SOUTH BERGEN JOINTURE COMMISSION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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, 2010

Prepared by

Business Office

SOUTH BERGEN JOINTURE COMMISSION
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INTRODUCTORY SECTION

South Bergen Jointure Commission

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

Dawn M. Fidanza Ph.D.
Superintendent

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

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, 2010, 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 04-04 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, 2010.

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 04-04 OMB. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

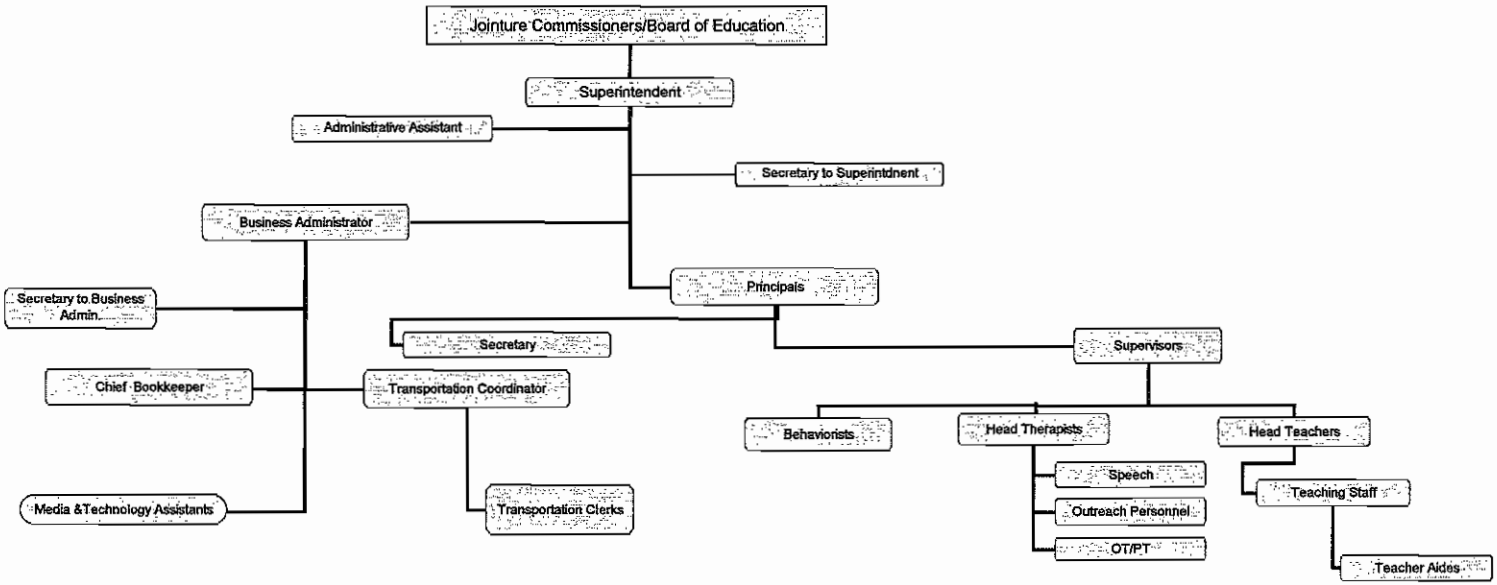
9. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Commission for their concern in providing fiscal accountability and contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished 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, 2010

Members of the Board of Education	Member District	Term Expires
Dr. William De Fabiis - President	South Hackensack	June 30, 2010
Dr. Oliver Stringham	North Arlington	June 30, 2010
Mr. Paul Saxton	Becton Regional	June 30, 2010
Mr. John Hynes	Bogota	June 30, 2010
Mr. Steve Kollinok	Carlstadt	June 30, 2010
Dr. Daniel Swirsky	East Rutherford	June 30, 2010
Mr. Nicholas Perrapato	Garfield	June 30, 2010
Mr. Joseph Luongo	Hasbrouck Heights	June 30, 2010
Mr. Frank Quatrone -VP	Lodi	June 30, 2010
Mr. Joseph Abate, Jr.	Lyndhurst	June 30, 2010
Mr. Mark Solimo	Moonachie	June 30, 2010
Mr. Leslie O'Keeefe	Rutherford	June 30, 2010
Dr. Frank Cocchiola, Jr.	Wallington	June 30, 2010
Dr. Elaine Giugliano	Wood-Ridge	June 30, 2010

Other Officials

Dr. Dawn Fidenza, 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, 2010

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

TD Bank

FINANCIAL SECTION

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
FACSIMILE (201) 791-3035
WWW.LVHCPA.COM

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH KOZAK, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Commission of Trustees
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, 2010, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. 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 Division of Finance, Department of Education, State of New Jersey. Those staudards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Bergen Jointure Commission's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 26, 2010 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 accompanying introductory section, combining fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are not a required part of the basic financial statements. The combining fund financial statements and schedules of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
October 26, 2010

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, 2010

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, 2010. 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 2009-2010 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 $4,310,153 (net assets).
- The Commission's total net assets decreased $466,610.
- Overall Commission revenues for governmental activities were $38,111,330. General revenues accounted for $37,195 or .1% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for $38,074,135 or 99.9% of total revenues.
- The Commission had $38,568,240 in expenses for governmental activities and 98% 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 $4,280,372 a decrease of $505,768 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 Auditors' 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.

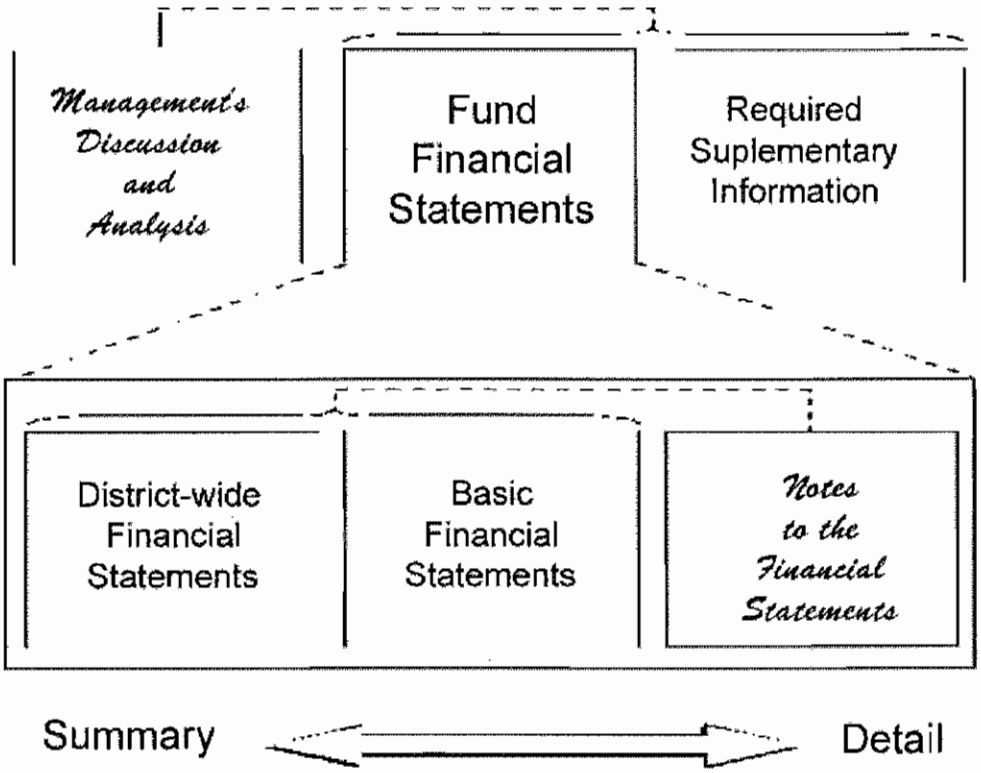
  - The *governmental funds statements* tell how basic services were financed in the *short term* as well as what remains for future spending.

  - *Proprietary funds* statements offer *short-term* and *long-term* financial information about the activities the Commission operated like *businesses.*

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, 2010

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 assets Statement of activities	Balance Sheet Statement of Revenues, Expenditures and changes in fund balances	Statement of Net Assets Statement of revenue, expenses, and changes in fund net assets Statement of cash flows	Statements of Fiduciary net assets Statement of changes in fiduciary net assets
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources Focus
Type of asset/liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no Capital assets or long-term Liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term funds do not currently contain capital assets.
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, 2010

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 assets 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 assets* and how they have changed. Net assets – the difference between the Commission's assets and liabilities – is one way to measure the Commission's financial health or position.

- Over time, increases or decreases in the Commission's net assets are 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.

Fnnd 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.

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 assets and a statement of changes in fiduciary net assets. We exclude these activities from the commission-wide financial statements because the Commission cannot use these assets to finance its operations.

Notes to the basic 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 assets may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by $4,362,576 as of June 30, 2010 and $4,829,186 as of June 30, 2009.

