
| Social Security Contribution | - | - | - | 4,108,435 | (4,108,435) |
| Total TPAF On-Behalf Contributions | - | - | - | 19,565,524 | (19,565,524) |
| Total Undistributed Expenditures | 66,208,203 | 1,542,047 | 67,750,250 | 81,056,593 | (13,306,343) |
| Interest Deposit to Emergency Reserve | 1,500 | - | 1,500 | - | 1,500 |
| Interest Deposit to Maintenance Reserve | 3,000 | - | 3,000 | - | 3,000 |
| Total Current Expenditures | 121,064,074 | 1,170,787 | 122,234,861 | 131,297,027 | (9,062,166) |

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final To Actual</u> |
|--|----------------------------|--------------------|-------------------------|--------------------|---|
| CAPITAL OUTLAY | | | | | |
| Equipment | | | | | |
| Grades 1-5 | \$ 10,000 | | \$ 10,000 | \$ 6,126 | \$ 3,874 |
| Grades 6-8 | 10,000 | | 10,000 | 6,126 | 3,874 |
| Grades 9-12 | 25,000 | | 25,000 | 18,870 | 6,130 |
| 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 | \$ 6,359 | 66,359 | 51,350 | 15,009 |
| Care and Upkeep | 9,000 | (3,300) | 5,700 | | 5,700 |
| Security | 15,000 | | 15,000 | | 15,000 |
| School Buses - Regular | 12,000 | - | 12,000 | - | 12,000 |
| Total Equipment | <u>191,000</u> | <u>3,059</u> | <u>194,059</u> | <u>82,472</u> | <u>111,587</u> |
| Facilities Acquisition and Construction Services | | | | | |
| Salaries | | 30,000 | 30,000 | 30,000 | - |
| Architectural/Engineering | 238,800 | 166,184 | 404,984 | 115,304 | 289,680 |
| Construction Services | 1,990,000 | 520,001 | 2,510,001 | 1,322,048 | 1,187,953 |
| Assessment for Debt Service on SDA Funding | 92,716 | - | 92,716 | 92,716 | - |
| Total Facilities Acquis. and Const. Services | <u>2,321,516</u> | <u>716,185</u> | <u>3,037,701</u> | <u>1,560,068</u> | <u>1,477,633</u> |
| Interest Deposit to Capital Reserve | <u>5,500</u> | <u>-</u> | <u>5,500</u> | <u>-</u> | <u>5,500</u> |
| Total Capital Outlay | <u>2,518,016</u> | <u>719,244</u> | <u>3,237,260</u> | <u>1,642,540</u> | <u>1,594,720</u> |
| SPECIAL SCHOOLS | | | | | |
| Summer School - Instruction | | | | | |
| Salaries of Teachers | 405,159 | 3,400 | 408,559 | 395,129 | 13,430 |
| Other Salaries for Instruction | 29,266 | 600 | 29,866 | 29,845 | 21 |
| Total Summer School - Instruction | <u>434,425</u> | <u>4,000</u> | <u>438,425</u> | <u>424,974</u> | <u>13,451</u> |
| Summer School - Support Services | | | | | |
| Salaries of Teachers | <u>28,748</u> | <u>(4,000)</u> | <u>24,748</u> | <u>21,450</u> | <u>3,298</u> |
| Total Summer School - Support Services | <u>28,748</u> | <u>(4,000)</u> | <u>24,748</u> | <u>21,450</u> | <u>3,298</u> |
| Total Special Schools | <u>463,173</u> | <u>-</u> | <u>463,173</u> | <u>446,424</u> | <u>16,749</u> |
| Transfer of Funds To Charter Schools | <u>234,031</u> | <u>148,000</u> | <u>382,031</u> | <u>381,473</u> | <u>558</u> |
| Total Expenditures | <u>124,279,294</u> | <u>2,038,031</u> | <u>126,317,325</u> | <u>133,767,464</u> | <u>(7,450,139)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(6,663,728)</u> | <u>(2,038,031)</u> | <u>(8,701,759)</u> | <u>3,874,433</u> | <u>12,576,192</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfer In | - | - | - | 1,254,910 | 1,254,910 |
| Transfer Out | - | (4,958,000) | (4,958,000) | (4,958,000) | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(4,958,000)</u> | <u>(4,958,000)</u> | <u>(3,703,090)</u> | <u>1,254,910</u> |

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | <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 | \$ (6,663,728) | \$ (6,996,031) | \$ (13,659,759) | \$ 171,343 | \$ 13,831,102 |
| Fund Balances, Beginning of Year | <u>23,794,784</u> | - | <u>23,794,784</u> | <u>23,794,784</u> | - |
| Fund Balances, End of Year | <u>\$ 17,131,056</u> | <u>\$ (6,996,031)</u> | <u>\$ 10,135,025</u> | <u>\$ 23,966,127</u> | <u>\$ 13,831,102</u> |
| Recapitulation of Fund Balance | | | | | |
| Nonspendable | | | | | |
| Prepays | | | | \$ 398,500 | |
| Restricted | | | | | |
| Capital Reserve | | | | 8,433,216 | |
| Capital Reserve Designated for Subsequent Year's Budget | | | | 222,000 | |
| Maintenance Reserve | | | | 1,000,000 | |
| Maintenance Reserve Designated for Subsequent Year's Budget | | | | 300,000 | |
| Emergency Reserve | | | | 598,500 | |
| Excess Surplus | | | | 1,108,696 | |
| Excess Surplus Designated for Subsequent Year's Budget | | | | 1,104,475 | |
| Committed | | | | | |
| Encumbrances | | | | 1,313,238 | |
| Assigned | | | | | |
| Designated for Subsequent Year's Budget | | | | 4,903,089 | |
| Encumbrances | | | | 1,888,252 | |
| Unassigned | | | | <u>2,696,161</u> | |
| Fund Balance (Budgetary Basis) | | | | 23,966,127 | |
| Less State Aid Revenue Not Recognized on GAAP Basis | | | | <u>(6,722,581)</u> | |
| Fund Balance (GAAP Basis) | | | | <u>\$ 17,243,546</u> | |

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|--------------------|-------------------------|------------------|-------------------------------------|
| REVENUES | | | | | |
| Intergovernmental | | | | | |
| State | \$ 6,156,254 | \$ (1,202,814) | \$ 4,953,440 | \$ 3,726,856 | \$ (1,226,584) |
| Federal | 4,951,166 | 1,238,653 | 6,189,819 | 5,936,567 | (253,252) |
| Local Sources | | | | | |
| Miscellaneous | <u>50,000</u> | <u>89,437</u> | <u>139,437</u> | <u>99,611</u> | <u>(39,826)</u> |
| Total Revenues | <u>11,157,420</u> | <u>125,276</u> | <u>11,282,696</u> | <u>9,763,034</u> | <u>(1,519,662)</u> |
| EXPENDITURES | | | | | |
| Instruction | | | | | |
| Salaries of Teachers | 3,401,329 | 465,422 | 3,866,751 | 3,816,796 | 49,955 |
| Other Salaries for Instruction | 180,634 | 37,000 | 217,634 | 212,563 | 5,071 |
| Purchased Prof. and Tech. Svcs. | 121,285 | (10,153) | 111,132 | 93,888 | 17,244 |
| Other Purchased Services | 1,535,682 | 161,614 | 1,697,296 | 1,639,034 | 58,262 |
| General Supplies | <u>255,693</u> | <u>316,495</u> | <u>572,188</u> | <u>497,337</u> | <u>74,851</u> |
| Total Instruction | <u>5,494,623</u> | <u>970,378</u> | <u>6,465,001</u> | <u>6,259,618</u> | <u>205,383</u> |
| Support Services | | | | | |
| Salaries of Supervisors | 136,424 | 1,500 | 137,924 | 136,370 | 1,554 |
| Salaries of Program Directors | 201,890 | 4,060 | 205,950 | 202,450 | 3,500 |
| Salaries of Other Professional Staff | 194,952 | 8,314 | 203,266 | 79,485 | 123,781 |
| Salaries of Secretaries and Clerical Assistants | 131,467 | (15,219) | 116,248 | 101,419 | 14,829 |
| Other Salaries | 165,112 | 8,174 | 173,286 | 154,763 | 18,523 |
| Salaries of Master Teachers | 86,032 | 3,000 | 89,032 | 86,791 | 2,241 |
| Personal Services-Employee Benefits | 1,730,090 | 656,286 | 2,386,376 | 1,933,020 | 453,356 |
| Purchased Professional and Technical Service | 59,527 | 82,441 | 141,968 | 120,559 | 21,409 |
| Purchased Professional - Educational Services | 20,789 | 15,517 | 36,306 | 33,300 | 3,006 |
| Other Purchased Professional - Education Services | 30,000 | (4,000) | 26,000 | 10,799 | 15,201 |
| Other Purchased Professional Services | 5,000 | 4,000 | 9,000 | 8,191 | 809 |
| Cleaning, Repair and Maintenance Services | 85,000 | - | 85,000 | 82,447 | 2,553 |
| Rentals | 350,000 | (15,300) | 334,700 | 281,381 | 53,319 |
| Other Purchased Services | 17,000 | 8,786 | 25,786 | 17,945 | 7,841 |
| Contracted Services - Transportation | 90,000 | - | 90,000 | 54,879 | 35,121 |
| Travel | 2,000 | - | 2,000 | - | 2,000 |
| Miscellaneous Purchased Services | - | 27,800 | 27,800 | 27,776 | 24 |
| Supplies and Materials | <u>55,039</u> | <u>93,303</u> | <u>148,342</u> | <u>132,686</u> | <u>15,656</u> |
| Total Support Services | <u>3,360,322</u> | <u>878,662</u> | <u>4,238,984</u> | <u>3,464,261</u> | <u>774,723</u> |
| Facilities Acquisition and Construction Services | | | | | |
| Instructional Equipment | 304,250 | (8,450) | 295,800 | 9,466 | 286,334 |
| Non-Instructional Equipment | <u>1,998,225</u> | <u>(1,715,314)</u> | <u>282,911</u> | <u>29,689</u> | <u>253,222</u> |
| Total Facilities Acquisition and Construction Services | <u>2,302,475</u> | <u>(1,723,764)</u> | <u>578,711</u> | <u>39,155</u> | <u>539,556</u> |
| Total Expenditures | <u>11,157,420</u> | <u>125,276</u> | <u>11,282,696</u> | <u>9,763,034</u> | <u>1,519,662</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, 2019**

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

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

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|---|-------------------------|-------------------------------------|
| Sources/Inflows of Resources | | |
| Actual revenue amounts (budgetary basis) (Exhibits C-1,C-2) | \$ 137,641,897 | \$ 9,763,034 |
| Difference - budget to GAAP: | | |
| State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2018-2019) | (6,722,581) | |
| State Aid payment recognized for GAAP statements, not recognized for budgetary purposes (2017-2018) | 6,063,889 | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | |
| Encumbrances, June 30, 2019 | | (145,841) |
| Encumbrances, June 30, 2018 (net of cancellations) | <u>-</u> | <u>170,745</u> |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (Exhibit B-2) | <u>\$ 136,983,205</u> | <u>\$ 9,787,938</u> |
| Uses/Outflows of Resources | | |
| Actual expenditure amounts (budgetary basis) (Exhibits C-1, C-2) | \$ 133,767,464 | \$ 9,763,034 |
| 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, 2019 | | (145,841) |
| Encumbrances, June 30, 2018 (net of cancellations) | <u>-</u> | <u>170,745</u> |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2) | <u>\$ 133,767,464</u> | <u>\$ 9,787,938</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 Six Fiscal Years ***

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| District's Proportion of the Net Position Liability (Asset) | 0.15045% | 0.14945% | 0.15046% | 0.14486% | 0.14330% | 0.14066% |
| District's Proportionate Share of the Net Pension Liability (Asset) | \$ 29,623,322 | \$ 34,790,686 | \$ 44,561,331 | \$ 32,518,415 | \$ 26,830,553 | \$ 26,881,871 |
| District's Covered Payroll | \$ 10,612,226 | \$ 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 Payroll | 279.14% | 335.92% | 431.63% | 312.45% | 267.74% | 271.85% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 53.60% | 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 Six Fiscal Years**

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Contractually Required Contribution | \$ 1,496,515 | \$ 1,384,539 | \$ 1,336,647 | \$ 1,245,417 | \$ 1,181,383 | \$ 1,051,611 |
| Contributions in Relation to the Contractually Required Contributions | <u>1,496,515</u> | <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> | <u>\$ -</u> |
| District's Covered Payroll | \$ 10,844,211 | \$ 10,612,226 | \$ 10,356,895 | \$ 10,323,957 | \$ 10,407,670 | \$ 10,021,208 |
| Contributions as a Percentage of Covered Payroll | 13.80% | 13.05% | 12.91% | 12.06% | 11.35% | 10.49% |

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 Six Fiscal Years ***

| | <u>2019</u> | <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% | 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>338,362,968</u> | <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>\$ 338,362,968</u> | <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 Payroll | \$ 56,584,622 | \$ 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 Payroll | 0 | 0 | 0 | 0 | 0 | 0 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 26.49% | 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, 2019**

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 5D.

