

**SOUTH BERGEN JOINTURE COMMISSION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Hasbrouck Heights, New Jersey**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**of the**

**South Bergen Jointure Commission**

**Hasbrouck Heights, New Jersey**

**For The Fiscal Year Ended June 30, 2015**

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**

# South Bergen Jointure Commission

BOARD OF EDUCATION  
500 Route 17 South, Suite 307  
Hasbrouck Heights, NJ 07604

Susan E. Cucciniello  
Business Administrator / Board Secretary

P) 201-393-0475  
F) 201-288-2825

December 21, 2015

Honorable President and Members  
of the Board of Education  
South Bergen Jointure Commission  
Hasbrouck Heights, New Jersey

Dear Board Members:

The comprehensive annual financial report of the South Bergen Jointure Commission for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Commission. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133 and New Jersey 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Commission is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Commission and all its schools constitute the District's reporting entity.

2. INTERNAL ACCOUNTING CONTROLS: Management of the Commission 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 principals (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 Commission 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 Commission management.

As part of the Commission'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 Commission has complied with applicable laws and regulations.

3. BUDGETARY CONTROLS: In addition to internal accountability controls, the Commission 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 Commissioners. Annual appropriated budgets are adopted for the general fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

4. ACCOUNTING SYSTEM AND REPORTS: The Commission's accounting records reflect generally accepted accounting principals, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis funds.

5. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the Commission continues to meet its responsibilities for sound financial management.

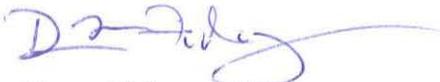
6. CASH MANAGEMENT: The investment policy of the Commission is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The Commission has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from 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.

7. RISK MANAGEMENT: The Commission 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.

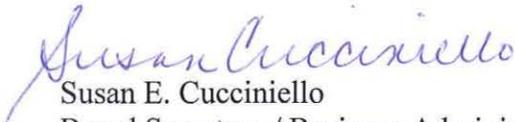
8. OTHER INFORMATION: Independent Audit -State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Higgins, LLP, was selected by the Commission. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and state Treasury Circular Letter 15-08 OMB. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

9. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Commission for their concern in providing fiscal accountability and contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Business Office staff.

Respectfully submitted,

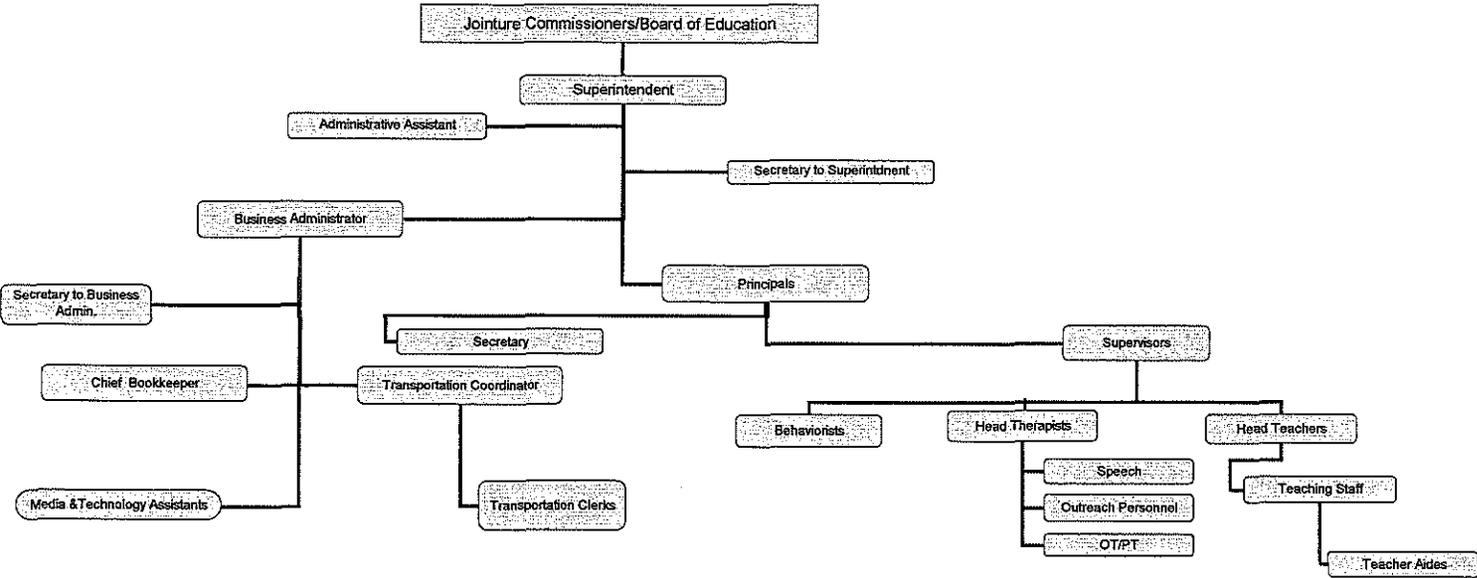


Dawn Fidanza, Ph.D.  
Superintendent of Schools



Susan E. Cucciniello  
Board Secretary / Business Administrator

# Administrative Structure South Bergen Jointure Commission



**SOUTH BERGEN JOINTURE COMMISSION**  
**Roster of Officials and Member Districts**  
**Fiscal Year Ended June 30, 2015**

<u>Members of the Board of Education</u>	<u>Member District</u>	<u>Term Expires</u>
Mr. Gregorio Maceri	South Hackensack	June 30, 2015
Dr. Oliver Stringham	North Arlington	June 30, 2015
Ms. Louise Clarke	Becton Regional	June 30, 2015
Dr. Letizia Pantoliano	Bogota	June 30, 2015
Mr. Steve Kollinok-President	Carlstadt	June 30, 2015
Mr. Joseph Abate	East Rutherford	June 30, 2015
Mr. Nicholas Perrapato	Garfield	June 30, 2015
Dr. Mary Kildow	Hasbrouck Heights	June 30, 2015
Mr. Frank Quatrone-VP	Lodi	June 30, 2015
Mrs. Tracey Marinelli	Lyndhurst	June 30, 2015
Mr. Frank Scarafile	Moonachie	June 30, 2015
Mr. Jack Hurley	Rutherford	June 30, 2015
Mr. James Albro	Wallington	June 30, 2015
Dr. Sue Denobile	Wood-Ridge	June 30, 2015

Other Officials

Dr. Dawn Fianza, Ph.D., Superintendent

Ms. Susan Cucciniello, Board Secretary/Business Administrator

Ms. Nancy Ciavaglia, Treasurer

**SOUTH BERGEN JOINTURE COMMISSION**  
**Consultants and Advisors**  
**Fiscal Year Ended June 30, 2015**

Audit Firm

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

Attorney

Fogarty & Hara, Esqs.  
1600 Route 208 South  
Fairlawn, New Jersey 07410

Official Depository

Capital One Bank

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA

DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
KATHLEEN WANG, CPA  
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Commission  
South Bergen Jointure Commission  
Hasbrouck Heights, New Jersey

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 South Bergen Jointure Commission, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the South Bergen Jointure Commission as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Emphasis of Matter*

### *Adoption of New Accounting Pronouncement*

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the South Bergen Jointure Commission adopted new accounting guidance, Governmental Accounting Standards Commission Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Commission, 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 South Bergen Jointure Commission's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards 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 South Bergen Jointure Commission.

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 21, 2015 on our consideration of the South Bergen Jointure Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the South Bergen Jointure Commission's internal control over financial reporting and compliance.



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



Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
December 21, 2015

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SOUTH BERGEN JOINTURE COMMISSION  
HASBROUCK HEIGHTS, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2015**

This section of the South Bergen Jointure Commission's annual financial report presents our discussion and analysis of the Commission's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the Commission's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Commission's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2014-2015 fiscal year include the following:

- Governmental Activities - The assets of the South Bergen Jointure Commission exceeded its liabilities at the close of the fiscal year by \$1,483,350 (net position).
- The Commission's total net position for governmental activities increased \$1,783,044.
- Overall Commission revenues for governmental activities were \$43,705,363 General revenues accounted for \$14,266 or 0.1% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$43,691,097 or 99.9% of total revenues.
- The Commission had \$41,882,319 in expenses for governmental activities and 100% of these expenses were offset by program specific charges, grants or contributions.
- As of the close of the current fiscal year, the Commission's governmental funds reported a combined ending fund balance of \$7,790,556 an increase of \$1,590,371 when compared to the previous year ending fund balance.

**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 Commission:

- The first two statements are *Commission wide financial statements* that provide both *short-term* and *long-term* information about the Commission's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual* parts of the Commission, reporting the Commission's operations in *more detail* than the Commission-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 Commission operated like *businesses*.

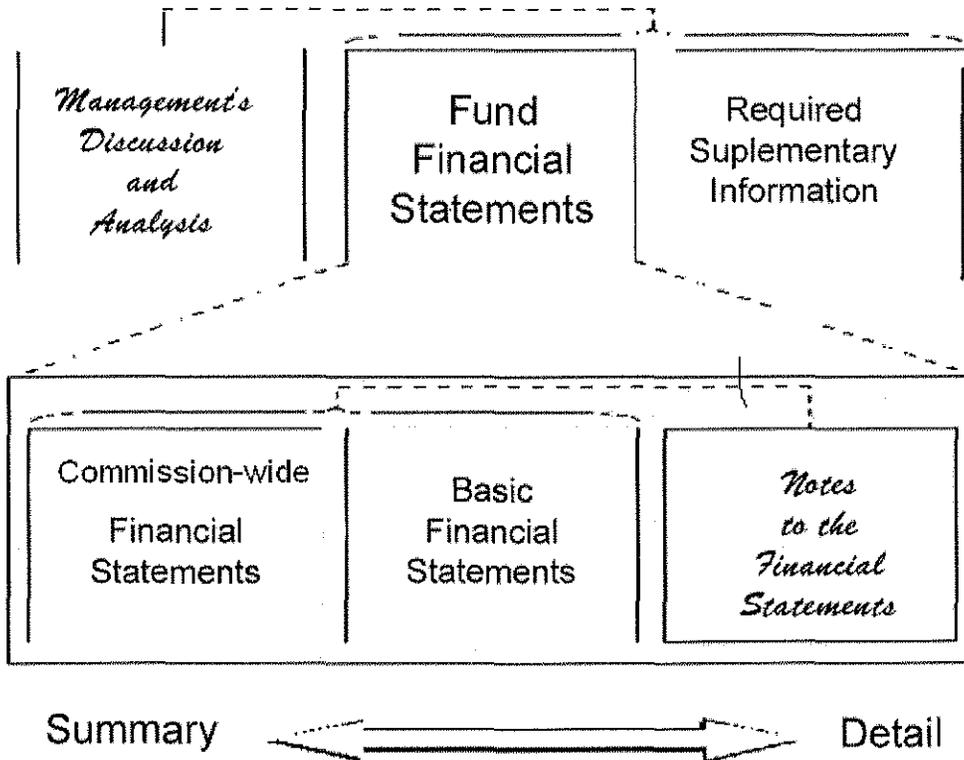
**SOUTH BERGEN JOINTURE COMMISSION  
HASBROUCK HEIGHTS, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2015**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

*-Fiduciary funds* statements provide information about the financial relationships in which the Commission 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 the information in the statements and provide more detailed data. The following shows how the various parts of this annual report are arranged and related to one another.



**SOUTH BERGEN JOINTURE COMMISSION  
HASBROUCK HEIGHTS, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2015**

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

**Major Features of the Commission-wide and Fund Financial Statements**

	Commission-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Commission (except fiduciary funds)	The activities of the Commission that are not proprietary or fiduciary, such as Regular and Special Education Instruction and Building maintenance	Activities the Commission operates similar to private businesses: Enterprise Fund	Instances in which the Commission administers resources held in trust, such as 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 revenue, 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, deferred outflows/inflows of resources and liability Information	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital term and long-term	All assets and liabilities, both short-term and long-term funds do not currently contain capital assets.
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.

**SOUTH BERGEN JOINTURE COMMISSION  
HASBROUCK HEIGHTS, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2015**

**Commission-wide financial statements**

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

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

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

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

- *Governmental activities* – Most of the Commission's basic services are included here, such as regular and special education, transportation, administration and plant operations and maintenance. Tuition charges and service fee revenues 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 Commission's funds – focusing on its most significant or "major" funds – not the Commission as a whole. Funds are accounting devices the Commission 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 Commission 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 and restricted contributions and service fees).