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

SOUTH BERGEN JOINTURE COMMISSION
HASBROUCK HEIGHTS, NEW JERSEY

Management's Discnssion and Analysis
For the Fiscal Year ended June 30, 2010

Net Assets
As of June 30, 2010 and 2009

	Governmental Activities		Business Type Activitics		Total	
	2010	2009	2010	2009	2010	2009
Current Assets	$ 6,645,266	$ 6,036,683	$ 34,564	$ 19,602	$ 6,679,830	$ 6,056,285
Capital Assets	134,363	109,761	17,859	15,141	152,222	124,902
Total Assets	6,779,629	6,146,444	52,423	34,743	6,832,052	6,181,187
Current Liabilities	2,364,894	1,250,543		12,620	2,364,894	1,263,163
Non-Current Liabilities	104,582	88,838	-	-	104,582	88,838
Total Liabilities	2,469,476	1,339,381	-	12,620	2,469,476	1,352,001
Net Assets						
Invested in capital assets,	134,363	109,761	17,859	15,141	152,222	124,902
Unrestricted (Deficit)	4,175,790	4,697,302	34,564	6,982	4,210,354	4,704,284
Total Net Assets	$ 4,310,153	$ 4,807,063	$ 52,423	$ 22,123	$ 4,362,576	$ 4,829,186

SOUTH BERGEN JOINTURE COMMISSION
HASBROUCK HEIGHTS, NEW JERSEY

Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2010

Change in Net Assets
For The Years Ended June 30, 2010 and 2009

	Governmental Activities		Business - Type Activities		Total	
Revenues	2010	2009	2010	2009	2010	2009
Program Revenues						
Charges for Services	$ 36,837,129	$ 36,844,565	$ 66,144	$ 70,340	$ 36,903,273	$ 36,914,905
Operating Grants and Contributions	1,237,006	1,373,674	109,567	97,765	1,346,573	1,471,439
Interest	37,195	53,883	167	278	37,362	54,161
Total Revenues	**38,111,330**	**38,272,122**	**175,878**	**168,383**	**38,287,208**	**38,440,505**
Expenses						
Instruction						
Regular Education						-
Special Education	9,510,780	8,849,199			9,510,780	8,849,199
Support Services						
Student and Instruction Related Services	7,404,335	6,881,322			7,404,335	6,881,322
General Administrative Services	418,994	372,020			418,994	372,020
School Administrative Services	1,153,772	942,456			1,153,772	942,456
Central and Other Support Services	442,179	354,803			442,179	354,803
Plant Operations and Maintenance	1,527,340	1,411,136			1,527,340	1,411,136
Pupil Transportation	18,110,840	18,414,733			18,110,840	18,414,733
Unallocated Benefits						
Food Services	-	-	185,578	194,807	185,578	194,807
Total Expenses	**38,568,240**	**37,225,669**	**185,578**	**194,807**	**38,753,818**	**37,420,476**
Increase (Decrease) in Net Assets Before Transfers	**(456,910)**	**1,046,453**	**(9,700)**	**(26,424)**	**(466,610)**	**1,020,029**
Transfer	**(40,000)**	**(80,000)**	**40,000**	**80,000**	**-**	**-**
Change in Net Assets	**(496,910)**	**966,453**	**30,300**	**53,576**	**(466,610)**	**1,020,029**
Net Assets, Beginning of Year	**4,807,063**	**3,840,610**	**22,123**	**(31,453)**	**4,829,186**	**3,809,157**
Net Assets, End of Year	**$ 4,310,153**	**$ 4,807,063**	**$ 52,423**	**$ 22,123**	**$ 4,362,576**	**$ 4,829,186**

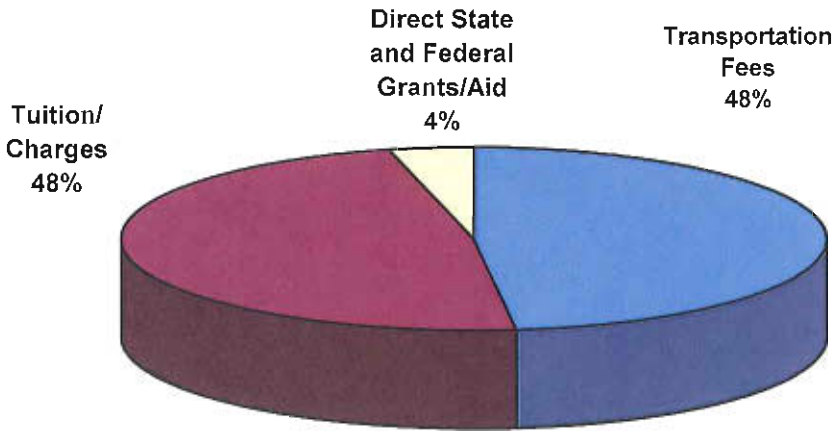
SOUTH BERGEN JOINTURE COMMISSION
HASBROUCK HEIGHTS, NEW JERSEY

Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2010

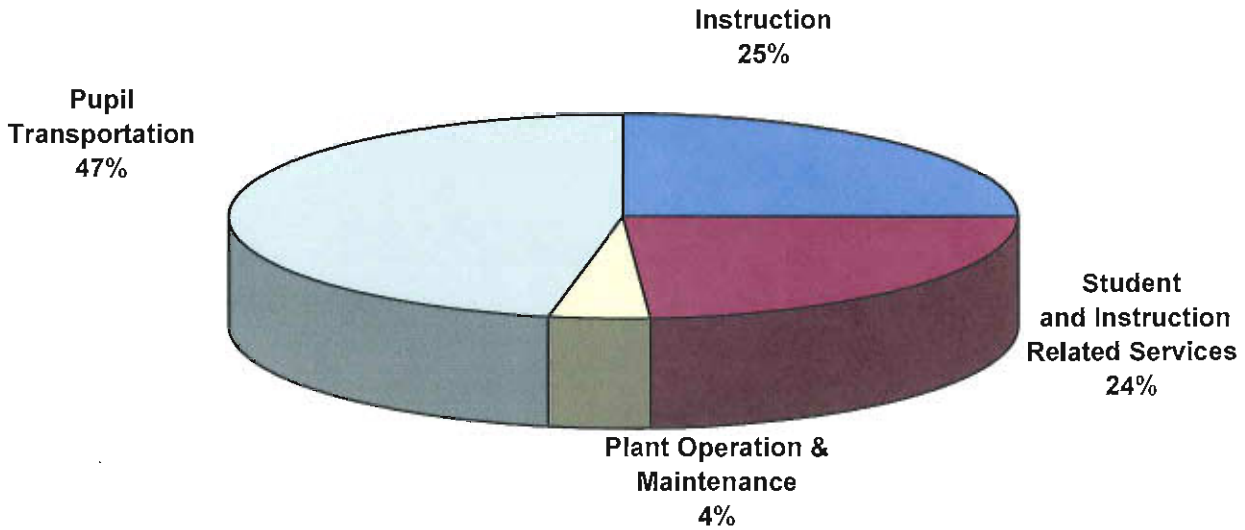
Governmental Activities. The Commission's total governmental activities' revenues, which includes State grants, were $38,111,330 and $38,272,122 for the year ended June 30, 2010 and 2009, respectively. Tuition and miscellaneous revenue of $18,433,495 and transportation fees of $18,403,634, represented 48% and 48% respectively of the revenues for the fiscal year ended June 30, 2010. Another portion of revenues came from grants and contributions of $1,237,006 or 4% of the revenues for the fiscal year ended June 30, 2010. In addition, miscellaneous income is earned which 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 $38,568,240 and $37,225,669 for the years ended June 30, 2010 and 2009, respectively. The Commission's expenses are related to educating and caring for students. Instruction totaled $9,510,780 and $8,849,199 (25% and 24%) of total expenditures for the fiscal years ended June 30, 2010 and 2009 respectively. Support services (including pupil transportation), totaled $29,057,460 and $28,376,470 (75% and 76%) of total expenditures for the fiscal years end June 30, 2010 and June 30, 2009, respectively.

Revenues by Type- Governmental Activities
For Fiscal Year 2010



Expenditures by Type- Governmental Activities
For Fiscal Year 2010



Net Cost of Governmental Activities. The Commission's total cost of services was $38,568,240 for the fiscal year ended June 30, 2010. After applying program revenues, derived from charges for services and grants and contributions of $38,074,135, the net cost from services of the Commission was $494,105 for the fiscal year ended June 30, 2010.

Net Cost of Governmental Activities

	Total Cost of Services 2010	(Net Cost) Revenue of Services 2010	Total Cost of Services 2009	(Net Cost) Revenue of Services 2009
Instruction				
Special Education	$ 9,510,780	$ 1,813,463	$ 8,849,199	$ 2,586,334
Support Services				
Student and Instruction Related Services	7,404,335	822,554	6,881,322	1,097,708
General Administrative Services	418,994	(418,994)	372,020	(372,020)
School Administrative Services	1,153,772	(1,073,615)	942,456	(868,589)
Central and Other Support Services	442,179	(402,967)	354,803	(319,556)
Plant Operations and Maintenance	1,527,340	(1,527,340)	1,411,136	(1,411,136)
Pupil Transportation	18,110,840	292,794	18,414,733	279,829
Total	**$ 38,568,240**	**$ (494,105)**	**$ 37,225,669**	**$ 992,570**

SOUTH BERGEN JOINTURE COMMISSION
HASBROUCK HEIGHTS, NEW JERSEY

Management's Discussion and Analysis
For the Fiscal Year ended Juue 30, 2010

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.