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

Postemployment Health Benefit Plan

Last Two Fiscal Years*

| | <u>2019</u> | <u>2018</u> |
|---|------------------------------|------------------------------|
| Service Cost | \$ 8,379,228 | \$ 10,146,364 |
| Interest on Total OPEB Liability | 7,910,186 | 6,807,664 |
| Differences Between Expected and Actual Experience | (18,906,253) | - |
| Changes of Assumptions | (21,364,016) | (28,399,011) |
| Gross Benefit Payments | (4,978,137) | (5,462,469) |
| Member Contributions | <u>172,052</u> | <u>201,142</u> |
| Net Change in Total OPEB Liability | (28,786,940) | (16,706,310) |
| Total OPEB Liability - Beginning of Year | <u>214,957,613</u> | <u>231,663,923</u> |
| Total OPEB Liability - End of Year | <u>\$ 186,170,673</u> | <u>\$ 214,957,613</u> |
| District's Proportionate Share of OPEB Liability | - | - |
| State's Proportionate Share of OPEB Liability | <u>\$ 186,170,673</u> | <u>\$ 214,957,613</u> |
| Total OPEB Liability - End of Year | <u>\$ 186,170,673</u> | <u>\$ 214,957,613</u> |
| District's Covered Payroll | <u>\$ 67,196,848</u> | <u>\$ 65,176,644</u> |
| District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll | <u>0%</u> | <u>0%</u> |

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, 2019**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 5E.

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, 2019

| | Preschool Education | Juvenile Comm. Serv. | WAD Production | Subtotal Page 2 | Subtotal Page 3 | Grand Total |
|---|------------------------|-------------------------|-------------------|--------------------|--------------------|------------------|
| REVENUES | | | | | | |
| Intergovernmental | | | | | | |
| State | \$ 3,726,856 | | | | | \$ 3,726,856 |
| Federal | | | | \$ 4,177,947 | \$ 1,758,620 | 5,936,567 |
| Other | - | \$ 60,476 | \$ 39,135 | - | - | 99,611 |
| Total Revenues | 3,726,856 | 60,476 | 39,135 | 4,177,947 | 1,758,620 | 9,763,034 |
| EXPENDITURES | | | | | | |
| Instruction | | | | | | |
| Salaries of Teachers | 1,484,172 | | | 2,332,624 | | 3,816,796 |
| Other Salaries for Instruction | 212,563 | | | | | 212,563 |
| Purchased Prof. and Tech. Svcs. | | | | 93,888 | - | 93,888 |
| Other Purchased Services | 4,190 | | | | 1,634,844 | 1,639,034 |
| General Supplies | 98,069 | - | 39,135 | 297,998 | 62,135 | 497,337 |
| Total Instruction | 1,798,994 | - | 39,135 | 2,724,510 | 1,696,979 | 6,259,618 |
| Support Services | | | | | | |
| Salaries of Supervisors of Instruction | 136,370 | | | | | 136,370 |
| Salaries of Program Directors | 133,350 | | | 69,100 | | 202,450 |
| Salaries of Other Professional Staff | 63,910 | | | 15,575 | | 79,485 |
| Salaries of Secretaries and Clerical Assistants | 58,916 | | | 42,503 | | 101,419 |
| Other Salaries | 142,451 | 12,312 | | | | 154,763 |
| Salaries of Master Teachers | 86,791 | | | | | 86,791 |
| Personal Services-Employee Benefits | 724,051 | | | 1,208,969 | | 1,933,020 |
| Purchased Professional and Technical Service | | | | 88,418 | 32,141 | 120,559 |
| Purchased Professional - Educational Services | | 33,300 | | | | 33,300 |
| Purchased Educational Services - Contracted Pre-K | | | | | | - |
| Other Purchased Professional - Education Services | 10,799 | | | | | 10,799 |
| Other Purchased Professional Services | 8,191 | | | | | 8,191 |
| Cleaning, Repairs and Maintenance | 82,447 | | | | | 82,447 |
| Rentals | 281,381 | | | | | 281,381 |
| Other Purchased Services | | 7,076 | | 8,855 | 2,014 | 17,945 |
| Contracted Transportation Services | 54,879 | | | | | 54,879 |
| Miscellaneous Purchased Services | 27,776 | | | | | 27,776 |
| Supplies and Materials | 82,972 | 7,788 | - | 20,017 | 21,909 | 132,686 |
| Total Support Services | 1,894,284 | 60,476 | - | 1,453,437 | 56,064 | 3,464,261 |
| Facilities Acquisition and Construction Services | | | | | | |
| Instructional Equipment | 3,889 | | | | 5,577 | 9,466 |
| NonInstructional | 29,689 | - | - | - | - | 29,689 |
| Total Facilities Acquisition and Construction Services | 33,578 | - | - | - | 5,577 | 39,155 |
| Total Expenditures | 3,726,856 | 60,476 | 39,135 | 4,177,947 | 1,758,620 | 9,763,034 |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | - | - | - | - | - | - |
| Fund Balance, Beginning of Year | - | - | - | - | - | - |
| Fund Balance, End of Year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| ESEA | | | | | | | |
|---|------------------|---------------|----------------|----------------|-----------------|----------------|------------------|
| REVENUES | Title I | Title I SIA | Title II A | Title III | Title III Immig | Title IV | Page Total |
| Intergovernmental | | | | | | | |
| Federal | \$ 3,307,650 | \$ 41,301 | \$ 438,667 | \$ 137,081 | \$ 70,406 | \$ 182,842 | \$ 4,177,947 |
| Total Revenues | <u>3,307,650</u> | <u>41,301</u> | <u>438,667</u> | <u>137,081</u> | <u>70,406</u> | <u>182,842</u> | <u>4,177,947</u> |
| EXPENDITURES | | | | | | | |
| Instruction | | | | | | | |
| Salaries of Teachers | 1,959,830 | | 252,674 | 55,500 | 64,620 | | 2,332,624 |
| Purchased Prof. and Tech. Serv. | 93,888 | | | | | | 93,888 |
| General Supplies | 30,093 | 31,906 | - | 73,548 | - | 162,451 | 297,998 |
| Total Instruction | <u>2,083,811</u> | <u>31,906</u> | <u>252,674</u> | <u>129,048</u> | <u>64,620</u> | <u>162,451</u> | <u>2,724,510</u> |
| Support Services | | | | | | | |
| Salaries of Program Directors | 69,100 | | | | | | 69,100 |
| Salaries of Other Professional Staff | 2,475 | | | | | 13,100 | 15,575 |
| Salaries of Secretaries and Clerical Assistants | 42,503 | | | | | | 42,503 |
| Personal Services-Employee Benefits | 1,073,702 | | 125,025 | 3,454 | 5,786 | 1,002 | 1,208,969 |
| Purchased Professional and Technical Svcs. | 7,187 | 9,395 | 60,968 | 4,579 | | 6,289 | 88,418 |
| Other Purchased Services | 8,855 | | | | | | 8,855 |
| Supplies and Materials | 20,017 | - | - | - | - | - | 20,017 |
| Total Support Services | <u>1,223,839</u> | <u>9,395</u> | <u>185,993</u> | <u>8,033</u> | <u>5,786</u> | <u>20,391</u> | <u>1,453,437</u> |
| Total Expenditures | <u>3,307,650</u> | <u>41,301</u> | <u>438,667</u> | <u>137,081</u> | <u>70,406</u> | <u>182,842</u> | <u>4,177,947</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, 2019**

| | IDEA | | Page |
|---|------------------|------------------|------------------|
| REVENUES | <u>Basic</u> | <u>Preschool</u> | <u>Total</u> |
| Intergovernmental Federal | \$ 1,708,340 | \$ 50,280 | \$ 1,758,620 |
| Total Revenues | <u>1,708,340</u> | <u>50,280</u> | <u>1,758,620</u> |
| EXPENDITURES | | | |
| Instruction | | | |
| Other Purchased Services | 1,584,564 | 50,280 | 1,634,844 |
| General Supplies | 62,135 | - | 62,135 |
| Total Instruction | <u>1,646,699</u> | <u>50,280</u> | <u>1,696,979</u> |
| Support Services | | | |
| Purchased Professional and Technical Services | 32,141 | | 32,141 |
| Other Purchased Services | 2,014 | | 2,014 |
| Supplies and Materials | 21,909 | - | 21,909 |
| Total Support Services | <u>56,064</u> | <u>-</u> | <u>56,064</u> |
| Facilities Acquisition and Construction Svcs | | | |
| Instructional Equipment | 5,577 | - | 5,577 |
| Total Facilities Acquisition and Construction Svcs. | <u>5,577</u> | <u>-</u> | <u>5,577</u> |
| Total Expenditures | <u>1,708,340</u> | <u>50,280</u> | <u>1,758,620</u> |
| Fund Balance, Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

District-Wide Total

| | <u>Budgeted</u> | <u>Actual</u> | <u>Variance</u> |
|---|-------------------------|-------------------------|-------------------------|
| EXPENDITURES | | | |
| Instruction | | | |
| Salaries of Teachers | \$ 1,488,977 | \$ 1,484,172 | \$ 4,805 |
| Other Salaries of Instruction | 217,634 | 212,563 | 5,071 |
| Unused Vacation Payments to Terminated/Retired Staff | | | - |
| Other Purchased Services | 5,000 | 4,190 | 810 |
| General Supplies | <u>100,000</u> | <u>98,069</u> | <u>1,931</u> |
| Total Instruction | <u>1,811,611</u> | <u>1,798,994</u> | <u>12,617</u> |
| Support Services | | | |
| Salaries of Supervisors | 137,924 | 136,370 | 1,554 |
| Salaries of Program Directors | 136,850 | 133,350 | 3,500 |
| Salaries of Other Professional Staff | 175,266 | 63,910 | 111,356 |
| Salaries of Secretaries and Clerical Assistants | 68,827 | 58,916 | 9,911 |
| Other Salaries | 142,510 | 142,451 | 59 |
| Salaries of Master Teachers | 89,032 | 86,791 | 2,241 |
| Personal Services - Employee Benefit | 1,162,009 | 724,051 | 437,958 |
| Purchased Educational Services - Contracted Pre-K | | | - |
| Other Purchased Professional - Education Services | 26,000 | 10,799 | 15,201 |
| Other Purchased Professional Services | 9,000 | 8,191 | 809 |
| Cleaning, Repairs and Maintenance | 85,000 | 82,447 | 2,553 |
| Rentals | 334,700 | 281,381 | 53,319 |
| Contracted Transportation Services (Between Home and School) | 80,000 | 47,904 | 32,096 |
| Contracted Transportation Services (Field Trips) | 10,000 | 6,975 | 3,025 |
| Travel | 2,000 | | 2,000 |
| Miscellaneous Purchased Services | 27,800 | 27,776 | 24 |
| Supplies and Materials | <u>84,000</u> | <u>82,972</u> | <u>1,028</u> |
| Total Support Services | <u>2,570,918</u> | <u>1,894,284</u> | <u>676,634</u> |
| Facilities Acquisition and Construction Services | | | |
| Instructional Equipment | 288,000 | 3,889 | 284,111 |
| Non Instructional Equipment | <u>282,911</u> | <u>29,689</u> | <u>253,222</u> |
| Total Facilities Acquisition and Construction Services | <u>570,911</u> | <u>33,578</u> | <u>537,333</u> |
| Total Expenditures | <u>\$ 4,953,440</u> | <u>\$ 3,726,856</u> | <u>\$ 1,226,584</u> |
| Total Revised 2018-2019 Preschool Education Aid Allocation | | | |
| | | | \$ 2,611,533 |
| Actual Preschool Education Aid Carryover (June 30, 2018) | | | 2,341,907 |
| Add: Prior Year Accounts Payable and Encumbrances Cancelled | | | <u>22,486</u> |
| Total Preschool Education Aid Funds Available for 2018-2019 Budget | | | 4,975,926 |
| Less: 2018-2019 Budgeted Preschool Education Aid (including Prior Year Budgeted Carryover) | | | <u>4,953,440</u> |
| Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2019 | | | 22,486 |
| Add: 2018-2019 Unexpended Preschool Education Aid | | | <u>1,226,584</u> |
| 2018-2019 Carryover - Preschool Education Aid/Preschool | | | <u>\$ 1,249,070</u> |
| 2018-2019 Preschool Education Aid Carryover Budgeted for Preschool Programs 2019-2020 | | | <u>\$ 2,341,907</u> |