The Commission has three kinds of funds:

- *Governmental funds* – Most of the Commission'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 Commission's programs. Because this information does not encompass the additional long-term focus of the Commission-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

**SOUTH BERGEN JOINTURE COMMISSION  
HASBROUCK HEIGHTS, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2015**

**Fund financial statements (continued)**

- *Proprietary funds* – Services for which the Commission charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the Commission-wide statements.
  
- *Fiduciary funds* – The Commission is the trustee, or *fiduciary*, for assets that belong to others. The Commission 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 Commission'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 Commission-wide financial statements because the Commission 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 Commission-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements.

**Other Information**

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

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

**COMMISSION-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by \$1,535,370 as of June 30, 2015 and liabilities exceeded assets by \$247,608 as of June 30, 2014.

By far the largest portion of the Commission's net position is unrestricted and available to finance future expenses and capital acquisitions of the Commission. The other portion of net position reflects the Commission's investment in capital assets. The Commission uses these assets to provide services to its students and participating school districts utilizing the Commission's services.

**SOUTH BERGEN JOINTURE COMMISSION  
HASBROUCK HEIGHTS, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2015**

**Net Position  
As of June 30, 2015 and 2014**

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u> (Restated)
Current Assets	\$ 7,895,113	\$ 6,517,759	\$ 46,424	\$ 44,403	\$ 7,941,537	\$ 6,562,162
Capital Assets	<u>357,975</u>	<u>264,247</u>	<u>6,407</u>	<u>8,304</u>	<u>364,382</u>	<u>272,551</u>
<b>Total Assets</b>	<u>8,253,088</u>	<u>6,782,006</u>	<u>52,831</u>	<u>52,707</u>	<u>8,305,919</u>	<u>6,834,713</u>
Deferred Outflows of Resources	<u>178,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,656</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>8,431,744</u>	<u>6,782,006</u>	<u>52,831</u>	<u>52,707</u>	<u>8,484,575</u>	<u>6,834,713</u>
Current Liabilities	104,557	317,574			104,557	317,574
Non-Current Liabilities	<u>5,737,792</u>	<u>6,764,126</u>	<u>-</u>	<u>-</u>	<u>5,737,792</u>	<u>6,764,126</u>
<b>Total Liabilities</b>	<u>5,842,349</u>	<u>7,081,700</u>	<u>-</u>	<u>-</u>	<u>5,842,349</u>	<u>7,081,700</u>
Deferred Inflows of Resources	<u>1,106,045</u>	<u>-</u>	<u>811</u>	<u>621</u>	<u>1,106,856</u>	<u>621</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,948,394</u>	<u>7,081,700</u>	<u>811</u>	<u>621</u>	<u>6,949,205</u>	<u>7,082,321</u>
Net Position						
Net investment in capital assets	357,975	264,247	6,407	8,304	364,382	272,551
Unrestricted	<u>1,125,375</u>	<u>(563,941)</u>	<u>45,613</u>	<u>43,782</u>	<u>1,170,988</u>	<u>(520,159)</u>
<b>Total Net Position</b>	<u>\$ 1,483,350</u>	<u>\$ (299,694)</u>	<u>\$ 52,020</u>	<u>\$ 52,086</u>	<u>\$ 1,535,370</u>	<u>\$ (247,608)</u>

**SOUTH BERGEN JOINTURE COMMISSION  
HASBROUCK HEIGHTS, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2015**

<b>Change in Net Position For The Fiscal Years Ended June 30, 2015 and 2014</b>						
	<u>Governmental Activities</u>		<u>Business - Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 39,885,916	\$ 36,378,016	\$ 51,435	\$ 50,211	\$ 39,937,351	\$ 36,428,227
Operating Grants and Contributions	3,805,181	1,561,985	119,641	111,024	3,924,822	1,673,009
Interest	14,266	22,470	32	288	14,298	22,758
<b>Total Revenues</b>	<u>43,705,363</u>	<u>37,962,471</u>	<u>171,108</u>	<u>161,523</u>	<u>43,876,471</u>	<u>38,123,994</u>
<b>Expenses</b>						
Instruction						
Special Education	10,799,247	8,765,898			10,799,247	8,765,898
Support Services						
Student and Instruction Related Services	8,042,814	7,159,895			8,042,814	7,159,895
General Administrative Services	359,641	459,214			359,641	459,214
School Administrative Services	2,268,258	1,436,669			2,268,258	1,436,669
Central and Other Support Services	545,508	485,136			545,508	485,136
Plant Operations and Maintenance	1,944,218	1,925,426			1,944,218	1,925,426
Pupil Transportation	17,922,633	17,217,172			17,922,633	17,217,172
Food Services	-	-	211,174	202,208	211,174	202,208
<b>Total Expenses</b>	<u>41,882,319</u>	<u>37,449,410</u>	<u>211,174</u>	<u>202,208</u>	<u>42,093,493</u>	<u>37,651,618</u>
<b>Increase (Decrease) in Net Position Before Transfers</b>	<u>1,823,044</u>	<u>513,061</u>	<u>(40,066)</u>	<u>(40,685)</u>	<u>1,782,978</u>	<u>472,376</u>
<b>Transfer</b>	<u>(40,000)</u>	<u>(40,000)</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	<u>1,783,044</u>	<u>473,061</u>	<u>(66)</u>	<u>(685)</u>	<u>1,782,978</u>	<u>472,376</u>
<b>Net Position, Beginning of Year</b>	<u>(299,694)</u>	<u>5,935,366</u>	<u>52,086</u>	<u>52,771</u>	<u>(247,608)</u>	<u>5,988,137</u>
<b>Prior Period Adjustment</b>	<u>-</u>	<u>(6,708,121)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,708,121)</u>
<b>Net Position, End of Year</b>	<u>\$ 1,483,350</u>	<u>\$ (299,694)</u>	<u>\$ 52,020</u>	<u>\$ 52,086</u>	<u>\$ 1,535,370</u>	<u>\$ (247,608)</u>

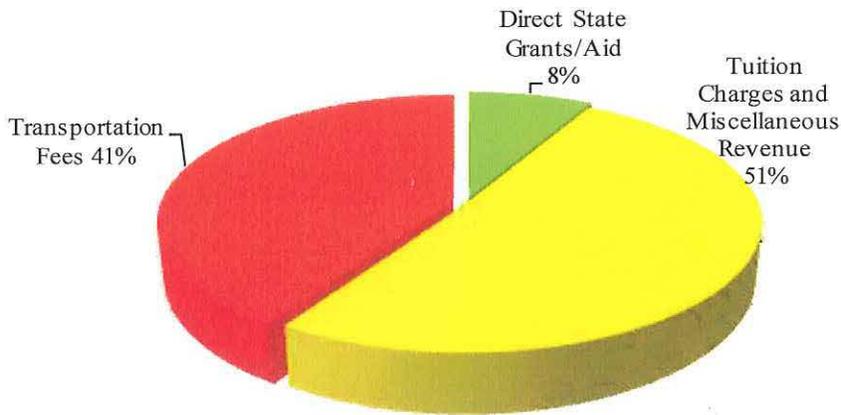
**SOUTH BERGEN JOINTURE COMMISSION  
HASBROUCK HEIGHTS, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2015**

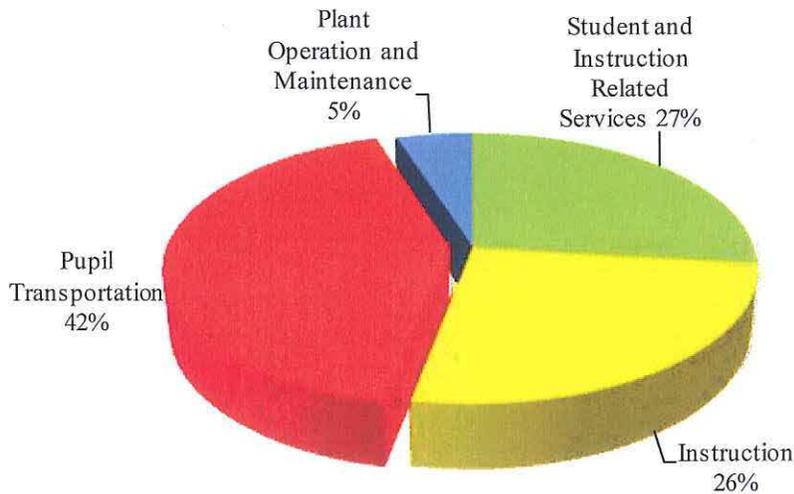
**Governmental Activities.** The Commission's total governmental activities' revenues, which includes State grants, were \$43,705,363 and \$37,962,471 for the year ended June 30, 2015 and 2014, respectively. Tuition and miscellaneous revenue of \$22,057,777 and transportation fees of \$17,828,139, represented 50% and 41% respectively of the revenues for the fiscal year ended June 30, 2015. Another portion of revenues came from grants and contributions of \$3,805,181 or 9% of the revenues for the fiscal year ended June 30, 2015. Miscellaneous income includes items such as indirect cost fees, interest, prior year refunds and other miscellaneous items.

The total cost of all governmental activities programs and services were \$41,882,319 and \$37,449,410 for the years ended June 30, 2015 and 2014, respectively. The Commission's expenses are related to educating and caring for students. Instruction totaled \$10,799,247 and \$8,765,898 (26% and 23%) of total expenditures for the fiscal years ended June 30, 2015 and 2014 respectively. Support services (including pupil transportation), totaled \$31,083,072 and \$28,683,512 (74% and 77%) of total expenditures for the fiscal years end June 30, 2015 and June 30, 2014, respectively.

Revenues by Type- Governmental Activities  
For Fiscal Year 2015



Expenses by Type- Governmental Activities  
For Fiscal Year 2015



**SOUTH BERGEN JOINTURE COMMISSION  
HASBROUCK HEIGHTS, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2015**

**Net Cost of Governmental Activities.** The Commission's total cost of services was \$41,882,319 for the fiscal year ended June 30, 2015. After applying program revenues, derived from charges for services and grants and contributions of \$43,691,097 the net revenue from services of the Commission was \$1,808,778 for the fiscal year ended June 30, 2015.

**Net Cost of Governmental Activities**

	<u>Total Cost</u> <u>of Services</u> <u>2015</u>	<u>(Net Cost) Revenue</u> <u>of Services</u> <u>2015</u>	<u>Total Cost</u> <u>of Services</u> <u>2014</u>	<u>(Net Cost) Revenue</u> <u>of Services</u> <u>2014</u>
Instruction				
Special Education	\$ 10,799,247	\$ 4,156,274	\$ 8,765,898	\$ 3,144,048
Support Services				
Student and Instruction Related Services	8,042,814	2,286,053	7,159,895	1,578,275
General Administrative Services	359,641	(359,641)	459,214	(459,214)
School Administrative Services	2,268,258	(1,835,288)	1,436,669	(1,317,696)
Central and Other Support Services	545,508	(399,908)	485,136	(420,616)
Plant Operations and Maintenance	1,944,218	(1,944,218)	1,925,426	(1,925,426)
Pupil Transportation	<u>17,922,633</u>	<u>(94,494)</u>	<u>17,217,172</u>	<u>(108,780)</u>
<b>Total</b>	<b><u>\$ 41,882,319</u></b>	<b><u>\$ 1,808,778</u></b>	<b><u>\$ 37,449,410</u></b>	<b><u>\$ 490,591</u></b>

**SOUTH BERGEN JOINTURE COMMISSION  
HASBROUCK HEIGHTS, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2015**

**FINANCIAL ANALYSIS OF THE COMMISSION'S FUNDS**

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

**Governmental Funds**

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

The financial performance of the Commission as a whole is reflected in its governmental funds as well. As the Commission completed the year, its governmental funds reported a *combined* fund balance of \$7,790,556 for the year ended June 30, 2015 compared to \$6,200,195 for the year ended June 30, 2014.

Revenues for the Commission's governmental funds were \$41,723,416 and \$37,962,471, while total expenses and transfers were \$40,133,045 and \$37,579,027 for the fiscal years ended June 30, 2015 and 2014, respectively.

**General Fund** - The General Fund is the chief operating fund of the Commission and includes the primary operations in providing educational services to students, to special needs students, as well as, basic skills and home instruction to various local education agencies. In addition, the Commission provides contracted services for pupil transportation

The following schedule presents a summary of General Fund Revenues.

