

BERGENFIELD BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Bergenfield, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Bergenfield Board of Education

Bergenfield, New Jersey

For The Fiscal Year Ended June 30, 2008

Prepared by

Business Office

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INTRODUCTORY SECTION

Bergenfield Public Schools

100 South Prospect Avenue
Bergenfield, New Jersey 07621
(201) 385-8202 Fax: (201) 385-3718

Partnerships



Key to Excellence

MICHAEL D. KUCHAR, Ph.D.
Superintendent of Schools

JOSEPH G. AMARA Ed.D.
President
Board of Education

October 10, 2008

Honorable President and
Members of the Board of Education
Bergenfield Public Schools
Bergenfield, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Bergenfield Public Schools (District) for the fiscal year ended June 30, 2008, 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 Board of Education (Board). 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.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Bergenfield Public School's MD&A can be found immediately following the "Independent Auditors' Report".

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 independent auditors' report, management's discussion and analysis (MD&A) and the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplemental information (RSI). 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, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular OMB 04-04. Information related to this single audit, including the auditors' 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: Bergenfield Public Schools is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the District are included in this report. The Bergenfield Board of Education and all its schools constitute the District's reporting entity.

Together, we are making a difference

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and vocational as well as special education for handicapped youngsters. The District completed the 2007-2008 fiscal year with an enrollment of 3,589 students, which is 30 students less than the previous year's enrollment.

2. ECONOMIC CONDITION AND OUTLOOK: Bergenfield has continued to experience a period of economic difficulty which reflects the national trend of recent years. The availability of "affordable" housing is the major cause of an upturn in real estate sales. This trend is expected to continue. This suggests that school enrollments will increase and that the Bergenfield area will experience an economic recovery. The September 2007 opening day K-12 enrollment was 3,619. This represents a decrease of 171 pupils as compared to the opening enrollment in September of 2006. By adopting programs and services to meet the needs of its newest residents and working those changes into the fabric of currently existing programs, all residents can be served in a manner which is fair, equitable and affordable.

3. MAJOR INITIATIVES: The Bergenfield School District has made noteworthy strides in the delivery of educational programs, facility upgrades, and academic achievement through sound fiscal management and budgeting with the passing of three consecutive budgets. Significant accomplishments for 2007-2008 School Year include renovation of two science labs (RWB and HS), implementation of a television studio, renovation of two elementary libraries into state of the art cybraries, Study Island Software K-12, a Web Based program to increase student achievement, Accellus software for credit recovery in math and science, Reverse 911 system has been put in place and are working out the kinks, Mobile Computer Laptop carts in all 7 Schools to increase use of technology to differentiate instruction, implemented an Alternative School for RWB, the HS and a Summer School for both remediation and enrichment, expanded Tri Valley Academy for Autism to include a HS program, renovated HS Stadium and in process of installing new track, upgraded internal technology writing and security, contracted for installing a fiber optic network for broadband and telecommunications, and was validated by NJQSAC as the new state monitoring process rated Bergenfield as a High Performance School District.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General and Special Revenue Funds. Project length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

5. BUDGETARY CONTROLS: (Continued)

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements".

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

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

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

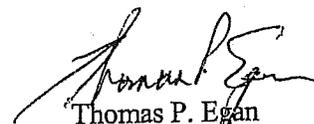
10. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related OMB Circular A-133 and State Treasury Circular OMB 04-04. The auditors' report on the basic financial statements are included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



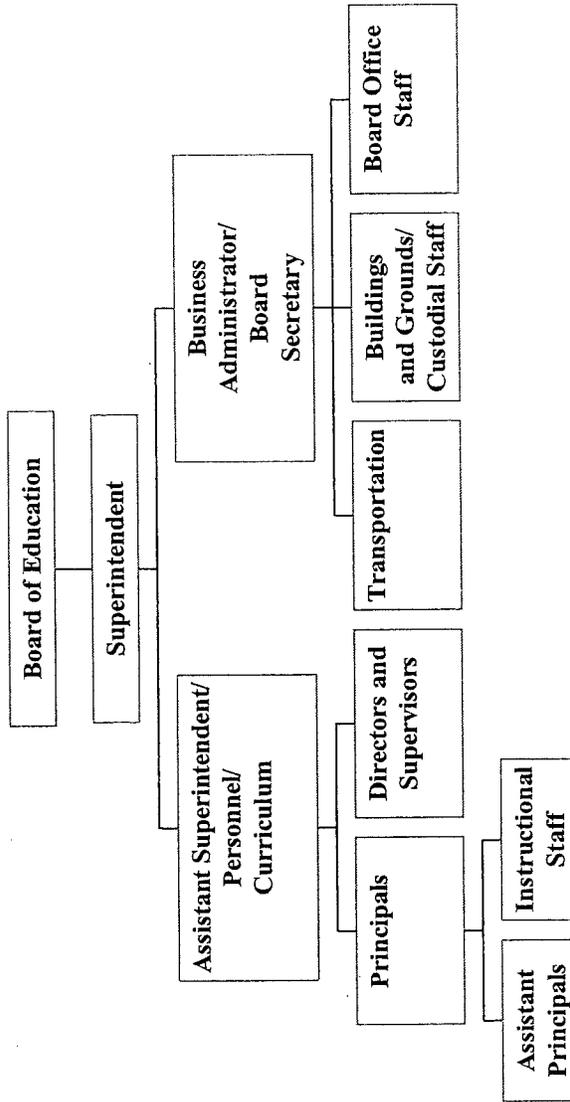
Michael D. Kuchar, Ph.D.
Superintendent



Thomas P. Egan
Business Administrator/
Board Secretary

BERGENFIELD BOARD OF EDUCATION

Organization Chart



**BERGENFIELD BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2008**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joseph Amara, President	2010
Eileen Ryder, Vice President	2011
Ralph Messina	2009
Catherine Wada	2009
Mark D'Esposito	2010

Other Officials

Michael D. Kuchar, Ph.D., Superintendent

Thomas Egan, Business Administrator/Board Secretary

Christine Kahwaty, Treasurer of School Monies

**BERGENFIELD BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

Architect

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482 Notch Road
West Paterson, New Jersey 07424

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

Attorneys

Fogarty & Hara
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Fair Lawn, NJ 07410

Official Depository

TD Bank North
95 North Washington Avenue
Bergenfield, New Jersey 07621

FINANCIAL SECTION

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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 Board of Trustees
Bergenfield Board of Education
Bergenfield, 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 Bergenfield Board of Education as of and for the fiscal year ended June 30, 2008, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education'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 standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 Bergenfield Board of Education'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 Bergenfield Board of Education as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows 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 10, 2008 on our consideration of the Bergenfield Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 the 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 Bergenfield Board of Education'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
LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
October 10, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

**BERGENFIELD BOARD OF EDUCATION
BERGENFIELD, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008**

This section of the Bergenfield Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2008. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2007-2008) and the prior year (2006-2007) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2007-2008 fiscal year include the following:

- The assets of the Bergenfield Board of Education exceeded its liabilities at the close of the fiscal year by \$9,391,089 (net assets).
- The District's overall net assets increased \$1,433,322 or 18%.
- Overall district revenues were \$62,731,199. General revenues accounted for \$47,095,979 or 75% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$15,635,220 or 25% of total revenues.
- The school district had \$60,029,366 in expenses for governmental activities; only \$14,401,214 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$47,095,979 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$3,398,356.
- The General Fund unreserved, undesignated fund balance at June 30, 2008 was in a deficit position of \$242,305, an increase of \$28,638 when compared to the ending unreserved, undesignated fund deficit at June 30, 2007 of \$270,943.
- The General Fund unreserved, undesignated budgetary fund balance at June 30, 2008 was \$617,633, which represents a decrease of \$120,920 when compared to the ending balance at June 30, 2007 of \$738,553.

**BERGENFIELD BOARD OF EDUCATION
BERGENFIELD, NEW JERSEY**

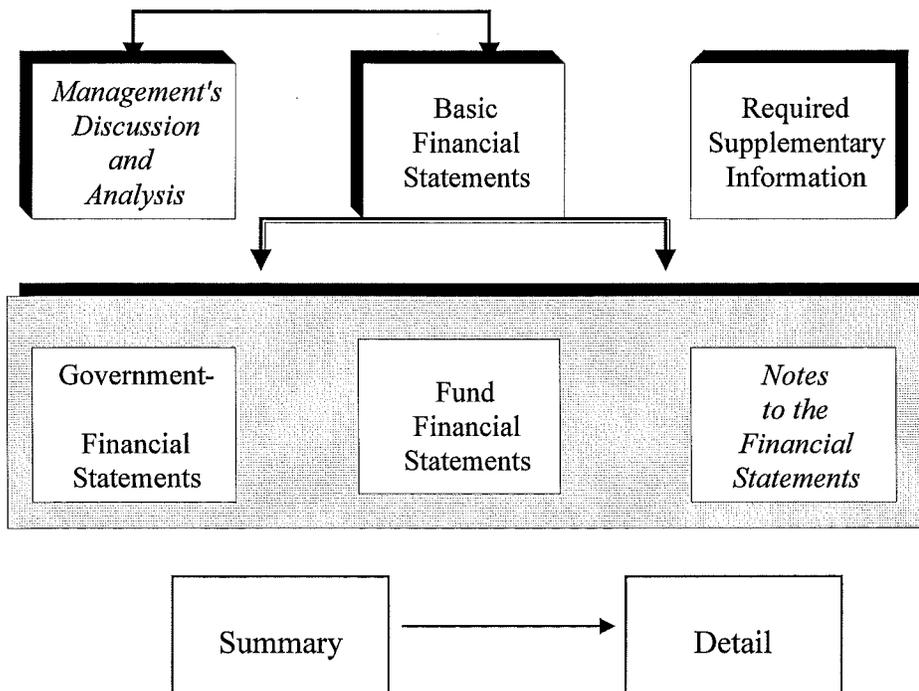
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008**

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 District:

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

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



**BERGENFIELD BOARD OF EDUCATION
BERGENFIELD, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008**

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

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as Regular and Special Education Instruction and Building maintenance	Activities the district operates similar to private businesses: Enterprise Fund	Instances in which the district administers resources held in trust, such as Unemployment, 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.

District-wide financial statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District'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 district-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position.

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

**BERGENFIELD BOARD OF EDUCATION
BERGENFIELD, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008**

District-wide financial statements (continued)

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

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration and plant operations and maintenance. Property taxes and state and federal aids 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. The District's food service and summer enrichment programs are included under this category.

Fund financial statements

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

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

The District has three kinds of funds:

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

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

- Food Service (Cafeteria)
- Summer Enrichment Program

- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District 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 district-wide and fund financial statements. The notes to the basic financial statements can be found following the basic financial statements.

**BERGENFIELD BOARD OF EDUCATION
BERGENFIELD, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008**

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual expenditure budget for the general 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.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$9,391,089 and \$7,957,767 as of June 30, 2008 and 2007, respectively.

By far the largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Net Assets
As of June 30, 2008 and 2007**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current Assets	\$ 4,161,948	\$ 3,590,428	\$ 61,403	\$ 24,497	\$ 4,223,351	\$ 3,614,925
Capital Assets	<u>7,035,269</u>	<u>6,209,745</u>	<u>56,009</u>	<u>27,184</u>	<u>7,091,278</u>	<u>6,236,929</u>
Total Assets	<u>11,197,217</u>	<u>9,800,173</u>	<u>117,412</u>	<u>51,681</u>	<u>11,314,629</u>	<u>9,851,854</u>
Long-Term Liabilities	1,100,308	1,121,570			1,100,308	1,121,570
Other Liabilities	<u>765,967</u>	<u>735,488</u>	<u>57,265</u>	<u>37,029</u>	<u>823,232</u>	<u>772,517</u>
Total Liabilities	<u>1,866,275</u>	<u>1,857,058</u>	<u>57,265</u>	<u>37,029</u>	<u>1,923,540</u>	<u>1,894,087</u>
Net Assets:						
Invested in capital assets, net of related debt	6,973,047	6,118,441	56,009	27,184	7,029,056	6,145,625
Restricted	398,791	394,315			398,791	394,315
Unrestricted	<u>1,959,104</u>	<u>1,430,359</u>	<u>4,138</u>	<u>(12,532)</u>	<u>1,963,242</u>	<u>1,417,827</u>
Total Net Assets	<u>\$ 9,330,942</u>	<u>\$ 7,943,115</u>	<u>\$ 60,147</u>	<u>\$ 14,652</u>	<u>\$ 9,391,089</u>	<u>\$ 7,957,767</u>

The District's total net assets of \$9,391,089 at June 30, 2008 represents a \$1,433,322, or 18% increase from the prior year. The following presents the changes in net assets for the years ended June 30, 2008 from 2007.

**BERGENFIELD BOARD OF EDUCATION
BERGENFIELD, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008**

Changes in Net Assets

For the Fiscal Years Ended June 30, 2008 and 2007

	Governmental		Business-Type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues						
Charges for Services	\$ 1,041,194	\$ 610,610	\$ 871,572	\$ 899,320	\$ 1,912,766	\$ 1,509,930
Operating Grants and Contributions	13,360,020	13,122,360	362,434	332,063	13,722,454	13,454,423
Capital Grants and Contributions		8,462			-	8,462
General Revenues						
Property Taxes	41,351,852	39,876,425			41,351,852	39,876,425
State Aid - Unrestricted	5,623,017	5,316,845			5,623,017	5,316,845
Other	121,110	34,967	-	-	121,110	34,967
Total Revenues	<u>61,497,193</u>	<u>58,969,669</u>	<u>1,234,006</u>	<u>1,231,383</u>	<u>62,731,199</u>	<u>60,201,052</u>
Expenses						
Instruction						
Regular	24,072,216	23,354,155			24,072,216	23,354,155
Special Education	11,289,120	11,538,688			11,289,120	11,538,688
Other Instruction	2,107,336	1,950,926			2,107,336	1,950,926
School Sponsored Activities and Athletics	616,322	616,932			616,322	616,932
Community Services	17,439	27,673			17,439	
Support Services						
Student and Instruction Related Services	8,594,671	8,133,793			8,594,671	8,133,793
General Administrative Services	1,220,689	1,264,877			1,220,689	1,264,877
School Administrative Services	3,217,613	2,867,058			3,217,613	2,867,058
Central Services	597,252	607,680			597,252	607,680
Plant Operations and Maintenance	6,076,847	5,075,218			6,076,847	5,075,218
Pupil Transportation	2,216,789	2,125,103			2,216,789	2,125,103
Interest on Long-Term Debt	3,072	4,560			3,072	4,560
Food Services			1,213,350	1,181,825	1,213,350	1,181,825
Summer Enrichment Program	-	-	55,161	55,960	55,161	55,960
Total Expenses	<u>60,029,366</u>	<u>57,566,663</u>	<u>1,268,511</u>	<u>1,237,785</u>	<u>61,297,877</u>	<u>58,776,775</u>
Increase (Decrease) Before Special Items and Transfers	1,467,827	1,403,006	(34,505)	(6,402)	1,433,322	1,396,604
Special Items and Transfers						
Transfers	(80,000)		80,000			
Loss on Disposal of Assets	-	(276,207)	-	-	-	(276,207)
Change in Net Assets	1,387,827	1,126,799	45,495	(6,402)	1,433,322	1,120,397
Net Assets, Beginning of Year	<u>7,943,115</u>	<u>6,816,316</u>	<u>14,652</u>	<u>21,054</u>	<u>7,957,767</u>	<u>6,837,370</u>
Net Assets, End of Year	<u>\$ 9,330,942</u>	<u>\$ 7,943,115</u>	<u>\$ 60,147</u>	<u>\$ 14,652</u>	<u>\$ 9,391,089</u>	<u>\$ 7,957,767</u>

**BERGENFIELD BOARD OF EDUCATION
BERGENFIELD, NEW JERSEY**

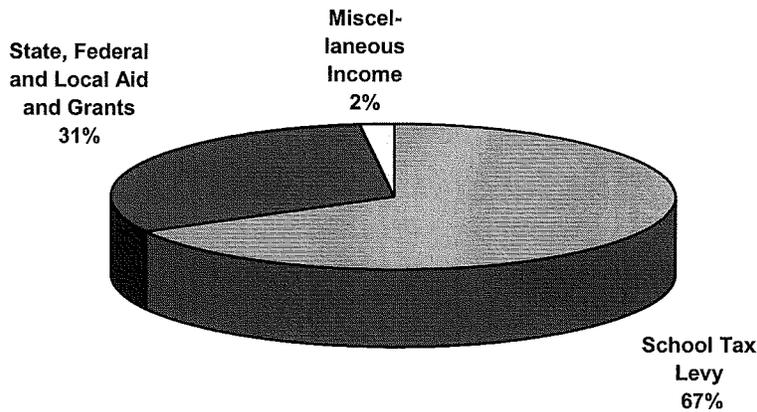
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008**

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$61,417,193 and \$58,969,669 for the years ended June 30, 2008 and 2007. Property taxes of \$41,351,852 and \$39,876,425 represented 67% and 68% of revenues for the years ended June 30, 2008 and 2007. Another significant portion of revenues came from State and Federal aid; total State, Federal and Local aid and grants of \$18,983,037 and \$18,447,667 represented 31% and 31% of revenues for the years ended June 30, 2008 and 2007. In addition, tuition and miscellaneous income is earned which includes items such as interest, prior year refunds and other miscellaneous items of revenues.

