

BERGENFIELD BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Bergenfield, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Bergenfield Board of Education

Bergenfield, New Jersey

For The Fiscal Year Ended June 30, 2011

Prepared by

Business Office

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INTRODUCTORY SECTION



Michael D. Kuchar, Ph.D.
Superintendent of Schools

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www.bergenfield.org

Joseph G. Amara, Ed.D.
President, Board of Education

December 1, 2011

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, 2011, 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.

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 2010-2011 fiscal year with an enrollment of 3,482 students, which is 62 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 2010 opening day K-12 enrollment was 3,419. This represents a decrease of 50 pupils as compared to the opening enrollment in September of 2009. 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 continued to make noteworthy advances in the delivery of educational programs, facility upgrades, and academic achievement through sound fiscal management and innovative financial planning. Significant accomplishments for 2010-2011 School Year include renovation of the Fine Arts Technology Classroom; replacement of outdated technology to increase student performance; completion of the Cybrary at Roy Brown Middle School; Tri Valley Academy for Autism continues to grow thus reducing out of district tuition cost and increasing revenue, Science Lab at Bergenfield HS was renovated during the 2009-2010 school year.

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,

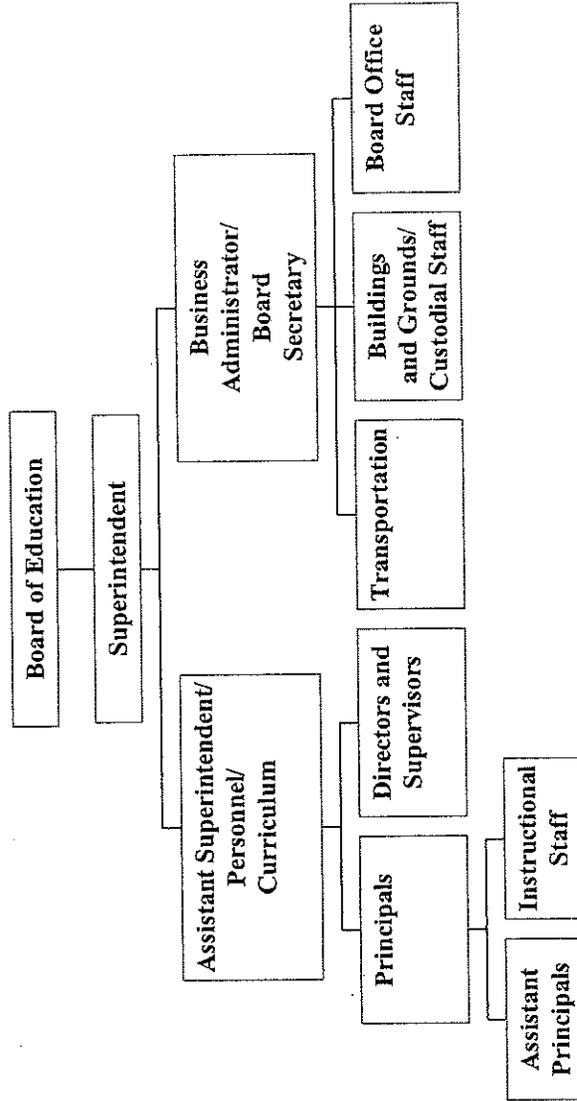


Michael D. Kuchar, Ph.D. Superintendent



Christopher M. Tully
Business Administrator/Board Secretary

BERGENFIELD BOARD OF EDUCATION Organization Chart



BERGENFIELD BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2011

Members of the Board of Education

Term
Expires

Joseph Amara, President

2013

Eileen Ryder, Vice President

2014

Ralph Messina

2012

Catherine Wada

2012

Mark D'Esposito

2013

Other Officials

Michael D. Kuchar, Ph.D., Superintendent

Christopher Tully, Business Administrator/Board Secretary

Sean Gately, Treasurer of School Monies

BERGENFIELD BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

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Audit Firm

Lerch, Vinci, & Higgins, LLP
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Attorneys

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Fair Lawn, NJ 07410

Official Depository

TD Bank
126 North Washington Avenue
Bergenfield, NJ 07621

FINANCIAL SECTION

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REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA
EDWARD N. KERE, CPA

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, 2011, 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 and Regulatory Compliance, 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 also 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 previously 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 1, 2011 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 as a whole. The 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. 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 also 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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
December 1, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

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, 2011. 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. Certain comparative information between the current year (2010-2011) and the prior year (2009-2010) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2010-2011 fiscal year include the following:

- The assets of the Bergenfield Board of Education exceeded its liabilities at the close of the fiscal year by \$17,045,841 (net assets).
- The District's overall net assets increased \$4,484,522 or 40%.
- Overall district revenues were \$64,087,888. General revenues accounted for \$52,148,802 or 81% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$11,939,086 or 19% of total revenues.
- The school district had \$58,335,985 in expenses for governmental activities; only \$10,646,639 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$52,148,802 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 \$9,054,989.
- The General Fund unassigned fund balance at June 30, 2011 was \$287,131 compared to the ending unassigned fund balance at June 30, 2010 of \$54,263.
- The General Fund unassigned budgetary fund balance at June 30, 2011 was \$2,441,262 which represents an increase of \$132,643 when compared to the ending balance at June 30, 2010 of \$2,308,619.