Governmeutal 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, unreserved 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 $4,280,372 for the year ended June 30, 2010 compared to $4,786,140 for the year ended June 30, 2009.

Revenues for the Commission's governmental funds were $38,111,330 and $38,272,122, while total expenses and transfers were $38,617,098 and $37,299,985 for the fiscal years ended June 30, 2010 and 2009, 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 Governmental Fund Revenues.

	June 30, 2010	June 30, 2009	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local Sources				
Tuition Charges	$ 15,070,228	$ 15,065,903	$ 4,325	1%
Transportation Fees	18,403,634	18,694,562	(290,928)	-2%
Miscellaneous	3,407,179	3,138,983	268,196	9%
Federal Sources	12,245	237,755	(225,510)	95%
State Sources	1,218,044	1,134,919	83,125	7%
Total General Fund Revenues	$ 38,111,330	$ 38,272,122	$ (160,792)	1%

Tuition revenue increased $4,325 or 1% over the previous year. Transportation fees decreased $290,928 less than 2% over the previous year. Miscellaneous revenue increased $268,196 or 9%, predominantly from other service fees charged to local education agencies. State aid revenues increased $83,125 or 7% over the previous year.

The following schedule presents a summary of Governmental Fund expenditures.

	June 30, 2010	June 30, 2009	Amount of Increase (Decrease)	Percent Increase (Decrease)
Instruction	$ 9,495,036	$ 8,833,052	$ 661,984	7%
Support Services	29,082,062	28,386,933	695,129	2%
Total Expenditures	$ 38,577,098	$ 37,219,985	$ 1,357,113	4%

Total Governmental Fund expenditures increased $1,357,113 or 4% from the previous year. The increase is attributable to both instruction and 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 $18,962 and $238,755 for the years ended June 30, 2010 and 2009, respectively. Federal sources accounted for the Special Revenue Fund's revenue which represented 65% and 100% of the total revenues for the years ended June 30, 2010 and 2009.

Expenditures of the Special Revenue Fund were $18,962 and $238,755 for the fiscal years ended June 30, 2010 and 2009, respectively. Instructional expenditures were $18,962.

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.

CAPITAL ASSETS

The Commission's investment in capital assets for its governmental activities as of June 30, 2010 and 2009 amounted to $104,582 and $109,761 (net of accumulated depreciation). The capital assets consist of leasehold improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for fiscal years 2009-2010 and 2008-2009 amounted to $11,456 and $7,850 for governmental activities.

Capital Assets at June 30, 2010 and 2009
(Net of Accumulated Depreciation)

	Governmental Activities	
	2010	2009
Machinery and Equipment	$ 104,582	$ 109,761
Total Net Assets	$ 104,582	$ 109,761

Additional information on the Commission's capital assets is presented in Note 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 2010-2011 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.

BASIC FINANCIAL STATEMENTS

EXHIBIT A-1

SOUTH BERGEN JOINTURE COMMISSION
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 3,159,971	$ 26,127	$ 3,186,098
Receivables, net	3,442,271	9,485	3,451,756
Inventory		2,143	2,143
Other Assets	39,833		39,833
Internal Balances	3,191	(3,191)	
Capital Assets, Being Depreciated net (Note 4):	134,363	17,859	152,222
Total Assets	6,779,629	52,423	6,832,052
LIABILITIES			
Accounts Payable and Other Liabilities	2,364,894		2,364,894
Noncurrent Liabilities			
Due Beyond One Year	104,582	-	104,582
Total Liabilities	2,469,476	-	2,469,476
NET ASSETS			
Invested in Capital Assets, net of related debt	134,363	17,859	152,222
Unrestricted	4,175,790	34,564	4,210,354
Total Net Assets	$ 4,310,153	$ 52,423	$ 4,362,576

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

SOUTH BERGEN JOINTURE COMMISSION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental Activities:						
Instruction:						
Special Education	$ 9,510,780	$ 10,247,755	$ 1,076,488	$ 1,813,463		$ 1,813,463
Undistributed Expenditures:						
Student and Instruction Related Services	7,404,335	8,185,740	41,149	822,554		822,554
Support Services-General Administration	418,994			(418,994)		(418,994)
Support Services-School Administration	1,153,772		80,157	(1,073,615)		(1,073,615)
Central Services	442,179		39,212	(402,967)		(402,967)
Operation and Maintenance of Plant Services	1,527,340			(1,527,340)		(1,527,340)
Student Transportation Services	18,110,840	18,403,634	-	292,794	-	292,794
Total Governmental Activities	38,568,240	36,837,129	1,237,006	(494,105)	-	(494,105)
Business-Type Activities:						
Food Service	185,578	66,144	109,567	-	$ (9,867)	(9,867)
Total Business-Type Activities	185,578	66,144	109,567	-	(9,867)	(9,867)
Total Primary Government	$ 38,753,818	$ 36,903,273	$ 1,346,573	(494,105)	(9,867)	(503,972)

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

SOUTH BERGEN JOINTURE COMMISSION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	**Business-Type Activities**	**Total**
General Revenues:			
Operating Transfer to Food Service	$ (40,000)	$ 40,000	
Interest	37,195	167	$ 37,362
Total General Revenues	(2,805)	40,167	37,362
Change in Net Assets	(496,910)	30,300	(466,610)
Net Assets, Beginning of Year	4,807,063	22,123	4,829,186
Net Assets, End of Year	$ 4,310,153	$ 52,423	$ 4,362,576

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

FUND FINANCIAL STATEMENTS

EXHIBIT B-1

SOUTH BERGEN JOINTURE COMMISSION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2010

	General Fund	Special Revenue	Total Governmental Funds
ASSETS			
Cash	$ 3,159,688	$ 283	$ 3,159,971
Intergovernmental Receivable - Other	3,409,026		3,409,026
Intergovernmental Receivable - State	33,245		33,245
Due from Other Funds	3,191		3,191
Other Assets	39,833	-	39,833
Total Assets	$ 6,644,983	$ 283	$ 6,645,266
LIABILITIES			
Accounts Payable	$ 2,364,611		$ 2,364,611
Deferred Revenue	-	283	283
Total Liabilities	2,364,611	283	2,364,894
FUND BALANCE			
Unreserved/Undesignated Fund Balance			
General Fund	4,280,372	-	4,280,372
Total Fund Balances	4,280,372	-	4,280,372
Total Liabilities and Fund Balances	$ 6,644,983	$ 283	

Amounts reported for *governmental activities* in the statement of net assets (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 $602,023 and the accumulated depreciation is $467,660.	134,363
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 (see Note 2)	(104,582)
Net assets of governmental activities	$ 4,310,153

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

EXHIBIT B-2

SOUTH BERGEN JOINTURE COMMISSION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General Fund	Special Revenue	Total Governmental Funds
REVENUES			
Local Sources:			
Tuition	$ 15,070,228		$ 15,070,228
Transportation Fees	18,403,634		18,403,634
Interest	37,195		37,195
Miscellaneous	3,363,267	$ 6,717	3,369,984
Total - Local Sources	36,874,324	6,717	36,881,041
Federal Sources		12,245	12,245
State Sources	1,218,044	-	1,218,044
Total Revenues	38,092,368	18,962	38,111,330
EXPENDITURES			
Current			
Instruction			
Special Education - Instruction	9,476,074	18,962	9,495,036
Undistributed Expenditures			
Student and Instruction Related Services	7,404,335		7,404,335
Support Services-General Administration	415,838		415,838
Support Services-School Administration	1,147,874		1,147,874
Central Services	442,179		442,179
Operation and Maintenance of Plant Services	1,524,938		1,524,938
Student Transportation Services	18,110,840		18,110,840
Capital Outlay			
Equipment	36,058	-	36,058
Total Expenditures	38,558,136	18,962	38,577,098
Excess (Deficiency) of Revenues Over Expenditures	(465,768)	-	(465,768)
OTHER FINANCING SOURCES (USES)			
Operating Transfers to Food Service Fund	(40,000)	-	(40,000)
Total Other Financing Sources and Uses	(40,000)	-	(40,000)
Net Change in Fund Balances	(505,768)	-	(505,768)
Fund Balance, Beginning of Year	4,786,140	-	4,786,140
Fund Balance, End of Year	$ 4,280,372	$ -	$ 4,280,372

The accompanying Notes to the Basic 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, 2010

Total net change in fund balances - governmental funds (Exhibit B-2)	$ (505,768)
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 capital outlays exceeded depreciation in the period.	
Depreciation Expense	(11,456)
Capital Outlay	36,058
Long-Term Debt Adjustments - Compensated Absences	(15,744)
Change in net assets of governmental activities (Exhibit A-2)	$ (496,910)