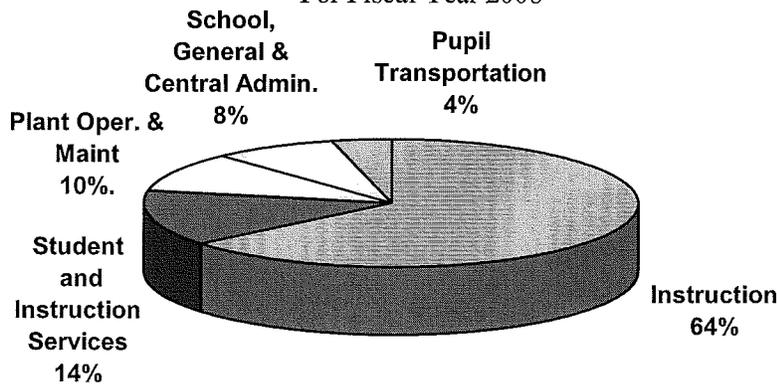
The total cost of all governmental activities programs and services were \$60,029,366 and \$57,566,663 for the years ended June 30, 2008 and 2007. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$38,102,433 (64%) and \$37,488,374 (65%) of total expenditures for the years ended June 30, 2008 and 2007. Student support services, totaled \$21,923,861 (36%) and \$20,073,729 (35%) of total expenditures for the years ended June 30, 2008 and 2007.

Total governmental activities revenues exceeded expenses, special items and transfers, increasing net assets at June 30, 2008 and 2007 by \$1,387,827 and \$1,126,799 from the previous year.

Revenues by Source- Governmental Activities
For Fiscal Year 2008



Expenditures by Type- Governmental Activities
For Fiscal Year 2008



**BERGENFIELD BOARD OF EDUCATION
BERGENFIELD, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008**

Net Cost of Governmental Activities. The District's total cost of services were \$60,029,366 and \$57,566,633 for fiscal years 2008 and 2007. After applying program revenues, derived from charges for services of \$1,041,194 and \$610,610 and grants and contributions of \$13,360,020 and \$13,130,822, the net cost of services of the District is \$45,628,152 and \$43,825,231 for fiscal years 2008 and 2007.

Net Cost of Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Instruction				
Regular	\$ 24,072,216	\$ 23,354,155	\$ 19,665,393	\$ 19,130,620
Special Education	11,289,120	11,538,688	4,740,178	5,445,205
Other Instruction	2,107,336	1,950,926	1,294,279	1,117,936
School Sponsored Activities and Athletics	616,322	616,932	616,322	616,932
Community Services	17,439	27,673	17,439	27,673
Support Services				
Student and Instruction Related Svcs.	8,594,671	8,133,793	6,851,832	6,425,925
General Administrative Services	1,220,689	1,264,877	1,220,689	1,264,877
School Administrative Services	3,217,613	2,867,058	2,865,109	2,560,941
Central Services	597,252	607,680	597,252	607,680
Plant Operations and Maintenance	6,076,847	5,075,218	6,076,847	5,075,218
Pupil Transportation	2,216,789	2,125,103	1,679,740	1,547,664
Interest on Long-Term Debt	3,072	4,560	3,072	4,560
Total	<u>\$ 60,029,366</u>	<u>\$ 57,566,663</u>	<u>\$ 45,628,152</u>	<u>\$ 43,825,231</u>

Business-Type Activities – The District's total business-type activities revenues were \$1,234,006 and \$1,231,383 for the years ended June 30, 2008 and 2007. Charges for services accounted for 71% and 73% of total revenues for fiscal years 2008 and 2007. Operating grants and contributions accounted for 29% and 27% of total revenue for fiscal years 2008 and 2007.

The total cost of all business-type activities programs and services were \$1,268,511 and \$1,237,785 for the years ended June 30, 2008 and 2007. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District of \$1,213,350 (96%) and \$1,181,825 (95%) and the Summer Enrichment Programs offer to all students of \$55,161 (4%) and \$55,960 (5%) for fiscal years 2008 and 2007.

Total business-type activities revenues and transfers exceeded expenditures, increasing net assets at June 30, 2008 by \$45,495 from the previous year. For the fiscal year ended June 30, 2007, expenditures exceeded revenues decreasing net assets by \$6,402 over the previous year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

**BERGENFIELD BOARD OF EDUCATION
BERGENFIELD, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008**

Governmental Funds (Continued)

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$3,398,356. As of June 30, 2007, the fund balance was \$2,858,425.

Revenues for the District's governmental funds for fiscal years 2008 and 2007 were \$61,497,193 and \$58,969,669, while total expenses were \$60,877,262 and \$58,089,855.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students from pre-kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

The following schedule presents a summary of General Fund Revenues for the fiscal years ended June 30, 2008 and 2007.

	<u>Year Ended</u> <u>June 30, 2008</u>	<u>Year Ended</u> <u>June 30, 2007</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Local Sources:				
Property Tax Levy	\$ 41,351,852	\$ 39,876,425	\$ 1,475,427	4%
Tuition/Transportation/Program Fees	1,041,294	610,610	430,684	71%
Miscellaneous	121,010	34,967	86,043	246%
State Sources	<u>16,955,272</u>	<u>16,525,780</u>	<u>429,492</u>	3%
 Total General Fund Revenues	 <u>\$ 59,469,428</u>	 <u>\$ 57,047,782</u>	 <u>\$ 2,421,646</u>	 4%

Total General Fund Revenues increased by \$2,421,646 or 4% over the previous year. Local property taxes increased by \$1,475,427 or 4% over the previous year the result of an increased levy to finance District operations. State aid revenues increased \$429,492 or 3%, predominantly attributable to additional formula received during the current year. Another significant increase came from tuition, transportation and program fees of \$430,684 resulting primarily from the Tri-Valley Special Education Program.

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2008 and 2007.

	<u>Year Ended</u> <u>June 30, 2008</u>	<u>Year Ended</u> <u>June 30, 2007</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Instruction	\$ 37,132,836	\$ 36,611,994	\$ 520,842	1%
Support Services	20,400,013	18,722,455	1,677,558	9%
Debt Service	33,264	62,140	(28,876)	-46%
Capital Outlay	<u>1,274,596</u>	<u>769,416</u>	<u>505,180</u>	66%
 Total Exenditures	 <u>\$ 58,840,709</u>	 <u>\$ 56,166,005</u>	 <u>\$ 2,674,704</u>	 5%

**BERGENFIELD BOARD OF EDUCATION
BERGENFIELD, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008**

General Fund (Continued)

Total General Fund expenditures increased \$2,674,704 or 5% from the previous year. The increase can be attributed to contractual salary increases. The District also experienced significant increases in costs related to the operation and maintenance of school facilities and increased capital outlay project activities of \$505,180 from the previous year.

In fiscal year 2008 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$548,719. As a result, total fund balance increased to \$3,381,032 at June 30, 2008 compared to \$2,832,313 at June 30, 2007.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students.

Revenues of the Special Revenue Fund were \$2,027,765, for the year ended June 30, 2008. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 69% of the total revenue for the year. State and local sources accounted for 30% and 1%, respectively, of the total revenue for the year.

Total Special Revenue Fund revenues increased \$105,878 or 6% from the previous year. State sources increased \$268,459 or 83%, local sources increased \$16,843 or 129%, and Federal sources decreased \$179,424 or 11%.

Expenditures of the Special Revenue Fund were \$2,036,553. Instructional expenditures were \$937,353 or 46% and expenditures for the support services were \$1,099,200 or 54% for the year ended June 30, 2008.

Proprietary Funds

The District maintains an Enterprise Fund to account for activities which are supported in part through user fees.

Enterprise Fund - The District uses an Enterprise Fund to report activities related to the Food Services and Summer Enrichment Programs. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District'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 District revised the annual operating budget several times. These budget amendments were due to adjusted budgets for certain line items which included the following:

- Appropriated additional fund balance of \$80,000 to offset the prior year fund deficit in the Food Service Enterprise Fund.

**BERGENFIELD BOARD OF EDUCATION
BERGENFIELD, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008**

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

In fiscal year 2008 General Fund budgetary basis revenues and other financing sources were greater than expenditures and other financing uses by \$399,161. Therefore, total fund balance increased to \$4,240,970 at June 30, 2008. However, after deducting statutory reserves and designations, the unreserved undesignated budgetary fund balance decreased from \$738,553 at June 30, 2007 to \$617,633 at June 30, 2008.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2008 amounts to \$7,091,278 (net of accumulated depreciation). The capital assets consist of land, land improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2007-08 amounted to \$449,072 for governmental activities and \$12,664 for business-type activities.

**Capital Assets at June 30, 2008 and 2007
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$ 1,780,323	\$ 1,780,323			\$ 1,780,323	\$ 1,780,323
Buildings	4,169,544	3,435,132			4,169,544	3,435,132
Land Improvements	263,538	307,181			263,538	307,181
Machinery and Equipment	<u>821,864</u>	<u>687,109</u>	<u>\$ 56,009</u>	<u>\$ 27,184</u>	<u>877,873</u>	<u>714,293</u>
Total Net Assets	<u>\$ 7,035,269</u>	<u>\$ 6,209,745</u>	<u>\$ 56,009</u>	<u>\$ 27,184</u>	<u>\$ 7,091,278</u>	<u>\$ 6,236,929</u>

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

LONG TERM LIABILITIES

At year end, the District's long-term liabilities consisted of \$62,222 of capital leases and \$1,038,086 of compensated absences payable compared to \$91,304 of capital leases payable and \$1,030,266 of compensated absences payable at the end of the previous year.

Additional information of the District's long-term liabilities is presented in the Notes to the Basic Financial Statements.

**BERGENFIELD BOARD OF EDUCATION
BERGENFIELD, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2008-2009 budget. The primary factors were the District's projected student population, anticipated state and federal aid, special education costs, facility improvements, as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2008-2009. Budgeted expenditures in the General Fund increased 5 percent to \$56,646,572 in fiscal year 2008-2009. Increases in contractual payroll, student support services, plant operations and maintenance costs and capital outlay project activity are the primary reasons for the increase.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator, Bergenfield Board of Education, 10 Prospect Avenue, Bergenfield, NJ 07621.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BERGENFIELD BOARD OF EDUCATION
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2008

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,073,659	\$ 128,759	\$ 3,202,418
Receivables, Net	980,065	31,214	1,011,279
Internal Balances	108,224	(108,224)	
Inventory		9,654	9,654
Capital Assets, Not Being Depreciated	1,780,323		1,780,323
Capital Assets, Being Depreciated, Net	<u>5,254,946</u>	<u>56,009</u>	<u>5,310,955</u>
Total Assets	<u>11,197,217</u>	<u>117,412</u>	<u>11,314,629</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	208,959		208,959
Accrued Interest Payable	2,375		2,375
Payable to Other Governments	42,696		42,696
Unearned Revenue	511,937	57,265	569,202
Noncurrent Liabilities			
Due within one year	80,414		80,414
Due beyond one year	<u>1,019,894</u>	<u>-</u>	<u>1,019,894</u>
Total Liabilities	<u>1,866,275</u>	<u>57,265</u>	<u>1,923,540</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	6,973,047	56,009	7,029,056
Restricted for:			
Capital Projects	116,389		116,389
Debt Service	30,718		30,718
Other Purposes	251,684		251,684
Unrestricted	<u>1,959,104</u>	<u>4,138</u>	<u>1,963,242</u>
Total Net Assets	<u>\$ 9,330,942</u>	<u>\$ 60,147</u>	<u>\$ 9,391,089</u>

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

**BERGENFIELD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 24,072,216	\$ 196,834	\$ 4,209,989		\$ (19,665,393)	\$	\$ (19,665,393)
Special Education	11,289,120	844,360	5,704,582		(4,740,178)		(4,740,178)
Other Instruction	2,107,336		813,057		(1,294,279)		(1,294,279)
School Sponsored Activities and Athletics	616,322				(616,322)		(616,322)
Community Services	17,439				(17,439)		(17,439)
Support Services:							
Student & Instruction Related Services	8,594,671		1,742,839		(6,851,832)		(6,851,832)
General Administrative Services	1,220,689				(1,220,689)		(1,220,689)
School Administrative Services	3,217,613		352,504		(2,865,109)		(2,865,109)
Central Services	597,252				(597,252)		(597,252)
Plant Operations and Maintenance	6,076,847				(6,076,847)		(6,076,847)
Pupil Transportation	2,216,789		537,049		(1,679,740)		(1,679,740)
Interest on Long Term Debt	3,072				(3,072)		(3,072)
Total Governmental Activities	<u>60,029,366</u>	<u>1,041,194</u>	<u>13,360,020</u>	<u>-</u>	<u>(45,628,152)</u>	<u>-</u>	<u>(45,628,152)</u>
Business-Type Activities:							
Food Service	1,213,350	832,779	362,434			\$ (18,137)	(18,137)
Summer Enrichment Program	55,161	38,793				(16,368)	(16,368)
Total Business-Type Activities	<u>1,268,511</u>	<u>871,572</u>	<u>362,434</u>	<u>-</u>	<u>-</u>	<u>(34,505)</u>	<u>(34,505)</u>
Total Primary Government	<u>\$ 61,297,877</u>	<u>\$ 1,912,766</u>	<u>\$ 13,722,454</u>	<u>\$ -</u>	<u>(45,628,152)</u>	<u>(34,505)</u>	<u>(45,662,657)</u>

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

(Continued)

BERGENFIELD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Net (Expense) Revenue and Changes in Net Assets</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General Revenues:			
Taxes:			
Property Taxes, levied for general purposes, net	\$ 41,351,852		\$ 41,351,852
State Aid - Unrestricted	5,623,017		5,623,017
Miscellaneous Income	121,110		121,110
Transfers	(80,000)	\$ 80,000	-
	<u>47,015,979</u>	<u>80,000</u>	<u>47,095,979</u>
Change in Net Assets	1,387,827	45,495	1,433,322
Net Assets, Beginning of year	<u>7,943,115</u>	<u>14,652</u>	<u>7,957,767</u>
Net Assets, End of year	<u>\$ 9,330,942</u>	<u>\$ 60,147</u>	<u>\$ 9,391,089</u>

FUND FINANCIAL STATEMENTS

**BERGENFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2008**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 2,566,998	\$ 475,943		\$ 30,718	\$ 3,073,659
Due from Other Funds	947,544				947,544
Receivables From Other Governments	88,374	50,541	\$ 839,320		978,235
Other Accounts Receivable	-	1,830	-	-	1,830
Total assets	<u>\$ 3,602,916</u>	<u>\$ 528,314</u>	<u>\$ 839,320</u>	<u>\$ 30,718</u>	<u>\$ 5,001,268</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 80,336	\$ 128,623			\$ 208,959
Due to Other Funds			\$ 839,320		839,320
Payable to State Government		33,309			33,309
Payable to Federal Government		9,387			9,387
Deferred Revenue	141,548	370,389	-	-	511,937
Total Liabilities	<u>221,884</u>	<u>541,708</u>	<u>839,320</u>	<u>-</u>	<u>1,602,912</u>
Fund Balances:					
Reserved for:					
Encumbrances	1,355,762				1,355,762
Adult Education Programs	110,164				110,164
Maintenance Reserve	141,520				141,520
Capital Reserve	116,389				116,389
Unreserved,					
Designated for Subsequent Year's Expenditures	1,899,502				1,899,502
Undesignated Reported In:					
General Fund	(242,305)				(242,305)
Special Revenue Fund		(13,394)			(13,394)
Debt Service Fund	-	-	-	\$ 30,718	30,718
Total Fund balances	<u>3,381,032</u>	<u>(13,394)</u>	<u>-</u>	<u>30,718</u>	<u>3,398,356</u>
Total Liabilities and Fund Balances	<u>\$ 3,602,916</u>	<u>\$ 528,314</u>	<u>\$ 839,320</u>	<u>\$ 30,718</u>	

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 \$21,994,034 and the accumulated depreciation is \$14,958,765. 7,035,269

The District has financed capital assets through the issuance long-term lease obligations. The interest accrual at year end is: (2,375)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds

Capital Leases	\$ 62,222	
Compensated Absences	1,038,086	
		<u>(1,100,308)</u>

Net assets of governmental activities \$ 9,330,942

**BERGENFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Property Tax Levy	\$ 41,351,852				\$ 41,351,852
Tuition	935,088				935,088
Program Fees	106,206				106,206
Miscellaneous	121,010	\$ 29,854	-	-	150,864
Total - Local Sources	42,514,156	29,854	-	-	42,544,010
State Sources	16,955,272	593,292			17,548,564
Federal Sources	-	1,404,619	-	-	1,404,619
Total Revenues	59,469,428	2,027,765	-	-	61,497,193
EXPENDITURES					
Current					
Instruction					
Regular	23,450,536	590,917			24,041,453
Special Education	11,185,783	102,418			11,288,201
Other Instruction	1,862,974	244,018			2,106,992
School Sponsored Activities and Athletics	616,104				616,104
Community Services	17,439				17,439
Support Services					
Student & Instruction Related Services	7,494,337	1,099,200			8,593,537
General Administrative Services	1,171,183				1,171,183
School Administrative Services	3,217,104				3,217,104
Central Services	597,157				597,157
Plant Operations and Maintenance	5,830,493				5,830,493
Pupil Transportation	2,089,739				2,089,739
Debt Service					
Principal	29,082				29,082
Interest	4,182				4,182
Capital Outlay	1,274,596	-	-	-	1,274,596
Total Expenditures	58,840,709	2,036,553	-	-	60,877,262
Excess (Deficiency) of Revenues Over/(Under) Expenditures	628,719	(8,788)	-	-	619,931
OTHER FINANCING SOURCES (USES)					
Transfers out	(80,000)	-	-	-	(80,000)
Total Other Financing Sources and Uses	(80,000)	-	-	-	(80,000)
Net Change in Fund Balances	548,719	(8,788)	-	-	539,931
Fund Balance (Deficit), Beginning of Year	2,832,313	(4,606)	\$ -	\$ 30,718	2,858,425
Fund Balance (Deficit), End of Year	<u>\$ 3,381,032</u>	<u>\$ (13,394)</u>	<u>\$ -</u>	<u>\$ 30,718</u>	<u>\$ 3,398,356</u>

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

**BERGENFIELD BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 539,931

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.