	<u>June 30,</u>		Amount of	Percent
	<u>2015</u>	<u>2014</u>	Increase	Increase
			(Decrease)	(Decrease)
Local Sources				
Tuition Charges	\$ 17,451,550	\$ 15,576,178	\$ 1,875,372	12%
Transportation Fees	17,828,139	17,108,392	719,747	4%
Miscellaneous	4,606,227	3,693,446	912,781	25%
Interest	14,266	22,470	(8,204)	-37%
State Sources	<u>1,821,234</u>	<u>1,560,985</u>	<u>260,249</u>	17%
 Total General Fund Revenues	 <u>\$ 41,721,416</u>	 <u>\$ 37,961,471</u>	 <u>\$ 3,759,945</u>	 10%

Tuition revenue increased \$1,875,372 or 12% over the previous year. Transportation fees increased \$719,747 or 4% from the previous year. Miscellaneous revenue increased \$912,781 or 25%, predominantly from other service fees charged to local education agencies. State aid revenues increased \$260,249 or 17% over the previous year.

**SOUTH BERGEN JOINTURE COMMISSION  
HASBROUCK HEIGHTS, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2015**

The following schedule presents a summary of General Fund expenditures.

	June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2015</u>	<u>2014</u>		
Instruction	\$ 9,186,952	\$ 8,765,095	\$ 421,857	5%
Support Services	30,707,625	28,620,093	2,087,532	7%
Capital Outlay	<u>196,468</u>	<u>192,839</u>	<u>3,629</u>	2%
Total Expenditures	<u>\$ 40,091,045</u>	<u>\$ 37,578,027</u>	<u>\$ 2,513,018</u>	7%

Total General Fund expenditures increased \$2,513,018 or 7% from the previous year. The increase is primarily attributable to an increase in expenditures for support services.

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

Revenues of the Special Revenue Fund were \$2,000 and \$1,000 for the years ended June 30, 2015 and 2014, respectively. Local sources accounted for 100% and 100% of the Special Revenue Funds revenue for the years ended June 30, 2015 and 2014, respectively.

Expenditures of the Special Revenue Fund were \$2,000 and \$1,000 for the fiscal years ended June 30, 2015 and 2014, respectively. Instructional expenditures were \$2,000 for June 30, 2015.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Commission's budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgetary fund is the General Fund.

Over the course of the year, the Commission revised the annual operating budget several times. These budget amendments were due to adjusted budgets for specially funded projects, which include additional service fee revenue and both federal and state grants.

**SOUTH BERGEN JOINTURE COMMISSION  
HASBROUCK HEIGHTS, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year ended June 30, 2015**

**CAPITAL ASSETS**

The Commission's investment in capital assets for its governmental activities as of June 30, 2015 and 2014 amounted to \$357,975 and \$264,247 (net of accumulated depreciation). The capital assets consist of computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal years 2014-2015 amounted to \$102,740 for governmental activities.

**Capital Assets at June 30, 2015 and 2014  
(Net of Accumulated Depreciation)**

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
Machinery and Equipment	\$ 357,975	\$ 264,247
<b>Total Net Capital Assets</b>	<b><u>\$ 357,975</u></b>	<b><u>\$ 264,247</u></b>

Additional information on the Commission's capital assets is presented in Notes 1 and 3 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Many factors were considered by the Commission's administration during the process of developing the fiscal year 2015-2016 budget. The primary factors were the Commission's projected student population and services required to be provided to local education agencies as well as increasing transportation, salary and related benefit costs.

**CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, and investors and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator, South Bergen Jointure Commission, 624 Page Avenue, Hasbrouck Heights, NJ.

**FINANCIAL STATEMENTS**

**SOUTH BERGEN JOINTURE COMMISSION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 4,827,920	\$ 21,794	\$ 4,849,714
Receivables, net	3,048,392	11,375	3,059,767
Inventory		2,223	2,223
Other Assets	29,833		29,833
Internal Balances	(11,032)	11,032	
Capital Assets, Being Depreciated net	<u>357,975</u>	<u>6,407</u>	<u>364,382</u>
Total Assets	<u>8,253,088</u>	<u>52,831</u>	<u>8,305,919</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>178,656</u>	-	<u>178,656</u>
Total Deferred Outflows of Resources	<u>178,656</u>	-	<u>178,656</u>
Total Assets and Deferred Outflows of Resources	<u>8,431,744</u>	<u>52,831</u>	<u>8,484,575</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Liabilities	104,557	-	104,557
Noncurrent Liabilities			
Due Within One Year	324,203		324,203
Due Beyond One Year	<u>5,413,589</u>	-	<u>5,413,589</u>
Total Liabilities	<u>5,842,349</u>	-	<u>5,842,349</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unused Government Commodities		811	811
Deferred Amounts on Net Pension Liability	<u>1,106,045</u>	-	<u>1,106,045</u>
Total Deferred Inflows of Resources	<u>1,106,045</u>	<u>811</u>	<u>1,106,856</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,948,394</u>	<u>811</u>	<u>6,949,205</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	357,975	6,407	364,382
Unrestricted	<u>1,125,375</u>	<u>45,613</u>	<u>1,170,988</u>
Total Net Position	<u>\$ 1,483,350</u>	<u>\$ 52,020</u>	<u>\$ 1,535,370</u>

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

**SOUTH BERGEN JOINTURE COMMISSION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Governmental Activities:						
Instruction:						
Special Education	\$ 10,799,247	\$ 11,867,054	\$ 3,088,467	\$ 4,156,274		\$ 4,156,274
Undistributed Expenditures:						
Student and Instruction Related Services	8,042,814	10,190,723	138,144	2,286,053		2,286,053
Support Services-General Administration	359,641			(359,641)		(359,641)
Support Services-School Administration	2,268,258		432,970	(1,835,288)		(1,835,288)
Central Services	545,508		145,600	(399,908)		(399,908)
Operation and Maintenance of Plant Services	1,944,218			(1,944,218)		(1,944,218)
Student Transportation Services	17,922,633	17,828,139	-	(94,494)	-	(94,494)
Total Governmental Activities	<u>41,882,319</u>	<u>39,885,916</u>	<u>3,805,181</u>	<u>1,808,778</u>	<u>-</u>	<u>1,808,778</u>
Business-Type Activities:						
Food Service	<u>211,174</u>	<u>51,435</u>	<u>119,641</u>	<u>-</u>	<u>\$ (40,098)</u>	<u>(40,098)</u>
Total Business-Type Activities	<u>211,174</u>	<u>51,435</u>	<u>119,641</u>	<u>-</u>	<u>(40,098)</u>	<u>(40,098)</u>
Total Primary Government	<u>\$ 42,093,493</u>	<u>\$ 39,937,351</u>	<u>\$ 3,924,822</u>	<u>1,808,778</u>	<u>(40,098)</u>	<u>1,768,680</u>

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**SOUTH BERGEN JOINTURE COMMISSION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
General Revenues and Transfers:			
Transfers	\$ (40,000)	\$ 40,000	
Interest	<u>14,266</u>	<u>32</u>	<u>\$ 14,298</u>
Total General Revenues and Transfers	<u>(25,734)</u>	<u>40,032</u>	<u>14,298</u>
Change in Net Position	1,783,044	(66)	1,782,978
Net Position, Beginning of Year (Restated)	<u>(299,694)</u>	<u>52,086</u>	<u>(247,608)</u>
Net Position, End of Year	<u>\$ 1,483,350</u>	<u>\$ 52,020</u>	<u>\$ 1,535,370</u>

**FUND FINANCIAL STATEMENTS**

**SOUTH BERGEN JOINTURE COMMISSION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash	\$ 4,827,920		\$ 4,827,920
Intergovernmental Receivable - State	33,481		33,481
Intergovernmental Receivable - Other	3,014,911		3,014,911
Other Assets	<u>29,833</u>	<u>-</u>	<u>29,833</u>
 Total Assets	 <u>\$ 7,906,145</u>	 <u>\$ -</u>	 <u>\$ 7,906,145</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 60,578		\$ 60,578
Due to Other Funds	11,032		11,032
Unearned Revenue	<u>43,979</u>	<u>-</u>	<u>43,979</u>
 Total Liabilities	 <u>115,589</u>	 <u>-</u>	 <u>115,589</u>
<b>FUND BALANCE</b>			
Committed Fund Balance - Designated for STEM Labs and Programs	997,340		997,340
Unassigned Fund Balance	<u>6,793,216</u>	<u>-</u>	<u>6,793,216</u>
 Total Fund Balances	 <u>7,790,556</u>	 <u>-</u>	 <u>7,790,556</u>
 Total Liabilities and Fund Balances	 <u>\$ 7,906,145</u>	 <u>\$ -</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 \$719,459 and the accumulated depreciation is \$361,484.

357,975

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

Deferred Outflows of Resources	\$ 178,656	
Deferred Inflows of Resources	<u>(1,106,045)</u>	(927,389)

Long-term liabilities, including compensating absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities consist of:

Compensated Absences	(56,328)	
Net Pension Liability	<u>(5,681,464)</u>	<u>(5,737,792)</u>

Net position of governmental activities	<u>\$ 1,483,350</u>	
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The accompanying Notes to the Financial Statements are an integral part of this statement

**SOUTH BERGEN JOINTURE COMMISSION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Local Sources:			
Tuition	\$ 17,451,550		\$ 17,451,550
Transportation Fees	17,828,139		17,828,139
Interest	14,266		14,266
Miscellaneous	<u>4,606,227</u>	<u>\$ 2,000</u>	<u>4,608,227</u>
Total - Local Sources	39,900,182	2,000	39,902,182
State Sources	<u>1,821,234</u>	<u>-</u>	<u>1,821,234</u>
Total Revenues	<u>41,721,416</u>	<u>2,000</u>	<u>41,723,416</u>
<b>EXPENDITURES</b>			
Current			
Instruction			
Special Education - Instruction	9,186,952	2,000	9,188,952
Undistributed Expenditures			
Student and Instruction Related Services	7,956,177		7,956,177
Support Services-General Administration	443,935		443,935
Support Services-School Administration	1,973,036		1,973,036
Central Services	469,632		469,632
Operation and Maintenance of Plant Services	1,942,212		1,942,212
Student Transportation Services	17,922,633		17,922,633
Capital Outlay			
Equipment	<u>196,468</u>	<u>-</u>	<u>196,468</u>
Total Expenditures	<u>40,091,045</u>	<u>2,000</u>	<u>40,093,045</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,630,371</u>	<u>-</u>	<u>1,630,371</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to Food Service Fund	<u>(40,000)</u>	<u>-</u>	<u>(40,000)</u>
Total Other Financing Sources and Uses	<u>(40,000)</u>	<u>-</u>	<u>(40,000)</u>
Net Change in Fund Balances	1,590,371	-	1,590,371
Fund Balance, Beginning of Year	<u>6,200,185</u>	<u>-</u>	<u>6,200,185</u>
Fund Balance, End of Year	<u>\$ 7,790,556</u>	<u>\$ -</u>	<u>\$ 7,790,556</u>

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

**SOUTH BERGEN JOINTURE COMMISSION  
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, 2015**

**Total net change in fund balances - governmental funds (Exhibit B-2)** \$ 1,590,371

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

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

Depreciation Expense	(102,740)
Capital Outlay	196,468

In the statement of activities, certain operating expenses - compensated absences  
and pension expense - are measured by the amounts earned or accrued during the  
year. In the governmental funds, however, expenditures for these items are  
measured by the amount of financial resources used (paid):

Compensated Absences, Net	(323)
Decrease in Pension Expense	<u>99,268</u>

**Change in net position of governmental activities (Exhibit A-2)** \$ 1,783,044

**SOUTH BERGEN JOINTURE COMMISSION  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2015**

	<b>Business-Type Activities Enterprise Fund <u>Food Services</u></b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 21,794
Due from Other Funds	11,032
Intergovernmental Receivable	11,375
Inventory	<u>2,223</u>
Total Current Assets	<u>46,424</u>
Capital Assets	
Machinery and Equipment, Net	<u>6,407</u>
Total Capital Assets	<u>6,407</u>
Total Assets	<u>52,831</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unused Government Commodities	<u>811</u>
Total Deferred Inflows of Resources	<u>811</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	6,407
Unrestricted	<u>45,613</u>
Total Net Position	<u>\$ 52,020</u>

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

**SOUTH BERGEN JOINTURE COMMISSION  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Business-Type Activities Enterprise Fund <u>Food Services</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales	\$ 51,435
	<hr/>
Total Operating Revenues	51,435
<b>OPERATING EXPENSES</b>	
Cost of Sales	91,743
Salaries and Wages	75,870
Insurance	10,574
Supplies and Materials	22,806
Depreciation	1,897
Management Fee	8,284
	<hr/>
Total Operating Expenses	211,174
Operating Loss	<hr/> <u>(159,739)</u>
<b>NONOPERATING REVENUES</b>	
State Sources	
State School Lunch Program	1,761
Federal Sources	
National School Breakfast Program	38,253
National School Lunch Program	67,619
USDA Commodities	12,008
Interest Income	32
	<hr/>
Total Nonoperating Revenues	119,673
Net Income (Loss) Before Transfers	(40,066)
Transfer from General Fund	<hr/> 40,000
Change in Net Position	(66)
Net Position, Beginning of Year	<hr/> 52,086
Net Position, End of Year	<hr/> <u>\$ 52,020</u>