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

EXHIBIT B-4

SOUTH BERGEN JOINTURE COMMISSION
PROPRIETARY FUND
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

	Busiuess-Type Activities Enterprise Fund Food Services
ASSETS	
Current Assets	
Cash	$ 26,127
Intergovernmental Receivable	9,485
Inventory	2,143
Total Current Assets	37,755
Capital Assets	
Machinery and Equipment, Net	17,859
Total Capital Assets	17,859
Total Assets	55,614
LIABILITIES	
Current Liabilities	
Interfund Payable	3,191
Total Current Liabilities	3,191
NET ASSETS	
Invested in Capital Assets	17,859
Unrestricted	34,564
Total Net Assets	$ 52,423

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

EXHIBIT B-5

SOUTH BERGEN JOINTURE COMMISSION
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-Type Activities Enterprise Fund Food Services
OPERATING REVENUES	
Charges for Services	
Daily Sales	$ 66,144
Total Operating Revenues	66,144
OPERATING EXPENSES	
Cost of Sales	84,883
Salaries and Wages	63,983
Insurance	6,819
Supplies and Materials	19,322
Depreciation	3,636
Management Fee	6,935
Total Operating Expenses	185,578
Operating Loss	(119,434)
NONOPERATING REVENUES	
State Sources	
School Breakfast Program	2,956
State School Lunch Program	3,002
Federal Sources	
School Breakfast Program	35,853
National Lunch Program	62,288
Food Distribution Program - Non-Cash Assistance	5,468
Interest Income	167
Total Nonoperating Revenues	109,734
Net Income/Change in Net Assets	(9,700)
Operating Transfer in from General Fund	40,000
Increase in Net Assets	30,300
Net Assets, Beginning of Year	22,123
Net Assets, End of Year	$ 52,423

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

EXHIBIT B-6

SOUTH BERGEN JOINTURE COMMISSION
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-Type Activities Enterprise Fund Food Services
Cash Flows from Operating Activities	
Cash Received from Customers	$ 66,144
Cash Payments for Food Service Management	(170,003)
Cash Payments for Supplies and Materials	(19,322)
Net Cash Provided (Used) by Operating Activities	(123,181)
Cash Flows from Non-Capital Financing Activities	
Purchase of Fixed Assets	6,355
Cash Received/Paid from Other Funds	33,372
Cash Received from State and Federal Subsidy	103,919
Net Cash from Non-Capital Financing Activities	143,646
Cash Flows from Financing Activities	
Interest Income	167
Net Cash from Financing Activities	167
Net Increase in Cash and Cash Equivalents	20,632
Cash and Cash Equivalents, Beginning of Year	5,495
Cash and Cash Equivalents, End of Year	$ 26,127
Reconciliation of Operating Income to Net Cash Used for Operating Activities	
Operating Income (Loss)	$ (119,434)
Adjustments to Reconcile Operating (Income) Loss to Net Cash Provided by (Used for) Operating Activities	
Depreciation	3,636
Non-Cash Federal Assistance-National School Lunch (Food Distribution)	5,468
Change in Assets and Liabilities	
(Increase)/Decrease in Inventory	(231)
Increase/(Decrease) in Accounts Payable	(12,620)
Net Cash Provided by (Used for) Operating Activities	$ (123,181)

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

EXHIBIT B-7

SOUTH BERGEN JOINTURE COMMISSION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2010

	Unemployment Compensation Trust Fund	Agency Fund
ASSETS		
Cash	$ 30,890	$ 33,095
Total Assets	30,890	$ 33,095
LIABILITIES		
Payroll Deductions and Withholdings		$ 10,456
Accrued Salaries and Wages		19,515
Due to Student Groups		3,124
Due to State of New Jersey	293	-
Total Liabilities	293	$ 33,095
NET ASSETS		
Held In Trust For Unemployment Claims	$ 30,597	

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

EXHIBIT B-8

SOUTH BERGEN JOINTURE COMMISSION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

	Unemployment Compensation Trust Fund
ADDITIONS	
District Contributions	$ 65,000
Employee Contributions	16,296
Interest	222
Total Additions	81,518
DEDUCTIONS	
Claims	70,416
Total Deductions	70,416
Change in Net Assets	11,102
Net Assets, Beginning of Year	19,495
Net Assets, End of Year	$ 30,597

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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 is made up of fourteen member school districts located in the County of Bergen. The Board of Directors consists of fourteen appointed officials, one from each member 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 board 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. Commission-wide and Fund Financial Statements

The Commission-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Commission. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school Commissions, 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. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the Commission-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The Commission considers all of its governmental and enterprise funds to be major funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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 and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Tuition, local education 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. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the Commission.

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 and state financial programs, with the exception of grants for major capital projects and the school breakfast, milk and lunch programs.

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. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Private-sector standards of accounting and financial reporting issued by the Financial Accounting Standards Commission (FASB) prior to December 1, 1989, generally are followed in both the Commission-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Commission (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Commission has elected not to follow FASB guidance issued subsequent to December 1, 1989.

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.

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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include investment earnings and miscellaneous revenues.

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

D. Assets, Liabilities and Net Assets or Equity

1. Deposits 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 and Payables

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".

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

3. Inventories

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

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method. 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 unearned revenue.

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. Such assets are recorded at historical cost if purchased or estimated historical cost if constructed. 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 assets lives 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.

Equipment of the Commission is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Office Equipment and Furniture	10
Computer Equipment	5

5. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

6. Fund Equity

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is appropriated for future expenditures.

7. Reclassifications

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

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 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 and is approved by the Board of Directors on or before March 8 of the preceding year. Budget adoptions and amendments are recorded in the Commission's board minutes. The budget is amended by the Commission of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Commission approved several budget transfers during 2009/2010. During 2009/2010 the Commission increased the original budget by $1,082,858. The increase was funded by additional tuition, local transportation fees and State grants.

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 in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of 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.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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 plus collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds 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, 2010, the book value of the Commission's deposits was $3,250,083 and bank balances of the Commission's cash and deposits amounted to $5,104,732. The Commission's deposits which are displayed on the balance sheets and statement of net assets as "cash" or "cash and cash equivalents" are categorized as:

Depository Account	Bank Balance
Insured	$ 5,104,732

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 school 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, 2010, the Commission had no outstanding investments.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of year-end for the Commission's individual major funds in the aggregate are as follows:

	General	Food Service	Total
Receivables:			
Intergovernmental	$ 3,442,271	$ 9,485	$ 3,451,756
Gross Receivables	3,442,271	9,485	3,451,756
Less: Allowance for Uncollectibles	-	-	-
Net Total Receivables	$ 3,442,271	$ 9,485	$ 3,451,756

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	Unearned
Special Revenue Fund	
Unencumbered grant draw downs	$283

C. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance, July 1, 2009	Increases	Decreases	Balance, June 30, 2010
Governmental activities:				
Capital assets, being depreciated:				
Machinery and Equipment	$ 565,965	$ 36,058	-	$ 602,023
Total capital assets being depreciated	565,965	36,058	-	602,023
Less accumulated depreciation for:				
Machinery and Equipment	(456,204)	(11,456)	-	(467,660)
Total accumulated depreciation	(456,204)	(11,456)	-	(467,660)
Total capital assets, being depreciated, net	109,761	24,602	-	134,363
Government activities capital assets, net	$ 109,761	$ 24,602	$ -	$ 134,363

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

	Balance, July 1, 2009	Increases	Decreases	Balance, June 30, 2010
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	$ 36,887	$ 6,355	-	$ 43,242
Total capital assets being depreciated	36,887	6,355	-	43,242
Less accumulated depreciation for:				
Machinery and equipment	(21,747)	(3,636)	-	(25,383)
Total accumulated depreciation	(21,747)	(3,636)	-	(25,383)
Total capital assets, being depreciated, net	15,140	2,719	-	17,859
Business-type activities capital assets, net	$ 15,140	$ 2,719	$ -	$ 17,859

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

Governmental activities:	
Support Services	
General Administration	$ 3,156
School Administration	5,898
Operations and Maintenance of Plant	2,402
Total Support Services	11,456
Total Governmental Funds	11,456
Total Depreciation Expense - Governmental Activities	$ 11,456
Business-Type Activities:	
Food Service Fund	$ 3,636

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2010, is as follows:

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General Fund	Food Service Fund	$ 3,191

The above balances are the result of expenditures paid by one fund on behalf of another fund.