Capital outlays	\$	1,274,596	
Depreciation expense		<u>(449,072)</u>	
			825,524

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Capital Leases			29,082
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In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when paid. The accrued interest in an addition to the reconciliation. (-) 1,110

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Compensated Absences		<u>(7,820)</u>	
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Change in net assets of governmental activities (Exhibit A-2)		<u><u>\$ 1,387,827</u></u>	
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**BERGENFIELD BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET ASSETS
 AS OF JUNE 30, 2008**

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>Summer Enrichment Program</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents		\$ 128,759	\$ 128,759
Intergovernmental Receivable			
State	\$ 1,255		1,255
Federal	20,467		20,467
Other Receivables	9,492		9,492
Inventories	9,654	-	9,654
 Total Current Assets	 <u>40,868</u>	 <u>128,759</u>	 <u>169,627</u>
 Capital Assets			
Equipment	236,699		236,699
Accumulated Depreciation	(180,690)	-	(180,690)
 Total Capital Assets	 <u>56,009</u>	 <u>-</u>	 <u>56,009</u>
 Total Assets	 <u>\$ 96,877</u>	 <u>\$ 128,759</u>	 <u>\$ 225,636</u>
LIABILITIES			
Current Liabilities			
Due to Other Funds	\$ 108,224		\$ 108,224
Unearned Revenue	4,325	\$ 52,940	57,265
 Total Current Liabilities	 <u>112,549</u>	 <u>52,940</u>	 <u>165,489</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	56,009		56,009
Unrestricted	(71,681)	75,819	4,138
 Total Net Assets	 <u>\$ (15,672)</u>	 <u>\$ 75,819</u>	 <u>\$ 60,147</u>

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

**BERGENFIELD BOARD OF EDUCATION
 PROPRIETARY FUND
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Business-Type Activities Enterprise Funds		
	<u>Food</u>	<u>Summer</u>	<u>Total</u>
	<u>Service</u>	<u>Enrichment</u> <u>Program</u>	
OPERATING REVENUES			
Local Sources			
Daily Sales-Reimbursable Programs			
School Lunch Program	\$ 480,856		\$ 480,856
School Breakfast Program	7,359		7,359
Special Milk Program	697		697
Daily Sales Non-Reimbursable Programs	343,867		343,867
Program Fees	-	\$ 38,793	38,793
	<u>832,779</u>	<u>38,793</u>	<u>871,572</u>
OPERATING EXPENSES			
Salaries and Benefits	471,894	50,381	522,275
Cost of Sales	568,539		568,539
Repairs & Maintenance	25,586		25,586
Supplies and Materials		3,755	3,755
Management Fee	80,719		80,719
Miscellaneous Expense	53,948	1,025	54,973
Depreciation	12,664	-	12,664
	<u>1,213,350</u>	<u>55,161</u>	<u>1,268,511</u>
Operating Loss	<u>(380,571)</u>	<u>(16,368)</u>	<u>(396,939)</u>
Nonoperating Revenues			
State Sources			
State School Lunch Program	17,351		17,351
State School Breakfast Program	1,111		1,111
Federal Sources			
School Breakfast Program	10,338		10,338
National School Lunch Program	332,688		332,688
Special Milk Program	946	-	946
	<u>362,434</u>	<u>-</u>	<u>362,434</u>
Net Loss Before Transfers	(18,137)	(16,368)	(34,505)
Operating Transfers In	80,000	-	80,000
Changes in Net Assets	61,863	(16,368)	45,495
Total Net Assets, Beginning of Year	<u>(77,535)</u>	<u>92,187</u>	<u>14,652</u>
Total Net Assets, End of Year	<u>\$ (15,672)</u>	<u>\$ 75,819</u>	<u>\$ 60,147</u>

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

**BERGENFIELD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Business-Type Activities		
	Enterprise Funds		
	Food Service	Summer Enrichment Program	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 832,779	\$ 55,860	\$ 888,639
Cash Payments for Employees Salaries & Benefits	(471,894)	(50,381)	(522,275)
Cash Payments to Suppliers for Goods and Services	(681,061)	(4,780)	(685,841)
Net Cash Provided by (Used for) Operating Activities	<u>(320,176)</u>	<u>699</u>	<u>(319,477)</u>
Cash Flows from Noncapital Financing Activities			
Cash Received from Other Funds	80,000		80,000
Cash Payments to Other Funds	(48,727)		(48,727)
Cash Received from State and Federal Subsidy Reimbursements	312,016	-	312,016
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>343,289</u>	<u>-</u>	<u>343,289</u>
Cash Flows from Capital and Related Financing Activities			
Purchases of Capital Assets	(23,113)	-	(23,113)
Net Cash Provided by (Used For) Capital and Related Financing Activities	<u>(23,113)</u>	<u>-</u>	<u>(23,113)</u>
Net Increase in Cash and Cash Equivalents	-	699	699
Cash and Cash Equivalents, Beginning of Year	-	128,060	128,060
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ 128,759</u>	<u>\$ 128,759</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ (380,571)	\$ (16,368)	\$ (396,939)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	12,664		12,664
Non-Cash Federal Assistance-Food Distribution Program	51,930		51,930
Change in Assets and Liabilities			
(Increase)/Decrease in Other Accounts Receivable	(9,492)		(9,492)
(Increase)/Decrease in Inventory	2,124		2,124
Increase/(Decrease) in Unearned Revenue	3,169	17,067	20,236
Total Adjustments	<u>60,395</u>	<u>17,067</u>	<u>77,462</u>
Net Cash Provided by/(Used For) Operating Activities	<u>\$ (320,176)</u>	<u>\$ 699</u>	<u>\$ (319,477)</u>
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 50,099		
Capital Assets Purchased from Prepaid Deposits	18,375		

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

**BERGENFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2008**

	Unemployment Compensation <u>Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 27,571	\$ 256,320
Due from Other Funds	<u>5,967</u>	<u>-</u>
 Total Assets	 <u>\$ 33,538</u>	 <u>\$ 256,320</u>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 24,486
Intergovernmental Payable - State	\$ 3,686	
Accrued Salary and Wages		137,358
Due to Student Groups		88,509
Due to Other Funds	<u>-</u>	<u>5,967</u>
 Total Liabilities	 <u>3,686</u>	 <u>\$ 256,320</u>
NET ASSETS		
Held in Trust for Unemployment Claims	<u>\$ 29,852</u>	

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

**BERGENFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Unemployment Compensation <u>Trust Fund</u>
ADDITIONS	
Contributions	
Employee Contributions	\$ <u>44,316</u>
Total Contributions	44,316
Investment Earnings	
Interest	<u>560</u>
Total additions	<u>44,876</u>
DEDUCTIONS	
Unemployment claims	<u>61,684</u>
Total deductions	<u>61,684</u>
Change in net assets	(16,808)
Net Assets, Beginning of year	<u>46,660</u>
Net Assets, End of year	<u>\$ 29,852</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Bergenfield Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of five elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

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

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

B. District-wide and Fund Financial Statements

The district-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 Board of Education. 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 districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

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

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the Agency Fund which does not have a measurement focus. All assets 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 Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due.

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 District.

The District reports the following major governmental funds:

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

The *special revenue fund* accounts for the proceeds of 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 *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of major capital facilities.

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

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

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

The *summer enrichment fund* accounts for the activities of the District's summer program which provides additional courses for students during the summer enrichment.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the government reports the following fund types:

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

Private-sector standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (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 Board 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 district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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 and summer enrichment enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service 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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 district-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.

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

Tuition Expenditures - Tuition charges for the fiscal years 2006-2007 and 2007-2008 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

3. *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.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. 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.

Property, plant, and equipment of the primary government, as well as the component units is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	15 to 20
Buildings	30 to 40
Building Improvements	15 to 20
Heavy Equipment	10-15
Office Equipment and Furniture	10
Computer Equipment	5

5. *Compensated Absences*

It is the District's policy to permit employees to accumulate earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated 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.

6. *Long-term obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. *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.

Reserved for Encumbrances - This reserve was created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts awarded for which the goods or services have not yet been received at June 30.

Reserve for Adult Education Programs – This reserve was created to represent the accumulated surplus from excess program fees and sources other than property taxes over the operating costs of the Districts Adult Education Program.

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

Reserved for Capital Reserve – This reserve was created by the Board to fund future capital expenditures (See Note 2).

Designations of fund balance represent tentative management plans that are subject to change.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2008/2009 District budget certified for taxes.

8. 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 District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent and is voted upon at the annual school election on the third Tuesday in April. Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2007/2008. During 2007/2008 the Board increased the original budget by \$3,274,733. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of \$80,000.

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

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

B. Excess Expenditures Over Appropriations

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

	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Support Services			
Health Services			
Salaries	\$530,239	\$534,617	\$ 4,378
Special Schools			
Other Special Schools-Instruction			
Salaries of Teachers	25,978	61,456	35,478
General Supplies		4,350	4,350

The above variances were offset with other available resources.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Deficit Fund Equity

The Food Service Enterprise Fund has a cumulative net assets deficit of \$15,672 as of June 30, 2008. The District expects to eliminate this deficit through normal operations in 2008/2009 and if necessary, will provide for a transfer from the 2008/2009 General Fund Budget.

The District has an unreserved/undesignated deficit fund balance of \$242,305 in the General Fund and \$13,394 in the Special Revenue Fund as of June 30, 2008 as reported in the fund financial statements (modified accrual basis). P.L. 2003, c.97 mandates that in the event a state school aid payment is not made until the following school budget year, districts must record these state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2007/2008 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these state aid payments, the General and Special Revenue Fund balance deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund balance deficits in the future.

Pursuant to P.L. 2003, c.97, any negative unreserved, undesignated general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$255,699 is less than or equal to the deferred state aid payments.

D. Capital Reserve Account

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Capital Reserve Account (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2008 is as follows:

Balance, July 1, 2007	\$ 116,389
Balance, June 30, 2008	<u>\$ 116,389</u>

E. Transfers to Capital Outlay

During the 2007/2008 school year, the district transferred \$830,967 to the capital outlay construction services accounts. The transfer was made from the unencumbered budget line account balances in Regular Program Instruction and Out-of-District Tuition to cover additional costs for various capital projects. The transfer was approved by the County Superintendent pursuant to N.J.A.C. 6A:23A-2.3(b)2].

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

The Board'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. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances are insured up to \$100,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$100,000 for each failed brokerage firm. At June 30, 2008, the book value of the Board's deposits was \$3,486,309 and bank balances of the Board's cash and deposits amounted to \$5,298,544. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	<u>\$ 5,298,544</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2008 none of the Board's bank balances were exposed to custodial credit risk.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Investments

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

As of June 30, 2008, the Board had no outstanding investments.

B. Receivables

Receivables as of year-end for the district's individual major funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Intergovernmental	\$ 88,374	\$ 50,541	\$ 839,320	\$ 21,722	\$ 999,957
Accounts	<u>-</u>	<u>1,830</u>	<u>-</u>	<u>9,492</u>	<u>11,322</u>
Gross Receivables	88,374	52,371	839,320	31,214	1,011,279
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 88,374</u>	<u>\$ 52,371</u>	<u>\$ 839,320</u>	<u>\$ 31,214</u>	<u>\$ 1,011,279</u>

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:

	<u>Unearned</u>
General Fund	
Prepaid Program Fees	\$ 41,826
Unencumbered Restricted Formula Aid	99,722
Special Revenue Fund	
Unencumbered grant draw downs	354,693
Grant draw downs reserved for encumbrances	<u>15,696</u>
Total deferred revenue for governmental funds	<u>\$511,937</u>

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	Balance, <u>July 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2008</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,780,323	-	-	\$ 1,780,323
Total capital assets, not being depreciated	<u>1,780,323</u>	<u>-</u>	<u>-</u>	<u>1,780,323</u>
Capital assets, being depreciated:				
Buildings	11,623,978	\$ 922,585		12,546,563
Land Improvements	1,378,169			1,378,169
Machinery and equipment	<u>5,936,968</u>	<u>352,011</u>	-	<u>6,288,979</u>
Total capital assets being depreciated	<u>18,939,115</u>	<u>1,274,596</u>	<u>-</u>	<u>20,213,711</u>
				21,994,034
Less accumulated depreciation for:				
Buildings	(8,188,846)	(188,173)		(8,377,019)
Land Improvements	(1,070,988)	(43,643)		(1,114,631)
Machinery and equipment	<u>(5,249,859)</u>	<u>(217,256)</u>	-	<u>(5,467,115)</u>
Total accumulated depreciation	<u>(14,509,693)</u>	<u>(449,072)</u>	<u>-</u>	<u>(14,958,765)</u>
Total capital assets, being depreciated, net	<u>4,429,422</u>	<u>825,524</u>	<u>-</u>	<u>5,254,946</u>
Government activities capital assets, net	<u>\$ 6,209,745</u>	<u>\$ 825,524</u>	<u>\$ -</u>	<u>\$ 7,035,269</u>
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 195,211	\$ 41,488	-	\$ 236,699
Total capital assets being depreciated	<u>195,211</u>	<u>41,488</u>	<u>-</u>	<u>236,699</u>
Less accumulated depreciation for:				
Machinery and equipment	<u>(168,026)</u>	<u>(12,664)</u>	<u>-</u>	<u>(180,690)</u>
Total accumulated depreciation	<u>(168,026)</u>	<u>(12,664)</u>	<u>-</u>	<u>(180,690)</u>
Total capital assets, being depreciated, net	<u>27,185</u>	<u>28,824</u>	<u>-</u>	<u>56,009</u>
Business-type activities capital assets, net	<u>\$ 27,185</u>	<u>\$ 28,824</u>	<u>\$ -</u>	<u>\$ 56,009</u>

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Governmental activities:

Instruction	
Regular	\$ 27,080
Total Instruction	<u>27,080</u>
Support Services	
General Administration	49,381
Operations and Maintenance of Plant	245,776
Student Transportation	126,835
Total Support Services	<u>421,992</u>
Total Governmental Funds	<u>449,072</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 449,072</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 12,664</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 12,664</u>

Construction commitments

The District has the following active construction projects as of June 30, 2008:

<u>Project</u>	<u>Remaining Commitment</u>
Window Replacement BHS	\$ 195,600
Roof Replacement	420,000
Asphalt Repaving	154,360
Security Upgrades/District Wide Fiber Optic Upgrades	<u>515,647</u>
Total	<u>\$ 1,285,607</u>

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2008, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 839,320
General Fund	Enterprise Fund-Food Service	108,224
Unemployment Trust Fund	Agency Fund - Payroll	<u>5,967</u>
Total		<u>\$ 953,511</u>

The above balances are the result of expenditures paid by one fund on behalf of another fund or to cover pooled cash balances which were in an overdraft position.

Interfund transfers

	<u>Transfer In:</u>
	Enterprise Fund - Food Service
Transfer Out:	
General Fund	<u>\$ 80,000</u>

The above transfer was the results of revenues earned in one fund to finance operating deficits in another fund.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases

Operating Leases

The District leases copiers and building space under noncancelable operating leases. Lease payments for the year ended June 30, 2008 were \$366,048. The future minimum lease payments for these operating leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2009	\$ 366,000
2010	283,224
2011	<u>268,224</u>
Total	<u>\$ 917,448</u>

Capital Leases

The District is leasing school buses totaling \$152,377 under capital leases. The lease is for terms of 5 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2009	\$ 33,264
2010	<u>33,264</u>
Total minimum lease payments	66,528
Less: amount representing interest	<u>(4,306)</u>
Present value of minimum lease payments	<u>\$ 62,222</u>

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

<u>Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2008		\$ 44,316	\$ 61,684	\$ 29,852
2007	\$ 40,095	39,240	55,227	46,660
2006		114,842	92,534	22,033

B. Contingent Liabilities

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

Federal and State Awards - The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2008, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2008, the District had no estimated arbitrage earnings due to the IRS.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

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

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

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, funds, and trusts. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Investment Valuation (Continued)

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

Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under PERS and TPAF, effective July 12, 2002.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.0% for TPAF of the employee's annual compensation, as defined through June 30, 2007. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF.

During the year ended June 30, 2008 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 the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

During the years ended June 30, 2008, 2007 and 2006 the Board was required to contribute for PERS and the State of New Jersey was required to contribute for TPAF for normal cost pension contributions the following amounts:

Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>
2008	\$ 287,105	\$ 1,825,999
2007	167,902	1,803,292
2006	96,597	264,111

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,739,339 during the year ended June 30, 2008 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 district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

E. Post-Retirement Medical Benefits

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a fund (Health Benefits Program Fund - State). The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as a separate fund (Health Benefits Program Fund -Local) in the State's CAFR. The health benefit programs had a total of 454 state and local participating employers and contributing entities for Fiscal Year 2007.

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 trusts. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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 Treasury, Division of Investment, issues publicly available financial reports. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 2909, Trenton, New Jersey 08625-0290.

Funding Policy

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2007, there were 75,860 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State and participating local governments 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.

PERS and TPAF retirees health benefits coverage is funded through each of their respective pension fund systems via an annual appropriation. The State made post-retirement medical (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in Fiscal Year 2007.

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 \$110.3 million toward Chapter 126 benefits for 11,747 eligible retired members in fiscal year 2007.