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

**SOUTH BERGEN JOINTURE COMMISSION  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Business-Type Activities Enterprise Fund <u>Food Services</u></b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 51,435
Cash Payments for Food Service Management	(164,886)
Cash Payments for Supplies and Materials	<u>(31,968)</u>
Net Cash Provided (Used) by Operating Activities	<u>(145,419)</u>
<b>Cash Flows from Non-Capital Financing Activities</b>	
Cash Received/Paid from Other Funds	359
Cash Received from State and Federal Subsidy	<u>119,641</u>
Net Cash Provided by Non-Capital Financing Activities	<u>120,000</u>
<b>Cash Flows from Investing Activities</b>	
Interest Income	<u>32</u>
Net Cash Provided by Investing Activities	<u>32</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(25,387)
Cash and Cash Equivalents, Beginning of Year	<u>47,181</u>
Cash and Cash Equivalents, End of Year	<u>\$ 21,794</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities</b>	
Operating Income (Loss)	\$ (159,739)
Adjustments to Reconcile Operating/Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Depreciation	1,897
Non-Cash Federal Assistance-National School Lunch (Food Distribution)	12,008
Change in Assets and Liabilities	
(Increase)/Decrease in Inventory	225
Increase/(Decrease) in Unearned Revenue	<u>190</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (145,419)</u>
Non-Cash Financing Activities	
National School Lunch (Food Distribution)	\$ 12,198

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

**SOUTH BERGEN JOINTURE COMMISSION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2015**

	<b>Unemployment Compensation Trust Fund</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash	\$ 70,008	\$ 35,287
Total Assets	<u>70,008</u>	<u>\$ 35,287</u>
<b>LIABILITIES</b>		
Payroll Deductions and Withholdings		\$ 12,563
Accrued Salaries and Wages		21,899
Due to Student Groups		825
Due to State of New Jersey	<u>2,122</u>	<u>-</u>
Total Liabilities	<u>2,122</u>	<u>\$ 35,287</u>
<b>NET POSITION</b>		
Held In Trust For Unemployment Claims	<u>\$ 67,886</u>	

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

**SOUTH BERGEN JOINTURE COMMISSION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Unemployment Compensation <u>Trust Fund</u></b>
<b>ADDITIONS</b>	
Commission Contributions	\$ 45,000
Employee Contributions	22,393
Interest	<u>54</u>
Total Additions	<u>67,447</u>
<b>DEDUCTIONS</b>	
Claims	<u>81,116</u>
Total Deductions	<u>81,116</u>
Change in Net Position	(13,669)
Net Position, Beginning of Year	<u>81,555</u>
Net Position, End of Year	<u><u>\$ 67,886</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The South Bergen Jointure Commission (the "Commission") is an instrumentality of the State of New Jersey, established to function as an education institution. The Commission consists of fourteen appointed officials one from each member school district and is responsible for the administrative control of the commission. Under existing statutes, the Commission'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 Commission 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 Commission are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Commission. For the South Bergen Jointure Commission this includes general operations, food service, and student related activities of the Commission.

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

**B. New Accounting Standards**

During fiscal year 2015, the Commission adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

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

- GASB 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**C. Basis of Presentation - Financial Statements**

The financial statements include both Commission-wide financial statements (based on the Commission as a whole) and fund financial statements (based on specific Commission activities or objectives). Both the Commission-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate Commission-wide and fund financial statements are presented, they are interrelated. In the Commission-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the Commission’s enterprise funds. Fiduciary funds are excluded from the Commission-wide financial statements.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Commission-Wide Financial Statements**

The Commission-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 Commission. 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 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 Commission-wide financial statements. Exceptions to this general rule are charges between the Commission's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the Commission-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 Commission considers all of its governmental and enterprise funds to be major funds.

The Commission reports the following major governmental funds:

The *general fund* is the Commission's primary operating fund. It accounts for all financial resources of the Commission, 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.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

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

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

Additionally, the government reports the following fund type:

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

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

**Reclassifications**

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

**D. Measurement Focus and Basis of Accounting**

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

The Commission-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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission 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.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

***1. Cash, Cash Equivalents and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

***2. Receivables***

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

***3. Inventories***

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred inflows of resources.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**4. Capital Assets**

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

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

Property, plant, and equipment of the Commission is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Office Equipment and Furniture	7-10
Computer Equipment	5

**5. Deferred Outflows/Inflows of Resources**

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

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government 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 are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the Commission-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 Commission-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 at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

***6. Compensated Absences***

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

***7. Pensions***

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

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

SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

***8. Net Position/Fund Balance***

**Commission-Wide Statements**

In the Commission-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.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

**Governmental Fund Statements**

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

**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.

*Designated for STEM Labs and Programs* – Represents funds committed by Commission resolution for the implementation of a program for STEM education programs.

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

Amounts reported as program revenues in the Commission-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. Tuition Revenues and Transportation Charges***

*Tuition Revenues* – Tuition charges were established by the Commission based on estimated costs and pupil enrollment. The charges are not subject to adjustment.

*Transportation Charges* – These charges are based upon actual routes, contract awards and students transported. The Commission assesses a 3% surcharge to cover administrative costs.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

**3. *Proprietary Funds, Operating and Non-Operating 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 fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the Commission 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.

The annual budget is adopted in the spring of the preceding year for the general and special revenue funds. The budget is submitted to the county superintendent for review and approval prior to adoption.

Budget adoptions and amendments are recorded in the Commission's minutes. The budget is amended by the 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 Commission approved several budget transfers during 2014/2015. Also, during 2014/2015 the Commission increased the general fund original budget by \$2,708,451. The increase was funded by additional transportation and tuition revenue. In addition, the special revenue fund budget was increased \$2,000 as a result of the receipt of grant funds.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America.

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.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Excess Expenditures Over Appropriations**

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

<u>General Fund</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Behavioral Disabilities			
Other Salaries for Instruction	\$ 515,863	\$ 520,887	\$ (5,024)
Preschool Disabilities - Part-Time			
Salaries of Teachers	475,964	477,666	(1,702)
Home Instruction			
Salaries of Teachers	93,487	94,312	(825)
Speech OT/PT and Related Services			
Salaries	4,281,823	4,302,449	(20,626)
Child Study			
Salaries of Other Professional Staff	1,207,563	1,266,535	(58,972)
Support Services School Administration			
Salaries of Principals/Asst. Principals	801,528	806,671	(5,143)
Student Transportation Services			
Salaries for Pupil Transp. Btw. Home and Sch.- Sp Ed	407,733	409,240	(1,507)

The above variances were offset with other available resources.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Commission's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Commission is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Commission's deposits were \$4,955,009 and bank and brokerage firm balances of the Commission's deposits amounted to \$8,657,057. The Commission's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>8,657,057</u>

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Cash Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Commission does not have a policy for custodial credit risk. As of June 30, 2015 the Commission’s bank balances were not exposed to custodial credit risk.

**Investments**

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

As of June 30, 2015, the Commission had no outstanding investments.

**B. Receivables**

Receivables as of June 30, 2015 for the Commission’s individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Food Service</u>	<u>Total</u>
Receivables:			
Intergovernmental -			
Federal		\$ 11,201	\$ 11,201
State	\$ 33,481	174	33,655
Local	3,014,911	-	3,014,911
	<hr/>	<hr/>	<hr/>
Gross Receivables	3,048,392	11,375	3,059,767
Less: Allowance for Uncollectibles	<hr/> -	<hr/> -	<hr/> -
Net Total Receivables	<u>\$ 3,048,392</u>	<u>\$ 11,375</u>	<u>\$ 3,059,767</u>

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Unearned Revenue**

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

	<u>Unearned</u>
General Fund	
Tuition and Transportation Charges	\$ <u>43,979</u>

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	<u>Balance, July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2015</u>
<b>Governmental activities:</b>				
Capital assets, being depreciated:				
Machinery and Equipment	\$ 522,991	\$ 196,468	-	\$ 719,459
Total capital assets being depreciated	<u>522,991</u>	<u>196,468</u>	<u>-</u>	<u>719,459</u>
Less accumulated depreciation for:				
Machinery and Equipment	<u>(258,744)</u>	<u>(102,740)</u>	-	<u>(361,484)</u>
Total accumulated depreciation	<u>(258,744)</u>	<u>(102,740)</u>	<u>-</u>	<u>(361,484)</u>
Total capital assets, being depreciated, net	<u>264,247</u>	<u>93,728</u>	<u>-</u>	<u>357,975</u>
Governmental activities capital assets, net	<u>\$ 264,247</u>	<u>\$ 93,728</u>	<u>\$ -</u>	<u>\$ 357,975</u>
	<u>Balance, July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2015</u>
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 43,242	-	-	\$ 43,242
Total capital assets being depreciated	<u>43,242</u>	<u>-</u>	<u>-</u>	<u>43,242</u>
Less accumulated depreciation for:				
Machinery and equipment	<u>(34,938)</u>	<u>\$ (1,897)</u>	-	<u>(36,835)</u>
Total accumulated depreciation	<u>(34,938)</u>	<u>(1,897)</u>	<u>-</u>	<u>(36,835)</u>
Total capital assets, being depreciated, net	<u>8,304</u>	<u>(1,897)</u>	<u>-</u>	<u>6,407</u>
Business-type activities capital assets, net	<u>\$ 8,304</u>	<u>\$ (1,897)</u>	<u>\$ -</u>	<u>\$ 6,407</u>

**SOUTH BERGEN JOINTURE COMMISSION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

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

<b>Governmental activities:</b>		
Instruction:		
Special Education		\$ 1,525
Total Instruction		<u>1,525</u>
Support Services		
Student and Instruction Related Services	\$	14,646
General Administration		14,974
School Administration		69,589
Operations and Maintenance of Plant		<u>2,006</u>
Total Support Services		<u>101,215</u>
Total Governmental Funds		<u>102,740</u>
Total Depreciation Expense - Governmental Activities	\$	<u>102,740</u>
<b>Business-Type Activities:</b>		
Food Service Fund		<u>\$ 1,897</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2015, is as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Food Service Fund	General Fund	<u>\$ 11,032</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another.

The Commission expects all interfund balances to be liquidated within one year.

**SOUTH BERGEN JOINTURE COMMISSION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

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

**Interfund transfers**

	<u>Transfer Out:</u>	
	<u>General</u>	<u>Total</u>
Transfer In:		
Food Service -		
Enterprise Fund	\$ 40,000	\$ 40,000
Total	<u>\$ 40,000</u>	<u>\$ 40,000</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 Commission leases classrooms and office space under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2015 were \$730,273. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal</u> <u>Year Ending June 30</u>	<u>Our Lady</u> <u>Queen of</u> <u>Peace</u> <u>School</u> <u>Building</u> <u>Maywood, NJ</u>	<u>St. Francis</u> <u>de Salos</u> <u>R.C. Church</u> <u>School</u> <u>Building</u> <u>Lodi, NJ</u>	<u>(Business</u> <u>Office)</u> <u>500 Rte.</u> <u>17 South, LLC</u> <u>Hasbrouck Hts.</u>	<u>Amount</u>
2016	\$ 383,494	\$ 249,696	\$ 112,955	\$ 746,145
2017	394,797	257,187	112,955	764,939
2018		264,902	112,955	377,857
2019	-	272,850	112,955	385,805
Total	<u>\$ 778,291</u>	<u>\$ 1,044,635</u>	<u>\$ 451,820</u>	<u>\$ 2,274,746</u>

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Compensated absences	\$ 56,005	\$ 323		\$ 56,328	
Net Pension Liability	<u>6,708,121</u>	<u>-</u>	<u>\$ 1,026,657</u>	<u>5,681,464</u>	<u>\$ 324,203</u>
Governmental activity Long-term liabilities	<u>\$ 6,764,126</u>	<u>\$ 323</u>	<u>\$ 1,026,657</u>	<u>\$ 5,737,792</u>	<u>\$ 324,203</u>

For the governmental activities, the liabilities for compensated absences and net pension liability) are generally liquidated by the general fund.

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The Commission 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 Commission has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Commission should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The Commission is a member of the New Jersey School Boards Association Insurance Group (NJSBAIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation and general liability claims.