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

Interfund transfers

	Transfer Out:	
	General	Total
Transfer In:		
Food Service - Enterprise Fund	$ 40,000	$ 40,000
Total transfers out	$ 40,000	$ 40,000

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases

Operating Leases

The Commission leases classrooms and office space under noncancelable operating leases. Lease payments for the year ended June 30, 2010 were $730,814. The future minimum lease payments for these operating leases are as follows:

Year Ending June 30	Our Lady Queen of Peace School Building Maywood, NJ	St. Francis de Salos R.C. Church School Building Lodi, NJ	St. Michael The Archangel Church School Building Lyndhurst, NJ	(Business Office) 500 Rte. 17 South, LLC Hasbrouck Hts.	Amount
2011	$ 331,472	$ 179,800	$ 140,000	$ 113,505	$ 764,777
2012	341,416	197,800	-	115,235	654,451
2013	-	217,600		118,215	335,815
2014	-	240,000	-	121,189	361,189
Total	$ 672,888	$ 835,200	$ 140,000	$ 468,144	$ 2,116,232

F. Long-Term Debt

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Compensated absences	$ 88,838	$ 15,744	$ -	$ 104,582
Governmental activity Long-term liabilities	$ 88,838	$ 15,744	$ -	$ 104,582

For the governmental activities, compensated absences 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; 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 Northeast Bergen County School Commission Insurance Group (NESBIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation 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.

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

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

The 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:

Year Ended June 30,	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2010	$ 65,000	$ 16,296	$ 70,416	$ 30,597
2009		29,057	16,875	19,495
2008		15,952	53,126	7,312

B. Contingent Liabilities

The Commission is a party defendant in some lawsuits, none of a kind unusual for a jointure 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.

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities (Continued)

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, 2010, 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 Commission, 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 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

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.

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.

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 and are considered in the annual actuarial calculation of the required State contribution for the system.

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.

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Basis of Accounting

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

Investment Valuation

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. 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.

Significant Legislation

P.L. 2009, c. 19, effective March 17, 2009 provided an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS for payments due in State fiscal year 2009. This law also provided that a local employer may pay 100 percent of the required contribution. Such an employer was credited with the full payment and any such amounts were not to be included in their unfunded liability. The actuaries for PERS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

P.L. 2008, c. 89, effective November 1, 2008, increased the TPAF and PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c. 103, certain parts effective July 1, 2007, provided for the following: changed contribution rates of TPAF, PERS, and Defined Contribution Retirement Program (DCRP) to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) which included the creation of the School Employees' Health Benefit Program (SEHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 72.6 percent with an unfunded actuarial accrued liability of $34.4 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 69.6 percent and $23.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.2 percent and $11.4 billion.

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 limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2008 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 (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 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 5.5% for PERS, 5.5% for TPAF and 5.5% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2010 for TPAF, which is a cost sharing plan with special funding situations, 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.

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Coutinued)

Annual Pension Costs (APC) (Continued)

During the years ended June 30, 2010, 2009 and 2008 the Commission was required to contribute for PERS 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:

Year Ended June 30,	PERS	On-behalf TPAF
2010	$ 280,145	$ 28,013
2009	220,530	24,975
2008	156,746	523,322

During 2009/2010 and 2008/2009 school years, the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State only contributed $28,013 and $24,975 during 2009/2010 and 2008/2009, respectively, for the NCGI premium.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Commission $663,917 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the Commission-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

D. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school Commissions. The Plans are cost sharing multiple employer defined benefit plans.

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, PDP-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 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 484 state and local participating employers and contributing entities for Fiscal Year 2009.

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.

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides free 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 free 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 employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. 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.

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.

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 June 30, 2008, the most recent actuarial valuation date, the State had a $55.9 billion unfunded actuarial accrued liability for other postemployment benefits (OPEB) which is made up to $19.8 billion for state active and retired members and $36.1 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 is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in 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 contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2008, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

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, 2009, there were 84,590 retirees receiving post-retirement medical benefits and the State contributed $837.7 million 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 free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid $116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in fiscal year 2009.

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School Commission for the years ended June 30, 2010, 2009 and 2008 were $526,114, $476,461 and $55,040, respectively, which equaled the required contributions for each year . The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School Commission was not determined or made available by the State of New Jersey.

NOTE 5 TUITION REBATE

The Board of Commissioners approved a tuition rebate credit during fiscal year 2009/10. The tuition credit, which represented 3.5% of the 2008/09 tuition revenue, was created on a prorata basis to member districts in the 2009/10 fiscal year. The total credit amounted to $416,100.

BUDGETARY COMPARISON SCHEDULES

SOUTH BERGEN JOINTURE COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES					
Local Sources					
Tuition	$ 14,989,000	$ 233,295	$ 15,222,295	$ 15,070,228	$ (152,067)
Transportation Fees	18,683,925		18,683,925	18,403,634	(280,291)
Interest		54,000	54,000	37,195	(16,805)
Miscellaneous	2,658,243	776,318	3,434,561	3,363,267	(71,294)
Total Local Sources	36,331,168	1,063,613	37,394,781	36,874,324	(520,457)
State Sources					
On Behalf TPAF Pension Contribution (Non Budgeted) - Normal				28,013	28,013
On Behalf TPAF Pension Contribution (Non Budgeted) - Post Retirement Medical				526,114	526,114
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	663,917	663,917
Total State Sources	-	-	-	1,218,044	1,218,044
Total Revenues	36,331,168	1,063,613	37,394,781	38,092,368	697,587
EXPENDITURES					
CURRENT EXPENDITURES					
Special Education					
Behavioral Disabilities					
Salaries of Teachers	750,848	(63,733)	687,115	687,115	
Other Salaries for Instruction	568,521	(84,227)	484,294	484,185	109
General Supplies	12,400	9,751	22,151	21,094	1,057
Textbooks	15,000	1,962	16,962	16,921	41
Other Objects	2,500	(2,266)	234	234	-
Total Behavioral Disabilities	1,349,269	(138,513)	1,210,756	1,209,549	1,207
Multiple Disabilities					
Salaries of Teachers	825,627	85,836	911,463	911,429	34
Other Salaries for Instruction	596,252	122,336	718,588	718,085	503
General Supplies	28,474	(3,798)	24,676	24,675	1
Textbooks	14,000	21,005	35,005	34,943	62
Total Multiple Disabilities	1,464,353	225,379	1,689,732	1,689,132	600
Resource Room					
General Supplies	6,000	1,704	7,704	7,703	1
Total Resource Room	6,000	1,704	7,704	7,703	1
Autistic Program					
Salaries of Teachers	1,352,068	118,476	1,470,544	1,470,544	
Other Salaries for Instruction	1,438,152	50,973	1,489,125	1,489,123	2
General Supplies	20,450	(3,932)	16,518	15,429	1,089
Textbooks	13,250	17,788	31,038	30,875	163
Total Autistic Program	2,823,920	183,305	3,007,225	3,005,971	1,254

Continued

SOUTH BERGEN JOINTURE COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Preschool Disabilities - Part-Time					
Salaries of Teachers	$ 168,459	$ 88,285	$ 256,744	$ 256,744	
Other Salaries for Instruction	122,890	43,367	166,257	166,220	$ 37
General Supplies	6,523	9,416	15,939	15,232	707
Total Preschool Disabilities - Part-Time	297,872	141,068	438,940	438,196	744
Home Instruction					
Salaries of Teachers	79,512	42,646	122,158	122,158	
Other Salaries for Instruction	71,260	14,096	85,356	85,356	-
Total Home Instruction	150,772	56,742	207,514	207,514	-
Total Special Education	6,092,186	469,685	6,561,871	6,558,065	3,806
Undistributed Expenditures					
Health Services					
Salaries	249,761	(922)	248,839	248,675	164
Purchased Professional and Technical Services	39,580	8,147	47,727	47,727	
Supplies and Materials	8,325	(641)	7,684	5,800	1,884
Total Health Services	297,666	6,584	304,250	302,202	2,048
Speech OT/PT and Related Services					
Salaries	3,598,652	242,323	3,840,975	3,838,983	1,992
Travel Related Expenses		4,610	4,610	4,610	
Supplies and Materials	20,854	7,160	28,014	27,103	911
Other Objects	6,842	(6,842)	-	-	-
Total Speech OT/PT and Related Services	3,626,348	247,251	3,873,599	3,870,696	2,903
Child Study					
Salaries of Other Professional Staff	1,068,214	264,104	1,332,318	1,332,318	
Supplies and Materials	14,589	4,957	19,546	19,500	46
Total Child Study	1,082,803	269,061	1,351,864	1,351,818	46
Improvement of Instruction Services/					
Other Support Services-Instructional Staff					
Purchase of Technical Services	38,547	(23,197)	15,350	15,350	
Other Purchased Services	1,256	(1,163)	93	93	
Other Objects	6,899	8,215	15,114	15,114	-
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff	46,702	(16,145)	30,557	30,557	-