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

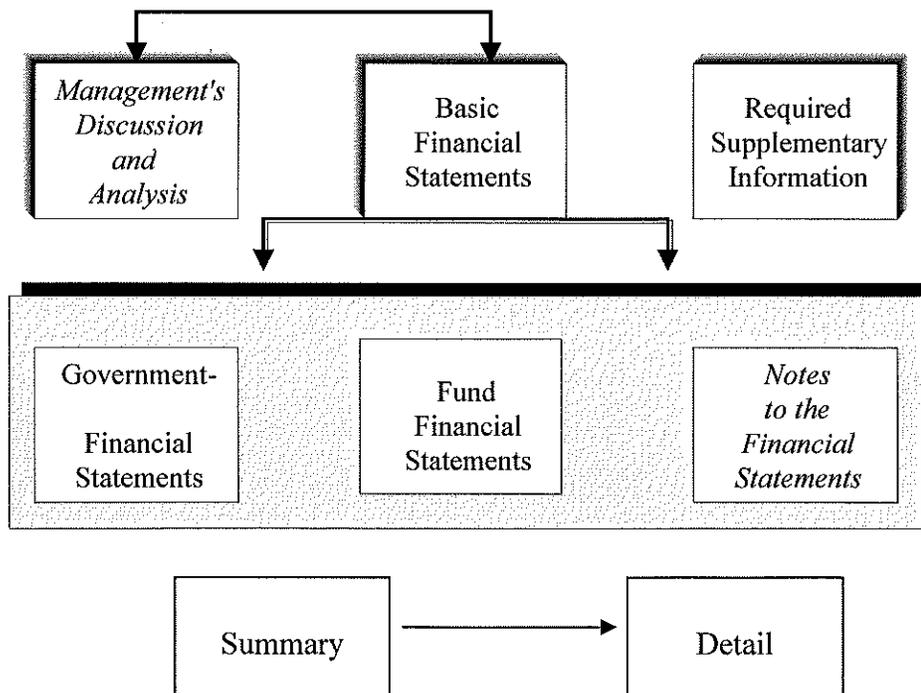
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

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.
 - *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, 2011**

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 deductions 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, 2011**

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, state and federal aid 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, 2011**

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 \$17,045,841 and \$15,335,334 as of June 30, 2011 and 2010, 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, 2011 and 2010**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current Assets	\$ 9,874,079	\$ 6,095,193	\$ 180,801	\$ 135,913	\$ 10,054,880	\$ 6,231,106
Capital Assets	<u>8,991,316</u>	<u>11,528,576</u>	<u>22,986</u>	<u>38,679</u>	<u>9,014,302</u>	<u>11,567,255</u>
Total Assets	<u>18,865,395</u>	<u>17,623,769</u>	<u>203,787</u>	<u>174,592</u>	<u>19,069,182</u>	<u>17,798,361</u>
Long-Term Liabilities	1,133,617	989,922			1,133,617	989,922
Other Liabilities	<u>819,090</u>	<u>1,420,109</u>	<u>70,634</u>	<u>52,996</u>	<u>889,724</u>	<u>1,473,105</u>
Total Liabilities	<u>1,952,707</u>	<u>2,410,031</u>	<u>70,634</u>	<u>52,996</u>	<u>2,023,341</u>	<u>2,463,027</u>
Net Assets:						
Invested in capital assets	8,991,316	11,528,576	22,986	38,679	9,014,302	11,567,255
Restricted	3,326,995	766,995			3,326,995	766,995
Unrestricted	<u>4,594,377</u>	<u>2,918,167</u>	<u>110,167</u>	<u>82,917</u>	<u>4,704,544</u>	<u>3,001,084</u>
Total Net Assets	<u>\$ 16,912,688</u>	<u>\$ 15,213,738</u>	<u>\$ 133,153</u>	<u>\$ 121,596</u>	<u>\$ 17,045,841</u>	<u>\$ 15,335,334</u>

The District's total net assets of \$17,045,841 at June 30, 2011 represents a \$4,484,522, or 29% increase from the prior year. The following presents the changes in net assets for the years ended June 30, 2011 and 2010.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