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

NJSBAIG 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.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

Fiscal Year Ended <u>June 30,</u>	<u>Commission Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 45,000	\$ 22,393	\$ 81,116	\$ 67,886
2014	20,000	20,803	51,964	81,555
2013	40,000	20,419	16,939	92,289

**B Contingent Liabilities**

The Commission is a party defendant in some lawsuits, none of a kind unusual for a school Commission of its size and scope of operation. In the opinion of the Commission's Attorney the potential claims against the Commission not covered by insurance policies would not materially affect the financial condition of the Commission.

**Federal and State Awards** – The Commission 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 Commission may be required to reimburse the grantor government. As of June 30, 2015, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Commission 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 Commission.

**C. Employee Retirement Systems and Pension Plans**

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

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

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. 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 including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

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

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

**Other Pension Funds**

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

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

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

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

**Basis of Accounting**

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

**Investment Valuation**

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

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

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

**Funding Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2013 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 percent for TPAF.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Commission. PERS employer contributions are made annually by the Commission 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.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

During the fiscal years ended June 30, 2015, 2014 and 2013 the Commission was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2015	\$ 250,162	443,721	\$ 51,131
2014	264,464	356,809	10,487
2013	378,624	582,609	21,805

For fiscal years 2014/2015 and 2012/2013, the state contributed \$443,721 and \$582,609 respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$356,809 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the Commission-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 Commission \$673,105 during the fiscal year ended June 30, 2015 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 Commission-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

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

**Public Employees Retirement System (PERS)**

At June 30, 2015, the Commission reported in the statement of net position (accrual basis) a liability of \$5,681,464 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportionate share of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the Commission's proportionate share was 0.03035 percent, which was an increase of 0.00475 percent from its proportionate share measured as of June 30, 2013.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

For the fiscal year ended June 30, 2015, the Commission recognized in the Commission-wide statement of activities (accrual basis) pension expense of \$150,894 for PERS. At June 30, 2015, the Commission 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>
Differences Between Expected and Actual Experience Changes of Assumptions	\$ 178,656	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 338,584
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	-	767,461
District Contributions Subsequent to the Measurement Date	-	-
Total	<u>\$ 178,656</u>	<u>\$ 1,106,045</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	
2016	\$ (192,882)
2017	(192,882)
2018	(192,882)
2019	(192,882)
2020	(108,236)
Thereafter	<u>(47,625)</u>
	<u>\$ (927,389)</u>

**SOUTH BERGEN JOINTURE COMMISSION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b><u>PERS</u></b>
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	Based on Age 7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial Assumptions were Based	June 30, 2011

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

**SOUTH BERGEN JOINTURE COMMISSION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

***Discount Rate***

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

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

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

**PERS**

Period of Projected Benefit

Payments for which the Following  
Rates were Applied:

Long-Term Expected Rate of Return                      Through June 30, 2033

Municipal Bond Rate \*    From July 1, 2033  
and Thereafter

\* The municipal bond return rate used is 4.29%. 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 Commission's proportionate share of the PERS net pension liability calculated using the discount rate of 5.39%, as well as what the Commission's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	<b>1% Decrease (4.39%)</b>	<b>Current Discount Rate (5.39%)</b>	<b>1% Increase (6.39%)</b>
Commission's Proportionate Share of the PERS Net Pension Liability	<u>\$ 7,147,452</u>	<u>\$ 5,681,464</u>	<u>\$ 4,450,404</u>

The sensitivity analysis was based on the proportionate share of the Commission's net pension liability at June 30, 2014. A sensitivity analysis specific to the Commission's net pension liability was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**SOUTH BERGEN JOINTURE COMMISSION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

**Teachers Pension and Annuity Fund (TPAF)**

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the Commission is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the Commission. Accordingly, the Commission's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% for TPAF. Therefore, in addition, the Commission 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, 2015, the Commission recognized in the Commission-wide statement of activities (accrual basis) pension expense of \$2,425,668 for TPAF. This amount has been included in the Commission-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the Commission is \$45,078,903. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

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

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

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

***Discount Rate***

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

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.68%

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

**TPAF**

Period of Projected Benefit

Payments for which the Following  
Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

\* The municipal bond return rate used is 4.29%. 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 Commission calculated using the discount rate of 4.68%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the Commission that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	1% Decrease <u>(3.68%)</u>	Current Discount Rate <u>(4.68%)</u>	1% Increase <u>(5.68%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the Commission	<u>\$ 54,218,200</u>	<u>\$ 45,078,903</u>	<u>\$ 37,477,698</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the Commission at June 30, 2014. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the Commission at June 30, 2014 was not provided by the pension system.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

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

***Pension Plan Fiduciary Net Position***

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

**D. Post-Retirement Medical Benefits**

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

As a result of implementing Governmental Accounting Standards Commission (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans (OPEB)*, effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2014.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Commission employees and retirees eligible for coverage.

**Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) –** The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Post-Retirement Medical Benefits (Continued)**

**Basis of Accounting**

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

**Significant Legislation**

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

**Investment Valuation**

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

**Funded Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Post-Retirement Medical Benefits (Continued)**

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the Commission for the fiscal years ended June 30, 2015, 2014 and 2013 were \$704,408, \$585,033 and \$658,783, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the Commission was not determined or made available by the State of New Jersey.

**NOTE 5 RESTATEMENT**

On July 1, 2014, the South Bergen Jointure Commission implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The South Bergen Jointure Commission has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the Commission's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$6,708,121. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from \$6,408,427 as originally reported to \$(299,694) as adjusted for the effects of the change in accounting principle.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**SOUTH BERGEN JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

EXHIBIT C-1

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>					
Local Sources					
Tuition	\$ 15,467,084	\$ 1,726,038	\$ 17,193,122	\$ 17,451,550	\$ 258,428
Transportation Fees	16,594,258	982,413	17,576,671	17,828,139	251,468
Interest		20,914	20,914	14,266	(6,648)
Miscellaneous	3,817,489	(20,914)	3,796,575	4,606,227	809,652
<b>Total Local Sources</b>	<u>35,878,831</u>	<u>2,708,451</u>	<u>38,587,282</u>	<u>39,900,182</u>	<u>1,312,900</u>
State Sources					
On Behalf TPAF Pension Contribution (Non Budgeted) - Normal Costs				413,940	413,940
On Behalf TPAF Pension Contribution (Non Budgeted) - NCGI Premium				29,781	29,781
On Behalf TPAF Pension Contribution (Non Budgeted) - Post Retirement Medical				704,408	704,408
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	673,105	673,105
<b>Total State Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,821,234</u>	<u>1,821,234</u>
<b>Total Revenues</b>	<u>35,878,831</u>	<u>2,708,451</u>	<u>38,587,282</u>	<u>41,721,416</u>	<u>3,134,134</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES					
Special Education					
Behavioral Disabilities					
Salaries of Teachers	305,052	216,377	521,429	520,330	1,099
Other Salaries for Instruction	276,803	239,060	515,863	520,887	(5,024)
Other Purchased Services	-	60,960	60,960	60,960	-
General Supplies	5,420	-	5,420	5,284	136
Textbooks	7,313	472	7,785	7,785	-
<b>Total Behavioral Disabilities</b>	<u>594,588</u>	<u>516,869</u>	<u>1,111,457</u>	<u>1,115,246</u>	<u>(3,789)</u>
Multiple Disabilities					
Salaries of Teachers	819,997	(100,000)	719,997	716,071	3,926
Other Salaries for Instruction	628,854	52,091	680,945	662,074	18,871
Other Purchased Services	-	59,860	59,860	59,860	-
General Supplies	10,394	-	10,394	5,830	4,564
Textbooks	6,091	-	6,091	4,274	1,817
<b>Total Multiple Disabilities</b>	<u>1,465,336</u>	<u>11,951</u>	<u>1,477,287</u>	<u>1,448,109</u>	<u>29,178</u>
Autistic Program					
Salaries of Teachers	1,474,273	(290,000)	1,184,273	1,183,895	378
Other Salaries for Instruction	1,608,852	(380,000)	1,228,852	1,178,587	50,265
Other Purchased Services	-	59,860	59,860	59,860	-
General Supplies	6,223	6,819	13,042	12,965	77
Textbooks	6,371	-	6,371	1,406	4,965
<b>Total Autistic Program</b>	<u>3,095,719</u>	<u>(603,321)</u>	<u>2,492,398</u>	<u>2,436,713</u>	<u>55,685</u>

**SOUTH BERGEN JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

EXHIBIT C-1

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Preschool Disabilities - Part-Time					
Salaries of Teachers	\$ 294,098	\$ 181,866	\$ 475,964	\$ 477,666	\$ (1,702)
Other Salaries for Instruction	234,200	108,356	342,556	336,911	5,645
Other Purchased Services	-	59,860	59,860	57,366	2,494
General Supplies	1,565	12,769	14,334	14,333	1
Total Preschool Disabilities - Part-Time	<u>529,863</u>	<u>362,851</u>	<u>892,714</u>	<u>886,276</u>	<u>6,438</u>
Home Instruction					
Salaries of Teachers	72,253	21,234	93,487	94,312	(825)
Other Salaries for Instruction	69,184	-	69,184	59,695	9,489
Total Home Instruction	<u>141,437</u>	<u>21,234</u>	<u>162,671</u>	<u>154,007</u>	<u>8,664</u>
Total Special Education	<u>5,826,943</u>	<u>309,584</u>	<u>6,136,527</u>	<u>6,040,351</u>	<u>96,176</u>
Undistributed Expenditures					
Health Services					
Salaries	267,034	-	267,034	257,377	9,657
Purchased Professional and Technical Services	24,033	227	24,260	22,640	1,620
Other Purchased Services	-	2,000	2,000	752	1,248
Supplies and Materials	3,576	4,524	8,100	7,925	175
Total Health Services	<u>294,643</u>	<u>6,751</u>	<u>301,394</u>	<u>288,694</u>	<u>12,700</u>
Speech OT/PT and Related Services					
Salaries	3,832,253	449,570	4,281,823	4,302,449	(20,626)
Travel	-	6,354	6,354	5,042	1,312
Supplies and Materials	9,833	1,348	11,181	11,134	47
Other Objects	5,000	(5,000)	-	-	-
Total Speech OT/PT and Related Services	<u>3,847,086</u>	<u>452,272</u>	<u>4,299,358</u>	<u>4,318,625</u>	<u>(19,267)</u>
Child Study					
Salaries of Other Professional Staff	1,179,075	28,488	1,207,563	1,266,535	(58,972)
Supplies and Materials	4,734	3,984	8,718	8,246	472
Total Child Study	<u>1,183,809</u>	<u>32,472</u>	<u>1,216,281</u>	<u>1,274,781</u>	<u>(58,500)</u>
Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Purchase Professional - Educational Services	10,807	32,885	43,692	36,935	6,757
Other Purchased Services	808	-	808	23	785
Other Objects	8,890	4,671	13,561	13,561	-
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff	<u>20,505</u>	<u>37,556</u>	<u>58,061</u>	<u>50,519</u>	<u>7,542</u>