Continued

SOUTH BERGEN JOINTURE COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Support Services General Administration					
Salaries	$ 202,558	$ 9,701	$ 212,259	$ 212,259	
Legal Service	25,000	(17,329)	7,671	7,671	
Audit Fees	19,800	860	20,660	20,660	
Communications/Telephone	56,824	6,945	63,769	63,769	
BOE Other Purchased Services	1,625		1,625	666	$ 959
Other Purchased Services	1,200	3,077	4,277	4,277	
General Supplies	8,954	19,850	28,804	28,804	
Miscellaneous Expenditures	16,790	(10,429)	6,361	6,361	-
Total Support Services General Administration	332,751	12,675	345,426	344,467	959
Support Services School Administration					
Salaries of Principals/Asst. Principals	480,432	3,979	484,411	484,411	
Salaries of Secretarial and Clerical Assistants	128,419	(4,787)	123,632	123,632	
Purchased Professional and Technical Services	8,456	(2,573)	5,883	5,883	
Other Purchased Services	41,568	4,210	45,778	45,778	
Supplies and Materials	37,521	165,945	203,466	203,466	
Other Objects	28,953	(575)	28,378	28,378	-
Total Support Services School Administration	725,349	166,199	891,548	891,548	-
Central Services					
Salaries	228,206	8,767	236,973	236,973	
Purchased Professional and Technical Services		11,640	11,640	11,640	
Other Purchased Services	1,580	9,847	11,427	11,427	
Travel Related Expenses		1,580	1,580	1,230	350
Supplies and Materials	31,852	1,731	33,583	33,583	
Miscellaneous Expenditures	11,593	29,764	41,357	41,357	-
Total Central Services	273,231	63,329	336,560	336,210	350
Administration Information Technology					
Travel Expenses	1,985	(1,074)	911	911	-
Total Administration Information Technology	1,985	(1,074)	911	911	-
Other Operation and Maintenance of Plant Services					
Cleaning, Repair and Maintenance Services	263,847	31,975	295,822	295,798	24
Rental of Land and Buildings	1,158,982	(12,361)	1,146,621	1,146,356	265
Insurance	22,541		22,541	21,660	881
General Supplies	64,859	(40,052)	24,807	24,807	
Energy (Heat and Electricity)	66,584	(30,267)	36,317	36,317	-
Total Other Operation and Maint.of Plant Services	1,576,813	(50,705)	1,526,108	1,524,938	1,170
Student Transportation Services					
Salaries for Pupil Transp. Btw. Home and Sch.- Sp Ed	313,416	(9,071)	304,345	304,345	
Transportation Purchased Professional		5,700	5,700	5,700	
Contracted Services (Other than Between Home and School)	43,000	(4,004)	38,996	38,996	
Contracted Services (Special Education Students) - Vendors	18,153,415	(508,437)	17,644,978	17,644,978	
Supplies and Materials	500	13,988	14,488	14,487	1
Total Student Transportation Services	18,510,331	(501,824)	18,008,507	18,008,506	1

Continued

Exhibit C-1

SOUTH BERGEN JOINTURE COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Unallocated Benefits - Employee Benefits					
Social Security Contributions	$ 321,895	$ 17,394	$ 339,289	$ 339,289	
Other Retirement Contribution-Regular	230,000	50,145	280,145	280,145	
Unemployment Compensation	35,952	30,000	65,952	65,503	$ 449
Worker's Compensation	69,521	14,622	84,143	84,143	
Health Benefits	3,003,635	229,675	3,233,310	3,230,354	2,956
Tuition Reimbursement	39,000	45,682	84,682	84,682	-
Total Unallocated Benefits - Employee Benefits	3,700,003	387,518	4,087,521	4,084,116	3,405
On Behalf Payments (Non-Budgeted)					
On Behalf TPAF Pension Contribution (Non Budgeted) - Normal				28,013	(28,013)
On Behalf TPAF Pension Contribution (Non Budgeted) - Post Retirement Medical				526,114	(526,114)
Reimbursed TPAF Social Security Contribution	-	-	-	663,917	(663,917)
Total Undistributed Expenditures	30,173,982	582,869	30,756,851	31,964,013	(1,207,162)
Total - Current Expenditures	36,266,168	1,052,554	37,318,722	38,522,078	(1,203,356)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures					
General Administration	15,000	16,562	31,562	31,561	1
School Administration	10,000	(5,503)	4,497	4,497	-
Total Equipment	25,000	11,059	36,059	36,058	1
Total Capital Outlay	25,000	11,059	36,059	36,058	1
Total Expenditures - General Fund	36,291,168	1,063,613	37,354,781	38,558,136	(1,203,355)
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,000	-	40,000	(465,768)	(505,768)
Other Financing Sources					
Operating Transfers Out - Food Service	(40,000)	-	(40,000)	(40,000)	-
Total Other Financing Sources	(40,000)	-	(40,000)	(40,000)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	(505,768)	(505,768)
Fund Balances, Beginning of Year	4,786,140	-	4,786,140	4,786,140	-
Fund Balances, End of Year	$ 4,786,140	$ -	$ 4,786,140	$ 4,280,372	$ (505,768)

Recapitulation

Unreserved/Undesignated Fund Balance	4,280,372
Fund Balance per Governmental Funds (GAAP)	$ 4,280,372

EXHIBIT C-2

SOUTH BERGEN JOINTURE COMMISSION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES					
Federal Sources		$ 12,245	$ 12,245	$ 12,245	
Local Sources	-	7,000	7,000	6,717	$ (283)
Total Revenues	$ -	$ 19,245	$ 19,245	$ 18,962	$ (283)
EXPENDITURES					
Instruction					
Salaries					
General Supplies	-	$ 7,000	$ 7,000	$ 6,717	$ 283
Total Instruction	-	7,000	7,000	6,717	283
Support Services					
Salaries					
Employee Benefits		12,245	12,245	12,245	
General Supplies	-	-	-	-	-
Total Support Services	-	12,245	12,245	12,245	-
Non-Instructional Equipment	-	-	-	-	-
Total Expenditures	-	19,245	19,245	18,962	283
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	$ -	$ -	$ -	$ -	$ -

SOUTH BERGEN JOINTURE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Formal budgetary integration into the aeeounting 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
Sources/Inflows of Resources		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibit C-1)	$ 38,092,368	$ 18,962
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 38,092,368	$ 18,962
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	$ 38,598,136	$ 18,962
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 38,598,136	$ 18,962

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, 2010

	NJSBAIG Safety Grant	BCUA Environmental Awareness	Governor's Initiative	Total
REVENUES				
Local Sources	$ 5,000	$ 1,717		$ 6,717
Federal Sources	-	-	$ 12,245	12,245
Total Revenues	$ 5,000	$ 1,717	$ 12,245	$ 18,962
EXPENDITURES				
Instruction				
Supplies	$ 5,000	$ 1,717	-	$ 6,717
Total Instruction	5,000	1,717	-	6,717
Support Services				
Employee Benefits	-	-	$ 12,245	12,245
Total Support Services	-	-	12,245	12,245
Instructional Equipment	-	-	-	-
Total Expenditures	$ 5,000	$ 1,717	$ 12,245	$ 18,962

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, 2010

THIS SCHEDULE IS NOT APPLICABLE

ENTERPRISE FUNDS

EXHIBIT G-1

SOUTH BERGEN JOINTURE COMMISSION
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

THIS SCHEDULE IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

THIS SCHEDULE IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

EXHIBIT H-1

SOUTH BERGEN JOINTURE COMMISSION
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY NET ASSETS
AS OF JUNE 30, 2010

	Student Activity	Payroll	Total Agency Funds
ASSETS			
Cash	$ 3,124	$ 29,971	$ 33,095
Total Assets	$ 3,124	$ 29,971	$ 33,095
LIABILITIES			
Payroll Deductions and Withholdings		$ 10,456	$ 10,456
Accrued Salaries and Wages		19,515	19,515
Due to Student Groups	$ 3,124	-	3,124
Total Liabilities	$ 3,124	$ 29,971	$ 33,095

EXHIBIT H-2

SOUTH BERGEN JOINTURE COMMISSION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-8

EXHIBIT H-3

STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance, July 1, 2009	Receipts	Disbursements	Balance, June 30, 2010
Commerce Bank	$ 4,261	$ 2,860	$ 3,997	$ 3,124
Total All Schools	$ 4,261	$ 2,860	$ 3,997	$ 3,124

EXHIBIT H-4

SOUTH BERGEN JOINTURE COMMISSION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance, July 1, 2009	Additions	Deletions	Balance, June 30, 2010
LIABILITIES				
Payroll Deductions and Withholdings	$ 9,772	$ 5,549,954	$ 5,549,270	$ 10,456
Accrued Salaries and Wages	16,665	9,169,680	9,166,830	19,515
Total	$ 26,437	$ 14,719,634	$ 14,716,100	$ 29,971

LONG-TERM DEBT

EXHIBIT I-1

SOUTH BERGEN JOINTURE COMMISSION
LONG TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT I-2

LONG TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT I-3

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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.