CAPITAL PROJECTS FUND

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| <u>Issue/Project Title</u> | <u>Expenditures to Date</u> | | | | <u>Balance, June 30, 2019</u> |
|---|------------------------------------|----------------------|---------------------|----------------------|-----------------------------------|
| | <u>Modified Appropriations</u> | <u>Prior Years</u> | <u>Current Year</u> | <u>Cancellations</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 | 2,472,106 | 2,318,539 | | 153,567 | - |
| McKinley Elementary School Rehabilitation - Window Replacement | 1,263,325 | 1,100,441 | \$ 162,884 | | - |
| McKinley Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants | 493,789 | 184,891 | | | \$ 308,898 |
| Robert Fulton Elementary School Rehabilitation - Roof Replacement and Masonry Repairs | 831,220 | 359,942 | | | 471,278 |
| North Bergen High School Rehabilitation Fire Alarm System Upgrades | 201,519 | 191,734 | | 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 | 128,188 | 620 | 43,096 | - |
| Franklin Elementary School Rehabilitation - Security Camera Installation | 151,603 | 94,965 | | 56,638 | - |
| Robert Fulton Elementary School Rehabilitation - Security Camera Installation | 245,691 | 177,873 | 620 | 67,198 | - |
| Acquire Property Formerly Known as Hudson County Technical High School and provide for Additions, Renovations, Alterations and Improvements | 49,585,170 | | 331,214 | | 49,253,956 |
| Additions, Renovations, Alterations and Improvements To North Bergen High School | 15,372,830 | - | 63,205 | - | 15,309,625 |
| | <u>\$ 101,421,925</u> | <u>\$ 32,634,829</u> | <u>\$ 558,543</u> | <u>\$ 2,177,545</u> | <u>\$ 66,051,008</u> |

Reconciliation of Project Balances to Fund Balance

| | |
|---------------------------------------|---------------|
| Project Balances at June 30, 2019 | \$ 66,051,008 |
| Add: Reserve for Debt Service | 657,233 |
| Less: Bonds Authorized but Not Issued | (60,000,000) |
| Less: Unrealized Revenue SDA Grants | (607,240) |

Fund Balance (GAAP) \$ 6,101,001

Recapitulation of Fund Balance

| | |
|---------------------------------|------------------|
| Restricted for Debt Service | \$ 657,233 |
| Restricted for Capital Projects | |
| Encumbrances | 1,614,537 |
| Available for Capital Projects | <u>3,829,231</u> |

Total Fund Balance- Restricted for
Capital Projects \$ 6,101,001

**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, 2019**

REVENUES AND OTHER FINANCING SOURCES

| | |
|-------------------------------|----------------------|
| State Share | |
| SDA Grant Cancelled | \$ (265,402) |
| Local Share | |
| Transfer from Capital Reserve | <u>4,958,000</u> |
| Total Revenues | <u>4,692,598</u> |

EXPENDITURES AND OTHER FINANCING USES

| | |
|---|-------------------------|
| Architectural/Engineering Services | 396,676 |
| Construction Services | 161,867 |
| Cancelled - Restored to Capital Reserve | <u>1,254,910</u> |
| Total Expenditures | <u>1,813,453</u> |
| Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | 2,879,145 |
| Fund Balance, Beginning of Year | <u>3,829,096</u> |
| Fund Balance, End of Year | <u>\$ 6,708,241</u> |

Reconciliation to GAAP Fund Balance, June 30, 2019

| | |
|---|---------------------|
| Fund Balance, Budgetary Basis | \$ 6,708,241 |
| Less: School Development Authority (SDA) Unearned Revenue | <u>(607,240)</u> |
| Fund Balance, GAAP Basis | <u>\$ 6,101,001</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, 2019**

| | <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 | (20,480) | \$ 666,981 | \$ 666,981 |
| Local Sources | <u>497,124</u> | <u>20,296</u> | <u>517,420</u> | <u>517,420</u> |
| Total Revenues and Other Financing Sources | <u>1,184,585</u> | <u>(184)</u> | <u>1,184,401</u> | <u>1,184,401</u> |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 168,627 | - | 168,627 | 168,627 |
| Construction Services | <u>1,015,774</u> | <u>-</u> | <u>1,015,774</u> | <u>1,015,774</u> |
| Total Expenditures and Other Financing Uses | <u>1,184,401</u> | <u>-</u> | <u>1,184,401</u> | <u>1,184,401</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 184</u> | <u>\$ (184)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|--------------------------|------------------|
| Project Number | 3610-060-09-1008 |
| Grant Date | May 1, 2009 |
| Original Authorized Cost | \$ 1,751,403 |
| Adjustment | (567,002) |
| Revised Authorized Cost | \$ 1,184,401 |

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, 2019**

| | <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 | (32,165) | \$ 567,189 | \$ 567,189 |
| Local Sources | <u>433,412</u> | <u>31,982</u> | <u>465,394</u> | <u>465,394</u> |
| Total Revenues and Other Financing Sources | <u>1,032,766</u> | <u>(183)</u> | <u>1,032,583</u> | <u>1,032,583</u> |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 160,630 | - | 160,630 | 160,630 |
| Construction Services | <u>871,953</u> | <u>-</u> | <u>871,953</u> | <u>871,953</u> |
| Total Expenditures and Other Financing Uses | <u>1,032,583</u> | <u>-</u> | <u>1,032,583</u> | <u>1,032,583</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 183</u> | <u>\$ (183)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|--------------------------|------------------|
| Project Number | 3610-090-09-1009 |
| Grant Date | May 1, 2009 |
| Original Authorized Cost | \$ 1,533,656 |
| Adjustment | (501,073) |
| Revised Authorized Cost | \$ 1,032,583 |

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, 2019**

| | <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 | \$ (5,042) | \$ 822,549 | \$ 822,549 |
| Local Sources | <u>827,280</u> | <u>(127,190)</u> | <u>700,090</u> | <u>700,090</u> |
| Total Revenues and Other Financing Sources | <u>1,654,871</u> | <u>(132,232)</u> | <u>1,522,639</u> | <u>1,522,639</u> |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 250,780 | | 250,780 | 250,780 |
| Construction Services | <u>1,271,859</u> | <u>-</u> | <u>1,271,859</u> | <u>1,271,859</u> |
| Total Expenditures and Other Financing Uses | <u>1,522,639</u> | <u>-</u> | <u>1,522,639</u> | <u>1,522,639</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 132,232</u> | <u>\$ (132,232)</u> | <u>\$ -</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 | 23,427 |
| Revised Authorized Cost | \$ 1,522,639 |

Percentage Increase over Original Authorized

| | |
|---------------------------------|-------------------|
| Cost | 2% |
| 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, 2019**

| | <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 | \$ (43,319) | \$ 453,582 | \$ 453,582 |
| Local Sources | <u>345,919</u> | <u>43,219</u> | <u>389,138</u> | <u>389,138</u> |
| Total Revenues and Other Financing Sources | <u>842,820</u> | <u>(100)</u> | <u>842,720</u> | <u>842,720</u> |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 156,269 | - | 156,269 | 156,269 |
| Construction Services | <u>686,451</u> | <u>-</u> | <u>686,451</u> | <u>686,451</u> |
| Total Expenditures and Other Financing Uses | <u>842,720</u> | <u>-</u> | <u>842,720</u> | <u>842,720</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 100</u> | <u>\$ (100)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|--------------------------|------------------|
| Project Number | 3610-050-09-1007 |
| Grant Date | May 1, 2009 |
| Original Authorized Cost | \$ 1,079,111 |
| Adjustment | (236,391) |
| Revised Authorized Cost | \$ 842,720 |

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, 2019**

| | <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>\$ (8,379)</u> | <u>1,195,565</u> | <u>1,195,565</u> |
| Total Revenues and Other Financing Sources | <u>2,458,500</u> | <u>(8,379)</u> | <u>2,450,121</u> | <u>2,450,121</u> |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 307,275 | | 307,275 | 307,275 |
| Construction Services | <u>2,142,846</u> | <u>-</u> | <u>2,142,846</u> | <u>2,142,846</u> |
| Total Expenditures and Other Financing Uses | <u>2,450,121</u> | <u>-</u> | <u>2,450,121</u> | <u>2,450,121</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 8,379</u> | <u>\$ (8,379)</u> | <u>\$ -</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 | 180,808 |
| Revised Authorized Cost | \$ 2,450,121 |

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, 2019**

| | <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 | (7,870) | \$ 1,360,082 | \$ 1,360,082 |
| Local Sources | <u>1,106,478</u> | <u>(148,021)</u> | <u>958,457</u> | <u>958,457</u> |
| Total Revenues and Other Financing Sources | <u>2,474,430</u> | <u>(155,891)</u> | <u>2,318,539</u> | <u>2,318,539</u> |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 132,185 | | 132,185 | 132,185 |
| Construction Services | <u>2,186,354</u> | <u>-</u> | <u>2,186,354</u> | <u>2,186,354</u> |
| Total Expenditures and Other Financing Uses | <u>2,318,539</u> | <u>-</u> | <u>2,318,539</u> | <u>2,318,539</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 155,891</u> | <u>\$ (155,891)</u> | <u>\$ -</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|--------------------------|------------------|
| Project Number | 3610-110-10-1006 |
| Grant Date | August 30, 2010 |
| Original Authorized Cost | \$ 2,510,379 |
| Adjustment | (191,840) |
| Revised Authorized Cost | \$ 2,318,539 |

Percentage Decrease over Original Authorized

| | |
|---------------------------------|-------------------|
| Cost | -8% |
| Percentage Completion | 100% |
| 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, 2019**

| | <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 | 587,116 | \$ 2,324 | 589,440 | 589,440 |
| | <u>1,261,001</u> | <u>2,324</u> | <u>1,263,325</u> | <u>1,263,325</u> |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 154,363 | 1,017 | 155,380 | 155,380 |
| Construction Services | 946,078 | 161,867 | 1,107,945 | 1,107,945 |
| | <u>1,100,441</u> | <u>162,884</u> | <u>1,263,325</u> | <u>1,263,325</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 160,560</u> | <u>\$ (160,560)</u> | <u>\$ -</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 | 153,279 |
| Revised Authorized Cost | \$ 1,263,325 |

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, 2019**

| | <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 | 32,371 | | 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>184,891</u> | <u>-</u> | <u>184,891</u> | <u>493,789</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 308,898</u> | <u>\$ -</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, 2019**

| | <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 -
NORTH BERGEN HIGH SCHOOL REHABILITATION
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2019**

| | <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> | \$ (9,785) | <u>94,881</u> | <u>94,881</u> |
| Total Revenues and Other Financing Sources | <u>201,519</u> | <u>(9,785)</u> | <u>191,734</u> | <u>191,734</u> |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 24,883 | | 24,883 | 24,883 |
| Construction Services | <u>166,851</u> | <u>-</u> | <u>166,851</u> | <u>166,851</u> |
| Total Expenditures and Other Financing Uses | <u>191,734</u> | <u>-</u> | <u>191,734</u> | <u>191,734</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 9,785</u> | <u>\$ (9,785)</u> | <u>\$ -</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 | 32,194 |
| Revised Authorized Cost | \$ 191,734 |
| Percentage Increase over Original Authorized Cost | 20% |
| Percentage Completion | 100% |
| 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, 2019**

| | <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 | \$ (120,218) | \$ 908,597 | \$ 908,597 |
| Local Sources | <u>1,320,873</u> | <u>(728,307)</u> | <u>592,566</u> | <u>592,566</u> |
| Total Revenues and Other Financing Sources | <u>2,349,688</u> | <u>(848,525)</u> | <u>1,501,163</u> | <u>1,501,163</u> |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 130,111 | | 130,111 | 130,111 |
| Construction Services | <u>1,371,052</u> | <u>-</u> | <u>1,371,052</u> | <u>1,371,052</u> |
| Total Expenditures and Other Financing Uses | <u>1,501,163</u> | <u>-</u> | <u>1,501,163</u> | <u>1,501,163</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 848,525</u> | <u>\$ (848,525)</u> | <u>\$ -</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 | (193,537) |
| Revised Authorized Cost | \$ 1,501,163 |