The State will set the contribution rate based on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2008, 2007 and 2006 were \$2,104,492, \$2,086,858 and \$2,089,273, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

BUDGETARY COMPARISON SCHEDULES

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 41,351,852		\$ 41,351,852	\$ 41,351,852	
Tuition	754,735		754,735	935,088	\$ 180,353
Miscellaneous	25,000	-	25,000	227,216	202,216
Total Local Revenues	<u>42,131,587</u>	<u>-</u>	<u>42,131,587</u>	<u>42,514,156</u>	<u>382,569</u>
State Sources					
Core Curriculum Standards Aid	4,868,281		4,868,281	4,868,281	
Transportation Aid	536,398		536,398	536,398	
Special Education Aid	4,311,809		4,311,809	4,311,809	
Bilingual Education	256,852		256,852	256,852	
Consolidated Aid	443,255		443,255	443,255	
Additional Formula Aid	318,815		318,815	318,815	
Extraordinary Aid	317,725	\$ (317,725)		395,761	395,761
Teacher Mentoring		4,713	4,713	4,713	
On Behalf TPAF Pension System Contribution (Non Budgeted)					
Pension Benefit Contribution				1,825,999	1,825,999
Post Retirement Medical Benefit Contribution				2,104,492	2,104,492
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	1,739,339	1,739,339
Total State Revenues	<u>11,053,135</u>	<u>(313,012)</u>	<u>10,740,123</u>	<u>16,805,714</u>	<u>6,065,591</u>
Total Revenues	<u>53,184,722</u>	<u>(313,012)</u>	<u>52,871,710</u>	<u>59,319,870</u>	<u>6,448,160</u>
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Preschool	483,492	(483,492)			
Kindergarten	430,568	(32,094)	398,474	398,472	2
Grades 1-5	5,713,866	(339,747)	5,374,119	5,374,114	5
Grades 6-8	3,771,340	(293,116)	3,478,224	3,478,223	1
Grades 9-12	5,522,924	(62,717)	5,460,207	5,460,205	2
Regular Programs - Home Instruction					
Salaries of Teachers	115,825	(81,552)	34,273	34,273	
Other Salaries for Instruction	6,650	(6,650)			
Regular Programs - Undistributed Instruction					
General Supplies	420,139	724,591	1,144,730	1,055,161	89,569
Textbooks	96,961	388,591	485,552	483,903	1,649
Other Objects	186,847	43,426	230,273	228,751	1,522
Total Regular Programs	<u>16,748,612</u>	<u>(142,760)</u>	<u>16,605,852</u>	<u>16,513,102</u>	<u>92,750</u>

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	\$ 649,459	\$ (220,878)	\$ 428,581	\$ 428,580	\$ 1
Other Salaries for Instruction	140,902	452	141,354	141,354	
Purchased Professional/Educational Services	42,300	(22,942)	19,358	19,354	4
General Supplies	3,027	(54)	2,973	2,972	1
Textbooks	5,526	(246)	5,280	5,141	139
Total Learning / Language Disabilities	841,214	(243,668)	597,546	597,401	145
Multiple Disabilities					
Salaries of Teachers	144,108	(53,800)	90,308	90,307	1
Other Salaries for Instruction	208,732	(140,156)	68,576	68,565	11
Purchased Professional/Educational Services	15,600	(1,715)	13,885	13,884	1
General Supplies	2,270	335	2,605	2,599	6
Textbooks	125	-	125	120	5
Total Multiple Disabilities	370,835	(195,336)	175,499	175,475	24
Resource Room / Resource Center					
Salaries of Teachers	1,535,762	258,523	1,794,285	1,794,285	
Other Salaries for Instruction	440,932	(9,643)	431,289	431,289	
Purchased Professional/Educational Services	104,050	(96,507)	7,543	7,543	
General Supplies	18,722	(1,111)	17,611	17,366	245
Textbooks	7,452	(499)	6,953	6,952	1
Other Objects	553	(553)	-	-	-
Total Resource Room / Resource Center	2,107,471	150,210	2,257,681	2,257,435	246
Autism					
Salaries of Teachers	190,502	374,662	565,164	565,163	1
Purchased Professional-Educational Services		2,000	2,000	2,000	
General Supplies	-	40,355	40,355	39,165	1,190
Total Autism	190,502	417,017	607,519	606,328	1,191
Preschool Disabilities - Part - Time					
Salaries of Teachers	145,325	(4,950)	140,375	140,375	
Other Salaries for Instruction	74,712	(1,997)	72,715	72,714	1
General Supplies	1,006	(686)	320	320	
Other Objects	500	407	907	907	-
Total Preschool Disabilities - Part - Time	221,543	(7,226)	214,317	214,316	1
Total Special Education	3,731,565	120,997	3,852,562	3,850,955	1,607
Basic Skills/Remedial					
Salaries of Teachers	996,323	(334,197)	662,126	662,126	
General Supplies	6,600	46	6,646	6,645	1
Textbooks	978	(758)	220	176	44
Total Basic Skills/Remedial	1,003,901	(334,909)	668,992	668,947	45

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Bilingual Education					
Salaries of Teachers	\$ 627,266	\$ (14,850)	\$ 612,416	\$ 612,416	
Other Salaries for Instruction	500	(500)			
General Supplies	500	-	500	490	\$ 10
Textbooks	18,110	(6,526)	11,584	7,965	3,619
Total Bilingual Education	646,376	(21,876)	624,500	620,871	3,629
School Sponsored Co-Curricular Activities					
Salaries	197,173	(65,660)	131,513	108,329	23,184
Supplies and Materials	30,000	7,362	37,362	30,891	6,471
Total School Sponsored Co-Curricular Activities	227,173	(58,298)	168,875	139,220	29,655
School Sponsored Athletics - Instruction					
Salaries	281,859		281,859	244,485	37,374
Purchased Services	186,085	2,800	188,885	111,277	77,608
Total School Sponsored Athletics - Instruction	467,944	2,800	470,744	355,762	114,982
Community Services Program					
Salaries	26,000	(2,771)	23,229	16,643	6,586
Supplies and Materials	1,718	-	1,718	796	922
Total Community Services Program	27,718	(2,771)	24,947	17,439	7,508
Total - Instruction	22,853,289	(436,817)	22,416,472	22,166,296	250,176
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Special	1,392,737	74,126	1,466,863	1,466,863	
Tuition to County Vocational School District-Reg.	383,250	170,407	553,657	553,656	1
Tuition to County Vocational School/Dist.-Spec.	171,750	(90,919)	80,831	80,830	1
Tuition to County Special Services - School Districts & Regional Day Schools	1,780,600	(289,576)	1,491,024	1,491,023	1
Tuition to Private Schools - Disabled Within State	1,944,788	210,982	2,155,770	2,155,769	1
Tuition to Private Schools Disabled & Other Leas-Spl, O/S St.	530,918	(530,918)			
Tuition - State Facilities	74,432	-	74,432	74,432	
Tuition - Other	35,527	(35,527)	-	-	-
Total Undistributed Expenditures - Instruction	6,314,002	(491,425)	5,822,577	5,822,573	4

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Attendance and Social Work Services					
Salaries	\$ 144,535	\$ 25,942	\$ 170,477	\$ 170,477	-
Total Attendance and Social Work Services	<u>144,535</u>	<u>25,942</u>	<u>170,477</u>	<u>170,477</u>	<u>-</u>
Health Services					
Salaries	529,426	813	530,239	534,617	\$ (4,378)
Other Purchased Services	1,000	701	1,701	1,700	1
Supplies and Materials	<u>1,000</u>	<u>14</u>	<u>1,014</u>	<u>1,014</u>	<u>-</u>
Total Health Services	<u>531,426</u>	<u>1,528</u>	<u>532,954</u>	<u>537,331</u>	<u>(4,377)</u>
Other Support Services - Students - Related Services					
Salaries	412,515	51,630	464,145	464,145	-
Supplies and Materials	<u>841</u>	<u>-</u>	<u>841</u>	<u>735</u>	<u>106</u>
Total Other Support Services - Students - Related Services	<u>413,356</u>	<u>51,630</u>	<u>464,986</u>	<u>464,880</u>	<u>106</u>
Other Support Services-Students-Extra Services					
Salaries	30,000	28,325	58,325	57,664	661
Purchased Professional-Educational Services	<u>27,200</u>	<u>(23,325)</u>	<u>3,875</u>	<u>2,090</u>	<u>1,785</u>
Total Other Support Services-Extra	<u>57,200</u>	<u>5,000</u>	<u>62,200</u>	<u>59,754</u>	<u>2,446</u>
Other Support Services-Students-Regular					
Salaries of Other Professional Staff	880,067	(55,862)	824,205	824,204	1
Salaries of Secretarial and Clerical Assistants	99,352	30,127	129,479	129,479	-
Other Objects	<u>116,011</u>	<u>(13,080)</u>	<u>102,931</u>	<u>97,932</u>	<u>4,999</u>
Total Other Support Services-Students-Regular	<u>1,095,430</u>	<u>(38,815)</u>	<u>1,056,615</u>	<u>1,051,615</u>	<u>5,000</u>
Other Support Services - Students - Special					
Salaries of Other Professional Staff	785,551	107,839	893,390	893,390	-
Salaries of Secretarial and Clerical Assistants	107,060	12,961	120,021	120,020	1
Other Purchased Professional/Technical Services	<u>601,104</u>	<u>(104,676)</u>	<u>496,428</u>	<u>496,427</u>	<u>1</u>
Total Other Support Services - Students - Special	<u>1,493,715</u>	<u>16,124</u>	<u>1,509,839</u>	<u>1,509,837</u>	<u>2</u>
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	897,502	10,897	908,399	908,398	1
Other Salaries	280,424	(7,853)	272,571	272,571	-
Supplies and Materials	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total Improvement of Instruction Services	<u>1,178,426</u>	<u>3,044</u>	<u>1,181,470</u>	<u>1,180,969</u>	<u>501</u>

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Educational Media Services/School Library					
Salaries	\$ 308,511	\$ (3,052)	\$ 305,459	\$ 303,539	\$ 1,920
Purchased Professional and Technical Services	100,000	211,295	311,295	310,995	300
Supplies and Materials	35,869	4,350	40,219	38,576	1,643
Total Educational Media Services/School Library	<u>444,380</u>	<u>212,593</u>	<u>656,973</u>	<u>653,110</u>	<u>3,863</u>
Instructional Staff Training Services					
Salaries of Other Professional Staff	2,000	4,713	6,713	4,372	2,341
Other Purchased Professional/Technical Services	5,000	(2,904)	2,096	2,096	-
Total Instructional Staff Training Services	<u>7,000</u>	<u>1,809</u>	<u>8,809</u>	<u>6,468</u>	<u>2,341</u>
Support Services General Administration					
Salaries	507,183	11,076	518,259	518,258	1
Legal Services	125,000	(32,559)	92,441	92,441	-
Other Purchased Professional Services	60,000	(7,447)	52,553	52,552	1
Purchased Technical Services	750	963	1,713	1,412	301
Communications/Telephone	162,730	79,764	242,494	242,493	1
Other Purchased Services	141,476	(87,355)	54,121	54,103	18
General Supplies	16,500	20,583	37,083	37,083	-
Miscellaneous Expenditures	-	2,937	2,937	2,937	-
Total Support Services General Administration	<u>1,013,639</u>	<u>(12,038)</u>	<u>1,001,601</u>	<u>1,001,279</u>	<u>322</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals	1,380,231	60,350	1,440,581	1,440,580	1
Salaries of Secretarial and Clerical Assistants	442,694	(68,641)	374,053	374,051	2
Other Salaries	207,211	78,940	286,151	286,150	1
Other Purchased Services	194,482	60,418	254,900	254,900	-
Total Support Services School Administration	<u>2,224,618</u>	<u>131,067</u>	<u>2,355,685</u>	<u>2,355,681</u>	<u>4</u>
Central Services					
Salaries	401,532	(3,940)	397,592	397,591	1
Supplies and Materials	10,000	(4,819)	5,181	5,180	1
Other Objects	43,578	20,464	64,042	64,042	-
Total Central Services	<u>455,110</u>	<u>11,705</u>	<u>466,815</u>	<u>466,813</u>	<u>2</u>
Required Maintenance for School Facilities					
Salaries	2,079,457	40,503	2,119,960	2,119,955	5
Cleaning, Repair & Maintenance Services	750,136	754,289	1,504,425	1,448,329	56,096
General Supplies	3,111	(3,111)	-	-	-
Total Required Maintenance for School Facilities	<u>2,832,704</u>	<u>791,681</u>	<u>3,624,385</u>	<u>3,568,284</u>	<u>56,101</u>

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Other Operation & Maintenance of Plant					
Salaries	\$ 280,834	\$ (15,257)	\$ 265,577	\$ 265,576	\$ 1
Purchased Professional & Technical Services	52,614	(6,854)	45,760	45,760	
Cleaning, Repair and Maintenance Services	53,289	(46,046)	7,243	7,243	
Other Purchased Property Services	137,042	12,145	149,187	146,198	2,989
Insurance	283,150	(253,120)	30,030	30,030	
Miscellaneous Purchased Services	31,629	(17,825)	13,804	13,804	
General Supplies	233,100	(86,153)	146,947	145,211	1,736
Energy (Heat and Electricity)	985,736	(159,410)	826,326	826,322	4
Total Other Operational & Maintenance of Plant	2,057,394	(572,520)	1,484,874	1,480,144	4,730
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Special	854,312	34,219	888,531	888,531	
Salaries for Pupil Transportation (Other Than Between Home & School)	10,998		10,998		10,998
Management Fee-ESC & CTSA Trans. Prog.	80,000	(80,000)			
Cleaning, Repair and Maintenance Services	45,690	11,971	57,661	57,660	1
Lease Purchase Payments-School Buses	93,673	(33,518)	60,155	55,825	4,330
Contracted Services (Other Than Between Home and School) - Vendors	108,125	(53,615)	54,510	35,281	19,229
Contracted Services (Spec Ed) - ESC's & CTSA's	1,250,340	(153,417)	1,096,923	683,805	413,118
Miscellaneous Purchased Services - Transportation Supplies and Materials	30,000 80,194	- 30,414	30,000 110,608	110,608	30,000 -
Total Student Transportation Services	2,553,332	(243,946)	2,309,386	1,831,710	477,676
Unallocated Benefits					
Social Security Contributions	485,000	212,101	697,101	697,101	
Other Retirement Contributions - Regular	256,000	31,106	287,106	287,105	1
Unemployment Compensation	25,000	(25,000)			
Workmen's Compensation	416,388	150,913	567,301	567,301	
Health Benefits	6,314,000	(535,485)	5,778,515	5,778,514	1
Other Employee Benefits	25,000	(12,500)	12,500	12,500	-
Total Unallocated Benefits	7,521,388	(178,865)	7,342,523	7,342,521	2

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
On Behalf TPAF Pension System Contributions (Non Budgeted)					
Pension Benefit Contribution				\$ 1,825,999	\$ (1,825,999)
Post Retirement Medical Benefit Contribution				2,104,492	(2,104,492)
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	1,739,339	(1,739,339)
Total On-Behalf Contributions	-	-	-	5,669,830	(5,669,830)
Total Undistributed Expenditures	\$ 30,337,655	\$ (285,486)	\$ 30,052,169	35,173,276	(5,121,107)
Total Expenditures - Current Expenditures	53,190,944	(722,303)	52,468,641	57,339,572	(4,870,931)
CAPITAL OUTLAY					
Equipment					
Grades 1-5	5,600	1,400	7,000		7,000
Grades 6-8	31,900	(20,096)	11,804	9,808	1,996
Grades 9-12	50,000	55,519	105,519	92,203	13,316
Support Services					
Instruction		958,488	958,488		958,488
General Administration	5,000	(5,000)			
School Administration	5,000	(5,000)			
Operation & Maint. of Plant Services	16,000	(16,000)			
Student Transportation - School Buses	-	249,999	249,999	249,999	-
Total Equipment	113,500	1,219,310	1,332,810	352,010	980,800
Facilities Acquisition and Construction Services					
Construction Services	260,620	1,667,333	1,927,953	922,586	1,005,367
Other Objects	100,000	(100,000)	-	-	-
Total Facilities Acquis. and Const. Services	360,620	1,567,333	1,927,953	922,586	1,005,367
Total Capital Outlay	474,120	2,786,643	3,260,763	1,274,596	1,986,167
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	10,000		10,000		10,000
General Supplies	900	-	900	-	900
Total Summer School - Instruction	10,900	-	10,900	-	10,900
Total Summer School	10,900	-	10,900	-	10,900

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
SPECIAL SCHOOLS (Continued)					
Other Special Schools - Instruction					
Salaries of Teachers	\$ 25,978		\$ 25,978	\$ 61,456	\$ (35,478)
Other Salaries for Instruction	38,000		38,000	35,924	2,076
General Supplies	-	-	-	4,350	(4,350)
Total Other Special Schools - Instruction	<u>63,978</u>	<u>-</u>	<u>63,978</u>	<u>101,730</u>	<u>(37,752)</u>
Total Other Special Schools	<u>63,978</u>	<u>-</u>	<u>63,978</u>	<u>101,730</u>	<u>(37,752)</u>
Total Special Schools	<u>74,878</u>	<u>-</u>	<u>74,878</u>	<u>101,730</u>	<u>(26,852)</u>
Charter Schools					
Transfer To Charter Schools	<u>144,780</u>	<u>\$ (19,968)</u>	<u>124,812</u>	<u>124,811</u>	<u>1</u>
Total Transfer to Charter Schools	<u>144,780</u>	<u>(19,968)</u>	<u>124,812</u>	<u>124,811</u>	<u>1</u>
Total Expenditures	<u>53,884,722</u>	<u>\$ 2,044,372</u>	<u>55,929,094</u>	<u>58,840,709</u>	<u>(2,911,615)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(700,000)</u>	<u>(2,357,384)</u>	<u>(3,057,384)</u>	<u>479,161</u>	<u>3,536,545</u>
Other Financing Sources					
Operating Transfer out - Food Service Fund	<u>-</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>
Total Other Financing Uses	<u>-</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(700,000)</u>	<u>(2,437,384)</u>	<u>(3,137,384)</u>	<u>399,161</u>	<u>3,536,545</u>
Fund Balances, Beginning of Year	<u>3,841,809</u>	<u>-</u>	<u>3,841,809</u>	<u>3,841,809</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 3,141,809</u>	<u>\$ (2,437,384)</u>	<u>\$ 704,425</u>	<u>\$ 4,240,970</u>	<u>\$ 3,536,545</u>
Recapitulation					
Reserved for					
Encumbrances				\$ 1,355,762	
Adult Education Programs				110,164	
Maintenance Reserve				141,520	
Capital Reserve				116,389	
Unreserved					
Designated for Subsequent Year's Expenditures				1,899,502	
Undesignated				<u>617,633</u>	
				4,240,970	
Reconciliation to Governmental Funds Statements (GAAP)					
Less State Aid Revenue Not Recognized on GAAP Basis				<u>(859,938)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 3,381,032</u>	