**SOUTH BERGEN JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

EXHIBIT C-1

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Support Services General Administration					
Salaries	\$ 223,488	\$ -	\$ 223,488	\$ 212,884	\$ 10,604
Legal Service	20,725	-	20,725	12,738	7,987
Audit Fees	22,000	-	22,000	21,115	885
Communications/Telephone	72,284	33,433	105,717	103,460	2,257
BOE Other Purchased Services	1,257	-	1,257	861	396
Misc. Purchased Services	458	-	458	-	458
General Supplies	11,997	-	11,997	10,707	1,290
Miscellaneous Expenditures	17,774	144	17,918	10,169	7,749
<b>Total Support Services General Administration</b>	<b>369,983</b>	<b>33,577</b>	<b>403,560</b>	<b>371,934</b>	<b>31,626</b>
Support Services School Administration					
Salaries of Principals/Asst. Principals	529,173	272,355	801,528	806,671	(5,143)
Salaries of Secretarial and Clerical Assistants	84,862	-	84,862	82,890	1,972
Purchased Professional and Technical Services	22,165	47,246	69,411	69,411	-
Other Purchased Services	36,507	15,587	52,094	52,094	-
Supplies and Materials	213,487	263,502	476,989	461,774	15,215
Other Objects	21,995	15,045	37,040	33,275	3,765
<b>Total Support Services School Administration</b>	<b>908,189</b>	<b>613,735</b>	<b>1,521,924</b>	<b>1,506,115</b>	<b>15,809</b>
Central Services					
Salaries	291,546	990	292,536	271,268	21,268
Purchased Professional Services	43,247	-	43,247	29,002	14,245
Misc Purchased Services	1,189	3,146	4,335	4,335	-
Supplies and Materials	22,170	-	22,170	9,923	12,247
Miscellaneous Expenditures	10,434	-	10,434	5,973	4,461
<b>Total Central Services</b>	<b>368,586</b>	<b>4,136</b>	<b>372,722</b>	<b>320,501</b>	<b>52,221</b>
Administration Information Technology					
Other Purchased Services	1,180	857	2,037	1,542	495
<b>Total Administration Information Technology</b>	<b>1,180</b>	<b>857</b>	<b>2,037</b>	<b>1,542</b>	<b>495</b>
Custodial Services					
Cleaning, Repair and Maintenance Services	246,518	99,951	346,469	339,123	7,346
Rental of Land and Buildings	1,541,005	(64,525)	1,476,480	1,450,186	26,294
Insurance	25,549	22,282	47,831	47,831	-
General Supplies	51,149	43,520	94,669	94,668	1
Energy (Electricity)	38,450	-	38,450	10,404	28,046
<b>Total Custodial Services</b>	<b>1,902,671</b>	<b>101,228</b>	<b>2,003,899</b>	<b>1,942,212</b>	<b>61,687</b>
Student Transportation Services					
Salaries for Pupil Transp. Btw. Home and Sch.- Sp Ed	398,843	8,890	407,733	409,240	(1,507)
Other Purchased Professional and Technical Services	25,000	-	25,000	3,195	21,805
Contracted Services - Transportation (Other than Between Home and School) - Vendors	33,873	64,702	98,575	98,575	-
Contracted Services ( Special Education Students) - Vendors	16,285,400	981,131	17,266,531	17,266,531	-
General Supplies	10,000	-	10,000	6,680	3,320
<b>Total Student Transportation Services</b>	<b>16,753,116</b>	<b>1,054,723</b>	<b>17,807,839</b>	<b>17,784,221</b>	<b>23,618</b>

**SOUTH BERGEN JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

EXHIBIT C-1

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Unallocated Benefits - Employee Benefits					
Social Security Contributions	\$ 311,873	\$ 9,198	\$ 321,071	\$ 321,071	\$ -
Other Retirement Contribution-PERS	349,377	(94,874)	254,503	250,162	4,341
Other Retirement Contribution-Regular		51,131	51,131	51,131	-
Unemployment Compensation	50,955	-	50,955	45,450	5,505
Worker's Compensation	96,533	1,368	97,901	97,901	-
Health Benefits	3,438,246	(51,088)	3,387,158	3,387,158	-
Tuition Reimbursement	44,000	-	44,000	17,964	26,036
Other Employee Benefits	4,579	-	4,579	3,011	1,568
Total Unallocated Benefits - Employee Benefits	<u>4,295,563</u>	<u>(84,265)</u>	<u>4,211,298</u>	<u>4,173,848</u>	<u>37,450</u>
On Behalf Payments (Non-Budgeted)					
On Behalf TPAF Pension Contribution (Non Budgeted) - Normal Costs				413,940	(413,940)
On Behalf TPAF Pension Contribution (Non Budgeted) - NCGI Premium				29,781	(29,781)
On Behalf TPAF Pension Contribution (Non Budgeted) - Post Retirement Medical				704,408	(704,408)
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	673,105	(673,105)
Total Undistributed Expenditures	<u>29,945,331</u>	<u>2,253,042</u>	<u>32,198,373</u>	<u>33,854,226</u>	<u>(1,655,853)</u>
Total - Current Expenditures	<u>35,772,274</u>	<u>2,562,626</u>	<u>38,334,900</u>	<u>39,894,577</u>	<u>(1,559,677)</u>
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures					
General Administration	21,207	-	21,207	5,293	15,914
School Administration	50,000	141,175	191,175	191,175	-
Total Equipment	<u>71,207</u>	<u>141,175</u>	<u>212,382</u>	<u>196,468</u>	<u>15,914</u>
Total Capital Outlay	<u>71,207</u>	<u>141,175</u>	<u>212,382</u>	<u>196,468</u>	<u>15,914</u>
Total Expenditures - General Fund	<u>35,843,481</u>	<u>2,703,801</u>	<u>38,547,282</u>	<u>40,091,045</u>	<u>(1,543,763)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>35,350</u>	<u>4,650</u>	<u>40,000</u>	<u>1,630,371</u>	<u>1,590,371</u>
Other Financing Sources					
Operating Transfers Out - Food Service	<u>(35,350)</u>	<u>(4,650)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Total Other Financing Sources	<u>(35,350)</u>	<u>(4,650)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,590,371</u>	<u>1,590,371</u>
Fund Balances, Beginning of Year	<u>6,200,185</u>	<u>-</u>	<u>6,200,185</u>	<u>6,200,185</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 6,200,185</u>	<u>\$ -</u>	<u>\$ 6,200,185</u>	<u>\$ 7,790,556</u>	<u>\$ 1,590,371</u>
<u>Recapitulation</u>					
Committed Fund Balance - Designated for STEM Labs and Programs				\$ 997,340	
Unassigned Fund Balance				<u>6,793,216</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 7,790,556</u>	

SOUTH BERGEN JOINTURE COMMISSION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>					
Local Sources	-	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Total Revenues	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>
<b>EXPENDITURES</b>					
Instruction					
General Supplies	-	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Total Instruction	-	2,000	2,000	2,000	-
Total Expenditures	-	2,000	2,000	2,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**SOUTH BERGEN JOINTURE COMMISSION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibit C-1)	\$ 41,721,416	\$ 2,000
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 41,721,416</u>	<u>\$ 2,000</u>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	\$ 40,091,045	\$ 2,000
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 40,091,045</u>	<u>\$ 2,000</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

SOUTH BERGEN JOINTURE COMMISSION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employees Retirement System

Last Two Fiscal Years\*  
 (Dollar amounts in thousands)

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03034%	0.03510%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,681,464	\$ 6,708,121
District's Covered-Employee Payroll	\$ 1,927,098	\$ 2,126,937
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	294.82%	315.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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.

**SOUTH BERGEN JOINTURE COMMISSION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS**

**Public Employees Retirement System**

**Last Two Fiscal Years  
(Dollar amounts in thousands)**

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 250,162	\$ 264,464
Contributions in Relation to the Contractually Required Contribution	<u>250,162</u>	<u>264,464</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$1,927,098	\$2,126,937
Contributions as a Percentage of Covered-Employee Payroll	12.98%	12.43%

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.

**SOUTH BERGEN JOINTURE COMMISSION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Teachers Pension and Annuity Fund**

**Last Two Fiscal Years\*  
(Dollar amounts in thousands)**

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	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>\$ 45,078,903</u>	<u>\$ 45,568,935</u>
Total	<u>\$ 45,078,903</u>	<u>\$ 45,568,935</u>
District's Covered-Employee Payroll	\$ 8,264,745	\$ 8,243,046
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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.

**SOUTH BERGEN JOINTURE COMMISSION  
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, 2015**

**Change of Benefit Terms:** None.

**Change of Assumptions:** The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

**SCHOOL LEVEL SCHEDULES**

**EXHIBITS D-1, D-2 AND D-3**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

**SOUTH BERGEN JOINTURE COMMISSION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BCUA Environmental Awareness <u>Grant</u>	NJEIF <u>Grant</u>	<u>Total</u>
<b>REVENUES</b>			
Local Sources	\$ 1,000	\$ 1,000	\$ 2,000
	-		
Total Revenues	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 2,000</u>
<b>EXPENDITURES</b>			
Instruction Supplies	\$ 1,000	\$ 1,000	\$ 2,000
Total Instruction	<u>1,000</u>	<u>1,000</u>	<u>2,000</u>
Support Services Purchased Prof. Services	-	-	-
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>
Instructional Equipment	-	-	-
Total Expenditures	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 2,000</u>

**CAPITAL PROJECTS FUND**

**SOUTH BERGEN JOINTURE COMMISSION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THIS SCHEDULE IS NOT APPLICABLE

**ENTERPRISE FUNDS**

**SOUTH BERGEN JOINTURE COMMISSION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2015**

THIS SCHEDULE IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THIS SCHEDULE IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THIS SCHEDULE IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**INTERNAL SERVICE FUND**

**EXHIBITS G-4, G-5 AND G-6**

**NOT APPLICABLE**

**FIDUCIARY FUNDS**

**SOUTH BERGEN JOINTURE COMMISSION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF AGENCY NET POSITION  
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 825	\$ 34,462	\$ 35,287
Total Assets	<u>\$ 825</u>	<u>\$ 34,462</u>	<u>\$ 35,287</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 12,563	\$ 12,563
Accrued Salaries and Wages		21,899	21,899
Due to Student Groups	<u>\$ 825</u>	<u>-</u>	<u>825</u>
Total Liabilities	<u>\$ 825</u>	<u>\$ 34,462</u>	<u>\$ 35,287</u>

**SOUTH BERGEN JOINTURE COMMISSION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-8

**STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Balance, July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30, 2015</u>
Student Activity Account	\$ 956	\$ 2,144	\$ 2,275	\$ 825
Total All Schools	<u>\$ 956</u>	<u>\$ 2,144</u>	<u>\$ 2,275</u>	<u>\$ 825</u>

**SOUTH BERGEN JOINTURE COMMISSION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Balance, July 1, <u>2013</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance, June 30, <u>2015</u></b>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 12,547	\$ 5,901,043	\$ 5,901,027	\$ 12,563
Accrued Salaries and Wages	<u>21,871</u>	<u>8,736,423</u>	<u>8,736,395</u>	<u>21,899</u>
Total	<u>\$ 34,418</u>	<u>\$ 14,637,466</u>	<u>\$ 14,637,422</u>	<u>\$ 34,462</u>

**LONG-TERM DEBT**

**SOUTH BERGEN JOINTURE COMMISSION  
LONG TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THIS STATEMENT IS NOT APPLICABLE

**LONG TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THIS STATEMENT IS NOT APPLICABLE

**DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THIS STATEMENT IS NOT APPLICABLE

## STATISTICAL SECTION

This part of the South Bergen Jointure Commission'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.

**SOUTH BERGEN JOINTURE COMMISSION**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 35,294	\$ 70,621	\$ 99,298	\$ 109,761	\$ 134,363	\$ 137,527	\$ 125,987	\$ 136,352	\$ 264,247	\$ 357,975
Restricted										
Unrestricted	3,218,512	3,528,126	3,741,312	4,697,302	4,175,790	3,269,169	4,570,932	5,799,014	(563,941)	1,125,375
<b>Total Governmental Activities Net Position</b>	<u>\$ 3,253,806</u>	<u>\$ 3,598,747</u>	<u>\$ 3,840,610</u>	<u>\$ 4,807,063</u>	<u>\$ 4,310,153</u>	<u>\$ 3,406,696</u>	<u>\$ 4,696,919</u>	<u>\$ 5,935,366</u>	<u>\$ (299,694)</u>	<u>\$ 1,483,350</u>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 15,605	\$ 13,003	\$ 15,340	\$ 15,141	\$ 17,859	\$ 14,420	\$ 11,911	\$ 10,201	\$ 8,304	\$ 6,407
Restricted										
Unrestricted	(5,714)	1,463	(46,793)	6,982	34,564	36,541	39,237	42,570	43,782	45,613
<b>Total Business-Type Activities Net Position</b>	<u>\$ 9,891</u>	<u>\$ 14,466</u>	<u>\$ (31,453)</u>	<u>\$ 22,123</u>	<u>\$ 52,423</u>	<u>\$ 50,961</u>	<u>\$ 51,148</u>	<u>\$ 52,771</u>	<u>\$ 52,086</u>	<u>\$ 52,020</u>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 50,899	\$ 83,624	\$ 114,638	\$ 124,902	\$ 152,222	\$ 151,947	\$ 137,898	\$ 146,553	\$ 272,551	\$ 364,382
Restricted										
Unrestricted	3,212,798	3,529,589	3,694,519	4,704,284	4,210,354	3,305,710	4,610,169	5,841,584	(520,159)	1,170,988
<b>Total District Net Position</b>	<u>\$ 3,263,697</u>	<u>\$ 3,613,213</u>	<u>\$ 3,809,157</u>	<u>\$ 4,829,186</u>	<u>\$ 4,362,576</u>	<u>\$ 3,457,657</u>	<u>\$ 4,748,067</u>	<u>\$ 5,988,137</u>	<u>\$ (247,608)</u>	<u>\$ 1,535,370</u>