Changes in Net Assets

For the Fiscal Years Ended June 30, 2011 and 2010

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,329,687	\$ 1,598,324	\$ 785,598	\$ 833,330	\$ 2,115,285	\$ 2,431,654
Operating Grants and Contributions	9,273,979	11,506,298	506,849	508,455	9,780,828	12,014,753
Capital Grants and Contributions	42,973	320,379			42,973	320,379
General Revenues						
Property Taxes	44,883,849	43,182,460			44,883,849	43,182,460
State Aid - Unrestricted	6,730,799	5,719,958			6,730,799	5,719,958
Other	534,154	73,554	-	-	534,154	73,554
Total Revenues	<u>62,795,441</u>	<u>62,400,973</u>	<u>1,292,447</u>	<u>1,341,785</u>	<u>64,087,888</u>	<u>63,742,758</u>
Expenses						
Instruction						
Regular	23,530,605	22,727,317			23,530,605	22,727,317
Special Education	10,356,168	10,788,076			10,356,168	10,788,076
Other Instruction	2,058,207	1,931,633			2,058,207	1,931,633
School Sponsored Activities and Athletics	805,495	816,236			805,495	816,236
Community Services	1,911	15,335			1,911	15,335
Support Services						
Student and Instruction Related Services	7,561,603	7,683,983			7,561,603	7,683,983
General Administrative Services	1,613,183	1,796,415			1,613,183	1,796,415
School Administrative Services	3,598,663	4,180,216			3,598,663	4,180,216
Central Services	688,315	594,199			688,315	594,199
Plant Operations and Maintenance	6,023,494	5,806,560			6,023,494	5,806,560
Pupil Transportation	2,098,341	1,981,300			2,098,341	1,981,300
Interest on Long-Term Debt	-	63,706			-	63,706
Food Services			1,210,256	1,272,669	1,210,256	1,272,669
Summer Enrichment Program	-	-	57,125	59,834	57,125	59,834
Total Expenses	<u>58,335,985</u>	<u>58,384,976</u>	<u>1,267,381</u>	<u>1,332,503</u>	<u>59,603,366</u>	<u>59,717,479</u>
Change in Net Assets	4,459,456	4,015,997	25,066	9,282	4,484,522	4,025,279
Net Assets, Beginning of Year	15,213,738	11,197,741	121,596	112,314	15,335,334	11,310,055
Prior Period Adjustments	(2,760,506)	-	(13,509)	-	(2,774,015)	-
Net Assets, End of Year	<u>\$ 16,912,688</u>	<u>\$ 15,213,738</u>	<u>\$ 133,153</u>	<u>\$ 121,596</u>	<u>\$ 17,045,841</u>	<u>\$ 15,335,334</u>

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

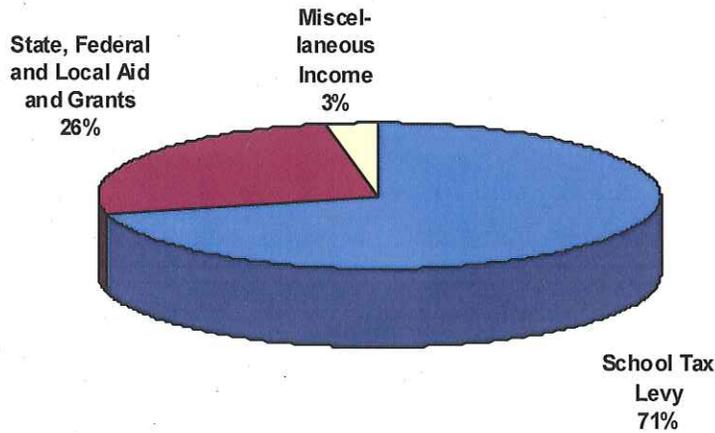
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$62,795,441 and \$62,400,973 for the years ended June 30, 2011 and 2010. Property taxes of \$44,883,849 and \$43,182,460 represented 71% and 69% of revenues for the years ended June 30, 2011 and 2010. Another significant portion of revenues came from State and Federal aid; total State, Federal and Local aid and grants of \$16,047,751 and \$17,546,635 represented 26% and 28% of revenues for the years ended June 30, 2011 and 2009. In addition, tuition and miscellaneous income is earned which includes items such as interest, prior year refunds and other miscellaneous items of revenues.