Percentage Increase over Original Authorized

| | |
|---------------------------------|-------------------|
| Cost | -11% |
| Percentage Completion | 100% |
| 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, 2019

| | <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, 2019**

| | <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, 2019

| | <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 | \$ (31,355) | \$ 46,747 | \$ 46,747 |
| Local Sources | <u>70,005</u> | <u>(41,148)</u> | <u>28,857</u> | <u>28,857</u> |
| Total Revenues and Other Financing Sources | <u>148,107</u> | <u>(72,503)</u> | <u>75,604</u> | <u>75,604</u> |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 7,000 | | 7,000 | 9,072 |
| Construction Services | <u>68,604</u> | <u>-</u> | <u>68,604</u> | <u>66,532</u> |
| Total Expenditures and Other Financing Uses | <u>75,604</u> | <u>-</u> | <u>75,604</u> | <u>75,604</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 72,503</u> | <u>\$ (72,503)</u> | <u>\$ -</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 | (53,048) |
| Revised Authorized Cost | \$ 75,604 |

Percentage Increase over Original Authorized

| | |
|---------------------------------|---------------|
| Cost | -41% |
| Percentage Completion | 100% |
| 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, 2019

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------------|-------------------------|----------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ 87,213 | | \$ 87,213 | \$ 87,213 |
| Local Sources | 134,443 | \$ (76,459) | 57,984 | 57,984 |
| | <u>221,656</u> | <u>(76,459)</u> | <u>145,197</u> | <u>145,197</u> |
| Total Revenues and Other Financing Sources | | | | |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 13,444 | | 13,444 | 17,424 |
| Construction Services | 131,753 | - | 131,753 | 127,773 |
| | <u>145,197</u> | <u>-</u> | <u>145,197</u> | <u>145,197</u> |
| Total Expenditures and Other Financing Uses | | | | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 76,459</u> | <u>\$ (76,459)</u> | <u>\$ -</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 | 1,536 |
| Revised Authorized Cost | \$ 145,197 |

Percentage Increase over Original Authorized

| | |
|---------------------------------|---------------|
| Cost | 1% |
| Percentage Completion | 100% |
| 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, 2019

| | <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> | \$ (51,463) | <u>42,852</u> | <u>42,852</u> |
| Total Revenues and Other Financing Sources | <u>153,322</u> | <u>(51,463)</u> | <u>101,859</u> | <u>101,859</u> |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 9,431 | | 9,431 | 12,223 |
| Construction Services | <u>92,428</u> | <u>-</u> | <u>92,428</u> | <u>89,636</u> |
| Total Expenditures and Other Financing Uses | <u>101,859</u> | <u>-</u> | <u>101,859</u> | <u>101,859</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 51,463</u> | <u>\$ (51,463)</u> | <u>\$ -</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 | 4,660 |
| Revised Authorized Cost | \$ 101,859 |

Percentage Increase over Original Authorized

| | |
|---------------------------------|---------------|
| Cost | 5% |
| Percentage Completion | 100% |
| 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, 2019**

| | <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>\$ (43,096)</u> | <u>63,194</u> | <u>63,194</u> |
| Total Revenues and Other Financing Sources | <u>171,904</u> | <u>(43,096)</u> | <u>128,808</u> | <u>128,808</u> |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 24,025 | 620 | 24,645 | 24,645 |
| Construction Services | <u>104,163</u> | <u>-</u> | <u>104,163</u> | <u>104,163</u> |
| Total Expenditures and Other Financing Uses | <u>128,188</u> | <u>620</u> | <u>128,808</u> | <u>128,808</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 43,716</u> | <u>\$ (43,716)</u> | <u>\$ -</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 | 20,726 |
| Revised Authorized Cost | \$ 128,808 |

Percentage Increase over Original Authorized

| | |
|---------------------------------|---------------|
| Cost | 19% |
| Percentage Completion | 100% |
| 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, 2019

| | <u>Prior</u> <u>Periods</u> | <u>Current</u> <u>Year</u> | <u>Totals</u> | <u>Revised</u> <u>Authorized</u> <u>Cost</u> |
|---|--------------------------------|-------------------------------|-------------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ 63,672 | \$ (4,953) | \$ 58,719 | \$ 58,719 |
| Local Sources | <u>87,931</u> | <u>(51,685)</u> | <u>36,246</u> | <u>36,246</u> |
| Total Revenues and Other Financing Sources | <u>151,603</u> | <u>(56,638)</u> | <u>94,965</u> | <u>94,965</u> |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 8,793 | | 8,793 | 11,396 |
| Construction Services | <u>86,172</u> | <u>-</u> | <u>86,172</u> | <u>83,569</u> |
| Total Expenditures and Other Financing Uses | <u>94,965</u> | <u>-</u> | <u>94,965</u> | <u>94,965</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 56,638</u> | <u>\$ (56,638)</u> | <u>\$ -</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 | (9,918) |
| Revised Authorized Cost | \$ 94,965 |

Percentage Increase over Original Authorized

| | |
|---------------------------------|---------------|
| Cost | -9% |
| Percentage Completion | 100% |
| 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, 2019**

| | <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>\$ (67,198)</u> | <u>118,054</u> | <u>118,054</u> |
| Total Revenues and Other Financing Sources | <u>245,691</u> | <u>(67,198)</u> | <u>178,493</u> | <u>178,493</u> |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 35,728 | \$ 620 | 36,348 | 36,348 |
| Construction Services | <u>142,145</u> | <u>-</u> | <u>142,145</u> | <u>142,145</u> |
| Total Expenditures and Other Financing Uses | <u>177,873</u> | <u>620</u> | <u>178,493</u> | <u>178,493</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ 67,818</u> | <u>\$ (67,818)</u> | <u>\$ -</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 | 78,935 |
| Revised Authorized Cost | \$ 178,493 |

Percentage Decrease over Original Authorized

| | |
|---------------------------------|---------------|
| Cost | 79% |
| Percentage Completion | 100% |
| 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 -
ACQUIRE PROPERTY FORMERLY KNOWN AS HUDSON COUNTY TECHNICAL HISGH SCHOO AND
PROVIDE FOR ADDITIONS, RENOVATIONS, ALTERATIONS AND IMPROVEMENTS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2019**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|--------------------------|-------------------------|---------------|--|
| Revenues and Other Financing Sources | | | | |
| Bond Proceeds | \$ - | | \$ - | \$ 44,627,170 |
| Local Sources | - | \$ 4,958,000 | 4,958,000 | 4,958,000 |
| | - | 4,958,000 | 4,958,000 | 49,585,170 |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | | \$ 331,214 | 331,214 | 3,340,000 |
| Acquisition of Land | | | | 10,000,000 |
| Construction Services | - | - | - | 36,245,170 |
| | - | 331,214 | 331,214 | 49,585,170 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ - | \$ 4,626,786 | \$ 4,626,786 | \$ - |

Additional Project Information:

| | |
|----------------------------|---------------------|
| Project Number | SP#3610-N06-17-1000 |
| Original Authorized Cost | \$ 49,585,170 |
| Additional Authorized Cost | |
| Revised Authorized Cost | \$ 49,585,170 |

Percentage Increase over Original Authorized

| | |
|---------------------------------|-------------|
| Cost | 0% |
| Percentage Completion | 1% |
| Original Target Completion Date | August 2021 |
| Revised Target Completion Date | August 2021 |

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ADDITIONS, RENOVATIONS, ALTERATIONS AND IMPROVEMENTS
TO NORTH BERGEN HIGH SCHOOL
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2019**

| | <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 | - | - | - | \$ 15,372,830 |
| Local Sources | - | - | - | - |
| Total Revenues and Other Financing Sources | - | - | - | 15,372,830 |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | - | \$ 63,205 | \$ 63,205 | 2,328,088 |
| Construction Services | - | - | - | 13,044,742 |
| Total Expenditures and Other Financing Uses | - | 63,205 | 63,205 | 15,372,830 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ - | \$ (63,205) | \$ (63,205) | \$ - |

Additional Project Information:

| | |
|--|--|
| Project Numbers | SP#3610-050-18-1000, SP#3610-050-18-2000, SP#3610-050-18-3000 SP#3610-050-18-4000, SP#3610-050-18-5000, SP#3610-050-18-6000 |
| Original Authorized Cost | \$ 15,372,830 |
| Additional Authorized Cost | |
| Revised Authorized Cost | \$ 15,372,830 |
| Percentage Increase over Original Authorized Cost | 0% |
| Percentage Completion | 0% |
| Original Target Completion Date | August 2021 |
| Revised Target Completion Date | August 2021 |

PROPRIETARY FUNDS

EXHIBIT G-1

**NORTH BERGEN BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019**

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

EXHIBIT G-2

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

EXHIBIT G-3

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

| | <u>Student Activity</u> | <u>Payroll</u> | <u>Total</u> |
|--|-----------------------------|---------------------|---------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 308,869 | \$ 4,036,792 | \$ 4,345,661 |
| Total Assets | <u>\$ 308,869</u> | <u>\$ 4,036,792</u> | <u>\$ 4,345,661</u> |
| LIABILITIES | | | |
| Payroll and Payroll Deductions and Withholdings | | \$ 50,669 | \$ 50,669 |
| Accrued Salaries and Wages | | 3,596,802 | 3,596,802 |
| Accounts Payable | \$ 10,101 | | 10,101 |
| Due to Other Funds | | 389,321 | 389,321 |
| Due to Student Groups | <u>298,768</u> | <u>-</u> | <u>298,768</u> |
| Total Liabilities | <u>\$ 308,869</u> | <u>\$ 4,036,792</u> | <u>\$ 4,345,661</u> |

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOT APPLICABLE

**STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | Balance, July 1, <u>2018</u> | Cash <u>Receipts</u> | Cash <u>Disbursements</u> | Balance, June 30, <u>2019</u> |
|---------------------------|---|---------------------------------|--------------------------------------|--|
| ELEMENTARY SCHOOLS | \$ 101,294 | \$ 247,713 | \$ 232,969 | \$ 116,038 |
| HIGH SCHOOL | | | | |
| Athletic | 3,820 | 91,937 | 89,474 | 6,283 |
| General | <u>173,805</u> | <u>312,320</u> | <u>299,577</u> | <u>186,548</u> |
| Total | <u>\$ 278,919</u> | <u>\$ 651,970</u> | <u>\$ 622,020</u> | <u>\$ 308,869</u> |

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | Balance, July 1, <u>2018</u> | Cash <u>Receipts</u> | Cash <u>Disbursements</u> | Balance, June 30, <u>2019</u> |
|--|---|---------------------------------|--------------------------------------|--|
| Payroll and Payroll Deductions and Withholdings | \$ 57,063 | \$ 100,039,744 | \$ 100,046,138 | \$ 50,669 |
| Accrued Salaries and Wages | 3,383,564 | 3,577,422 | 3,364,184 | 3,596,802 |
| Due to Other Funds | <u>339,741</u> | <u>271,179</u> | <u>221,599</u> | <u>389,321</u> |
| Total Liabilities | <u>\$ 3,780,368</u> | <u>\$ 103,888,345</u> | <u>\$ 103,631,921</u> | <u>\$ 4,036,792</u> |