EXHIBIT J-1

SOUTH BERGEN JOINTURE COMMISSION
NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2005	2006	2007	2008	2009	2010
Governmental Activities						
Invested in Capital Assets, Net of Related Debt		$ 35,294	$ 70,621	$ 99,298	$ 109,761	$ 134,363
Restricted						
Unrestricted	$ 3,645,260	3,218,512	3,528,126	3,741,312	4,697,302	4,175,790
Total Governmental Activities Net Assets	$ 3,645,260	$ 3,253,806	$ 3,598,747	$ 3,840,610	$ 4,807,063	$ 4,310,153
Business-Type Activities						
Invested in Capital Assets, Net of Related Debt	$ 10,810	$ 15,605	$ 13,003	$ 15,340	$ 15,141	$ 17,859
Restricted						
Unrestricted	13,297	(5,714)	1,463	(46,793)	6,982	34,564
Total Business-Type Activities Net Assets	$ 24,107	$ 9,891	$ 14,466	$ (31,453)	$ 22,123	$ 52,423
District-Wide						
Invested in Capital Assets, Net of Related Debt	$ 10,810	$ 50,899	$ 83,624	$ 114,638	$ 124,902	$ 152,222
Restricted						
Unrestricted	3,658,557	3,212,798	3,529,589	3,694,519	4,704,284	4,210,354
Total District Net Assets	$ 3,669,367	$ 3,263,697	$ 3,613,213	$ 3,809,157	$ 4,829,186	$ 4,362,576

Note:
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2004 only six years of information are available. Eaeh year thereafter, an additional year's data will be included until ten years of data is present.

EXHIBIT J-2

SOUTH BERGEN JOINTURE COMMISSION
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2005	2006	2007	2008	2009	2010
Expenses						
Governmental Activities						
Instruction						
Regular Education				$ 73,398		
Special Education	$ 4,134,440	$ 6,185,156	$ 7,429,284	7,966,472	$ 8,849,199	$ 9,510,780
Support Services:						
Student & Instruction Related Services	3,417,543	4,981,686	5,806,080	6,434,192	6,881,322	7,404,335
School Administrative Services	491,209	948,637	905,167	923,762	372,020	418,994
General Administration	327,664	467,165	348,997	351,180	942,456	1,153,772
Central Services	174,081	259,616	316,631	323,155	354,803	442,179
Plant Operations And Maintenance	741,855	1,225,111	1,140,252	1,265,379	1,411,136	1,527,340
Pupil Transportation	16,211,535	16,489,736	19,380,419	19,955,177	18,414,733	18,110,840
Unallocated Benefits	2,149,394					
TPAF Pension	28,970					
TPAF Social Security	429,674					
Total Governmental Activities Expenses	28,106,365	30,557,107	35,326,830	37,292,715	37,225,669	38,568,240
Business-Type Activities:						
Food Service	145,816	169,623	142,986	204,507	194,807	185,578
Total Business-Type Activities Expense	145,816	169,623	142,986	204,507	194,807	185,578
Total District Expenses	$ 28,252,181	$ 30,726,730	$ 35,469,816	$ 37,497,222	$ 37,420,476	$ 38,753,818
Program Revenues						
Governmental Activities:						
Charges For Services:						
Instruction (Tuition)	$ 11,116,534	$ 13,022,843	$ 15,103,956	$ 16,187,285	$ 18,151,003	$ 18,433,495
Pupil Transportation	16,466,202	16,460,197	19,331,492	19,793,464	18,694,562	18,403,634
Operating Grants And Contributions	462,644	579,759	1,059,622	1,411,068	1,372,674	1,237,006
Total Governmental Activities Program Revenues	28,045,380	30,062,799	35,495,070	37,391,817	38,218,239	38,074,135
Business-Type Activities:						
Charges For Services						
Food Service	49,880	66,132	66,386	72,550	70,340	66,144
Operating Grants And Contributions	77,948	77,275	80,567	85,575	97,765	109,567
Total Business Type Activities Program Revenues	127,828	143,407	146,953	158,125	168,105	175,711
Total District Program Revenues	$ 28,173,208	$ 30,206,206	$ 35,642,023	$ 37,549,942	$ 38,386,344	$ 38,249,846
Net (Expense)/Revenue						
Governmental Activities	$ (60,985)	$ (494,308)	$ 168,240	$ 99,102	$ 992,570	$ (494,105)
Business-Type Activities	(17,988)	(26,216)	3,967	(46,382)	(26,702)	(9,867)
Total District-Wide Net Expense	$ (78,973)	$ (520,524)	$ 172,207	$ 52,720	$ 965,868	$ (503,972)
General Revenues And Other Changes In Net Assets						
Governmental Activities:						
Investment Earnings	$ 62,263	$ 114,854	$ 176,701	$ 142,761	$ 53,883	$ 37,195
Transfers	(21,205)	(12,000)			(80,000)	(40,000)
Total Governmental Activities	41,058	102,854	176,701	142,761	(26,117)	(2,805)
Business-Type Activities:						
Investment Earnings			608	463	278	167
Transfers	21,205	12,000			80,000	40,000
Total Business-Type Activities	21,205	12,000	608	463	80,278	40,167
Total District-Wide	$ 62,263	$ 114,854	$ 177,309	$ 143,224	$ 54,161	$ 37,362
Change In Net Assets						
Governmental Activities	$ (19,927)	$ (391,454)	$ 344,941	$ 241,863	$ 966,453	$ (496,910)
Business-Type Activities	3,217	(14,216)	4,575	(45,919)	53,576	30,300
Total District	$ (16,710)	$ (405,670)	$ 349,516	$ 195,944	$ 1,020,029	$ (466,610)

Note:
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2004 only six years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

EXHIBIT J-3

SOUTH BERGEN JOINTURE COMMISSION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST SIX FISCAL YEARS
(Unaudited)

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2005	2006	2007	2008	2009	2010
General Fund						
Reserved		$ 127,038	$ 19,071			
Unreserved	$ 3,677,971	3,136,678	3,556,426	$ 3,814,003	$ 4,786,140	$ 4,280,372
Total General Fund	$ 3,677,971	$ 3,263,716	$ 3,575,497	$ 3,814,003	$ 4,786,140	$ 4,280,372

Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2004 only six years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

	Fiscal Year Ending June 30,					
	2005	2006	2007	2008	2009	2010
Revenues						
Tuition	$ 9,079,448	$ 10,575,602	$ 12,294,442	$ 13,517,366	$ 15,065,903	$ 15,070,228
Transportation Fees	16,466,202	16,460,197	19,331,492	19,793,464	18,694,562	18,403,634
Miscellaneous	2,099,349	2,562,095	2,986,215	2,812,680	3,138,983	3,407,179
State Sources	458,644	579,759	1,059,622	1,411,068	1,134,919	1,218,044
Federal Sources	-	-	-	-	237,755	12,245
Total Revenue	28,103,643	30,177,653	35,671,771	37,534,578	38,272,122	38,111,330
Expenditures						
Instruction						
Regular Instruction				73,398		
Special Education Instruction	4,130,440	6,172,663	7,427,117	7,941,152	8,833,052	9,495,036
Support Services:						
Student and Inst. Related Services	3,417,543	4,981,686	5,806,080	6,434,192	6,881,322	7,404,335
School Administrative Services	491,209	948,637	899,719	918,314	937,008	1,147,874
General Administration	327,664	467,165	348,997	351,180	372,020	415,838
Plant Operations And Maintenance	741,855	1,225,111	1,137,850	1,262,977	1,408,734	1,524,938
Pupil Transportation	16,211,535	16,489,736	19,380,419	19,955,177	18,414,733	18,110,840
Central Services	174,081	259,616	316,631	323,155	354,803	442,179
Unallocated Benefits	2,665,660					
Capital Outlay		35,294	43,177	36,527	18,313	36,058
Total Expenditures	28,159,987	30,579,908	35,359,990	37,296,072	37,219,985	38,577,098
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,344)	(402,255)	311,781	238,506	1,052,137	(465,768)
Other Financing Sources (Uses)						
Transfers Out	(21,205)	(12,000)			(80,000)	(40,000)
Total Other Financing Sources (Uses)	(21,205)	(12,000)	-	-	(80,000)	(40,000)
Net Change in Fund Balances	$ (77,549)	$ (414,255)	$ 311,781	$ 238,506	$ 972,137	$ (505,768)

* Noncapital expenditures are total expenditures less capital outlay.

Note:
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2004 only six years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

EXHIBIT J-5

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

Fiscal Year Ended June 30,	Tuition	Transportation Fees	Other Local Revenue	State Revenue	Federal Revenue	Total
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
2005	9,079,448	16,466,202	2,099,349	462,644		28,107,643
2004	7,863,091	15,787,647	1,870,675	417,285		25,938,698
2003	6,783,918	14,867,618	1,858,135	327,669		23,837,340
2002	5,638,009	13,718,689	1,613,811	290,288		21,260,797
2001	5,798,365	12,211,575	1,332,778	285,047	574	19,628,339

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 THREE FISCAL YEARS
(Unaudited)

NOT APPLICABLE

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

NOT APPLICABLE

SOUTH BERGEN JOINTURE COMMISSION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2010
(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 TEN 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
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%
2005	299.6	275.5	9.1%	92.0%
2004	274.5	251.0	9.3%	91.4%
2003	251.2	230.3	8.5%	91.7%
2002	231.5	214.0	-5.6%	91.8%
2001	245.3	225.3	-1.6%	91.8%

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 SEVEN YEARS
(Unaudited)

NOT APPLICABLE

EXHIBIT J-20

SOUTH BERGEN JOINTURE COMMISSION
SCHEDULE OF INSURANCE
JUNE 30, 2010
(Unaudited)

	Coverage	Deductible
School Package Policy - (Pooled Coverage) Property		
Blanket Real and Personal Property	$300,000,000	$1,000
Comprehensive General Liability	6,000,000	1,000
Comprehensive Automobile	6,000,000	1,000
Liability		
Comprehensive Crime Coverage	30,000	1,000
Excess Property		
Hardware/Software	225,000	1,000
Paper & Records	10,000,000	1,000
School Board Legal Liability	1,000,000	7,500
Public Employees' Faithful Performance Blanket		
Position Bond - Western Surety		
Treasurer	250,000	1,000
Business Administrator	150,000	1,000
Student Accident	6,000,000	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

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
FACSIMILE (201) 791-3035
WWW.LVHCPA.COM

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH KOZAK, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA

EXHIBIT K-1

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

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

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, 2010, which collectively comprise the South Bergen Jointure Commission's basic financial statements and have issued our report thereon dated October 26, 2010. 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 Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the South Bergen Jointure Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the South Bergen Jointure Commission's internal control over financial reporting.