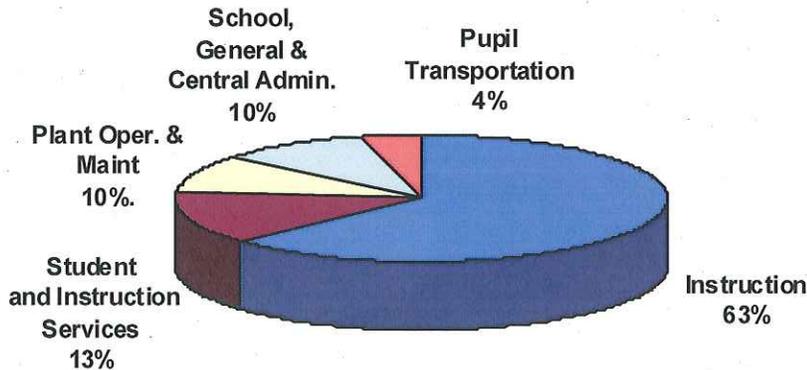
The total cost of all governmental activities programs and services were \$58,335,985 and \$58,384,976 for the years ended June 30, 2011 and 2010. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$36,752,386 (63%) and \$36,278,597 (62%) of total expenditures for the years ended June 30, 2011 and 2010. Support services, totaled \$21,583,599 (37%) and \$22,042,673 (38%) of total expenditures for the years ended June 30, 2011 and 2010.

Total governmental activities revenues exceeded expenses increasing net assets at June 30, 2011 and 2010 by \$4,459,456 and \$4,015,997 from the previous year.

Revenues by Source- Governmental Activities
For Fiscal Year 2011



Expenditures by Type- Governmental Activities
For Fiscal Year 2011



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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

Net Cost of Governmental Activities. The District's total cost of services were \$58,335,985 and \$58,384,976 for fiscal years 2011 and 2010. After applying program revenues, derived from charges for services of \$1,329,687 and \$1,598,324 and grants and contributions of \$9,316,952 and \$11,826,677, the net cost of services of the District is \$47,689,346 and \$44,959,975 for fiscal years 2011 and 2010.

Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Instruction				
Regular	\$ 23,530,605	\$ 22,727,317	\$ 20,693,764	\$ 18,500,123
Special Education	10,356,168	10,788,076	5,081,356	4,849,290
Other Instruction	2,058,207	1,931,633	1,409,411	1,405,665
School Sponsored Activities and Athletics	805,495	816,236	805,495	816,236
Community Services	1,911	15,335	1,911	15,335
Support Services				
Student and Instruction Related Svcs.	7,561,603	7,683,983	6,097,741	5,940,397
General Administrative Services	1,613,183	1,796,415	1,613,183	1,796,415
School Administrative Services	3,598,663	4,180,216	3,308,010	3,864,110
Central Services	688,315	594,199	688,315	594,199
Plant Operations and Maintenance	6,023,494	5,806,560	5,981,878	5,482,707
Pupil Transportation	2,098,341	1,981,300	2,008,282	1,631,792
Interest on Long-Term Debt	-	63,706	-	63,706
Total	<u>\$ 58,335,985</u>	<u>\$ 58,384,976</u>	<u>\$ 47,689,346</u>	<u>\$ 44,959,975</u>

Business-Type Activities – The District's total business-type activities revenues were \$1,292,447 and \$1,341,785 for the years ended June 30, 2011 and 2010. Charges for services accounted for \$785,598 (61%) and \$833,330 (62%) of total revenues for fiscal years 2011 and 2010. Operating grants and contributions accounted for \$506,849 (39%) and \$508,455 (38%) of total revenue for fiscal years 2011 and 2010.

The total cost of all business-type activities programs and services were \$1,267,381 and \$1,332,503 for the years ended June 30, 2011 and 2010. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District of \$1,210,256 (95%) and \$1,272,669 (95%) and the Summer Enrichment Programs offer to all students of \$57,125 (5%) and \$59,834 (4%) for fiscal years 2011 and 2010, respectively.

Total business-type activities revenues exceeded expenses, increasing net assets by \$25,066 and \$9,282 at June 30, 2011 and 2010 from 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, 2011**

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 \$9,054,989, an increase of \$4,379,905 when compared to the previous years combined fund balance of \$4,675,084.

Revenues for the District's governmental funds for fiscal years 2011 and 2010 were \$62,795,441 and \$62,365,400, while total expenses were \$58,415,536 and \$61,887,148, respectively.

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 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, 2011 and 2010.