LONG-TERM DEBT

EXHIBIT I-1

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| <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, 2018</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance, June 30, 2019</u> |
|--------------------|----------------------|------------------------|--------------------------|---------------|----------------------|------------------------------|------------------|-------------------|-------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | | | | |
| Pension Obligation | | | | | | | | | |
| Refunding Bonds | 10/31/2013 | \$ 3,225,000 | 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 | \$ 2,125,000 | - | \$ 235,000 | \$ 1,890,000 |
| | | | | | | <u>\$ 2,125,000</u> | <u>\$ -</u> | <u>\$ 235,000</u> | <u>\$ 1,890,000</u> |

EXHIBIT I-2

**LONG-TERM DEBT
OBLIGATIONS UNDER LEASE-PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| <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, 2018</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance, June 30, 2019</u> |
|---|----------------------|------------------------|--------------------------|---------------|----------------------|------------------------------|------------------|---------------------|-------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | | | | |
| Refunding Certificates of Participation | 7/1/2010 | \$ 5,590,000 | | | | \$ 1,155,000 | | \$ 1,155,000 | |
| Refunding Certificates of Participation | 2/25/2016 | 7,575,000 | 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 | 6,790,000 | - | 295,000 | \$ 6,495,000 |
| | | | | | | <u>\$ 7,945,000</u> | <u>\$ -</u> | <u>\$ 1,450,000</u> | <u>\$ 6,495,000</u> |

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SALES/LEASEBACK OBLIGATIONS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| <u>Description</u> | <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Interest Rate</u> | <u>Balance July 1, 2018</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance June 30, 2019</u> |
|---|--------------------------|----------------------------|--------------------------|---------------------------------|------------------|-------------------|----------------------------------|
| Acquisition and Improvement of School Property | 1/31/2014 | \$ 2,535,000 | 1.54% | <u>\$ 135,000</u> | <u>\$ -</u> | <u>\$ 135,000</u> | <u>\$ -</u> |

**NORTH BERGEN BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | <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 | \$ 1,529,144 | | \$ 1,529,144 | \$ 1,529,144 | |
| Miscellaneous | | | | | \$ - |
| State Sources | | | | | |
| Debt Service Aid | <u>530,716</u> | <u>-</u> | <u>530,716</u> | <u>530,716</u> | <u>-</u> |
| Total Revenues | <u>2,059,860</u> | <u>-</u> | <u>2,059,860</u> | <u>2,059,860</u> | <u>-</u> |
| EXPENDITURES | | | | | |
| Debt Service: | | | | | |
| Lease Purchase | | | | | |
| Principal | 1,450,000 | | 1,450,000 | 1,450,000 | |
| Interest | 285,881 | | 285,881 | 285,881 | |
| Pension Obligation Bonds | | | | | |
| Principal | 235,000 | | 235,000 | 235,000 | |
| Interest | <u>93,984</u> | <u>-</u> | <u>93,984</u> | <u>93,984</u> | <u>\$ -</u> |
| Total Expenditures | <u>2,064,865</u> | <u>-</u> | <u>2,064,865</u> | <u>2,064,865</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (5,005) | - | (5,005) | (5,005) | - |
| Fund Balance, Beginning of Year | <u>5,060</u> | <u>-</u> | <u>5,060</u> | <u>5,060</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 55</u> | <u>\$ -</u> | <u>\$ 55</u> | <u>\$ 55</u> | <u>\$ -</u> |
| Recapitulation of Fund Balance: | | | | | |
| Designated for Subsequent Year's Budget | | | | <u>\$ 55</u> | |

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 (1) | 2012 | 2013 | 2014 (2) | 2015 | 2016 | 2017 | 2018 | 2019 |
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 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 | \$ 52,144,194 |
| Restricted | 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 | 14,582,002 |
| Unrestricted | (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) | (34,590,038) |
| Total Governmental Activities Net Position | \$ 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 | \$ 32,136,158 |
| 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 | \$ 37,090 |
| Unrestricted | 129,864 | 204,372 | 387,268 | 549,791 | 691,390 | 769,370 | 1,015,447 | 1,032,010 | 1,064,013 | 1,112,468 |
| Total Business-Type Activities Net Position | \$ 142,664 | \$ 229,280 | \$ 410,453 | \$ 571,253 | \$ 725,665 | \$ 800,883 | \$ 1,044,199 | \$ 1,065,250 | \$ 1,105,162 | \$ 1,149,558 |
| District-Wide | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 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 | \$ 52,181,284 |
| Restricted | 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 | 14,582,002 |
| Unrestricted | (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) | (33,477,570) |
| Total District Net Position | \$ 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 | \$ 33,285,716 |

- (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, | | | | | | | | | |
|--|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|-------------------------|-------------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 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 | \$ 63,644,374 |
| Special Education | 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 | 24,258,879 |
| Other Instruction | 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 | 12,010,820 |
| School Sponsored Activities And Athletics | 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 | 2,972,354 |
| Community Services Programs | | | | | | | | | | |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 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 | 17,933,421 |
| General Administration | 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 | 2,743,501 |
| School Administrative Services | 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 | 10,976,374 |
| Plant Operations And Maintenance | 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 | 16,010,748 |
| Pupil Transportation | 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 | 3,863,529 |
| Business and Other Support Services | 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 | 3,836,790 |
| Interest On Long-Term Debt | 1,081,169 | 964,942 | 925,499 | 900,966 | 910,459 | 819,740 | 841,211 | 547,825 | 494,870 | 436,153 |
| Total Governmental Activities Expenses | 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 | 158,686,943 |
| Business-Type Activities: | | | | | | | | | | |
| Food Service | 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 | 2,960,902 |
| Total Business-Type Activities Expense | 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 | 2,960,902 |
| Total District Expenses | \$ 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 | \$ 161,647,845 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges For Services: | | | | | | | | | | |
| Regular Instruction | \$ 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 | \$ 4,937,577 |
| Operating Grants And Contributions | 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 | 52,617,460 |
| 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 | 8,108 |
| Total Governmental Activities Program Revenues | 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 | 57,563,145 |
| Business-Type Activities: | | | | | | | | | | |
| Charges For Services | | | | | | | | | | |
| Food Service | \$ 741,010 | \$ 734,672 | \$ 723,677 | \$ 637,575 | \$ 596,612 | \$ 603,366 | \$ 608,017 | \$ 599,065 | \$ 563,293 | \$ 568,496 |
| Operating Grants And Contributions | 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 | 2,432,586 |
| Total Business Type Activities Program Revenues | 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 | 3,001,082 |
| Total District Program Revenues | \$ 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 | \$ 60,564,227 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | \$ (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) | \$ (101,123,798) |
| Business-Type Activities | 182,809 | 73,562 | 180,976 | 160,715 | 154,281 | 75,092 | 242,958 | 20,657 | 38,269 | 40,180 |
| Total District-Wide Net Expense | \$ (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) | \$ (101,083,618) |

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

Fiscal Year Ended June 30,

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Revenues | | | | | | | | | | |
| Property Taxes - General Purposes | \$ 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 | \$ 49,895,435 |
| Property Taxes - Debt Service | 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 | 1,529,144 |
| State Aid - Unrestricted | 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 | 51,877,191 |
| State Aid - Restricted for Debt Service | 666,069 | 550,958 | 544,966 | 551,162 | 550,827 | 550,049 | 551,188 | 550,674 | 476,785 | 530,716 |
| Investment Earnings | 23,024 | 15,034 | 12,744 | 15,591 | 18,341 | 19,253 | 39,121 | 82,733 | 193,891 | 471,909 |
| Miscellaneous Income | 610,062 | 717,003 | 1,157,236 | 615,273 | 306,307 | 763,735 | 649,498 | 388,530 | 332,495 | 413,352 |
| Gain (Loss) on Disposal of Assets | - | - | - | - | 10,000 | - | - | - | - | - |
| Transfers | (12,800) | (13,054) | - | - | - | - | - | - | - | - |
| Total Governmental Activities | 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 | 104,717,747 |
| Business-Type Activities: | | | | | | | | | | |
| General Revenues | | | | | | | | | | |
| Investment Earnings | - | - | 197 | 85 | 131 | 126 | 358 | 394 | 1,643 | 4,216 |
| Transfers | 12,800 | 13,054 | - | - | - | - | - | - | - | - |
| Total Business Type Activities | 12,800 | 13,054 | 197 | 85 | 131 | 126 | 358 | 394 | 1,643 | 4,216 |
| Total District-Wide | \$ 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 | \$ 104,721,963 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$ 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 | \$ 3,593,949 |
| Business-Type Activities | 195,609 | 86,616 | 181,173 | 160,800 | 154,412 | 75,218 | 243,316 | 21,051 | 39,912 | 44,396 |
| Total District | \$ 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 | \$ 3,638,345 |

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| General Fund | | | | | | | | | | |
| Reserved | \$ 5,766,175 | | | | | | | | | |
| Unreserved | (2,716,512) | | | | | | | | | |
| Nonspendable | | | | | | \$ 746,280 | \$ 424,454 | \$ 455,822 | \$ 440,660 | \$ 398,500 |
| Restricted | | \$ 7,194,281 | \$ 7,605,189 | \$ 10,231,727 | \$ 16,046,061 | 13,469,501 | 18,804,592 | 17,150,168 | 16,747,103 | 12,766,887 |
| Committed | | 104,291 | 422,972 | 88,967 | 26,686 | 57,114 | 465,127 | 1,379,824 | 644,243 | 1,313,238 |
| Assigned | | 1,219,248 | 4,259,700 | 4,652,890 | 3,503,405 | 3,696,448 | 2,092,745 | 3,434,565 | 3,642,763 | 6,791,341 |
| Unassigned | - | (2,813,482) | (2,984,615) | (3,317,010) | (4,726,127) | (3,659,697) | (3,768,087) | (3,739,862) | (3,743,874) | (4,026,420) |
| Total General Fund | <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> | <u>\$ 17,243,546</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 2,246,942 | | | | | | | | | |
| Unreserved | 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 | \$ 6,101,056 |
| Unassigned | - | - | - | (5,000) | - | - | - | - | - | - |
| Total All Other Governmental Funds | <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> | <u>\$ 6,101,056</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, | | | | | | | | | |
|--|----------------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|-----------------------|---------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Revenues | | | | | | | | | | |
| Property Taxes | \$ 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 | \$ 51,424,579 |
| Tuition Charges | 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 | 4,937,577 |
| Interest Earnings | 23,024 | 15,034 | 12,744 | 15,591 | 18,341 | 19,253 | 39,121 | 82,733 | 193,891 | 471,909 |
| Miscellaneous | 669,843 | 773,567 | 1,206,933 | 665,266 | 356,390 | 812,423 | 701,532 | 440,106 | 383,598 | 501,779 |
| State Sources | 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 | 85,125,679 |
| Federal Sources | 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 | 6,377,588 |
| Total Revenue | 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 | 148,839,111 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 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 | 56,506,718 |
| Special Education Instruction | 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 | 22,102,670 |
| Other Instruction | 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 | 10,911,929 |
| School Sponsored Activities and Athletics | 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 | 2,700,922 |
| Community Service Programs | - | - | - | - | - | - | - | - | - | - |
| Support Services: | | | | | | | | | | |
| Student and Inst. Related Services | 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 | 16,584,049 |
| General Administration | 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 | 2,546,054 |
| School Administrative Services | 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 | 9,929,095 |
| Plant Operations And Maintenance | 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 | 13,042,755 |
| Pupil Transportation | 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 | 3,847,754 |
| Business and Other Support Services | 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 | 3,627,321 |
| Capital Outlay | 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 | 2,104,170 |
| Debt Service: | | | | | | | | | | |
| Principal | 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 | 1,820,000 |
| Interest and Other Charges | 975,056 | 892,591 | 833,024 | 814,168 | 840,890 | 740,491 | 815,092 | 600,608 | 543,574 | 473,101 |
| Debt Issuance Cost | - | 189,516 | - | - | - | - | - | - | - | - |
| Advance Refunding Escrow | - | 45,983 | - | - | - | - | - | - | - | - |
| Total Expenditures | 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 | 146,196,538 |
| Excess (Deficiency) of Revenues | | | | | | | | | | |
| Over (Under) Expenditures | 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) | 2,642,573 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds From Borrowing | - | 5,590,000 | - | - | 5,760,000 | - | 7,575,000 | - | - | - |
| Capital Leases (Non-Budgeted) | - | - | - | - | - | - | - | - | - | - |
| Premium on Issuance of Bonds/Certificates of Participation | - | - | - | - | - | - | 800,793 | - | - | - |
| Payments to Refunding Escrow Agent | - | (5,310,000) | - | - | (3,149,873) | - | (8,172,342) | - | - | - |
| Original Issue Discount | - | (32,693) | - | - | - | - | - | - | - | - |
| Transfers In | 4,251,497 | 1,767,818 | - | - | 1,500,000 | 2,364,834 | 233,650 | 13,493 | 51,854 | 6,212,910 |
| Transfers Out | (4,264,297) | (1,780,872) | - | - | (1,500,000) | (2,364,834) | (233,650) | (13,493) | (51,854) | (6,212,910) |
| Total Other Financing Sources (Uses) | (12,800) | 234,253 | - | - | 2,610,127 | - | 203,451 | - | - | - |
| Net Change in Fund Balances | \$ 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) | \$ 2,642,573 |
| Debt Service as a Percentage of | | | | | | | | | | |
| Noncapital Expenditures | 2.51% | 2.28% | 1.93% | 1.81% | 2.19% | 2.20% | 2.26% | 2.01% | 1.92% | 1.59% |