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 339,283	\$ 282,131	\$ 621,414	\$ 591,189	\$ (30,225)
Federal	856,398	747,796	1,604,194	1,406,952	(197,242)
Local Sources					
Miscellaneous	-	120,434	120,434	27,038	(93,396)
Total Revenues	<u>\$ 1,195,681</u>	<u>\$ 1,150,361</u>	<u>\$ 2,346,042</u>	<u>\$ 2,025,179</u>	<u>\$ (320,863)</u>
EXPENDITURES					
Instruction					
Salaries	\$ 1,047,110	\$ (413,086)	\$ 634,024	\$ 608,531	\$ 25,493
Purchased Professional / Technical Services		85,455	85,455	6,404	79,051
Purchased Professional / Education Services				650	(650)
Other Purchased Services	3,111	3,200	6,311	3,726	2,585
General Supplies	8,826	202,102	210,928	175,552	35,376
Textbooks	23,819	25,223	49,042	43,016	6,026
Total Instruction	<u>1,082,866</u>	<u>(97,106)</u>	<u>985,760</u>	<u>837,879</u>	<u>147,881</u>
Support Services - Instruction					
Salaries		404,493	404,493	376,897	27,596
Salaries of Other Professional Staff	16,120	16,305	32,425	16,120	16,305
Salaries of Program Directors		139,213	139,213	137,833	1,380
Purchased Professional / Technical Services		160,500	160,500	127,011	33,489
Purchased Professional/Educational Services		27,792	27,792	104	27,688
Other Purchased Services	79,101	195,135	274,236	266,222	8,014
Supplies and Materials	698	84,942	85,640	70,281	15,359
Total Support Services	<u>95,919</u>	<u>1,028,380</u>	<u>1,124,299</u>	<u>994,468</u>	<u>129,831</u>
Transportation - Contracted Services	-	-	-	-	-
Unallocated Employee Benefits	<u>16,896</u>	<u>200,324</u>	<u>217,220</u>	<u>192,832</u>	<u>24,388</u>
Facilities Acquisition and Construction					
Equipment	-	18,763	18,763	-	18,763
Total Facilities Acq. & Construction	<u>-</u>	<u>18,763</u>	<u>18,763</u>	<u>-</u>	<u>18,763</u>
Total Expenditures	<u>1,195,681</u>	<u>1,150,361</u>	<u>2,346,042</u>	<u>2,025,179</u>	<u>320,863</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BERGENFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 59,319,870	\$ 2,025,179
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2007-2008)	(859,938)	(13,394)
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2006-2007)	1,009,496	4,606
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2008		(15,696)
Encumbrances, June 30, 2007 (net of cancellations)	-	<u>27,070</u>
 Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 <u>\$ 59,469,428</u>	 <u>\$ 2,027,765</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 58,840,709	\$ 2,025,179
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances , June 30, 2008		(15,696)
Encumbrances , June 30, 2007 (net of cancellations)	-	<u>27,070</u>
 Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 58,840,709</u>	 <u>\$ 2,036,553</u>

SCHOOL LEVELS SCHEDULES

GENERAL FUND

NOT APPLICABLE

SPECIAL REVENUE FUND

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Chapter 193 Svcs.		Nonpublic Suppl. Inst.	Comp School Reform - CY and Carryover	TARA	Instructional Supplemental Aid	D.E.P.A.	Other (Exhibit E-1a)	Other (Exhibit E-1b)	Other (Exhibit E-1c)	Total 2008
	Nonpublic Exam & Classification	Nonpublic Corrective Speech									
REVENUES											
Intergovernmental											
State	\$ 24,639	\$ 40,176	\$ 9,086	\$ 136,445	\$ 175,750	\$ 118,487	\$ 92,118	\$ 130,933	\$ 403,954	\$ 11,427	\$ 591,189
Federal	-	-	-	-	-	-	-	855,126	-	-	1,406,952
Other Sources	-	-	-	-	-	-	-	-	-	27,038	27,038
Total Revenues	\$ 24,639	\$ 40,176	\$ 9,086	\$ 136,445	\$ 175,750	\$ 118,487	\$ 92,118	\$ 986,059	\$ 403,954	\$ 38,465	\$ 2,025,179
EXPENDITURES											
Instruction											
Salaries											
Purchased Professional / Technical Services				\$ 91,232	\$ 141,505	\$ 78,263	\$ 66,850	\$ 80,808	\$ 146,873	\$ 3,000	\$ 608,531
Purchased Professional / Education Services				-	-	1,476	-	650	6,404	-	6,404
Other Purchased Services				9,718	16,807	11,349	1,635	2,250	2,250	30,760	3,726
General Supplies				-	-	27,003	-	35,275	70,008	-	175,552
Textbooks				-	-	-	-	13,917	2,096	-	43,016
Total Instruction	-	-	-	100,950	158,312	118,091	68,485	130,650	227,631	33,760	837,879
Support Services											
Salaries											
Salaries of Other Professional Staff					16,120			347,174	28,840	883	376,897
Salaries of Program Directors								122,833	15,000		16,120
Personal Services Employee-Benefits				13,509			7,513	131,810	39,250	750	137,833
Purchased Professional / Technical Services				17,265	5,495			97,150	7,101		192,832
Purchased Professional/Educational Services								123,634	49,055	104	127,011
Other Purchased Services				4,721	11,943						104
Contracted Services - Transportation								32,808			266,222
Supplies and Materials						396			37,077		70,281
Total Support Services	\$ 24,639	\$ 40,176	\$ 9,086	\$ 35,495	\$ 17,438	\$ 396	\$ 23,633	\$ 855,409	\$ 176,323	\$ 4,705	\$ 1,187,300
Facilities Acquisition and Construction											
Instructional Equipment											
Total Facilities Acq. & Construction	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 24,639	\$ 40,176	\$ 9,086	\$ 136,445	\$ 175,750	\$ 118,487	\$ 92,118	\$ 986,059	\$ 403,954	\$ 38,465	\$ 2,025,179

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	I.D.E.A. Part B Basic	I.D.E.A. Basic Carryover-07	I.D.E.A. Basic Carryover-06	I.D.E.A. Pre- School	I.D.E.A. Pre- School Carryover-07	I.D.E.A. Pre- School Carryover-06	Nonpublic Nursing Services	Nonpublic Technology Aid	Nonpublic Textbook Aid	Nonpublic Compensatory Aid	Charter 192 Svcs. Nonpublic ESL	Total Exhibit E-1a
REVENUES												
Intergovernmental												
State	\$ 729,400	\$ 76,396	\$ 13,838	\$ 34,433	\$ 146	\$ 913	\$ 19,223	\$ 500	\$ 13,917	\$ 79,328	\$ 17,965	\$ 130,933
Federal												\$ 855,126
Other Sources												
Total Revenues	\$ 729,400	\$ 76,396	\$ 13,838	\$ 34,433	\$ 146	\$ 913	\$ 19,223	\$ 500	\$ 13,917	\$ 79,328	\$ 17,965	\$ 986,059
EXPENDITURES												
Instruction												
Salaries	\$ 53,895	\$ 2	\$ 7,688				\$ 19,223					\$ 80,808
Purchased Professional / Technical Services			650									650
Purchased Professional / Education Services	13,347	12,580	9,244	\$ 104					\$ 13,917			35,275
Other Purchased Services												13,917
General Supplies												
Textbooks												
Total Instruction	\$ 67,242	\$ 12,582	\$ 17,582	\$ 104		\$ 104	\$ 19,223		\$ 13,917			\$ 130,650
Support Services												
Salaries	347,174											347,174
Salaries of Other Professional Staff	92,597	27,315	\$ 2,921									122,833
Salaries of Program Directors	130,420	763	627									131,810
Personal Services Employee-Benefits	75,582	6,772	8,600	600			\$ 500					97,150
Purchased Professional / Technical Services			5,096									
Purchased Professional/Educational Services	16,385	7,242	1,019									24,646
Other Purchased Services												
Contracted Services - Transportation			7,723		3,008	209				\$ 79,328		123,634
Supplies and Materials		21,722										32,808
Total Support Services	\$ 662,158	\$ 63,814	\$ 13,838	\$ 16,851	\$ 146	\$ 809		\$ 500		\$ 79,328	\$ 17,965	\$ 855,409
Facilities Acquisition and Construction												
Instructional Equipment												
Total Facilities Acq. & Construction	\$ 729,400	\$ 76,396	\$ 13,838	\$ 34,433	\$ 146	\$ 913	\$ 19,223	\$ 500	\$ 13,917	\$ 79,328	\$ 17,965	\$ 986,059
Total Expenditures	\$ 729,400	\$ 76,396	\$ 13,838	\$ 34,433	\$ 146	\$ 913	\$ 19,223	\$ 500	\$ 13,917	\$ 79,328	\$ 17,965	\$ 986,059

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>NCLB Title V</u>	<u>HS That Work Grant</u>	<u>Other Local Programs</u>	<u>Total Exhibit E-1c</u>
REVENUES				
Intergovernmental				
State	\$ 4,370	\$ 7,057		\$ 11,427
Federal			\$ 27,038	\$ 27,038
Other Sources	-	-		
Total Revenues	<u>\$ 4,370</u>	<u>\$ 7,057</u>	<u>\$ 27,038</u>	<u>\$ 38,465</u>
EXPENDITURES				
Instruction				
Salaries	\$ 3,000			\$ 3,000
Purchased Professional / Technical Services				-
Purchased Professional / Education Services				-
Other Purchased Services	620	3,102	27,038	30,760
General Supplies	-	-	-	-
Textbooks	-	-	-	-
Total Instruction	<u>3,620</u>	<u>3,102</u>	<u>27,038</u>	<u>33,760</u>
Support Services				
Salaries		883		883
Salaries of Other Professional Staff				-
Salaries of Program Directors				-
Personal Services Employee-Benefits	750			750
Purchased Professional / Technical Services				-
Purchased Professional/Educational Services		104		104
Other Purchased Services		2,968		2,968
Supplies and Materials	-	-	-	-
Total Support Services	<u>750</u>	<u>3,955</u>	<u>-</u>	<u>4,705</u>
Facilities Acq. & Construction				
Instructional Equipment	-	-	-	-
Total Facilities Acq. & Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 4,370</u>	<u>\$ 7,057</u>	<u>\$ 27,038</u>	<u>\$ 38,465</u>

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF DEMONSTRABLY EFFECTIVE PROGRAM AID EXPENDITURES
BUDGET VS. ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

District-Wide Total

	2008		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Instruction			
Salaries of Teachers	\$ 66,850	\$ 66,850	
Other Purchased Services	<u>1,635</u>	<u>1,635</u>	<u>-</u>
Total Instruction	<u>68,485</u>	<u>68,485</u>	<u>-</u>
Support Services			
Salaries of Other Professional Staff	16,120	16,120	
Personal Services - Employee Benefits	<u>7,513</u>	<u>7,513</u>	<u>\$ -</u>
Total Support Services	<u>23,633</u>	<u>23,633</u>	<u>-</u>
Total Expenditures	<u>\$ 92,118</u>	<u>\$ 92,118</u>	<u>\$ -</u>

Summary of Location Totals

Total 2007-2008 DEPA Allocation	\$ 92,118
Actual DEPA Carryover (June 30, 2007)	<u>-</u>
Total DEPA Funds Available for 2007-2008 Budget	92,118
Less: 2007-2008 Budgeted DEPA (Including prior year budgeted carryover)	<u>92,118</u>
Available & Unbudgeted DEPA Funds as of June 30, 2008	-
Add: 2007-2008 Unexpended DEPA	<u>-</u>
2007-2008 Carryover Available for Transfer to the General Fund	<u>\$ -</u>
2007-2008 DEPA Carryover Budgeted in 2008-2009	<u>\$ -</u>

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF DEMONSTRABLY EFFECTIVE PROGRAM AID EXPENDITURES
BUDGET VS. ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

<u>School: Hoover</u>	2008		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Instruction			
Salaries of Teachers	\$ 66,850	\$ 66,850	
Other Purchased Services	1,635	1,635	-
Total Instruction	<u>68,485</u>	<u>68,485</u>	-
Support Services			
Salaries of Other Professional Staff	16,120	16,120	
Personal Services - Employee Benefits	7,513	7,513	-
Total Support Services	<u>23,633</u>	<u>23,633</u>	-
Total Expenditures	<u>\$ 92,118</u>	<u>\$ 92,118</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2007-2008 DEPA Allocation	\$ 92,118
Actual DEPA Carryover (June 30, 2007)	-
Total DEPA Funds Available for 2007-2008 Budget	92,118
Less: 2007-2008 Budgeted DEPA (Including prior year budgeted carryover)	<u>92,118</u>
Available & Unbudgeted DEPA Funds as of June 30, 2008	-
Add: 2007-2008 Unexpended DEPA	-
2007-2008 Carryover Available for Transfer to the General Fund	<u>\$ -</u>
2007-2008 DEPA Carryover Budgeted in 2008-2009	<u>\$ -</u>

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF EARLY CHILDHOOD PROGRAM AID EXPENDITURES
BUDGET VS. ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOT APPLICABLE

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF DISTANCE LEARNING NETWORK AID EXPENDITURES
BUDGET VS. ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	2008		<u>Variance</u>
	<u>Budgeted</u>	<u>Actual</u>	
EXPENDITURES			
Instruction			
General Supplies	-	-	-
Total Instruction	-	-	-
Support Services			
Salaries of Other Professional Staff			-
purchased Professional/Educational Services			
Purchased Technical Services			
General Supplies	-	-	-
Total Support Services	-	-	-
Facilities Acq. & Construction			
Buildings			
Instructional Equipment	-	-	-
Total Facilities Acq. & Construction	-	-	-
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Actual Distance Learning Network Aid Carryover (June 30, 2007)	\$ 31
Less: 2007-2008 Budgeted Prior Year Carryover of DLNA.	-
Available & Unbudgeted DLNA Funds as of June 30, 2008	<u>31</u>
Add: 2007-2008 Unexpended DLNA	-
2007-2008 Carryover Available for Transfer to General Fund	<u>\$ 31</u>
2007-2008 Carryover Budgeted in 2008-2009	<u>\$ -</u>

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF INSTRUCTIONAL SUPPLEMENT AID EXPENDITURES
BUDGET VS. ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	2008		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Instruction			
Salaries of Teachers	\$ 78,263	\$ 78,263	
Other Purchased Services	1,476	1,476	
General Supplies	11,349	11,349	
Textbooks	27,003	27,003	-
	<u>118,091</u>	<u>118,091</u>	<u>-</u>
Total Instruction			
Support Services			
Supplies and Materials	396	396	-
	<u>396</u>	<u>396</u>	<u>-</u>
Total Support Services			
Total Expenditures	<u>\$ 118,487</u>	<u>\$ 118,487</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2007-2008 Instructional Supplement Aid Allocation	\$ 118,461
Actual Instructional Supplement Aid Carryover (June 30, 2007)	<u>105,640</u>
Total Instructional Supplement Aid Available for 2007-2008 Budget	224,101
Less: 2007-2008 Budgeted Instructional Supplement Aid (Including prior year budgeted carryover)	<u>118,487</u>
Available & Unbudgeted ISA Funds as of June 30, 2008	105,614
Add: 2007-2008 Unexpended ISA	<u>-</u>
2007-2008 Carryover Available for Transfer to the General Fund	<u>\$ 105,614</u>
2007-2008 ISA Carryover Budgeted in 2008-2009	<u>\$ -</u>

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
STATEMENT OF TARGETED AT-RISK (TARA) AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>2008</u>		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Instruction:			
Salaries of Teachers	\$ 141,505	\$ 141,505	
General Supplies	<u>16,807</u>	<u>16,807</u>	<u>-</u>
Total Instruction	<u>158,312</u>	<u>158,312</u>	<u>-</u>
Support Services:			
Purchased Professional - Educational Services	5,495	5,495	-
Other Purchased Professional Services	<u>11,943</u>	<u>11,943</u>	<u>-</u>
Total Support Services	<u>17,438</u>	<u>17,438</u>	
Total Expenditures	<u>\$ 175,750</u>	<u>\$ 175,750</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2007 -08 TARA Allocation	\$ 175,750
Less: TARA Transferred to General Fund- Tax Relief	<u>-</u>
TARA Available for 2007 -08 Program Budget	175,750
2007 -08 TARA Expended/Obligated	<u>175,750</u>
2007 -08 Actual Carryover- TARA	<u>\$ -</u>
2007 -08 TARA Carryover Budgeted as Unrestricted General Fund Revenue for 2008 -09	<u>\$ -</u>