	<u>Year Ended</u> <u>June 30, 2011</u>	<u>Year Ended</u> <u>June 30, 2010</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Local Sources:				
Property Tax Levy	\$ 44,883,849	\$ 43,182,460	\$ 1,701,389	4%
Tuition and Fees	1,329,687	1,598,324	(268,637)	-17%
Miscellaneous	534,154	73,546	460,608	626%
State Sources	13,674,047	13,437,129	236,918	2%
Federal Sources	20,888	1,535,469	(1,514,581)	-99%
Total General Fund Revenues	<u>\$ 60,442,625</u>	<u>\$ 59,826,928</u>	<u>\$ 615,697</u>	1.0%

Total General Fund Revenues increased by \$615,697 or 1% from the previous year. Local property taxes increased by \$1,701,389 or 4% over the previous year primarily to offset decreases in Federal aid. State aid revenues increased \$236,918 or 2%, and federal revenues decreased \$1,514,581 or 99%, predominantly attributable to a reduction of aid for American Recovery and Reinvestment Act (ARRA) as the funding was discontinued for the current year.

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2011 and 2010.

	<u>Year Ended</u> <u>June 30, 2011</u>	<u>Year Ended</u> <u>June 30, 2010</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Instruction	\$ 35,388,390	\$ 35,313,051	\$ 75,339	(2)%
Support Services	19,790,044	19,991,793	(201,749)	3%
Debt Service		1,303,208	(1,303,208)	-100%
Capital Outlay	884,286	2,304,222	(1,419,936)	-62%
Total Expenditures	<u>\$ 56,062,720</u>	<u>\$ 58,912,274</u>	<u>\$ (2,849,554)</u>	-5%

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

General Fund (Continued)

Total General Fund expenditures decreased \$2,849,554 or 5% from the previous year. This decrease can be attributable to a decrease in Debt Service expenditures due to the early extinguishment of all outstanding capital leases during the previous year. In addition another notable decrease occurred in Capital Outlay expenditures mainly due to reduced activity in construction services for the current year.

For fiscal year 2011 General Fund revenues exceeded expenditures by \$4,379,905. As a result, total fund balance increased to \$8,983,592 at June 30, 2011 compared to \$4,603,687 at June 30, 2010.

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

Revenues of the Special Revenue Fund were \$2,352,816, for the year ended June 30, 2011. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented \$2,037,555 or 87% of the total revenue for the year. State and local sources accounted for \$266,713 or 11% and \$48,548 or 2%, respectively, of the total revenue for the year.

Total Special Revenue Fund revenues decreased \$185,698 or 7% from the previous year. State sources increased \$92,716 or 53%, local sources decreased \$26,977 or 36%, and Federal sources decreased \$251,437 or 11% due to the elimination of aid received under ARRA.

Expenditures of the Special Revenue Fund were \$2,352,816. Instructional expenditures were \$1,116,698 or 47% and expenditures for the support services were \$1,193,145 or 51% for the year ended June 30, 2011. The remaining expenditures were for capital outlay.

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 budgetary basis of accounting. The most significant budgetary fund is the General Fund.

For the fiscal year ended June 30, 2011 General Fund budgetary basis revenues were greater than expenditures by \$4,279,680. Therefore, total fund balance increased to \$11,137,723 at June 30, 2011 from \$6,858,043 at June 30, 2010. After deducting restricted, committed and assigned fund balances, the unassigned budgetary fund balance increased from \$2,308,619 at June 30, 2010 to \$2,441,262 at June 30, 2011. Consequently, the District reserved excess surplus resulting from the current year budgetary operations was \$584,453 compared to \$174,720 in the previous year. In addition, restricted fund balances for capital reserve and maintenance reserve increased by \$1,710,000 and \$400,000, respectively, at year end.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2011 amounts to \$9,014,302 (net of accumulated depreciation). The capital assets consist of land, land improvements, buildings, building improvements, construction in progress, computers, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2010-11 amounted to \$704,013 for governmental activities and \$2,184 for business-type activities.

**Capital Assets at June 30, 2011 and 2010
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 1,780,323	\$ 1,780,323			\$ 1,780,323	\$ 1,780,323
Buildings	4,793,313	6,403,819			4,793,313	6,403,819
Land Improvements	947,048	582,610			947,048	582,610
Machinery and Equipment	<u>1,470,632</u>	<u>2,761,824</u>	\$ 22,986	\$ 38,679	<u>1,493,618</u>	<u>2,800,503</u>
Total Capital Assets, Net	\$ 8,991,316	\$ 11,528,576	\$ 22,986	\$ 38,679	\$ 9,014,302	\$ 11,567,255

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 \$1,133,617 of compensated absences payable compared to \$989,922 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.