* 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> |
|---|-----------------------|---|-----------------------|----------------------|----------------------------|-----------------------------|-----------------------------|---------------------|
| 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 |
| 2019 | 4,937,577 | 471,909 | 10,603 | 12,914 | 166,005 | 9,356 | 214,474 | 5,822,838 |

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 |
|----------------------------|---------------|------------------|----------------|----------------|----------------|--------------------------|------------------|-----------------------|---|---|
| 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 |
| 2019 | 46,939,200 | 1,486,380,800 | 508,047,767 | 351,771,100 | 181,655,600 | 2,574,794,467 | 3,420,264 | 2,578,214,731 | 6,571,705,138 | 2.007 |

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> |
|---------------------------------------|---------------------|---|----------------------------|----------------------|
| 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 |
| 2019 | 5.726 | 2.007 | 2.620 | 1.099 |

Source: Abstract of Ratables, County Board of Taxation

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

| Taxpayer | 2019 | | 2010 | |
|----------------------------|------------------------------|--|------------------------------|--|
| | Taxable Assessed Value | % of Total District Net Assessed Value | Taxable Assessed Value | % of Total District Net Assessed Value |
| Hartz Mountain Development | \$ 119,457,200 | 4.63% | \$ 78,708,300 | 3.12% |
| M-Industries LLC | | | 30,378,100 | 1.20% |
| Columbia Park | 31,257,500 | 1.21% | 24,962,200 | 0.99% |
| 7912 River Road Apts., LLC | | | 24,960,600 | 0.99% |
| Woodcliff Gardens | 24,272,400 | 0.94% | 23,956,000 | 0.95% |
| 5851 Westside Assoc. | 22,230,400 | 0.86% | 18,761,000 | 0.74% |
| 8100 River Road | 67,751,100 | 2.63% | | |
| 7855 Blvd East | 45,157,100 | 1.75% | | |
| 7400 River Road | 37,387,300 | 1.45% | | |
| 8200 Boulevard East | 22,628,100 | 0.88% | | |
| Mack Associates | 38,134,000 | 1.48% | | |
| Vornado | 72,766,900 | 2.82% | | |
| Ogden Realty II | | | 15,219,900 | 0.60% |
| LCI Holding, Inc. | | | 21,526,900 | 0.85% |
| Home Depot | | | 17,950,000 | 0.71% |
| Westview Tower Realty Co | | | 18,000,000 | 0.71% |
| | <u>\$ 481,042,000</u> | <u>18.66%</u> | <u>\$ 274,423,000</u> | <u>10.86%</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 | |
| 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 |
| 2019 | 51,424,579 | 51,424,560 | 100.00% | \$ 19 |

**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 |
|-------------------------------------|--------------------------------|----------------------------------|-------------------|--------------------------------|-----------------|----------------|------------|------------|
| 2010 | \$ 6,365,000 | \$ 15,580,000 | \$ 23,855 | \$ 141,700 | \$ 244,836 | \$ 22,355,391 | 60,732 | \$ 368 |
| 2011 | 5,880,000 | 15,030,000 | | 70,850 | | 20,980,850 | 61,521 | 341 |
| 2012 | 5,385,000 | 14,175,000 | | | | 19,560,000 | 61,835 | 316 |
| 2013 | 4,880,000 | 13,290,000 | | | | 18,170,000 | 62,097 | 293 |
| 2014 | 4,435,000 | 12,375,000 | | | 2,180,000 | 18,990,000 | 62,178 | 305 |
| 2015 | 3,870,000 | 11,425,000 | | | 1,710,000 | 17,005,000 | 62,020 | 274 |
| 2016 | 3,300,000 | 9,930,000 | | | 1,205,000 | 14,435,000 | 62,016 | 233 |
| 2017 | 2,720,000 | 8,955,000 | | | 675,000 | 12,350,000 | 61,920 | 199 |
| 2018 | 2,125,000 | 7,945,000 | | | 135,000 | 10,205,000 | 61,627 | 166 |
| 2019 | 1,890,000 | 6,495,000 | | | | 8,385,000 | 61,627 | 136 |

Source: District records

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

| Fiscal Year Ended June 30, | General Bonded Debt Outstanding | | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value of Property | Per Capita |
|-------------------------------------|---------------------------------|------------|---|---|------------|
| | General Obligation Bonds | Deductions | | | |
| 2010 | \$ 6,365,000 | | \$ 6,365,000 | 0.25% | \$ 105 |
| 2011 | 5,880,000 | | 5,880,000 | 0.23% | 96 |
| 2012 | 5,385,000 | | 5,385,000 | 0.21% | 87 |
| 2013 | 4,880,000 | | 4,880,000 | 0.20% | 79 |
| 2014 | 4,435,000 | | 4,435,000 | 0.18% | 71 |
| 2015 | 3,870,000 | | 3,870,000 | 0.15% | 62 |
| 2016 | 3,300,000 | | 3,300,000 | 0.13% | 53 |
| 2017 | 2,720,000 | | 2,720,000 | 0.11% | 44 |
| 2018 | 2,125,000 | | 2,125,000 | 0.08% | 34 |
| 2019 | 1,890,000 | | 1,890,000 | 0.07% | 31 |

Source: District records

**NORTH BERGEN BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2018
(Unaudited)**

| | |
|---|-----------------------|
| Direct Debt: | |
| North Bergen Board of Education (as of June 30, 2019) | \$ 60,000,000 |
| Township of North Bergen (1) | <u>62,666,318</u> |
| Total Direct Debt | <u>122,666,318</u> |
| | |
| Overlapping Debt Apportioned to the Municipality: | |
| Hudson County: | |
| County of Hudson (A) | 69,247,174 |
| North Bergen Municipal Utilities Authority | <u>44,956,469</u> |
| Total Overlapping Debt | <u>114,203,643</u> |
| | |
| Total Direct and Overlapping Debt | <u>\$ 236,869,961</u> |

(A) The debt for this entity was apportioned by dividing the Municipality's 2018 equalized value by the total 2018 equalized value for Hudson County.

Sources:

(1) Township of North Bergen Annual Debt Statement

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>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> | <u>2019</u> |
| Debt Limit | \$ 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 | \$ 241,826,950 |
| Total Net Debt Applicable to Limit | <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>60,000,000</u> |
| Legal Debt Margin | <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> | <u>\$ 181,826,950</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 1.27% | 1.09% | 0.97% | 0.87% | 0.75% | 0.58% | 0.38% | 0.18% | 0.00% | 24.81% |

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized Valuation Basis

| | |
|---|--------------------------|
| 2016 | \$ 5,492,689,648 |
| 2017 | 6,110,540,811 |
| 2018 | <u>6,533,790,803</u> |
| | <u>\$ 18,137,021,262</u> |
| Average Equalized Valuation of Taxable Property | <u>\$ 6,045,673,754</u> |
| Debt Limit (4 % of Average Equalization Value) | \$ 241,826,950 |
| Total Net Debt Applicable to Limit | <u>60,000,000</u> |
| Legal Debt Margin | <u>\$ 181,826,950</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> |
|------------------------------------|------------------------------|--------------------------------|-------------------|
| 2009 | 11.60% | \$ 42,967 | 54,912 |
| 2010 | 11.50% | 45,067 | 60,732 |
| 2011 | 10.70% | 46,053 | 61,521 |
| 2012 | 10.70% | 47,628 | 61,835 |
| 2013 | 9.70% | 48,344 | 62,097 |
| 2014 | 7.30% | 51,776 | 62,178 |
| 2015 | 5.70% | 55,354 | 62,020 |
| 2016 | 5.00% | 57,081 | 62,016 |
| 2017 | 4.40% | 59,623 | 61,920 |
| 2018 | 3.80% | N/A | 61,627 |

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>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> | <u>2019</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction | | | | | | | | | | |
| Regular | 432 | 440 | 480 | 480 | 467 | 530 | 530 | 530 | 530 | 530 |
| Special Education | 75 | 75 | 75 | 75 | 84 | 50 | 57 | 59 | 59 | 59 |
| Other Instruction | 85 | 85 | 85 | 85 | 85 | 61 | 61 | 65 | 60 | 60 |
| Support Services: | | | | | | | | | | |
| Student and Instruction Related Services | 19 | 19 | 18 | 18 | 18 | 18 | 18 | 18 | 35 | 35 |
| General Administration | 7 | 7 | 5 | 6 | 6 | 6 | 6 | 7 | 7 | 7 |
| School Administrative Services | 59 | 59 | 55 | 56 | 61 | 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 | 3 | 3 | 3 | 3 | 3 |
| Plant Operations And Maintenance | 118 | 118 | 112 | 109 | 109 | 109 | 109 | 106 | 106 | 106 |
| Pupil Transportation | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Other Support Services | 72 | 72 | 72 | 72 | 73 | 77 | 77 | 77 | 77 | 77 |
| Total | <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> | <u>984</u> |

Source: District Personnel Records

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

| Fiscal Year | Enrollment | Operating Expenditures | | Cost Per Pupil | Percentage Change | Pupil/Teacher Ratio | | | Average Daily Enrollment (ADE) | Average Daily Attendance (ADA) | % Change in Average Daily Enrollment | Student Attendance Percentage | |
|-------------|------------|------------------------|-------------|----------------|-------------------|---------------------|------------|-------------|--------------------------------|--------------------------------|--------------------------------------|-------------------------------|--------|
| | | | | | | Teaching Staff | Elementary | High School | | | | | |
| 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% |
| 2019 | 7,519 | | 141,799,267 | | 18,859 | 5.50% | 649 | 1:12 | 1:14 | 7,490 | 7,108 | -2.00% | 94.90% |

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)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 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 | 1,022 | 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 | 223 | 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 | 530 | 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 | 97 | 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 | 972 | 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 | 422 | 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 | 549 | 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 | 1,135 | 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 | 361 | 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 | 2,355 | 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, 2019 | | | | | | | | | | |
| 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>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> | <u>2019</u> |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| North Bergen High School | \$ 464,805 | \$ 663,015 | \$ 676,438 | \$ 658,851 | \$ 637,900 | \$ 629,935 | \$ 318,417 | \$ 451,186 | \$ 414,783 | \$ 497,292 |
| Franklin School | 354,624 | 202,033 | 195,036 | 198,994 | 183,520 | 202,558 | 199,757 | 153,315 | 149,453 | 128,329 |
| Horace Mann | 283,323 | 270,101 | 249,303 | 306,554 | 271,850 | 312,045 | 190,335 | 235,531 | 230,235 | 252,236 |
| John F. Kennedy | 298,033 | 319,207 | 296,193 | 295,791 | 282,963 | 282,087 | 216,192 | 208,711 | 222,152 | 207,733 |
| Lincoln School | 313,534 | 370,947 | 328,705 | 313,341 | 278,965 | 260,058 | 243,465 | 290,374 | 258,402 | 267,911 |
| Mc Kinley | 355,870 | 184,365 | 197,378 | 193,450 | 195,682 | 146,528 | 229,206 | 154,055 | 108,112 | 117,762 |
| Robert Fulton | <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> | <u>210,810</u> |
| Total School Facilities | <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> | <u>\$ 1,682,073</u> |

Source: School District Records

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2019
(Unaudited)**

| | <u>Coverage</u> | <u>Deductible</u> |
|---|-----------------|-------------------|
| School Package Policy | | |
| Property | \$ 500,000,000 | \$ 5,000 |
| Environmental | 1,000,000 | 10,000 |
| Extra Expense | 50,000,000 | 5,000 |
| Valuable Papers | 10,000,000 | 5,000 |
| Data Processing Equipment | 4,500,000 | 1,000 |
| Equipment Breakdown | 100,000,000 | 5,000 |
| Crime and Bonds | | |
| Faithful Performance | 500,000 | 1,000 |
| Forgery and Alteration | 500,000 | 1,000 |
| Money and Securities | 100,000 | 1,000 |
| Money Orders/Counterfeit | 100,000 | 500 |
| Computer Fraud | 500,000 | 1,000 |
| Board Administrator | 150,000 | 1,000 |
| Board Secretary | 150,000 | 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 |
| 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 Schools Insurance Group

Source: School District's records

SINGLE AUDIT



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA
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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
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, 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, 2019 and the related notes to the financial statements, which collectively comprise the North Bergen Board of Education's basic financial statements and have issued our report thereon dated December 18, 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 December 18, 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
December 18, 2019



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, 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, 2019. 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, 2019.