Note 1 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

**SOUTH BERGEN JOINTURE COMMISSION**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
Special Education	\$ 6,185,156	\$ 7,429,284	7,966,472	\$ 8,849,199	\$ 9,510,780	\$ 9,260,471	\$ 8,801,671	\$ 8,816,759	\$ 8,765,898	\$ 10,799,247
Support Services:										
Student & Instruction Related Services	4,981,686	5,806,080	6,434,192	6,881,322	7,404,335	7,780,761	7,262,586	7,453,090	7,159,895	8,042,814
School Administrative Services	948,637	903,167	923,762	372,020	418,994	417,343	439,354	449,341	459,214	2,268,258
General Administration	467,165	348,997	351,180	942,456	1,153,772	1,130,810	1,238,862	1,354,085	1,436,669	359,641
Central Services	259,616	316,631	323,155	354,803	442,179	398,494	465,685	451,666	485,136	545,508
Plant Operations And Maintenance	1,225,111	1,140,252	1,265,379	1,411,136	1,527,340	1,550,322	1,604,497	1,718,053	1,925,426	1,944,218
Pupil Transportation	16,489,736	19,380,419	19,955,177	18,414,733	18,110,840	16,761,062	15,308,673	16,263,959	17,217,172	17,922,633
Unallocated Benefits										
TPAF Pension										
TPAF Social Security										
Total Governmental Activities Expenses	<u>30,557,107</u>	<u>35,326,830</u>	<u>37,219,317</u>	<u>37,225,669</u>	<u>38,568,240</u>	<u>37,299,263</u>	<u>35,121,328</u>	<u>36,506,953</u>	<u>37,449,410</u>	<u>41,882,319</u>
<b>Business-Type Activities:</b>										
Food Service	169,623	142,986	204,507	194,807	185,578	185,719	195,793	190,880	202,201	211,174
Total Business-Type Activities Expense	<u>169,623</u>	<u>142,986</u>	<u>204,507</u>	<u>194,807</u>	<u>185,578</u>	<u>185,719</u>	<u>195,793</u>	<u>190,880</u>	<u>202,201</u>	<u>211,174</u>
Total District Expenses	<u>\$ 30,726,730</u>	<u>\$ 35,469,816</u>	<u>\$ 37,423,824</u>	<u>\$ 37,420,476</u>	<u>\$ 38,753,818</u>	<u>\$ 37,484,982</u>	<u>\$ 35,317,121</u>	<u>\$ 36,697,833</u>	<u>\$ 37,651,611</u>	<u>\$ 42,093,493</u>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges For Services:										
Instruction (Tuition)	\$ 13,022,843	\$ 15,103,956	\$ 16,187,285	\$ 18,151,003	\$ 18,433,495	\$ 18,328,400	\$ 19,710,875	\$ 19,606,499	\$ 19,269,624	\$ 22,057,777
Pupil Transportation	16,460,197	19,331,492	19,793,464	18,694,562	18,403,634	16,756,290	15,248,829	16,292,208	17,108,392	17,828,139
Operating Grants And Contributions	579,759	1,059,622	1,411,068	1,372,674	1,237,006	1,275,409	1,468,649	1,862,863	1,561,985	3,805,181
Total Governmental Activities Program Revenues	<u>30,062,799</u>	<u>35,495,070</u>	<u>37,391,817</u>	<u>38,218,239</u>	<u>38,074,135</u>	<u>36,360,099</u>	<u>36,428,353</u>	<u>37,761,570</u>	<u>37,940,001</u>	<u>43,691,097</u>
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	66,132	66,386	72,550	70,340	66,144	63,381	62,404	55,211	50,211	51,435
Operating Grants And Contributions	77,273	80,567	85,575	97,765	109,567	95,667	103,427	102,126	111,017	119,641
Total Business-Type Activities Program Revenues	<u>143,407</u>	<u>146,953</u>	<u>158,125</u>	<u>168,105</u>	<u>175,711</u>	<u>159,048</u>	<u>165,831</u>	<u>157,337</u>	<u>161,228</u>	<u>171,076</u>
Total District Program Revenues	<u>\$ 30,206,206</u>	<u>\$ 35,642,023</u>	<u>\$ 37,549,942</u>	<u>\$ 38,386,344</u>	<u>\$ 38,249,846</u>	<u>\$ 36,519,147</u>	<u>\$ 36,594,184</u>	<u>\$ 37,918,907</u>	<u>\$ 38,101,229</u>	<u>\$ 43,862,173</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (494,308)	\$ 168,240	\$ 172,500	\$ 992,570	\$ (494,105)	\$ (939,164)	\$ 1,307,025	\$ 1,254,617	\$ 490,591	\$ 1,808,778
Business-Type Activities	(26,216)	3,967	(46,382)	(26,702)	(9,867)	(26,671)	(29,962)	(33,543)	(40,973)	(40,098)
Total District-Wide Net Expense	<u>\$ (520,524)</u>	<u>\$ 172,207</u>	<u>\$ 126,118</u>	<u>\$ 965,868</u>	<u>\$ (503,972)</u>	<u>\$ (965,835)</u>	<u>\$ 1,277,063</u>	<u>\$ 1,221,074</u>	<u>\$ 449,618</u>	<u>\$ 1,768,680</u>
<b>General Revenues And Other Changes In Net Position</b>										
<b>Governmental Activities:</b>										
Investment Earnings	\$ 114,854	\$ 176,701	\$ 142,761	\$ 53,883	\$ 37,195	\$ 29,145	\$ 13,198	\$ 18,830	\$ 22,470	\$ 14,266
Transfers	(12,000)			(80,000)	(40,000)	(25,000)	(30,000)	(35,000)	(40,000)	(40,000)
Total Governmental Activities	<u>102,854</u>	<u>176,701</u>	<u>142,761</u>	<u>(26,117)</u>	<u>(2,805)</u>	<u>4,145</u>	<u>(16,802)</u>	<u>(16,170)</u>	<u>(17,530)</u>	<u>(25,734)</u>
<b>Business-Type Activities:</b>										
Investment Earnings		608	463	278	167	209	149	166	288	32
Transfers	12,000			80,000	40,000	25,000	30,000	35,000	40,000	40,000
Total Business-Type Activities	<u>12,000</u>	<u>608</u>	<u>463</u>	<u>80,278</u>	<u>40,167</u>	<u>25,209</u>	<u>30,149</u>	<u>35,166</u>	<u>40,288</u>	<u>40,032</u>
Total District-Wide	<u>\$ 114,854</u>	<u>\$ 177,309</u>	<u>\$ 143,224</u>	<u>\$ 54,161</u>	<u>\$ 37,362</u>	<u>\$ 29,354</u>	<u>\$ 13,347</u>	<u>\$ 18,996</u>	<u>\$ 22,758</u>	<u>\$ 14,298</u>
<b>Change In Net Position</b>										
Governmental Activities	\$ (391,454)	\$ 344,941	\$ 313,261	\$ 966,433	\$ (496,910)	\$ (935,019)	\$ 1,290,223	\$ 1,238,447	\$ 473,061	\$ 1,783,044
Business-Type Activities	(14,216)	4,575	(45,919)	53,576	30,300	(1,462)	187	1,623	(685)	(66)
Total District	<u>\$ (405,670)</u>	<u>\$ 349,516</u>	<u>\$ 267,342</u>	<u>\$ 1,020,029</u>	<u>\$ (466,610)</u>	<u>\$ (936,481)</u>	<u>\$ 1,290,410</u>	<u>\$ 1,240,070</u>	<u>\$ 472,376</u>	<u>\$ 1,782,978</u>

**SOUTH BERGEN JOINTURE COMMISSION**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Fiscal Year Ending June 30,</u>		<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
					<u>2010</u>	<u>2011</u>				
General Fund										
Reserved	\$ 127,038	\$ 19,071							\$ 997,340	\$ 997,340
Unassigned	3,136,678	3,556,426	\$ 3,814,003	\$ 4,786,140	\$ 4,280,372	\$ 3,342,909	\$ 4,631,296	\$ 5,856,741	5,202,845	\$ 6,793,216
Total General Fund	<u>\$ 3,263,716</u>	<u>\$ 3,575,497</u>	<u>\$ 3,814,003</u>	<u>\$ 4,786,140</u>	<u>\$ 4,280,372</u>	<u>\$ 3,342,909</u>	<u>\$ 4,631,296</u>	<u>\$ 5,856,741</u>	<u>\$ 6,200,185</u>	<u>\$ 7,790,556</u>

**SOUTH BERGEN JOINTURE COMMISSION**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Tuition	\$ 10,575,602	\$ 12,294,442	\$ 13,517,366	\$ 15,065,903	\$ 15,070,228	\$ 14,549,488	\$ 15,832,659	\$ 15,521,494	\$ 15,576,178	\$ 17,451,550
Transportation Fees	16,460,197	19,331,492	19,793,464	18,694,562	18,403,634	16,756,290	15,248,829	16,292,208	17,108,392	17,828,139
Miscellaneous	2,562,095	2,986,215	2,812,680	3,138,983	3,407,179	3,814,340	3,897,414	4,106,335	3,716,916	4,622,493
State Sources	579,759	1,059,622	1,411,068	1,134,919	1,218,044	1,269,126	1,462,649	1,860,363	1,560,985	1,821,234
Federal Sources	-	-	-	237,755	12,245	-	-	-	-	-
Total Revenue	<u>30,177,653</u>	<u>35,671,771</u>	<u>37,534,578</u>	<u>38,272,122</u>	<u>38,111,330</u>	<u>36,389,244</u>	<u>36,441,551</u>	<u>37,780,400</u>	<u>37,962,471</u>	<u>41,723,416</u>
<b>Expenditures</b>										
Instruction										
Regular Instruction			73,398							
Special Education Instruction	6,172,663	7,427,117	7,941,152	8,833,052	9,495,036	9,289,788	8,813,522	8,817,871	8,766,095	9,188,952
Support Services:										
Student and Inst. Related Services	4,981,686	5,806,080	6,434,192	6,881,322	7,404,335	7,764,405	7,246,230	7,436,734	7,145,249	7,956,177
School Administrative Services	948,637	899,719	918,314	937,008	1,147,874	1,129,597	1,237,649	1,352,872	1,399,697	1,973,036
General Administration	467,165	348,997	351,180	372,020	415,838	407,603	431,072	441,441	449,419	443,935
Plant Operations And Maintenance	1,225,111	1,137,850	1,262,977	1,408,734	1,524,938	1,547,708	1,602,491	1,716,047	1,923,420	1,942,212
Pupil Transportation	16,489,736	19,380,419	19,955,177	18,414,733	18,110,840	16,761,052	15,308,673	16,263,959	17,217,172	17,922,633
Central Services	259,616	316,631	323,155	354,803	442,179	398,494	465,685	451,666	485,136	469,632
Unallocated Benefits										
Capital Outlay	35,294	43,177	36,527	18,313	36,058	3,050	17,842	39,365	192,839	196,468
Total Expenditures	<u>30,579,908</u>	<u>35,359,990</u>	<u>37,296,072</u>	<u>37,219,985</u>	<u>38,577,098</u>	<u>37,301,707</u>	<u>35,123,164</u>	<u>36,519,955</u>	<u>37,579,027</u>	<u>40,093,045</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(402,255)	311,781	238,506	1,052,137	(465,768)	(912,463)	1,318,387	1,260,445	383,444	1,630,371
<b>Other Financing Sources (Uses)</b>										
Transfers Out	(12,000)	-	-	(80,000)	(40,000)	(25,000)	(30,000)	(35,000)	(40,000)	(40,000)
Total Other Financing Sources (Uses)	<u>(12,000)</u>	<u>-</u>	<u>-</u>	<u>(80,000)</u>	<u>(40,000)</u>	<u>(25,000)</u>	<u>(30,000)</u>	<u>(35,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>
Net Change in Fund Balances	<u>\$ (414,255)</u>	<u>\$ 311,781</u>	<u>\$ 238,506</u>	<u>\$ 972,137</u>	<u>\$ (505,768)</u>	<u>\$ (937,463)</u>	<u>\$ 1,288,387</u>	<u>\$ 1,225,445</u>	<u>\$ 343,444</u>	<u>\$ 1,590,371</u>