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 2011-2012 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 2011-2012. Budgeted expenditures in the General Fund decreased 1.7 percent to \$56,611,070 in fiscal year 2011-2012. As a result, the 2011-2012 school property tax levy remained unchanged from the previous school year at \$44,883,849.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

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, 2011

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 8,296,869	\$ 136,104	\$ 8,432,973
Receivables, Net	1,559,340	26,053	1,585,393
Internal Balances	(12,180)	12,180	-
Inventory		6,464	6,464
Restricted Assets: Held with Fiscal Agent			
Cash Equivalents	30,050		30,050
Capital Assets, Not Being Depreciated	1,780,323		1,780,323
Capital Assets, Being Depreciated, Net	<u>7,210,993</u>	<u>22,986</u>	<u>7,233,979</u>
Total Assets	<u>18,865,395</u>	<u>203,787</u>	<u>19,069,182</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	198,560		198,560
Payable to Other Governments	79,806		79,806
Unearned Revenue	540,724	70,634	611,358
Noncurrent Liabilities			
Due within one year	47,185		47,185
Due beyond one year	<u>1,086,432</u>	<u>-</u>	<u>1,086,432</u>
Total Liabilities	<u>1,952,707</u>	<u>70,634</u>	<u>2,023,341</u>
NET ASSETS			
Invested in Capital Assets	8,991,316	22,986	9,014,302
Restricted for:			
Debt Service	30,718		30,718
Capital Projects	1,750,679		1,750,679
Other Purposes	1,545,598		1,545,598
Unrestricted	<u>4,594,377</u>	<u>110,167</u>	<u>4,704,544</u>
Total Net Assets	<u>\$ 16,912,688</u>	<u>\$ 133,153</u>	<u>\$ 17,045,841</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, 2011**

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	\$ 23,530,605	\$ 100,229	\$ 2,727,870	\$ 8,742	\$ (20,693,764)	\$	\$ (20,693,764)
Special Education	10,356,168	1,184,456	4,057,251	33,105	(5,081,356)		(5,081,356)
Other Instruction	2,058,207		647,670	1,126	(1,409,411)		(1,409,411)
School Sponsored Activities and Athletics	805,495				(805,495)		(805,495)
Community Services	1,911				(1,911)		(1,911)
Support Services:							
Student & Instruction Related Services	7,561,603		1,463,862		(6,097,741)		(6,097,741)
General Administrative Services	1,613,183				(1,613,183)		(1,613,183)
School Administrative Services	3,598,663		290,653		(3,308,010)		(3,308,010)
Central Services	688,315				(688,315)		(688,315)
Plant Operations and Maintenance	6,023,494	45,002	41,616		(5,981,878)		(5,981,878)
Pupil Transportation	2,098,341		45,057	\$ -	(2,008,282)		(2,008,282)
Total Governmental Activities	58,335,985	1,329,687	9,273,979	42,973	(47,689,346)	-	(47,689,346)
Business-Type Activities:							
Food Service	1,210,256	724,441	506,849			\$ 21,034	21,034
Summer Enrichment Program	57,125	61,157	-			4,032	4,032
Total Business-Type Activities	1,267,381	785,598	506,849			25,066	25,066
Total Primary Government	\$ 59,603,366	\$ 2,115,285	\$ 9,780,828	\$ 42,973	(47,689,346)	25,066	(47,664,280)

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

(Continued)

**BERGENFIELD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, levied for general purposes, net	\$ 44,883,849	\$ 44,883,849	\$ 44,883,849
State and Federal Aid - Unrestricted	6,730,799		6,730,799
Miscellaneous Income	534,154	-	534,154
Total General Revenues	52,148,802	-	52,148,802
Change in Net Assets	4,459,456	\$ 25,066	4,484,522
Net Assets, Beginning of Year	15,213,738	121,596	15,335,334
Prior Period Adjustments-Capital Assets	(2,760,506)	(13,509)	(2,774,015)
Net Assets, End of Year	\$ 16,912,688	\$ 133,153	\$ 17,045,841