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.

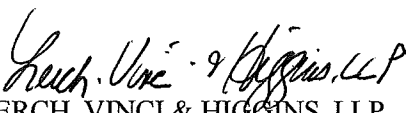
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

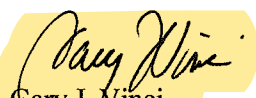
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 North Bergen Board of Education, as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated December 18, 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
December 18, 2019

NORTH BERGEN BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| Federal/Grantor/Pass-Through Grantor Program Title | Federal CFDA Number | FAIN Number | Grant or State Project Number | Grant Period | Award Amount | Balance, June 30, 2019 | | | | | | | | | | Memo G.A.S.P. Receivable | Memo Cumulative Expenditures | | |
|---|---------------------|---------------|-------------------------------|----------------|--------------|------------------------|------------------|---------------|------------------------|------------|-----------------|-------------------------|-----------------------|------------------|----------------|--------------------------|------------------------------|-------------|-----------|
| | | | | | | Balance July 1, 2018 | Carryover Amount | Cash Received | Budgetary Expenditures | Adjustment | Refund To State | Prior Years Adjustments | (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 | 181N1304N1099 | N/A | 7/1/17-6/30/18 | \$ 508,535 | \$ (107,812) | \$ 107,812 | | | | | | | | | | | | |
| School Breakfast Program | 10.553 | 191N1304N1099 | N/A | 7/1/18-6/30/19 | 517,352 | | 471,288 | \$ 517,352 | | | | | \$ (46,064) | | | \$ (46,064) | \$ 517,352 | | |
| NSLP-Cash Assistance | 10.555 | 181N1304N1099 | N/A | 7/1/17-6/30/18 | 1,699,711 | (343,049) | 343,049 | | | | | | | | | | | | |
| NSLP-Cash Assistance | 10.555 | 191N1304N1099 | N/A | 7/1/18-6/30/19 | 1,689,764 | | 1,546,784 | 1,689,764 | | | | | (142,980) | | | (142,980) | 1,689,764 | | |
| Special Milk Program for Children | 10.556 | 181N1304N1099 | N/A | 7/1/17-6/30/18 | 7,029 | (1,310) | 1,310 | | | | | | | | | | | | |
| Special Milk Program for Children | 10.556 | 191N1304N1099 | N/A | 7/1/18-6/30/19 | 5,246 | | 4,966 | 5,246 | | | | | (280) | | | (280) | 5,246 | | |
| NSLP-Non Cash Assistance | 10.555 | 181N1304N1099 | N/A | 7/1/17-6/30/18 | 165,921 | 6,558 | 6,558 | | | | | | | | | | 6,558 | | |
| NSLP-Non Cash Assistance | 10.555 | 191N1304N1099 | N/A | 7/1/18-6/30/19 | 173,036 | - | 173,036 | 168,982 | | | | | | \$ 4,054 | | | 168,982 | | |
| Total Child Nutrition Programs | | | | | | (445,613) | - | 2,648,245 | 2,387,902 | | | | (189,324) | 4,054 | | (189,324) | 2,387,902 | | |
| After School Snack Program | 10.558 | 191N1304N1099 | N/A | 7/1/18-6/30/19 | 15,466 | | 13,869 | 15,466 | | | | | (1,597) | | | (1,597) | 15,466 | | |
| After School Snack Program | 10.558 | 181N1304N1099 | N/A | 7/1/17-6/30/18 | 12,736 | (2,631) | 2,631 | | | | | | | | | | | | |
| Total U.S. Dept. of Agriculture | | | | | | (448,244) | - | 2,664,745 | 2,403,368 | | | | (190,921) | 4,054 | | (190,921) | 2,403,368 | | |
| 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 | 835 | | | | | | | \$ 835 | \$ 254 | | \$ 254 | - | | |
| Title I, Part A | 84.010A | S010A170030 | NCLB361018 | 7/1/17-6/30/18 | 3,244,356 | (1,189,435) | (142,658) | 1,189,434 | | | 142,658 | | | 21,286 | | 21,285 | - | | |
| Title I, Part A | 84.010A | S010A180030 | ESEA361019 | 7/1/18-6/30/19 | 3,237,942 | | 142,658 | 2,236,674 | 3,307,650 | | (142,658) | | (1,143,926) | 72,950 | | (1,070,976) | 3,307,650 | | |
| Title I, SIA, Part A | 84.010A | S010A180030 | ESEA361019 | 7/1/18-6/30/19 | 34,400 | | 10,870 | 3,095 | 41,301 | | (10,870) | | (42,175) | 3,969 | | (38,206) | 41,301 | | |
| Title I, SIA, Part A | 84.010A | S010A170030 | NCLB361018 | 7/1/17-6/30/18 | 94,057 | (83,187) | (10,870) | 83,187 | | | 10,870 | | | | | | - | | |
| Total Title I | | | | | | (1,271,787) | - | 3,512,390 | 3,348,951 | | - | | 835 | 21,540 | (1,186,101) | 76,919 | 21,539 | (1,109,182) | 3,348,951 |
| Title II, Part A | 84.367A | S367A180029 | ESEA361019 | 7/1/18-6/30/19 | 424,138 | | 18,463 | 274,206 | 438,667 | | (18,463) | | (168,395) | 3,934 | | (164,461) | 438,667 | | |
| Title II, Part A | 84.367A | S367A170029 | NCLB361018 | 7/1/17-6/30/18 | 469,712 | (139,640) | (18,463) | 139,640 | | | 18,463 | | | | | | | | |
| Total Title II | | | | | | (139,640) | - | 413,846 | 438,667 | | - | | (168,395) | 3,934 | | (164,461) | 438,667 | | |
| Title III | 84.365 | S365A180030 | ESEA361019 | 7/1/18-6/30/19 | 161,448 | | 38,414 | 38,922 | 137,081 | | (38,414) | | (160,940) | 62,781 | | (32,707) | 137,081 | | |
| Title III | 84.365 | S365A170030 | NCLB361018 | 7/1/17-6/30/18 | 177,870 | (72,588) | (38,414) | 72,588 | | | 38,414 | | | | | | - | | |
| Title III | 84.365 | S365A160030 | NCLB361017 | 7/1/16-6/30/17 | 171,847 | | | | | | | | | 1,501 | | 1,501 | - | | |
| Title III, Immigrant | 84.365 | S365A180030 | ESEA361019 | 7/1/18-6/30/19 | 49,255 | | 24,833 | 52,499 | 70,406 | | (24,833) | | (21,589) | 3,682 | | (17,907) | 70,406 | | |
| Title III, Immigrant | 84.365 | S365A170030 | NCLB361018 | 7/1/17-6/30/18 | 43,095 | (18,262) | (24,833) | 18,262 | | | 24,833 | | | | | | - | | |
| Total Title III | | | | | | (90,850) | - | 182,271 | 207,487 | | - | | 1,501 | (182,529) | 66,463 | 1,501 | (50,614) | 207,487 | |
| Title IV | 84.424 | S424A180031 | ESEA361019 | 7/1/18-6/30/19 | 195,507 | | 13,233 | 105,623 | 182,842 | | (13,233) | | (103,117) | 25,898 | | (48,272) | 182,842 | | |
| Title IV | 84.424 | S424A170031 | NCLB361018 | 7/1/17-6/30/18 | 41,353 | (5,771) | (13,233) | 5,771 | | | 13,233 | | | | | | - | | |
| Total Title IV | | | | | | (5,771) | - | 111,394 | 182,842 | | - | | (103,117) | 25,898 | | (48,272) | 182,842 | | |
| IDEA Part B | | | | | | | | | | | | | | | | | | | |
| Basic, Regular | 84.027A | H027A160100 | FT361017 | 7/1/16-6/30/17 | 1,807,590 | 578 | | | | | | | | 578 | | | - | | |
| Basic, Regular | 84.027A | H027A170100 | FT361018 | 7/1/17-6/30/18 | 1,797,713 | (457,798) | (892) | 457,797 | | | 892 | | | 1,355 | | 1,354 | - | | |
| Basic, Regular | 84.027A | H027A180100 | FT361019 | 7/1/18-6/30/19 | 1,785,500 | | 892 | 1,176,549 | 1,708,340 | | (892) | | (609,843) | 78,052 | | (528,801) | 1,708,340 | | |
| 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 | | | | | | | | | - | | |
| Preschool | 84.173A | H173A180114 | PS361019 | 7/1/18-6/30/19 | 52,296 | | | 50,280 | | | | | (52,296) | 2,016 | | (50,280) | 50,280 | | |
| Total IDEA | | | | | | (508,020) | - | 1,685,148 | 1,758,620 | | - | 580 | 1,355 | (662,139) | 80,068 | 1,354 | (579,081) | 1,758,620 | |
| Total U.S. Department of Education - Special Revenue Fund | | | | | | (2,016,068) | - | 5,905,049 | 5,936,567 | | - | 1,415 | 24,396 | (2,302,281) | 253,282 | 24,394 | (1,951,610) | 5,936,567 | |
| General Fund | | | | | | | | | | | | | | | | | | | |
| Spec.Ed. Medicaid Reimbursement | 93.778 | 1905NJ5MAP | NA | 7/1/18-6/30/19 | 405,955 | | | 405,955 | 405,955 | | | | | | | | | 405,955 | |
| Total Medicaid Reimbursement | | | | | | | | 405,955 | 405,955 | | | | | | | | | 405,955 | |
| Total Federal Awards | | | | | | \$ (2,464,312) | \$ - | \$ 8,975,749 | \$ 8,745,890 | \$ - | \$ 1,415 | \$ 24,396 | \$ (2,493,202) | \$ 257,336 | \$ 24,394 | \$ (2,142,531) | \$ 8,745,890 | | |