**SOUTH BERGEN JOINTURE COMMISSION  
GENERAL FUND REVENUE BY SOURCE  
LAST TEN YEARS  
(Unaudited)**

<b>Fiscal Year Ended June 30,</b>	<b><u>Tuition</u></b>	<b><u>Transportation Fees</u></b>	<b><u>Other Local Revenue</u></b>	<b><u>State Revenue</u></b>	<b><u>Federal Revenue</u></b>	<b><u>Total</u></b>
2015	\$ 17,451,550	\$ 17,828,139	\$ 4,620,493	\$ 1,821,234		\$ 41,721,416
2014	15,576,178	17,108,392	3,715,916	1,560,985		37,961,471
2013	15,521,494	16,292,208	4,103,835	1,860,363		37,777,900
2012	15,832,659	15,248,829	3,897,414	1,462,649		36,441,551
2011	14,549,488	16,756,290	3,814,340	1,269,126		36,389,244
2010	15,070,228	18,403,634	3,407,179	1,218,044	\$ 12,245	38,111,330
2009	15,065,903	18,694,562	3,138,983	1,134,919	237,755	38,272,122
2008	13,517,366	19,793,464	2,812,680	1,411,068		37,534,578
2007	12,294,442	19,331,492	2,986,215	1,059,622		35,671,771
2006	10,575,602	16,460,197	2,562,095	579,759		30,177,653

**SOUTH BERGEN JOINTURE COMMISSION  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
(Unaudited)  
*(rate per \$100 of assessed value)***

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2015  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
ATTENDANCE DATA  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30	Average Daily Enrollment	Average Daily Attendance	% Change in Average Daily Enrollment	ADA Rate
2015	339.5	310.4	6.6%	91.4%
2014	314.4	291.3	-0.8%	92.6%
2013	316.0	293.6	-7.5%	92.9%
2012	314.0	317.3	-0.3%	93.0%
2011	343.9	318.4	-11.4%	92.6%
2010	385.5	359.2	0.8%	93.2%
2009	382.7	356.3	4.4%	93.1%
2008	366.5	340.4	4.3%	92.9%
2007	351.3	325.0	8.3%	92.5%
2006	324.5	298.5	8.3%	92.0%

**SOUTH BERGEN JOINTURE COMMISSION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN YEARS  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
SCHEDULE OF INSURANCE  
JUNE 30, 2015  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - (Pooled Coverage) Property Blanket Real and Personal Property	\$350,000,000	\$1,000
Comprehensive General Liability	6,000,000	1,000
Comprehensive Automobile	6,000,000	
Liability		
Comprehensive Crime Coverage	25,000	500
Excess Property		
Hardware/Software	225,000	1,000
Paper & Records	10,000,000	1,000
School Board Legal Liability	3,000,000	5,000
Public Employees' Faithful Performance Blanket		
Position Bond - Western Surety		
Treasurer	250,000	1,000
Business Administrator	150,000	1,000
Property Damage	100,000,000	1,000

Source School District's records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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DEBRA GOLLE, CPA  
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ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA

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

### INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Commission  
South Bergen Jointure Commission  
Hasbrouck Heights, 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 South Bergen Jointure Commission as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the South Bergen Jointure Commission's basic financial statements and have issued our report thereon dated December 21, 2015.

#### *Internal Control Over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the South Bergen Jointure Commission'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 South Bergen Jointure Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the South Bergen Jointure Commission'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.

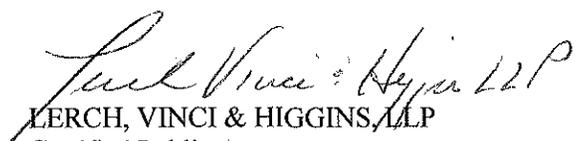
**Compliance and Other Matters**

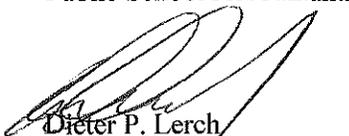
As part of obtaining reasonable assurance about whether the South Bergen Jointure Commission’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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 South Bergen Jointure Commission in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated December 21, 2015.

**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 South Bergen Jointure Commission’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 South Bergen Jointure Commission’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

  
Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
December 21, 2015



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
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JEFFREY C. BLISS, CPA, RMA, PSA  
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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
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 Commission  
South Bergen Jointure Commission  
Hasbrouck Heights, New Jersey

**Report on Compliance for Each Major State Program**

We have audited the South Bergen Jointure Commission's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the South Bergen Jointure Commission's major state programs for the fiscal year ended June 30, 2015. The South Bergen Jointure Commission's major 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 laws, regulations, contracts, and grants applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the South Bergen Jointure Commission's major 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; U.S. and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars 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 state program occurred. An audit includes examining, on a test basis, evidence about the South Bergen Jointure Commission'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 the major state program. However, our audit does not provide a legal determination of the South Bergen Jointure Commission's compliance.

### ***Opinion on Each Major State Program***

In our opinion, the South Bergen Jointure Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on ITS major state program for the fiscal year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of the South Bergen Jointure Commission 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 South Bergen Jointure Commission's internal control over compliance with the types of requirements that could have a direct and material effect on the major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with 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 South Bergen Jointure Commission's internal control over compliance.

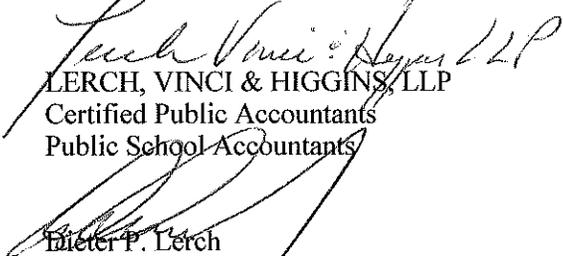
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

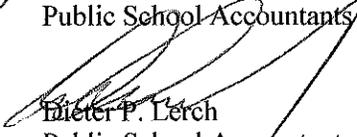
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the South Bergen Jointure Commission, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements. We issued our report thereon dated December 21, 2015, 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 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 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



Michael P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
December 21, 2015

SOUTH BERGEN JOINTURE COMMISSION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance July 1, 2014	Cash Received	Budgetary Expenditures	Adjustments	Refund of Prior Years' Balances	Balance, June 30, 2015			
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	
<b>U.S. Department of Education</b>												
<b>Passed-through State Department of Education</b>												
<i>Enterprise Fund</i>												
Food Distribution Program - Non-Cash Assistance	10.555	07/1/14-6/30/15	\$ 12,198		\$ 12,198	\$ 11,387				\$ 811		
Food Distribution Program - Non-Cash Assistance	10.555	09/1/13-6/30/14	11,117	\$ 621		621						
National School Lunch Program	10.555	07/1/14-6/30/15	65,590		58,684	65,590			\$ (6,906)			
National School Lunch Program	10.555	09/1/13-6/30/14	60,694	(5,823)	5,823							
National School Lunch PB	10.555	07/1/14-6/30/15	2,029		1,818	2,029			(211)			
National School Lunch PB	10.555	09/1/13-6/30/14	1,967	(185)	185							
School Breakfast Program	10.553	07/1/14-6/30/15	38,253		34,169	38,253			(4,084)			
School Breakfast Program	10.553	09/1/13-6/30/14	35,515	(3,563)	3,563	-	-	-	-	-	-	-
<b>Total Enterprise Fund</b>				<b>(8,950)</b>	<b>116,440</b>	<b>117,880</b>	<b>-</b>	<b>-</b>	<b>(11,201)</b>	<b>811</b>	<b>-</b>	<b>-</b>
<b>Total Federal Financial Awards</b>				<b>\$ (8,950)</b>	<b>\$ 116,440</b>	<b>\$ 117,880</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (11,201)</b>	<b>\$ 811</b>	<b>\$ -</b>	<b>\$ -</b>

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This schedule was not subject to audit in accordance with OMB Circular A-133.

**SOUTH BERGEN JOINTURE COMMISSION  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2014			Cash Received	Budgetary Expenditures	Adjustments	Balance, June 30, 2015			Memo	
				(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>														
<i>General Fund</i>														
On-Behalf TPAF Pension System Contributions (Normal Cost)	15-495-034-5094-006	7/1/14-6/30/15	\$ 413,940				\$ 413,940	\$ 413,940						\$ 413,940
On-Behalf TPAF Pension System Contributions (NCGI Premium)	15-495-034-5094-007	7/1/14-6/30/15	29,781				29,781	29,781						29,781
On-Behalf TPAF Pension Systems Contributions (Post Retirement Medical)	15-495-034-5095-001	7/1/14-6/30/15	704,408				704,408	704,408						704,408
Reimbursed TPAF Social Security	15-495-034-5094-003	7/1/14-6/30/15	673,105				639,624	673,105		\$ (33,481)			\$ (33,481)	673,105
Reimbursed TPAF Social Security	14-495-034-5095-002	7/1/13-6/30/14	619,143	\$ (30,556)	-	-	30,556	-	-	-	-	-	-	-
<b>Total General Fund</b>				<u>(30,556)</u>	<u>-</u>	<u>-</u>	<u>1,818,309</u>	<u>1,821,234</u>	<u>-</u>	<u>(33,481)</u>	<u>-</u>	<u>-</u>	<u>(33,481)</u>	<u>1,821,234</u>
<i>Enterprise Fund</i>														
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	1,761				1,587	1,761		(174)			(174)	1,761
State School Lunch Program	14-100-010-3350-023	9/1/13-6/30/14	1,724	(152)	-	-	152	-	-	-	-	-	-	-
<b>Total Enterprise Fund</b>				<u>(152)</u>	<u>-</u>	<u>-</u>	<u>1,739</u>	<u>1,761</u>	<u>-</u>	<u>(174)</u>	<u>-</u>	<u>-</u>	<u>(174)</u>	<u>1,761</u>
<b>Total</b>				<u>(30,708)</u>	<u>-</u>	<u>-</u>	<u>1,820,048</u>	<u>1,822,995</u>	<u>-</u>	<u>(33,655)</u>	<u>-</u>	<u>-</u>	<u>(33,655)</u>	<u>1,822,995</u>
<b>State Financial Assistance Not Subject to Single Audit Determination</b>														
On-Behalf TPAF Pension System Contributions (Normal Cost)	15-495-034-5094-006	7/1/14-6/30/15	\$ 413,940				\$ (413,940)	\$ (413,940)						\$ (413,940)
On-Behalf TPAF Pension System Contributions (NCGI Premium)	15-495-034-5094-007	7/1/14-6/30/15	29,781				(29,781)	(29,781)						(29,781)
On-Behalf TPAF Pension Systems Contributions (Post Retirement Medical)	15-495-034-5094-001	7/1/14-6/30/15	704,408				(704,408)	(704,408)						(704,408)
				<u>\$ (30,708)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 671,919</u>	<u>\$ 674,866</u>	<u>\$ -</u>	<u>\$ (33,655)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (33,655)</u>	<u>\$ 674,866</u>

US

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the South Bergen Jointure Commission. The Commission is defined in Note 1(A) to the Commission'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 bases of accounting are described in Notes 1(C) to the Commission's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" 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 \$-0- for the general fund and \$-0- 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 Commission's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,821,234	\$ 1,821,234
Food Service Fund	<u>\$ 117,880</u>	<u>1,761</u>	<u>119,641</u>
Total Awards Financial Assistance	<u>\$ 117,880</u>	<u>\$ 1,822,995</u>	<u>\$ 1,940,875</u>

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**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 Commission's fiscal year and grant program years.

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$673,105 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, 2014. The amount reported as TPAF Pension System Contributions in the amount of \$443,721 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$704,408 represents the amount paid by the State on behalf of the Commission for the fiscal year ended June 30, 2014.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the Commission's financial statements and the amount subject to State single audit and major program determination.

**SOUTH BERGEN JOINTURE COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ yes <u>  X  </u> no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	_____ yes <u>  X  </u> none reported
Noncompliance material to the basic financial statements noted?	_____ yes <u>  X  </u> no

**Federal Awards Section - NOT APPLICABLE**

Internal Control over compliance:	
1) Material weakness(es) identified?	_____ yes      _____ no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	_____ yes      _____ none reported
Type of auditor's report on compliance for major programs:	_____
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section.510(a))?	_____ yes      _____ none

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between Type A and Type B Programs	\$ _____
Auditee qualified as low-risk auditee?	_____ yes      _____ no

**SOUTH BERGEN JOINTURE COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal Control over compliance:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- 2) Were significant deficiency(ies) identified that were 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 04-04, as amended? \_\_\_\_\_ yes      X   none

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
495-034-5094-003	Reimbursed TPAF Social Security

Dollar threshold used to distinguish between Type A and Type B Programs    \$   300,000  

Auditee qualified as low-risk auditee?      X   yes    \_\_\_\_\_ no

**SOUTH BERGEN JOINTURE COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*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.

**SOUTH BERGEN JOINTURE COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*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 OMB Circular A-133 and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable.

**CURRENT YEAR STATE AWARDS**

There are none.

**SOUTH BERGEN JOINTURE COMMISSION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.