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 South Bergen Jointure Commission's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the South Bergen Jointure Commission's financial statements are free of 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 Division of Finance, Department of Education, State of New Jersey.

However, we noted certain matters that we have reported to management of the South Bergen Jointure Commission in a separate report entitled, "Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance" dated October 26, 2010.

This report is intended solely for the information and use of the Board of Trustees, management, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
October 26, 2010

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
FACSIMILE (201) 791-3035
WWW.LVHCPA.COM

DIETER P. LERCH, CPA, RMA, PSA
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DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA

EXHIBIT K-2

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

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

Compliance

We have audited the South Bergen Jointure Commission's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of South Bergen Jointure Commission's major state programs for the fiscal year ended June 30, 2010. 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. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the South Bergen Jointure Commission's management. Our responsibility is to express an opinion on South Bergen Jointure Commission's compliance based on our audit.

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 Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, 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 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. Our audit does not provide a legal determination on South Bergen Jointure Commission's compliance with those requirements.

In our opinion, South Bergen Jointure Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2010.

Internal Control Over Compliance

Management of South Bergen Jointure Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered South Bergen Jointure Commission's internal control over compliance with requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, 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 Commission's internal control over compliance.

A deficiency in internal control over compliance 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 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Trustees, management, the New Jersey State Department of Education and other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
October 26, 2010

SOUTH BERGEN JOINTURE COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance July 1, 2009	Cash Received	Budgetary Expenditures	Adjustments	Refund of Prior Years' Balances	June 30, 2010 Accounts Receivable	June 30, 2010 Deferred Revenue	June 30, 2010 Due to Grantor
U.S. Department of Education Passed-through State Department of Education											
Enterprise Fund											
Food Distribution Program	10.550	09/1/09-6/30/10	$ 5,468		$ 5,468	$ 5,468					
National School Lunch Program	10.555	9/1/08-6/30/09	54,811	$ (5,130)	5,130						
National School Lunch Program	10.555	09/1/09-6/30/10	62,288		56,906	62,288			$ (5,382)		
School Breakfast Program	10.553	9/1/08-6/30/09	30,974	(3,571)	3,571						
School Breakfast Program	10.553	09/1/09-6/30/10	35,853	-	32,297	35,853	-	-	(3,556)	-	-
Total Enterprise Fund				(8,701)	103,372	103,609	-	-	(8,938)	-	-
Special Revenue Fund											
Governor's Initiative: Enhancing Autism	08-100-034-5060-053-H070	9/1/08-6/30/09	250,000	(17,841)	30,184	12,245	$ 98	-	-	-	-
Total Special Revenue Fund				(17,841)	30,184	12,245	98	-	-	-	-
Total Federal Financial Awards				$ (26,542)	$ 133,556	$ 115,854	$ 98	$ -	$ (8,938)	$ -	$ -

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

The Notes to the Schedules of Federal Awards and State Financial Assistance are an Integral Part of this Statement

SOUTH BERGEN JOINTURE COMMISSION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2009 (Accounts Receivable)	Balance, June 30, 2009 Deferred Revenue	Balance, June 30, 2009 Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments	Balance, June 30, 2010 (Accounts Receivable)	Balance, June 30, 2010 Deferred Revenue	Balance, June 30, 2010 Due to Grantor	Memo GAAP Receivable	Memo Cumulative Total Expenditures
State Department of Education														
General Fund														
On-Behalf TPAF Pension System Contributions (Normal Cost)	10-495-034-5095-006	7/1/09-6/30/10	$ 28,013				$ 28,013	$ 28,013						$ 28,013
On-Behalf TPAF Pension Systems Contributions (Post Retirement Medical)	10-495-034-5095-001	7/1/09-6/30/10	526,114				526,114	526,114						526,114
Reimbursed TPAF Social Security	09-495-034-5095-002	7/1/08-6/30/09	633,483	$ (31,377)			31,377							-
Reimbursed TPAF Social Security	10-495-034-5095-002	7/1/09-6/30/10	663,917	-	-	-	630,672	663,917	-	$ (33,245)	-	-	$ (33,245)	663,917
Total General Fund				(31,377)	-	-	1,216,176	1,218,044	-	(33,245)	-	-	(33,245)	1,218,044
Special Revenue Fund														
Governor's Initiative: Enhancing Autism	08-100-034-5065-091	7/1/07-6/30/08	250,000	-	$ 98	-	-	-	$ (98)	-	-	-	-	-
Total Special Revenue Fund				-	98	-	-	-	(98)	-	-	-	-	-
Enterprise Fund														
State School Lunch Program	09-100-010-3350-023	9/1/08-6/30/09	2,907	(270)			270							
State School Lunch Program	10-100-010-3360-023	9/1/09-6/30/10	3,002				2,743	3,002		(259)			(259)	3,002
State School Breakfast Program	09-100-010-3350-021	9/1/08-6/30/09	2,938	(334)			334							
State School Breakfast Program	10-100-010-3350-021	9/1/09-6/30/10	2,956	-	-	-	2,668	2,956	-	(288)	-	-	(288)	2,956
Total Enterprise Fund				(604)	-	-	6,015	5,958	-	(547)	-	-	(547)	5,958
Total				(31,981)	98	-	1,222,191	1,224,002	(98)	(33,792)	-	-	(33,792)	1,224,002
State Financial Assistance Not Subject to Single Audit Determination														
On-Behalf TPAF Pension System Contributions (Normal Cost)	10-495-034-5095-006	7/1/09-6/30/10	$ 28,013				(28,013)	(28,013)						$ (28,013)
On-Behalf TPAF Pension Systems Contributions (Post Retirement Medical)	10-495-034-5095-001	7/1/09-6/30/10	526,114	-	-	-	(526,114)	(526,114)	-	-	-	-	-	(526,114)
				$ (31,981)	$ 98	$ -	$ 668,064	$ 669,875	$ (98)	$ (33,792)	$ -	$ -	$ (33,792)	$ 669,875

This schedule was not subject to audit in accordance with New Jersey OMB Circular 98-07.

The Notes to the Schedules of Federal Awards and State Financial Assistance are an Integral Part of the Statement

SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 basic 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 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 basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic 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 basic financial statements on a GAAP basis as presented as follows:

	Federal	State	Total
General Fund		$ 1,218,044	$ 1,218,044
Special Revenue Fund	$ 12,245		12,245
Food Service Fund	103,609	5,958	109,567
Total Financial Assistance	$ 115,854	$ 1,224,002	$ 1,339,856

SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 $663,917 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010. The amount reported as TPAF Pension System Contributions in the amount of $28,013 and TPAF Post-Retirement Medical Benefits Contributions in the amount of $526,114 represents the amount paid by the State on behalf of the Commission for the year ended June 30, 2010.

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 basic 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, 2010

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditors' report issued on financial statements: Unqualified

Internal control over financial reporting:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X no

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

Federal Awards Section - NOT APPLICABLE EXPENDITURES UNDER $500,000

Internal Control over major programs:

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

(2) Significant deficiencies identified that are not considered to be material weaknesses? _____ yes _____ none reported

Type of auditor's report issued on compliance for major programs _____

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ yes _____ no

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster

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 (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part I – Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

(1) Material weakness(es) identified? ____ yes ___X___ no

(2) Significant deficiencies identified that are not considered to be material weakness(es)? ____ yes ___X___ none reported

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

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 04-04? ____ yes ___X___ no

Identification of major state programs:

10-495-034-5095-002	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

EXHIBIT K-6

SOUTH BERGEN JOINTURE COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards.*

There are none.

SOUTH BERGEN JOINTURE COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part 3 – Schedule of Federal Awards and State Financial Assistance 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 04-04, as amended.

CURRENT YEAR FEDERAL AWARDS

NOT APPLICABLE

SOUTH BERGEN JOINTURE COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part 3 – Schedule of Federal Awards and State Financial Assistance 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 04-04, as amended.

CURRENT YEAR STATE AWARDS

There are none.

EXHIBIT K-7

SOUTH BERGEN JOINTURE COMMISSION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 no prior year recommendations.