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance, July 1, 2018 | | | Cash Received | Budgetary Expenditures | Cancelled Encumbrances | Prior Year Adjustment | Balance, June 30, 2019 | | | Memo | |
|--|-------------------------------|----------------|---------------|------------------------------|----------------|-------------------|-------------------|------------------------|------------------------|-----------------------|------------------------|------------------|----------------|-------------------|-------------------------------|
| | | | | Unearned Revenue/(Accts Rec) | Due to Grantor | Carryover Amount | | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | GAAP Receivable | Cumulative Total Expenditures |
| State Department of Education | | | | | | | | | | | | | | | |
| General Fund | | | | | | | | | | | | | | | |
| Equalization Aid | 18-495-034-5120-078 | 7/1/17-6/30/18 | \$ 51,895,086 | \$ (5,083,224) | | \$ 5,083,224 | | | | | | | | * | |
| Equalization Aid | 19-495-034-5120-078 | 7/1/18-6/30/19 | 51,895,086 | | | 46,723,304 | \$ 51,895,085 | | | \$ (5,171,781) | | | * | \$ 51,895,085 | |
| Special Education Aid | 18-495-034-5120-089 | 7/1/17-6/30/18 | 4,632,403 | (453,753) | | 453,753 | | | | | | | * | - | |
| Special Education Aid | 19-495-034-5120-089 | 7/1/18-6/30/19 | 5,808,963 | | | 5,230,051 | 5,808,963 | | | (578,912) | | | * | 5,808,963 | |
| Security Aid | 18-495-034-5120-084 | 7/1/17-6/30/18 | 901,738 | (88,327) | | 88,327 | | | | | | | * | - | |
| Security Aid | 19-495-034-5120-084 | 7/1/18-6/30/19 | 2,787,698 | | | 2,509,880 | 2,787,698 | | | (277,818) | | | * | 2,787,698 | |
| Under Adequacy Aid | 18-495-034-5120-096 | 7/1/17-6/30/18 | 500,000 | (48,976) | | 48,976 | | | | | | | * | - | |
| Per Pupil Growth Aid | 18-495-034-5120-097 | 7/1/17-6/30/18 | 74,130 | (7,261) | | 7,261 | | | | | | | * | - | |
| PARCC Readiness | 18-495-034-5120-098 | 7/1/17-6/30/18 | 74,130 | (7,261) | | 7,261 | | | | | | | * | - | |
| Professional Learning Community Aid | 18-495-034-5120-101 | 7/1/17-6/30/18 | 73,140 | (7,164) | | 7,164 | | | | | | | * | - | |
| Total State Aid Public | | | | (5,695,966) | | 60,159,201 | 60,491,746 | | | (6,028,511) | | | * | 60,491,746 | |
| Reimbursed TPAF Pension | | | | | | | | | | | | | | | |
| Non-Contributory Insurance | 19-495-034-5094-004 | 7/1/18-6/30/19 | 217,875 | | | 217,875 | 217,875 | | | | | | * | 217,875 | |
| Pension Contribution | 19-495-034-5094-002 | 7/1/18-6/30/19 | 10,408,407 | | | 10,408,407 | 10,408,407 | | | | | | * | 10,408,407 | |
| Long Term Disability Insurance | 19-495-034-5094-004 | 7/1/18-6/30/19 | 10,743 | | | 10,743 | 10,743 | | | | | | * | 10,743 | |
| Post Retirement Contribution | 19-495-034-5094-001 | 7/1/18-6/30/19 | 4,820,064 | | | 4,820,064 | 4,820,064 | | | | | | * | 4,820,064 | |
| Total Reimbursed TPAF Pension | | | | | | 15,457,089 | 15,457,089 | | | | | | * | 15,457,089 | |
| Transportation Aid | | | | | | | | | | | | | | | |
| Transportation Aid | 18-495-034-5120-014 | 7/1/17-6/30/18 | 172,404 | (16,887) | | 16,887 | | | | | | | * | - | |
| Transportation Aid | 19-495-034-5120-014 | 7/1/18-6/30/19 | 747,436 | | | 672,948 | 747,436 | | | (74,488) | | | * | 747,436 | |
| Nonpublic Transportation Aid | N/A | 7/1/17-6/30/18 | 43,500 | (43,500) | | 43,500 | | | | | | | * | - | |
| Nonpublic Transportation Aid | N/A | 7/1/18-6/30/19 | 93,380 | | | | 93,380 | | | (93,380) | | | * | \$ (93,380) | |
| | | | | (60,387) | | 733,335 | 840,816 | | | (167,868) | | | * | (93,380) | |
| | | | | | | | | | | | | | * | 840,816 | |
| Extraordinary Aid | | | | | | | | | | | | | | | |
| Extraordinary Aid | 18-495-034-5120-044 | 7/1/17-6/30/18 | 351,036 | (351,036) | | 351,036 | | | | | | | * | - | |
| Extraordinary Aid | 19-495-034-5120-044 | 7/1/18-6/30/19 | 619,582 | | | 619,582 | 619,582 | | | (619,582) | | | * | 619,582 | |
| Reimbursed TPAF Soc. Security Contr. | 19-495-034-5094-003 | 7/1/18-6/30/19 | 4,108,435 | | | 3,906,570 | 4,108,435 | | | (201,865) | | | * | (201,865) | |
| Total General Fund | | | | (6,107,389) | | 80,607,231 | 81,517,668 | | | (7,017,826) | | | * | (295,245) | |
| Special Revenue Fund | | | | | | | | | | | | | | | |
| Preschool Education Aid | 19-495-034-5120-086 | 7/1/18-6/30/19 | 2,611,533 | | \$ 2,364,393 | 2,350,380 | 3,726,856 | | | (261,153) | \$ 1,249,070 | | * | 3,726,856 | |
| Preschool Education Aid | 18-495-034-5120-086 | 7/1/17-6/30/18 | 2,544,996 | 2,087,407 | | 254,500 | | \$ 22,486 | | | | | * | - | |
| Total Special Revenue Fund | | | | 2,087,407 | | 2,604,880 | 3,726,856 | 22,486 | | (261,153) | 1,249,070 | | * | 3,726,856 | |
| Debt Service Fund | | | | | | | | | | | | | | | |
| Debt Service Aid | 19-495-034-5120-075 | 7/1/18-6/30/19 | 530,716 | | | 530,716 | 530,716 | | | | | | * | 530,716 | |
| Total State Department of Education | | | | (4,019,982) | | 83,742,827 | 85,775,240 | 22,486 | | (7,278,979) | 1,249,070 | | * | (295,245) | |
| 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 | (5,979) | | 5,979 | | | | | | | * | - | |
| State School Lunch Program | 19-100-010-3350-023 | 7/1/18-6/30/19 | 29,218 | | | 26,297 | 29,218 | | | (2,921) | | | * | (2,921) | |
| Total State Department of Agriculture | | | | (5,979) | | 32,276 | 29,218 | | | (2,921) | | | * | (2,921) | |

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance, July 1, 2018 | | | Cash Received | Budgetary Expenditures | Adjustment | Refund of Prior Year Balances | Balance, June 30, 2019 | | | Memo | |
|--|-------------------------------|--------------|-----------------|-------------------------------|----------------|------------------|---------------|------------------------|------------|-------------------------------|------------------------|------------------|----------------|-----------------|-------------------------------|
| | | | | Unearned Revenue/ (Accts Rec) | Due to Grantor | Carryover Amount | | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | GAAP Receivable | Cumulative Total Expenditures |
| Economic Development Authority | | | | | | | | | | | | | | | * |
| Capital Projects Fund | | | | | | | | | | | | | | | * |
| Franklin School - Windows | 3610-060-09-1008 | N/A | \$ 1,016,408 | \$ (687,354) | | | 666,981 | | 20,373 | | | | | \$ - | \$ 687,354 |
| Lincoln School - Windows | 3610-090-09-1009 | N/A | 890,041 | (599,248) | | | 567,189 | | 32,059 | | | | | - | 599,248 |
| North Bergen High School - Maintenance Room Conversion | 3610-050-09-1013 | N/A | 210,845 | (97,567) | | | 102,188 | | (4,621) | | | | | - | 97,567 |
| North Bergen High School - Guidance and Health Suites | 3610-050-09-1010 | N/A | 827,591 | (827,591) | | | 822,549 | | 5,042 | | | | | - | 827,591 |
| North Bergen High School - Brick Façade Repair and Restoration | 3610-050-09-1007 | N/A | 626,251 | (489,063) | | | 453,582 | | 35,481 | | | | | - | 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 |
| Robert Fulton - Windows and Doors | 3610-110-10-1006 | N/A | 1,387,825 | (1,281,769) | | | 1,360,082 | | (78,313) | | | | | - | 1,281,769 |
| McKinley School - Windows | 3610-100-14-1014 | N/A | 673,885 | (668,053) | | | | \$ 5,832 | | | | \$ (673,885) | | (673,885) | 673,885 |
| McKinley School - Exterior | 3610-100-14-1025 | N/A | 170,474 | (112,244) | | | | | 1 | | | (170,474) | \$ 58,231 | (170,474) | 218,513 |
| Robert Fulton - Roof | 3610-110-14-1021 | N/A | 471,366 | (218,513) | | | | | | | | (471,366) | 252,853 | (471,366) | 218,513 |
| North Bergen High School - Rehabilitation | 3610-050-14-1001 | N/A | 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) | | | 805,715 | | 2,727 | | | | | - | 808,442 |
| Lincoln School - Exterior | 3610-090-14-1024 | N/A | 308,116 | (190,369) | | | | | | | | (308,116) | 117,747 | (308,116) | 190,369 |
| Horace Mann School - Roof | 3610-070-14-1020 | N/A | 448,418 | (270,009) | | | | | | | | (448,418) | 178,409 | (448,418) | 270,009 |
| McKinley School - Security | 3610-100-14-1015 | N/A | 78,102 | (45,898) | | | 46,747 | | (849) | | | | | - | 45,898 |
| Lincoln School - Security | 3610-090-14-1012 | N/A | 87,213 | (43,170) | | | 43,170 | | | | | | | - | 43,170 |
| Kennedy School - Security | 3610-080-14-1011 | N/A | 59,007 | (29,209) | | | 29,209 | | | | | | | - | 29,209 |
| Horace Mann School - Security | 3610-070-14-1099 | N/A | 65,614 | (32,479) | | | 32,479 | | | | | | | - | 32,479 |
| Franklin School - Security | 3610-060-14-1008 | N/A | 63,672 | (57,651) | | | 58,719 | | (1,068) | | | | | - | 57,651 |
| Robert Fulton School - Security | 3610-110-14-1016 | N/A | 60,439 | (29,917) | | | 29,917 | | | | | | | - | 29,917 |
| Total Economic Development Authority | | | | (7,839,955) | - | - | 6,369,936 | 5,832 | 10,832 | - | (2,072,259) | 607,240 | - | (2,072,259) | 7,845,786 |
| Total State Assistance Subject to Single Audit Determination | | | \$ (11,865,916) | \$ - | \$ - | \$ 90,145,039 | \$ 85,810,290 | \$ 33,318 | \$ - | \$ (9,354,159) | \$ 1,856,310 | \$ - | \$ (2,370,425) | \$ 93,650,244 | |
| Less: State Aid Not Subject to Single Audit and Major Program Determination | | | | | | | | | | | | | | | |
| Reimbursed TPAF Pension | | | | | | | (217,875) | (217,875) | | | | | | | |
| Non-Contributory Insurance | | | | | | | (10,408,407) | (10,408,407) | | | | | | | |
| Pension Contribution | | | | | | | (10,743) | (10,743) | | | | | | | |
| Long Term Disability Insurance | | | | | | | (4,820,064) | (4,820,064) | | | | | | | |
| Post Retirement Contribution | | | | | | | | | | | | | | | |
| Total State Assistance Subject to Major Program Determination | | | \$ (11,865,916) | \$ - | \$ - | \$ 74,687,950 | \$ 70,353,201 | \$ 33,318 | \$ - | \$ (9,354,159) | \$ 1,856,310 | \$ - | | | |

**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, 2019**

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 \$658,692 for the general fund and an increase of \$24,904 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 | \$ 405,955 | \$ 80,858,977 | \$ 81,264,932 |
| Special Revenue Fund | 5,971,633 | 3,727,878 | 9,699,511 |
| Capital Projects Fund | | 8,108 | 8,108 |
| Debt Service Fund | | 530,716 | 530,716 |
| Food Service Fund | <u>2,403,368</u> | <u>29,218</u> | <u>2,432,586</u> |
| Total Financial Assistance | <u>\$ 8,780,956</u> | <u>\$ 85,154,897</u> | <u>\$ 93,935,853</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, 2019**

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 \$4,108,435 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, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$10,626,282, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$4,820,064 and TPAF Long-Term Disability Insurance in the amount of \$10,743 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

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 payments 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, 2019**

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> |
|-----------------------|-----------------------|---|
| 84.027 | H027A180100 | IDEA Basic |
| 84.173 | H173A180114 | IDEA Preschool |
| 93.778 | 1905NJ5MAP | SEMI Medicaid Reimbursement |
| | | |
| | | |
| | | |
| | | |
| | | |

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, 2019**

Part I – Summary of Auditor’s Results

State Awards Section

Dollar threshold used to distinguish between Type A and Type B Programs \$ 2,110,664

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> |
|---------------------------------------|------------------------------|
| 19-495-034-5120-078 | Equalization Aid |
| 19-495-034-5120-089 | Special Education Aid |
| 19-495-034-5120-084 | Security Aid |
| 19-495-034-5120-044 | Extraordinary Aid |
| 19-495-034-5120-086 | Preschool Education Aid |
| | |
| | |
| | |
| | |
| | |

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

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, 2019**

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.