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

FUND FINANCIAL STATEMENTS

**BERGENFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2011**

	<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	\$ 8,266,151			\$ 30,718	\$ 8,296,869
Receivables From Other Governments	89,083	\$ 1,148,302	\$ 162,302		1,399,687
Other Accounts Receivable	71,109				71,109
Due from Other Funds	759,725				759,725
Restricted Assets:					
Cash Equivalents with Fiscal Agent	-	-	30,050	-	30,050
Total Assets	<u>\$ 9,186,068</u>	<u>\$ 1,148,302</u>	<u>\$ 192,352</u>	<u>\$ 30,718</u>	<u>\$ 10,557,440</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 24,700	\$ 123,062			\$ 147,762
Accrued Salaries and Wages	3,824				3,824
Compensated Absence	46,974				46,974
Due to Other Funds	39,871	491,817	\$ 151,673		683,361
Payable to State Government		34,423			34,423
Payable to Federal Government		6			6
Payable to Local Government	45,377				45,377
Deferred Revenue	41,730	498,994	-	-	540,724
Total Liabilities	<u>202,476</u>	<u>1,148,302</u>	<u>151,673</u>	<u>-</u>	<u>1,502,451</u>
Fund Balances:					
Restricted					
Capital Reserve	1,710,000				1,710,000
Adult Education Programs	104,078				104,078
Maintenance Reserve	541,520				541,520
Tuition Adjustments	450,000				450,000
Tuition Adjustments - Designated for Subsequent Year's Expenditures	450,000				450,000
Reserved Excess Surplus	584,453				584,453
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	174,720				174,720
Capital Projects			40,679		40,679
Debt Service				\$ 30,718	30,718
Committed					
Year End Encumbrances	2,577,784				2,577,784
Assigned					
Year End Encumbrances	1,696,870				1,696,870
Designated for Subsequent Year's Expenditures	407,036				407,036
Unassigned					
General Fund	287,131	-	-	\$ -	287,131
Total Fund Balances	<u>8,983,592</u>	<u>-</u>	<u>40,679</u>	<u>30,718</u>	<u>9,054,989</u>
Total Liabilities and Fund Balances	<u>\$ 9,186,068</u>	<u>\$ 1,148,302</u>	<u>\$ 192,352</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 \$25,879,051 and the accumulated depreciation is \$16,887,735. 8,991,316

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

Compensated Absences 1,133,617

Net assets of governmental activities \$ 16,912,688

BERGENFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<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	\$ 44,883,849				\$ 44,883,849
Tuition	1,284,685				1,284,685
Transportation Fees	45,002				45,002
Miscellaneous	534,154	\$ 48,548	-	-	582,702
Total - Local Sources	46,747,690	48,548	-	-	46,796,238
State Sources	13,674,047	266,713			13,940,760
Federal Sources	20,888	2,037,555	-	-	2,058,443
Total Revenues	60,442,625	2,352,816	-	-	62,795,441
EXPENDITURES					
Current					
Instruction					
Regular	22,924,685	386,183			23,310,868
Special Education	10,073,411	262,213			10,335,624
Other Instruction	1,584,816	468,302			2,053,118
School Sponsored Activities and Athletics	803,567				803,567
Community Services	1,911				1,911
Support Services					
Student & Instruction Related Services	6,350,355	1,193,145			7,543,500
General Administrative Services	1,565,958				1,565,958
School Administrative Services	3,587,875				3,587,875
Central Services	686,324				686,324
Plant Operations and Maintenance	5,601,163				5,601,163
Pupil Transportation	1,998,369				1,998,369
Capital Outlay	884,286	42,973	-	-	927,259
Total Expenditures	56,062,720	2,352,816	-	-	58,415,536
Net Change in Fund Balances	4,379,905	-	-	-	4,379,905
Fund Balance, Beginning of Year	4,603,687	-	\$ 40,679	\$ 30,718	4,675,084
Fund Balance, End of Year	\$ 8,983,592	\$ -	\$ 40,679	\$ 30,718	\$ 9,054,989

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, 2011**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 4,379,905

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	\$	927,259	
Depreciation expense		<u>(704,013)</u>	
			223,246

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 (+).

Increase in Compensated Absences		<u>(143,695)</u>	
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Change in net assets of governmental activities (Exhibit A-2)		<u><u>\$ 4,459,456</u></u>	
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**BERGENFIELD BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET ASSETS
 AS OF JUNE 30, 2011**

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>Summer Enrichment Program</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 27,841	\$ 108,263	\$ 136,104
Intergovernmental Receivable			
State	1,403		1,403
Federal	24,650		24,650
Due from Other Funds		39,871	39,871
Inventories	6,464	-	6,464
 Total Current Assets	 <u>60,358</u>	 <u>148,134</u>	 <u>208,492</u>
Capital Assets			
Equipment	200,736		200,736
Accumulated Depreciation	(177,750)	-	(177,750)
 Total Capital Assets, Net	 <u>22,986</u>	 <u>-</u>	 <u>22,986</u>
 Total Assets	 <u>\$ 83,344</u>	 <u>\$ 148,134</u>	 <u>\$ 231,478</u>
LIABILITIES			
Current Liabilities			
Due to Other Funds	\$ 27,691		\$ 27,691
Unearned Revenue	1,979	\$ 68,655	70,634
 Total Current Liabilities	 <u>29,670</u>	 <u>68,655</u>	 <u>98,325</u>
NET ASSETS			
Invested in Capital Assets	22,986		22,986
Unrestricted	30,688	79,479	110,167
 Total Net Assets	 <u>\$ 53,674</u>	 <u>\$ 79,479</u>	 <u>\$ 133,153</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, 2011**