CAPITAL PROJECTS FUND

**BERGENFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES**

NOT APPLICABLE

**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOT APPLICABLE

PROPRIETARY FUNDS

EXHIBIT G-1

**BERGENFIELD BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2008**

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

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

EXHIBIT G-3

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

**BERGENFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY FUND NET ASSETS
AS OF JUNE 30, 2008**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 88,509	\$ 167,811	\$ 256,320
Total Assets	<u>\$ 88,509</u>	<u>\$ 167,811</u>	<u>\$ 256,320</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 24,486	\$ 24,486
Accrued Salary and Wages		137,358	137,358
Due to Student Groups	\$ 88,509		88,509
Due to Other Funds	<u>-</u>	<u>5,967</u>	<u>5,967</u>
Total Liabilities	<u>\$ 88,509</u>	<u>\$ 167,811</u>	<u>\$ 256,320</u>

**BERGENFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
NONEXPENDABLE TRUST FUND
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Balance, July 1, <u>2007</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2008</u>
ELEMENTARY SCHOOLS				
Franklin	\$ 2,388	\$ 9,031	\$ 9,187	\$ 2,232
Hoover	1,861	4,498	5,539	820
Jefferson	1,365	6,404	7,047	722
Lincoln	4,859	522	857	4,524
Washington	1,758	4,150	4,164	1,744
ROY W. BROWN MIDDLE SCHOOL	39,086	56,878	57,265	38,699
BERGENFIELD HIGH SCHOOL	<u>42,602</u>	<u>412,395</u>	<u>415,229</u>	<u>39,768</u>
	<u>\$ 93,919</u>	<u>\$ 493,878</u>	<u>\$ 499,288</u>	<u>\$ 88,509</u>

**BERGENFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Balance, July 1, <u>2007</u>	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, <u>2008</u>
ASSETS				
Cash	\$ 176,909	\$ 47,887,285	\$ 47,896,383	\$ 167,811
Total Assets	<u>\$ 176,909</u>	<u>\$ 47,887,285</u>	<u>\$ 47,896,383</u>	<u>\$ 167,811</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 18,395	\$ 15,659,963	\$ 15,653,872	\$ 24,486
Accrued Salaries and Wages	131,863	32,183,006	32,177,511	137,358
Due to Other Funds	<u>26,651</u>	<u>44,316</u>	<u>65,000</u>	<u>5,967</u>
Total Liabilities	<u>\$ 176,909</u>	<u>\$ 47,887,285</u>	<u>\$ 47,896,383</u>	<u>\$ 167,811</u>

LONG-TERM DEBT

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF SERIAL BONDS**

NOT APPLICABLE

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2007</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2008</u>
2006 - Purchase of three School Buses	4.58%	152,377	\$ 91,304	-	\$ 29,082	\$ 62,222
			\$ 91,304	-	\$ 29,082	\$ 62,222

**BERGENFIELD BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy					
Miscellaneous					
Intergovernmental State	-	-	-	-	-
Total Revenues	-	-	-	-	-
EXPENDITURES					
Regular Debt Service					
Principal					
Interest	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over/ (Under) Expenditures			-	-	-
Fund Balance, Beginning of Year	\$ 30,718	-	\$ 30,718	\$ 30,718	-
Fund Balance, End of Year	\$ 30,718	\$ -	\$ 30,718	\$ 30,718	\$ -

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

BERGENFIELD BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
Governmental activities						
Invested in capital assets, net of related debt	\$ 4,308,443	\$ 5,487,255	\$ 5,589,123	\$ 6,013,417	\$ 6,118,441	\$ 6,973,047
Restricted	840,361	312,665	312,623	365,848	394,315	398,791
Unrestricted	(695,317)	(877,496)	(651,731)	437,051	1,430,359	1,959,104
Total governmental activities net assets	<u>\$ 4,453,487</u>	<u>\$ 4,922,424</u>	<u>\$ 5,250,015</u>	<u>\$ 6,816,316</u>	<u>\$ 7,943,115</u>	<u>\$ 9,330,942</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 40,331	\$ 33,464	\$ 43,620	\$ 35,402	\$ 27,184	\$ 56,009
Restricted						
Unrestricted	154,544	73,792	(38,899)	(14,348)	(12,532)	4,138
Total business-type activities net assets	<u>\$ 194,875</u>	<u>\$ 107,256</u>	<u>\$ 4,721</u>	<u>\$ 21,054</u>	<u>\$ 14,652</u>	<u>\$ 60,147</u>
District-wide						
Invested in capital assets, net of related debt	\$ 4,348,774	\$ 5,520,719	\$ 5,632,743	\$ 6,048,819	\$ 6,145,625	\$ 7,029,056
Restricted	840,361	312,665	312,623	365,848	394,315	398,791
Unrestricted	(540,773)	(803,704)	(690,630)	422,703	1,417,827	1,963,242
Total district net assets	<u>\$ 4,648,362</u>	<u>\$ 5,029,680</u>	<u>\$ 5,254,736</u>	<u>\$ 6,837,370</u>	<u>\$ 7,957,767</u>	<u>\$ 9,391,089</u>

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 2003 only six years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

BERGENFIELD BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities						
Instruction						
Regular	\$ 18,483,396	\$ 19,664,527	\$ 21,312,167	\$ 22,498,274	\$ 23,354,155	\$ 24,072,216
Special education	8,419,713	9,421,843	9,831,664	10,283,102	11,538,688	11,289,120
Other instruction	1,668,006	1,625,709	1,789,639	1,912,054	1,950,926	2,107,336
School Sponsored Activities and Athletics	612,711	609,274	556,770	523,539	616,932	616,322
Community Services	24,122			25,940	27,673	17,439
Support Services:						
Student & instruction related services	5,879,575	6,426,685	6,546,161	6,996,586	8,133,793	8,594,671
General administration	2,432,385	1,332,425	1,273,475	1,492,102	1,264,877	1,220,689
School Administrative services	1,020,563	2,423,668	2,626,548	2,579,276	2,867,058	3,217,613
Central Services and Other Support Services	462,504	533,987	495,240	574,647	607,680	597,252
Plant operations and maintenance	3,823,853	4,263,853	4,504,417	5,325,316	5,075,218	6,076,847
Pupil transportation	1,613,662	1,817,066	1,876,605	1,974,637	2,125,103	2,216,789
Interest on long-term debt			36,708	27,597	4,560	3,072
Total governmental activities expenses	<u>44,440,490</u>	<u>48,119,037</u>	<u>50,849,394</u>	<u>54,213,070</u>	<u>57,566,663</u>	<u>60,029,366</u>
Business-type activities:						
Food service	1,046,496	1,106,004	1,189,512	1,149,264	1,181,825	1,213,350
Summer Enrichment Program	49,765	54,771	61,257	54,838	55,960	55,161
Total business-type activities expense	<u>1,096,261</u>	<u>1,160,775</u>	<u>1,250,769</u>	<u>1,204,102</u>	<u>1,237,785</u>	<u>1,268,511</u>
Total district expenses	<u>\$ 45,536,751</u>	<u>\$ 49,279,812</u>	<u>\$ 52,100,163</u>	<u>\$ 55,417,172</u>	<u>\$ 58,804,448</u>	<u>\$ 61,297,877</u>
Program Revenues						
Governmental activities:						
Charges for services:						
Instruction	\$ 135,909	\$ 116,185	\$ 110,153	\$ 92,184	\$ 572,701	\$ 1,041,194
Support Services					37,909	
Operating grants and contributions	8,990,376	10,289,322	10,978,287	11,599,096	13,122,360	13,360,020
Capital grants and contributions	554,585	593,376	127,092	72,854	8,462	8,462
Total governmental activities program revenues	<u>9,680,870</u>	<u>10,998,883</u>	<u>11,215,532</u>	<u>11,764,134</u>	<u>13,741,432</u>	<u>14,401,214</u>

**BERGENFIELD BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(Unaudited)
(accrual basis of accounting)**

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
Business-type activities:						
Charges for services:						
Food service	\$ 733,073	\$ 767,323	\$ 803,187	\$ 843,400	\$ 840,695	\$ 832,779
Summer Enrichment Program	51,716	62,338	65,653	59,713	58,625	38,793
Operating grants and contributions	228,313	243,495	279,394	317,322	332,063	362,434
Total business type activities program revenues	1,013,102	1,073,156	1,148,234	1,220,435	1,231,383	1,234,006
Total district program revenues	\$ 10,693,972	\$ 12,072,039	\$ 12,363,766	\$ 12,984,569	\$ 14,972,815	\$ 15,635,220
Net (Expense)/Revenue						
Governmental activities	\$ (34,759,620)	\$ (37,120,154)	\$ (39,633,862)	\$ (42,448,936)	\$ (43,825,231)	\$ (45,628,152)
Business-type activities	(83,159)	(87,619)	(102,535)	16,333	(6,402)	(34,505)
Total district-wide net expense	\$ (34,842,779)	\$ (37,207,773)	\$ (39,736,397)	\$ (42,432,603)	\$ (43,831,633)	\$ (45,662,657)
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes levied for general purposes, net	\$ 31,404,354	\$ 32,281,961	\$ 34,306,258	\$ 38,346,404	\$ 39,876,425	\$ 41,351,852
Unrestricted grants and contributions	4,664,775	5,293,410	5,622,439	5,635,658	5,316,845	5,623,017
Investment earnings	9,045	4,239	12,748	20,001	21,947	96,847
Miscellaneous income	32,646	10,345	20,008	13,174	13,020	24,263
Transfers	-	-	-	-	-	(80,000)
Loss on Disposal of Capital Assets	-	-	-	-	(276,207)	-
Total governmental activities	36,110,820	37,589,955	39,961,453	44,015,237	44,952,030	47,015,979
Business-type activities:						
Investment earnings	-	-	-	-	-	80,000
Transfers	-	-	-	-	-	80,000
Total business-type activities	\$ 36,110,820	\$ 37,589,955	\$ 39,961,453	\$ 44,015,237	\$ 44,952,030	\$ 47,095,979
Total district-wide						
Change in Net Assets						
Governmental activities	\$ 1,351,200	\$ 469,801	\$ 327,591	\$ 1,566,301	\$ 1,126,799	\$ 1,387,827
Business-type activities	(83,159)	(87,619)	(102,535)	16,333	(6,402)	45,495
Total district	\$ 1,268,041	\$ 382,182	\$ 225,056	\$ 1,582,634	\$ 1,120,397	\$ 1,433,322

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 2003 only six years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**BERGENFIELD BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST SIX FISCAL YEARS**

(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
General Fund						
Reserved	\$ 189,429	\$ 336,652	\$ 388,007	\$ 1,223,128	\$ 2,405,864	\$ 1,723,835
Unreserved	530,092	(1,530)	326,605	611,019	426,449	1,657,197
Total general fund	\$ 719,521	\$ 335,122	\$ 714,612	\$ 1,834,147	\$ 2,832,313	\$ 3,381,032
All Other Governmental Funds						
Reserved	\$ 208,277	\$ 652,248				
Unreserved	478,891	(431,243)	143,169	144,464	26,112	17,324
Total all other governmental funds	\$ 687,168	\$ 221,005	\$ 143,169	\$ 144,464	\$ 26,112	\$ 17,324

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 2003 only six years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

BERGENFIELD BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST SIX FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
Revenues						
Tax levy	\$ 31,404,354	\$ 32,281,961	\$ 34,306,258	\$ 38,346,404	\$ 39,876,425	\$ 41,351,852
Tuition charges/Program fees/Transp. Fees	33,738	13,562	110,153	92,184	610,610	1,041,294
Interest earnings	9,045	4,239	12,748	20,001	21,947	96,847
Miscellaneous	159,938	136,106	97,875	57,902	26,031	54,017
State sources	13,317,102	14,838,493	15,218,312	15,536,814	16,850,613	17,548,564
Federal sources	867,513	1,314,477	1,431,639	1,726,066	1,584,043	1,404,619
Total revenue	<u>45,791,690</u>	<u>48,588,838</u>	<u>51,176,985</u>	<u>55,779,371</u>	<u>58,969,669</u>	<u>61,497,193</u>
Expenditures						
Instruction						
Regular Instruction	18,729,119	19,722,303	21,201,260	22,417,382	23,396,016	24,041,453
Special education instruction	8,419,713	9,420,134	9,827,685	10,270,475	11,554,718	11,288,201
Other instruction	1,668,006	1,618,745	1,788,933	1,907,709	1,956,756	2,106,992
School Sponsored Activities and Athletics	608,534	605,184	552,227	522,490	618,726	616,104
Community Services	24,122			25,940	27,673	17,439
Support Services:						
Student & inst. related services	5,879,575	6,426,596	6,543,876	6,982,029	8,156,251	8,593,537
General administration	1,185,277	1,254,505	1,683,465	1,416,188	1,212,483	1,171,183
School administrative services	2,412,814	2,593,484	2,625,490	2,573,386	2,875,530	3,217,104
Central services and other support services	523,219	531,352		573,427	609,401	597,157
Plant operations and maintenance	3,679,187	4,067,729	4,336,773	5,069,175	4,838,067	5,830,493
Pupil transportation	1,642,894	1,841,747	1,805,421	1,866,746	2,004,216	2,089,739
Capital outlay	1,464,009	1,389,226	720,206	553,875	777,878	1,274,596
Debt service:						
Principal			252,045	607,649	55,521	29,082
Interest and other charges	-	-	37,950	24,447	6,619	4,182
Total expenditures	<u>46,236,469</u>	<u>49,471,005</u>	<u>51,375,331</u>	<u>54,810,918</u>	<u>58,089,855</u>	<u>60,877,262</u>
Excess (Deficiency) of revenues over (under) expenditures	(444,779)	(882,167)	(198,346)	968,453	879,814	619,931
Other Financing sources (uses)						
Capital leases (non-budgeted)	113,909	31,605	500,000	152,377		
Transfers in	1,284,578				116,389	
Transfers out	(1,284,578)	-	-		(116,389)	(80,000)
Total other financing sources (uses)	<u>113,909</u>	<u>31,605</u>	<u>500,000</u>	<u>152,377</u>	<u>-</u>	<u>(80,000)</u>
Net change in fund balances	<u>\$ (330,870)</u>	<u>\$ (850,562)</u>	<u>\$ 301,654</u>	<u>\$ 1,120,830</u>	<u>\$ 879,814</u>	<u>\$ 539,931</u>
Debt service as a percentage of noncapital expenditures						
	0.00%	0.00%	0.57%	1.17%	0.11%	0.06%

* 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 2003 only six years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Transportation Fees</u>	<u>Adult Education Program Fees</u>	<u>Interest on Investments</u>	<u>Rents</u>	<u>Miscellaneous</u>	<u>Total</u>
1999	\$ 16,749		\$ 107,509	\$ 124,150	\$ 4,775	\$ 25,050	\$ 278,233
2000	4,000		103,904	135,814	6,470	29,222	279,410
2001	10,561		101,495	147,742	6,675	13,405	279,878
2002	12,445		100,572	69,906	7,715	36,938	227,576
2003	33,738		102,171	9,045	7,640	25,006	177,600
2004	13,562		102,623	4,239	7,320	3,025	130,769
2005			110,153	12,748	9,785	10,223	142,909
2006	3,805		92,184	20,001	7,795	1,574	125,359
2007	446,821	\$ 37,909	125,880	21,947	9,300	3,720	645,577
2008	935,088		106,206	96,847	9,175	14,988	1,162,304

**BERGENFIELD BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
1999	\$ 3,266,000	\$ 1,032,749,700	\$ 135,666,500	\$ 28,021,700	\$ 52,579,200	\$ 1,252,283,100	\$ 2,810,051	\$ 1,255,093,151	\$ 1,355,667,298	\$ 2.222
2000	3,894,900	1,039,596,100	134,491,900	23,814,300	51,965,800	1,253,763,000	1,769,370	1,255,532,370	1,383,428,825	2.249
2001	3,683,100	1,040,165,600	133,216,400	23,453,900	51,733,200	1,252,252,200	1,746,694	1,253,998,894	1,561,209,650	2.317
2002	4,475,700	1,040,039,300	132,318,300	22,425,500	51,633,200	1,250,892,000	1,556,130	1,252,448,130	1,646,441,606	2.430
2003	3,813,600	1,041,228,100	130,076,200	24,850,100	51,405,000	1,251,373,000	1,040,383	1,252,413,383	1,856,749,285	2.543
2004	3,559,700	1,045,256,500	128,328,500	24,509,200	48,905,000	1,250,558,900	873,733	1,251,432,633	2,113,841,988	2.600
2005 (A)	9,428,200	2,096,005,900	202,507,300	34,071,400	78,887,600	2,420,900,400	1,411,890	2,422,312,290	2,367,516,860	1.500
2006	11,148,900	2,075,725,055	200,518,500	33,575,000	77,246,300	2,398,213,755	1,173,080	2,399,386,835	2,689,649,985	1.630
2007	10,769,100	2,079,827,755	195,395,400	33,554,200	73,306,300	2,392,852,755	1,041,281	2,393,894,036	3,063,533,502	1.697
2008	11,884,900	2,104,378,855	194,740,800	33,388,800	74,608,400	2,419,001,755	2,127,384	2,421,129,139	3,323,039,315	1.725

Source: County Abstract of Ratables

^a Tax rates are per \$100

(A) The Borough undertook a revaluation of real property which became effective for the 2005 calendar year.

**BERGENFIELD BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per \$100 of assessed value)**

Calendar Year	Total Direct School Tax Rate		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Bergenfield Local School District	Municipality of Bergenfield	County of Bergen		
1999	\$ 2.222	\$ 1.117	\$ 0.271	\$	3.61
2000	2.249	1.277	0.264		3.79
2001	2.317	1.356	0.277		3.98
2002	2.430	1.380	0.325		4.13
2003	2.543	1.552	0.315		4.41
2004	2.600	1.553	0.347		4.56
2005 (A)	1.500	0.876	0.194		2.57
2006	1.630	0.918	0.202		2.75
2007	1.697	0.994	0.229		2.92
2008	1.725	1.012	0.253		2.99

Source: County Abstract of Ratables

(A) The Borough undertook a revaluation of real property which became effective for the 2005 calendar year.

**BERGENFIELD BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
LAST YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	2008		1999	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Knickerbocker Country Club	\$ 19,229,431	0.79%	\$ 15,371,700	1.22%
Tower Ivy Lane, LLC	12,261,438	0.51%		
Glance, Rabinowitz & Point Prop	11,648,629	0.48%		
ABA Realty Corp.	10,184,080	0.42%	5,467,900	0.43%
Tower Management Financing Ptsp.	8,474,615	0.35%	13,550,000	1.07%
Pathmark Stores, LLC	7,784,247	0.32%		
New Woodbine Inc	5,108,896	0.21%		
Keepers Bergenfield, LLC	4,973,043	0.21%		
120 Woodbine Inc	4,049,431	0.17%		
Bergenfield Skating	3,683,545	0.15%		
Liberty Gardens Company			8,000,000	0.63%
VAP International			5,849,000	0.46%
Supermarkets General			4,751,100	0.37%
Bergenridge Realty Co.			3,123,400	0.24%
Lipman and Dansker, Trustees			2,625,400	0.17%
Taxpayer No. 1			2,429,700	0.20%
NAL Penguin, Inc.			2,238,000	0.19
	<u>\$ 87,397,358</u>	<u>3.61%</u>	<u>\$ 63,406,200</u>	<u>4.98%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
1999	\$ 27,950,217	\$ 27,950,217	100.00%	
2000	27,824,417	27,824,417	100.00%	
2001	28,643,279	28,403,234	99.16%	\$ 240,045
2002	29,473,934	29,473,934	100.00%	
2003	31,404,354	31,404,354	100.00%	
2004	32,281,961	32,281,961	100.00%	
2005	34,306,258	34,306,258	100.00%	
2006	38,346,404	38,346,404	100.00%	
2007	39,876,425	39,876,425	100.00%	
2008	41,351,852	41,351,852	100.00%	

**BERGENFIELD BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST FOUR FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities			Total District	Population	Per Capita
	General Obligation Bonds	Project Loan Payable	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2005		\$ 432,771	\$ 169,326			\$ 602,097	25,803	\$ 23	
2006			146,825			146,825	25,877	6	
2007			91,304			91,304	25,826	4	
2008			62,222			62,222	25,826	E 2	

E - Estimate

Source: District records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only four years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

BERGENFIELD BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST FOUR FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	-	-	-	0.00%	\$0
2006	-	-	-	0.00%	0
2007	-	-	-	0.00%	0
2008	-	-	-	0.00%	0

Source: District records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only four years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**BERGENFIELD BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2008
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Bergenfield School District	
Borough of Bergenfield	\$ <u>23,207,876</u>
	<u>23,207,876</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County: (as of December 31, 2007)	
County of Bergen (A)	10,431,808
Bergen County Utilities Authority - Water Pollution (B)	<u>9,218,883</u>
	<u>19,650,691</u>
Total Direct and Overlapping Debt	\$ <u><u>42,858,567</u></u>

Source:

(1) Borough's 2008 Annual Debt Statement

(A) The debt for this entity was apportioned to the municipality by dividing the municipality's 2007 equalized value by the total 2007 equalized value for Bergen County.

(B) The debt was computed based upon municipal flow to the Authority.

BERGENFIELD BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2008

Equalized valuation basis	
2007	\$ 3,275,188,551
2006	3,060,117,079
2005	2,705,218,907
	<u>\$ 9,040,524,537</u>

Average equalized valuation of taxable property	\$ 3,013,508,179
Debt limit (4 % of average equalization value)	120,540,327
Total Net Debt Applicable to Limit	-
Legal debt margin	<u>\$ 120,540,327</u>

Fiscal Year Ending June 30,

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 53,098,143	\$ 53,822,471	\$ 55,662,691	\$ 59,790,661	\$ 66,237,078	\$ 74,794,959	\$ 84,129,363	\$ 95,442,291	\$ 108,154,671	\$ 120,540,327
Total net debt applicable to limit	400,000	200,000	-	-	-	-	-	-	-	-
Legal debt margin	\$ 52,698,143	\$ 53,622,471	\$ 55,662,691	\$ 59,790,661	\$ 66,237,078	\$ 74,794,959	\$ 84,129,363	\$ 95,442,291	\$ 108,154,671	\$ 120,540,327

Total net debt applicable to the limit as a percentage of debt limit	0.75%	0.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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Source: Annual Debt Statements

**BERGENFIELD BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
1999	24,584	\$ 46,893	4.20%
2000	26,243	51,240	3.50%
2001	26,168	52,143	4.10%
2002	26,110	51,521	5.70%
2003	26,042	50,682	5.60%
2004	25,993	54,095	4.60%
2005	25,803	56,435	3.50%
2006	25,877	61,264	3.70%
2007	25,826	N/A	3.20%
2008	25,826 (E)	N/A	N/A

Source: New Jersey State Department of Education

N/A - Not Available

(E) - Estimate

**BERGENFIELD BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

	<u>2008</u>		<u>1999</u>	
		Percentage of Total Municipal Employment		Percentage of Total Municipal Employment
<u>Employer</u>	<u>Employees</u>		<u>Employees</u>	

INFORMATION IS NOT AVAILABLE

BERGENFIELD BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST FOUR FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Instruction	327	333	333	333
Support Services:				
Student & instruction related services	64	65	60	61
General administration	7	7	7	7
School administrative services	25	23	21	23
Central services	8	8	7	7
Plant operations and maintenance	41	41	39	41
Pupil transportation	1	1	1	1
Other support services	17	17	15	9
Total	<u>490</u>	<u>495</u>	<u>483</u>	<u>481</u>

Source: District Personnel Records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only four years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**BERGENFIELD BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Teacher/Pupil Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
1999	3,322	\$ 36,208,299	\$ 10,900	6.30%	298	1:19	1:15	1:15	3,322	3,175	0.33%	95.57%
2000	3,518	36,785,879	10,456	-4.07%	321	1:14	1:11	1:10	3,518	3,357	5.90%	95.42%
2001	3,611	39,477,666	10,933	4.55%	377	1:16	1:11	1:10	3,611	3,448	2.64%	95.49%
2002	3,647	41,748,708	11,447	4.71%	344	1:17	1:13	1:12	3,647	3,488	1.00%	95.64%
2003	3,758	44,772,460	11,914	4.08%	345	1:13	1:12	1:12	3,758	3,599	3.04%	95.77%
2004	3,781	48,081,779	12,717	6.74%	348	1:13	1:12	1:12	3,781	3,630	0.61%	96.01%
2005	3,784	50,365,130	13,310	4.67%	350	1:13	1:12	1:12	3,684	3,536	-2.37%	95.98%
2006	3,790	53,624,947	14,149	6.30%	350	1:16	1:13	1:12	3,790	3,666	2.88%	96.73%
2007	3,619	57,249,837	15,819	11.80%	349	1:15	1:14	1:13	3,535	3,395	-6.73%	96.04%
2008		59,569,402	#DIV/0!	#DIV/0!							-100.00%	#DIV/0!

Sources: District records

- Note: a Enrollment based on annual October district count.
 b Operating expenditures equal total expenditures less debt service and capital outlay.
 c Cost per pupil represents operating expenditures divided by enrollment.

**BERGENFIELD BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
(Unaudited)**

INFORMATION IS NOT AVAILABLE

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST EIGHT YEARS
(Unaudited)**

**UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
School Facilities								
Bergenfield High School	\$ 833,031	\$ 857,449	\$ 875,131	\$ 906,669	\$ 1,004,171	\$ 1,202,659	\$ 1,134,378	\$ 1,511,168
Roy W. Brown Middle School	404,255	414,971	420,149	435,458	482,287	577,617	544,823	725,789
Franklin Elementary School	202,871	207,236	210,074	217,729	241,144	288,809	272,411	362,894
Hoover Elementary School	77,376	81,340	82,382	85,422	94,608	113,309	106,876	142,375
Jefferson Elementary School	112,471	113,976	115,335	119,676	132,545	158,745	149,732	199,467
Lincoln Elementary School	220,344	225,721	230,670	239,138	264,854	317,207	299,197	398,577
Washington Elementary Sch.	126,975	131,030	131,811	136,803	151,514	181,463	171,161	228,013
Grand Total	<u>\$ 1,977,323</u>	<u>\$ 2,031,723</u>	<u>\$ 2,065,552</u>	<u>\$ 2,140,895</u>	<u>\$ 2,371,123</u>	<u>\$ 2,839,809</u>	<u>\$ 2,678,578</u>	<u>\$ 3,568,284</u>

Source: District Records

Note:

Beginning in fiscal year 2001, the New Jersey State Department of Education required Districts to report maintenance expenditures by location, therefore, ten years of data is not required or available.

**BERGENFIELD BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2008
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NESBIG		
Property - Blanket Building & Contents	\$ 100,000,000	\$ 1,000
Comprehensive General Liability	2,000,000	-
Commercial Umbrella	9,000,000	10,000
Pollution Liability	20,000,000	15,000
Excess Liability	50,000,000	
Workers compensation Employees Liability	1,000,000	
Commercial Auto Liability	1,000,000	1,000
Crime Coverage		
Blanket Employee Dishonesty	250,000	5,000
Forgery or Alteration Coverage	50,000	1,000
Computer Fraud	50,000	1,000
Treasurer of School Monies - Surety Bond	300,000	
Business Administrator/Board Secretary - Surety Bond	262,000	

Source: School District's records

SINGLE AUDIT

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208

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CINDY JANACEK, CPA, RMA
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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 Board of Trustees
Bergenfield Board of Education
Bergenfield, 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 Bergenfield Board of Education as of and for the fiscal year ended June 30, 2008, which collectively comprise the Bergenfield Board of Education's basic financial statements and have issued our report thereon dated October 10, 2008. 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 Bergenfield Board of Education'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 Bergenfield Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bergenfield Board of Education's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Bergenfield Board of Education's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the Bergenfield Board of Education's financial statements that is more than inconsequential will not be prevented or detected by the Bergenfield Board of Education's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Bergenfield Board of Education's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

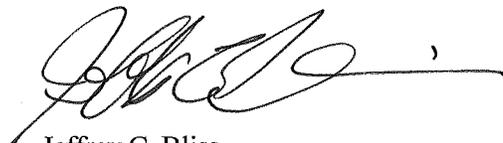
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bergenfield Board of Education'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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by Division of Finance, Department of Education, State of New Jersey.

We also noted certain matters that we reported to management of the Bergenfield Board of Education in a separate report entitled, Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance" dated October 10, 2008.

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.

Leach, Vinci & Higgins, LLP
LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
October 10, 2008

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO 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
Bergenfield Board of Education
Bergenfield, New Jersey

Compliance

We have audited the compliance of the Bergenfield Board of Education 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 State Aid/Grant Compliance Supplement" that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2008. Bergenfield Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Bergenfield Board of Education's management. Our responsibility is to express an opinion on Bergenfield Board of Education'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 federal or state program occurred. An audit includes examining, on a test basis, evidence about Bergenfield Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Bergenfield Board of Education's compliance with those requirements.

In our opinion, Bergenfield Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 and which are described in the accompanying schedule of findings and questioned costs as items 2008-1 through 2008-3.

Internal Control Over Compliance

The management of Bergenfield Board of Education 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 Bergenfield Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Board's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the Board's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in the Board's 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the Board's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2008-1 and 2008-2 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the Board's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 2008-1 and 2008-2 to be material weaknesses.

The Board of Education's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Board of Education's response and, accordingly, we express no opinion on it.

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

LERCH, VINCI & HIGGINS, LLP

Certified Public Accountants

Public School Accountants



Jeffrey C. Bliss

Public School Accountant

PSA Number CS00932

Fair Lawn, New Jersey
October 10, 2008

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Federal CFDA Number	Federal/Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2007	Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years Balances	(Account Receivable)	Balance, June 30, 2008	Due to Grantor
	U.S. Department of Education											
	Passed-through State Department of Education											
10.553	School Breakfast Program	N/A	7/1/07-6/30/08	\$ 10,338			\$ 9,306	\$ 10,338		\$ (1,032)		
10.553	School Breakfast Program	N/A	7/1/06-6/30/07	9,557	(894)		894					
10.555	National School Lunch Program	N/A										
	Cash Assistance		7/1/07-6/30/08	280,758			261,323	280,758		(19,435)		
	Cash Assistance		7/1/06-6/30/07	266,687	(20,907)		20,907					
	Non-Cash Assistance (Food Distribution)		7/1/07-6/30/08	55,099			55,099	50,774		\$	4,325	
	Non-Cash Assistance (Food Distribution)		7/1/06-6/30/07	37,436	1,156			1,156				
10.556	Special Milk Program	N/A	7/1/07-6/30/08	946			946					
10.556	Special Milk Program	N/A	7/1/06-6/30/07	777	(2)		2					
	Total U.S. Department of Agriculture				(20,647)		348,477	343,972		(20,467)	4,325	
	U.S. Department of Education											
	Passed-through State Department of Education											
	NCLB											
84.010A	Title I	NCLBCY-080300	9/1/07-8/31/08	148,926			148,926	126,804			22,122	
84.010A	Title I, Carryover	NCLBCY-070300	9/1/06-8/31/08	145,715	19,879			19,879				
84.010A	Title I, Carryover	NCLBCY-060300	9/1/05-8/31/07	158,033	3,408							3,408
84.010A	Title I, SIA	NCLBCY-080300	9/1/07-8/31/08	14,708				12,670		(12,670)		
84.281A	Title II, Part A	NCLBCY-080300	9/1/07-8/31/08	91,970			91,970	65,063			26,907	
84.281A	Title II, Part A, Carryover	NCLBCY-070300	9/1/06-8/31/08	91,740	58,116			58,116				
84.281A	Title II, Part A, Carryover	NCLBCY-050300	9/1/05-8/31/07	91,645	1,453							1,453
84.281A	Title II, Part D	NCLBCY-080300	9/1/07-8/31/08	1,007			1,007	1,005			3	
84.281A	Title II, Part D, Carryover	NCLBCY-070300	9/1/06-8/31/08	645	1							
84.365A	Title III	NCLBCY-080300	9/1/07-8/31/08	46,390			46,390	45,809			581	
84.365A	Title III, Carryover	NCLBCY-070300	9/1/06-8/31/08	52,720	13,660			13,660				
84.365A	Title III, Supplemental Immigrant	SISA080003	9/1/07-8/31/08	50,642			50,642	44,226			6,416	
84.365A	Title III, Supplemental Immigrant, Carryover	SISA070003	9/1/06-8/31/08	36,068	6,445			6,445				
84.186A	Title IV	NCLBCY-080300	9/1/07-8/31/08	10,080			10,080	10,080				
84.186A	Title IV, Carryover	NCLBCY-070300	9/1/06-8/31/08	9,569	197			197				
84.298A	Title V	NCLBCY-080300	9/1/07-8/31/08	4,370			4,370	4,370				
84.027A	I.D.E.A. Part B, Basic Regular	FT-080002	9/1/07-8/31/08	819,979		14,994	819,979	729,400			105,573	
84.027A	I.D.E.A. Part B, Basic Regular	FT-070002	9/1/06-8/31/08	806,259	91,390	(14,994)		76,396				1,669
84.027A	I.D.E.A. Part B, Basic Regular, Carryover	FT-050002	9/1/05-8/31/07	891,547	15,507			13,838				2,851
84.027A	I.D.E.A. Part B, Basic Regular, Carryover	FT-050002	9/1/04-8/31/07		2,851							
84.173A	I.D.E.A. Part B, Preschool	PS-080000	9/1/07-8/31/08	34,433			34,433	34,433			24,518	
84.173A	I.D.E.A. Part B, Preschool, Carryover	PS-070000	9/1/06-8/31/07	34,536	24,664	(24,518)		146				
84.173A	I.D.E.A. Part B, Preschool, Carryover	PS-060005	9/1/05-8/31/07	38,725	919			913				
84.000	Comprehensive School Reform	CSR-060300	9/1/05-8/31/08	182,000	77,249		28,487	136,445		(30,709)		
84.000	Small Learning Comm Grant-Carryover	N/A	9/1/05-8/31/06	40,000	(10,700)		10,594			(106)		
84.215F	Carol M. White Physical Education	Q215F040282	10/1/07-9/30/08	80,672			80,672	80,672			80,672	
84.215F	Carol M. White Physical Education	Q215F040282	10/1/06-9/30/07	53,499	(53,499)		53,499					
84.215F	Carol M. White Physical Education, Carryover	Q215F040282	10/1/05-9/30/06	134,172	(7,513)		7,513					
84.048A	High Schools That Work	N/A	7/1/06-6/30/08	45,000	(7,985)		7,986	7,057		(7,056)		
	Total U.S. Department of Education				256,042		1,396,548	1,406,952		(50,541)	266,792	9,387
	Total Federal Awards			\$	\$ 215,395	\$	\$ 1,745,025	\$ 1,750,924	\$	\$ (71,008)	\$ 271,117	\$ 9,387

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

BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2007	Carryover Amount	Cash Received	Budgetary Expenditures	Interfund Transfer	Refund of Prior Years' Balances	Balance, June 30, 2008		Cumulative Total Expenditures
										(Accounts Receivable)	Deferred Revenue	
State Department of Education												
Current Expense:												
Transportation Aid	08-495-034-5120-014	7/1/07-6/30/08	\$ 536,398	\$ (23,844)	\$ 513,205	\$ 536,398				\$ (23,193)		\$ 536,398
Transportation Aid	07-495-034-5120-014	7/1/06-6/30/07	4,311,809		23,844							
Special Education Aid	08-495-034-5120-011	7/1/07-6/30/08	4,311,809	(191,670)	4,123,375	4,311,809				(186,154)		4,311,809
Special Education Aid	07-495-034-5120-011	7/1/06-6/30/07	4,311,809		191,670							
Bilingual Education Aid	08-495-034-5120-008	7/1/07-6/30/08	256,852	(11,418)	245,746	256,852				(11,106)		256,852
Bilingual Education Aid	07-495-034-5120-008	7/1/06-6/30/07	256,852		245,746							
Core Curriculum Standards Aid	08-495-034-5120-022	7/1/07-6/30/08	4,868,281	(216,406)	4,652,787	4,868,281				(210,994)		4,868,281
Core Curriculum Standards Aid	07-495-034-5120-022	7/1/06-6/30/07	4,868,281		4,652,787							
Additional Formula Aid	08-495-034-5120-058	7/1/07-6/30/08	318,815		318,815	318,815				(13,785)		318,815
Additional Formula Aid	07-495-034-5120-057	7/1/06-6/30/07	318,815		318,815					(13,785)		318,815
Consolidated Aid	08-495-034-5120-057	7/1/07-6/30/08	443,255	(19,704)	424,090	443,255				(19,165)		443,255
Consolidated Aid	07-495-034-5120-057	7/1/06-6/30/07	443,255		19,704							
Quality Teacher Mentoring	08-100-034-5120-473	7/1/07-6/30/08	4,713		4,713	4,713				(395,761)		4,713
Quality Teacher Mentoring	07-100-034-5120-473	7/1/06-6/30/07	395,761			395,761						395,761
Extraordinary Aid	08-100-034-5120-473	7/1/07-6/30/08	546,454	(546,454)								
Extraordinary Aid	07-100-034-5120-473	7/1/06-6/30/07	546,454									
Distance Learning Network	08-100-034-5120-348	7/1/07-6/30/08	1,739,339		1,650,964	1,739,339				(88,375)		1,739,339
Distance Learning Network	07-100-034-5120-348	7/1/06-6/30/07	1,739,339		85,901							
On-Site Health Services	08-495-034-5120-029	7/1/07-6/30/08	1,825,999		1,825,999	1,825,999						1,825,999
On-Site Health Services	07-495-034-5120-029	7/1/06-6/30/07	1,825,999		2,104,492							2,104,492
TEAF Social Security	08-495-034-5120-002	7/1/07-6/30/08	1,703,206	(85,901)	1,617,305	1,703,206				(85,901)		1,703,206
TEAF Social Security	07-495-034-5120-002	7/1/06-6/30/07	1,703,206									
Normal Pension Benefit Contribution	08-495-034-5120-006	7/1/07-6/30/08	1,825,999		1,825,999	1,825,999						1,825,999
Normal Pension Benefit Contribution	07-495-034-5120-006	7/1/06-6/30/07	1,825,999		2,104,492							2,104,492
Post Retirement Medical Benefit Contribution	08-495-034-5120-002	7/1/07-6/30/08	118,461		118,461	118,461						118,461
Post Retirement Medical Benefit Contribution	07-495-034-5120-002	7/1/06-6/30/07	118,461									
Total General Fund				(1,095,397)	16,952,798	16,805,714	16,805,714	99,722		(954,236)	105,645	16,805,714
Special Revenue:												
New Jersey Nonpublic Aid:												
Textbook Aid	08-100-034-5120-064	7/1/07-6/30/08	13,917		13,917	13,917						13,917
Textbook Aid	06-100-034-5120-064	7/1/05-6/30/06	21,524	152					\$			
Textbook Aid	07-100-034-5120-064	7/1/06-6/30/07	17,692	1,027								
Nursing Services	08-100-034-5120-070	7/1/07-6/30/08	19,223	6,150	19,223	19,223						19,223
Nursing Services	07-100-034-5120-070	7/1/06-6/30/07	23,538		9,960							9,960
Technology Initiative	08-100-034-5120-373	7/1/07-6/30/08	9,960	9	9,960	9,960						9,960
Technology Initiative	07-100-034-5120-373	7/1/06-6/30/07	12,680									
Auxiliary Services:												
Compensatory Education	08-100-034-5120-067	7/1/07-6/30/08	81,717		81,717	81,717						81,717
Compensatory Education	07-100-034-5120-067	7/1/06-6/30/07	46,240	2,908								46,240
English as a Second Language	08-100-034-5120-067	7/1/07-6/30/08	18,372		18,372	18,372						18,372
English as a Second Language	07-100-034-5120-067	7/1/06-6/30/07	17,840	3,046								17,840
Transportation	08-100-034-5120-068	7/1/07-6/30/08	4,000		4,000	4,000						4,000
Transportation	07-100-034-5120-068	7/1/06-6/30/07	4,000									
Handicapped Services:												
Examination and Classification	08-100-034-5120-066	7/1/07-6/30/08	27,299		27,299	27,299						27,299
Examination and Classification	07-100-034-5120-066	7/1/06-6/30/07	40,295	20,020								40,295
Corrective Speech	08-100-034-5120-066	7/1/07-6/30/08	48,453		48,453	48,453						48,453
Corrective Speech	07-100-034-5120-066	7/1/06-6/30/07	32,824	6,231								32,824
Supplemental Instruction	08-100-034-5120-066	7/1/07-6/30/08	12,142		12,142	12,142						12,142
Supplemental Instruction	07-100-034-5120-066	7/1/06-6/30/07	27,175	18,385								27,175
Character Education, Carryover	05-495-034-5120-053	7/1/04-6/30/06	10,247	14								10,247
Distance Learning Network	08-100-034-5120-348	7/1/07-6/30/08	166,962		166,962	166,962						166,962
Distance Learning Network	07-100-034-5120-348	7/1/06-6/30/07	175,750	31								175,750
Instructional Supplement Aid	08-495-034-5120-005	7/1/07-6/30/08	118,467		118,467	118,467						118,467
Instructional Supplement Aid	07-495-034-5120-005	7/1/06-6/30/07	118,467		5,923							118,467
Instructional Supplement Aid	07-495-034-5120-029	7/1/06-6/30/07	118,467	99,717	(105,640)							118,467
Demographically Effective Program Aid	08-495-034-5120-002	7/1/07-6/30/08	87,512		87,512	87,512						87,512
Demographically Effective Program Aid	07-495-034-5120-002	7/1/06-6/30/07	92,118	(4,606)	4,606							92,118
Demographically Effective Program Aid	07-495-034-5120-002	7/1/06-6/30/07	92,118									
Total Special Revenue Fund				153,284	612,624	591,189	591,189	(99,722)	55,682	(13,594)	33,309	591,189

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

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2007	Carryover Amount	Cash Received	Budgetary Expenditures	Interfund Transfers	Refund Prior Years' Balances	Balance, June 30, 2008		GAAP Receivable	Memorandum Total Expenditures
										(Accounts Receivable)	Deferred Revenue		
State Department of Agriculture Food Service: National School Lunch Program (State Share)	08-100-010-3350-023 07-100-010-3350-023 08-100-010-3350-021 07-100-010-3350-021	7/1/07-6/30/08 7/1/06-6/30/07 7/1/07-6/30/08 7/1/06-6/30/07	\$ 17,351 17,717 1,111 1,045	(1,337) -	-	\$ 16,203 1,337 1,004 94	\$ 17,351 -	-	\$ (1,148) -	(1,148) -	(1,148) -	GAAP Receivable	\$ 17,351 -
School Breakfast Program													1,111
Total Food Service Fund				(1,431)	-	18,638	18,462	-	-	(1,255)	-	(1,255)	18,462
School Development Authority Educational Facilities Construction and Financing Act of 2000													
Capital Projects Fund:													
High School Roofing Project	SP0300-040-02-0317	N/A	162,400	(140,246)	-	-	-	-	-	-	(140,246)	-	(140,246)
Franklin School Roofing Project	SP0300-040-02-0038	N/A	29,600	(29,600)	-	-	-	-	-	-	(29,600)	-	(29,600)
Washington School Roofing Project	SP0300-080-02-0040	N/A	33,200	(30,735)	-	-	-	-	-	-	(30,735)	-	(30,735)
Lincoln School Roofing Project	SP0300-070-02-0039	N/A	21,200	(21,200)	-	-	-	-	-	-	(21,200)	-	(21,200)
Washington School Window Repl.	SP0300-080-02-1138	N/A	66,352	(37,762)	-	-	-	-	-	-	(37,762)	-	(37,762)
Lincoln School Window Repl.	SP0300-070-02-1136	N/A	195,832	(88,557)	-	-	-	-	-	-	(88,557)	-	(88,557)
Hoover School Window Repl.	SP0300-050-03-0149	N/A	63,700	(38,307)	-	-	-	-	-	-	(38,307)	-	(38,307)
Roy W. Brown Middle School Window Replacement	SP0300-075-02-1159	N/A	235,295	(2,429)	40,411	-	-	-	-	-	(2,429)	-	(2,429)
Jefferson Electrical Upgrades	SP0300-060-02-0903	N/A	78,988	(57,763)	-	-	-	-	-	-	(57,763)	-	(57,763)
Roy W. Brown Middle School Electrical Upgrades	SP0300-050-02-0904	N/A	202,102	(162,306)	-	-	-	-	-	-	(162,306)	-	(162,306)
High School Toilet Renovations	SP0300-020-02-1091	N/A	97,800	(62,004)	-	63,788	-	-	-	-	1,384	-	1,384
High School Auditorium Seating	SP0300-020-02-0901	N/A	52,429	(44,363)	-	46,996	-	-	-	-	2,433	-	2,433
Hoover Electrical Upgrades	SP0300-075-02-0902	N/A	52,558	(52,538)	-	32,679	-	-	-	-	(19,879)	-	(19,879)
High School Roof Replacement	SP0300-020-04-1000	N/A	150,800	(129,565)	-	-	-	-	-	-	(129,565)	-	(129,565)
Franklin Roof Replacement	SP0300-040-04-1000	N/A	27,820	(23,218)	-	27,421	-	-	-	-	3,903	-	3,903
Hoover Roof Replacement	SP0300-050-04-1000	N/A	78,000	(77,297)	-	-	-	-	-	-	(77,297)	-	(77,297)
Roy W. Brown Roof Replacement	SP0300-075-04-1000	N/A	23,400	(18,394)	-	-	-	-	-	-	(18,394)	-	(18,394)
Washington Roof Replacement	SP0300-080-04-1000	N/A	39,000	(33,212)	-	-	-	-	-	-	(33,212)	-	(33,212)
Total Capital Projects Fund			(1,050,616)	(2,429)	211,295	-	-	-	-	(839,221)	-	-	-
Total State Financial Assistance			(1,994,160)	(1,994,160)	-	17,795,355	17,415,365	-	55,082	(1,808,206)	105,645	(89,630)	17,415,365
State Financial Assistance Not Subject to Single Audit Determination General Fund													
On-Behalf TPAF Pension System Contributions	08-100-034-5095-50	7/1/07-6/30/08	1,825,999	-	-	(1,825,999)	(1,825,999)	-	-	-	-	-	(1,825,999)
On-Behalf TPAF Post-Retirement Medical Contribution	08-100-034-5095-50	7/1/07-6/30/08	2,104,492	-	-	(2,104,492)	(2,104,492)	-	-	-	-	-	(2,104,492)
Total State Financial Assistance Subject to Single Audit			\$ 13,864,864	\$ (1,994,160)	\$ -	\$ 13,864,864	\$ 13,484,874	\$ -	\$ 55,082	\$ (1,808,206)	\$ 105,645	\$ (89,630)	\$ 13,484,874

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

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Bergenfield Board of Education. The Board of Education is defined in Note 1(A) to the Board'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 Board'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 deferred 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 deferred state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment 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 \$149,558 for the general fund and \$2,586 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 16,955,272	\$ 16,955,272
Special Revenue Fund	\$ 1,404,619	593,292	1,997,911
Food Service Fund	<u>343,972</u>	<u>18,462</u>	<u>362,434</u>
Total Financial Assistance	<u>\$ 1,748,591</u>	<u>\$ 17,567,026</u>	<u>\$ 19,315,617</u>

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the 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 \$1,739,339 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, 2008. The amount reported as TPAF Pension System Contributions in the amount of \$1,825,999 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,104,492 represents the amount paid by the State on behalf of the District for the year ended June 30, 2008.

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 District's basic financial statements and the amount subject to State single audit and major program determination.

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over major programs:

(1) Material weakness(es) identified?

 X yes no

(2) Significant deficiencies identified that are not considered to be material weakness(es)?

 X yes 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?

 X yes no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>08-495-034-5120-011</u>	<u>Special Education Aid</u>
<u>08-495-034-5120-057</u>	<u>Consolidated Aid</u>
<u>08-495-034-5120-022</u>	<u>Core Curriculum Standards Aid</u>
<u>08-495-034-5120-008</u>	<u>Bilingual Education Aid</u>
<u>08-100-034-5120-058</u>	<u>Additional Formula Aid</u>
<u>08-495-034-5120-014</u>	<u>Transportation Aid</u>
<u>08-495-034-5095-002</u>	<u>TPAF Social Security Contributions</u>

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 404,546

Auditee qualified as low-risk auditee?

 yes X no

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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.

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR FEDERAL AWARDS

THERE ARE NONE.

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)

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*.

CURRENT YEAR STATE AWARDS

Finding 2008-1

Our audit revealed that numerous vendors were paid in excess of the bid threshold for which no public advertising for bids were sought or evidence of state contract existed.

State program information:

Special Education Aid	08-495-034-5120-011
Consolidated Aid	08-495-034-5120-057
Additional Formula Aid	08-495-034-5120-058
Core Curriculum Standards Aid	08-495-034-5120-022
Bilingual Education Aid	08-495-034-5120-008

Criteria or specific requirement:

State Grant Compliance Supplement – State Aid – Public
NJSA 18A:18A – Public School Contracts Law

Condition

Computers, printers, audiovisual equipment and food service equipment were purchased from vendors which exceeded the bid threshold of \$29,000 which were not publicly advertised for bids.

Questioned Costs:

None.

Context:

We noted seven vendors were paid in excess of \$29,000 each during the school year.

Effect:

Noncompliance with bidding requirements of the Public School Contracts Law.

Cause:

Unknown.

Recommendation:

The Board Attorney's opinion be obtained before a commitment is incurred for purchases in excess of the bid threshold to ensure they are made in accordance with the Public School Contracts Law.

Management's Response:

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)

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*.

CURRENT YEAR STATE AWARDS

Finding 2008-2

Our audit revealed that various building improvement contracts were awarded to a vendor which were in excess of the quote threshold and competitive quotations were not obtained.

State program information:

Special Education Aid	08-495-034-5120-011
Consolidated Aid	08-495-034-5120-057
Additional Formula Aid	08-495-034-5120-058
Core Curriculum Standards Aid	08-495-034-5120-022
Bilingual Education Aid	08-495-034-5120-008

Criteria or specific requirement:

State Grant Compliance Supplement – State Aid – Public
NJSA 18A:18A – Public School Contracts Law

Condition

Various contracts for building repairs were entered into which exceeded the quote threshold of \$4,350 which were awarded without obtaining at least two competitive quotations.

Questioned Costs:

None.

Context:

Approximately \$114,000 of various building improvement projects were awarded during the school year.

Effect:

Noncompliance with quotation requirements of the Public School Contracts Law.

Cause:

Unknown.

Recommendation:

The District obtain at least two competitive quotations prior to the awarding of contracts that exceed the quote threshold.

Management's Response:

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)

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*.

CURRENT YEAR STATE AWARDS

Finding 2008-3

Certain budgetary line accounts were overexpended at June 30, 2008.

State program information:

Special Education Aid	08-495-034-5120-011
Bilingual Aid	08-495-034-5120-008
Consolidated Aid	08-495-034-5120-057
Additional Formula Aid	08-495-034-5120-058
Core Curriculum Standards Aid	08-495-034-5120-022

Criteria or specific requirement:

NJ Department of Education – Grant Compliance Supplement
NJAC 6A:23-2.11 – “Budgetary Controls and Overexpenditure of Funds”

Condition

Expenditures incurred against certain budgetary line accounts were in excess of available budget appropriations at year end.

Questioned Costs:

Undeterminable.

Context:

Three (3) budgetary line accounts were overexpended \$44,206 in total at June 30, 2008.

Effect:

Expenditures were approved against budgetary line accounts which did not have sufficient funds available.

Cause:

Unknown.

Recommendation:

Budgetary transfers be requested and approved prior to incurring expenditures against line accounts with insufficient appropriation balances.

Management's Response:

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**BERGENFIELD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

This section identifies the status of prior-year findings related to the 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

Finding 2007-1

Condition:

Three (3) bank accounts maintained by the District were not reported in the District records nor were they reconciled by the Treasurer's and included in the monthly reports of the Board Secretary and Treasurer.

Current Status

Corrective action was taken.

Finding 2007-2

Condition

Certain Tri-Valley Autism Program costs were paid by another school district which netted these amounts against the tuition fee due to the District. The District recorded only the net amount received in tuition fees in its records.

Current Status

Corrective action was taken.

**BERGENFIELD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

This section identifies the status of prior-year findings related to the 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

Finding 2007-3

Condition

The District included in the Required Maintenance of School Facilities salary account the budgeted increase in the Maintenance Reserve Account contained in the 2006/07 approved budget.

Current Status

Corrective action was taken.

Finding 2007-4

Condition

Certain budgetary line accounts were overexpended at June 30, 2007.

Current Status

See Finding 2008-3.

Finding 2007-5

Condition

Our audit revealed purchases for document imaging services and door repair and maintenance services, were made in excess of the bid threshold during the year where public bids were not advertised for in accordance with N.J.S.A. 18A:18A.

Current Status

See Finding 2008-1.