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>Summer Enrichment Program</u>	<u>Total</u>
OPERATING REVENUES			
Local Sources			
Daily Sales-Reimbursable Programs			
School Lunch Program	\$ 370,839		\$ 370,839
School Breakfast Program	5,236		5,236
Special Milk Program	58,650		58,650
Daily Sales Non-Reimbursable Programs	289,716		289,716
Program Fees	-	\$ 61,157	61,157
Total Operating Revenues	<u>724,441</u>	<u>61,157</u>	<u>785,598</u>
OPERATING EXPENSES			
Salaries and Benefits	466,134	50,650	516,784
Cost of Sales	502,872		502,872
Repairs & Maintenance	18,449		18,449
Supplies and Materials	35,190	6,475	41,665
Management and Administration Fees	124,872		124,872
Miscellaneous Expense	60,555		60,555
Depreciation	2,184	-	2,184
Total Operating Expenses	<u>1,210,256</u>	<u>57,125</u>	<u>1,267,381</u>
Operating Income (Loss)	<u>(485,815)</u>	<u>4,032</u>	<u>(481,783)</u>
Nonoperating Revenues			
State Sources			
State School Lunch Program	13,484		13,484
Federal Sources			
School Breakfast Program	29,811		29,811
National School Lunch Program	462,619		462,619
Special Milk Program	935	-	935
Total Nonoperating Revenues	<u>506,849</u>	<u>-</u>	<u>506,849</u>
Changes in Net Assets	21,034	4,032	25,066
Total Net Assets, Beginning of Year	46,149	75,447	121,596
Prior Period Adjustment - Capital Assets	<u>(13,509)</u>	<u>-</u>	<u>(13,509)</u>
Total Net Assets, End of Year	<u>\$ 53,674</u>	<u>\$ 79,479</u>	<u>\$ 133,153</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, 2011**

	Business-Type Activities		
	Enterprise Funds		
	Food	Summer	
	Service	Enrichment	Total
		Program	
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 724,441	\$ 78,332	\$ 802,773
Cash Payments for Employees			
Salaries & Benefits	(466,134)	(50,650)	(516,784)
Cash Payments to Suppliers for Goods and Services	(686,878)	(6,475)	(693,353)
Net Cash Provided by (Used for) Operating Activities	(428,571)	21,207	(407,364)
Cash Flows from Noncapital Financing Activities			
Cash Payments from Other Funds		30,000	30,000
Cash Received from State and Federal Subsidy Reimbursements	456,412	-	456,412
Net Cash Provided by Noncapital Financing Activities	456,412	30,000	486,412
Net Increase in Cash and Cash Equivalents	27,841	51,207	79,048
Cash and Cash Equivalents, Beginning of Year	-	57,056	57,056
Cash and Cash Equivalents, End of Year	<u>\$ 27,841</u>	<u>\$ 108,263</u>	<u>\$ 136,104</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ (485,815)	\$ 4,032	\$ (481,783)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	2,184		2,184
Non-Cash Federal Assistance-Food Distribution Program	55,978		55,978
Change in Assets and Liabilities			
(Increase)/Decrease in Inventory	(1,381)		(1,381)
Increase/(Decrease) in Unearned Revenue	463	17,175	17,638
Total Adjustments	57,244	17,175	74,419
Net Cash Provided by/(Used For) Operating Activities	<u>\$ (428,571)</u>	<u>\$ 21,207</u>	<u>\$ (407,364)</u>
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 56,441		\$ 56,441

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, 2011**

	Unemployment Compensation <u>Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 2,470	\$ 375,942
Due from Other Funds	<u>62,588</u>	<u>-</u>
Total Assets	<u>\$ 65,058</u>	<u>\$ 375,942</u>
LIABILITIES		
Due to Student Groups		89,835
Intergovernmental Accounts Payable	8,217	
Payroll Deductions and Withholdings		136,259
Due to Other Funds	<u>1,284</u>	<u>149,848</u>
Total Liabilities	<u>9,501</u>	<u>\$ 375,942</u>
NET ASSETS		
Held in Trust for Unemployment Claims	<u>\$ 55,557</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, 2011**

	Unemployment Compensation <u>Trust Fund</u>
ADDITIONS	
Contributions	
District	\$ 195,299
Employee	<u>49,726</u>
Total Contributions	<u>245,025</u>
DEDUCTIONS	
Unemployment Claims	<u>253,347</u>
Total Deductions	<u>253,347</u>
Change in Net Assets	(8,322)
Net Assets, Beginning of year	<u>63,879</u>
Net Assets, End of Year	<u>\$ 55,557</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, 2011**

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. Basic Financial Statements

The basic financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements. Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities.

The district-wide financial statements 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 property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)

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.

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 to be accounted for in another fund.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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 and activities for students during the summer recess.

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 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 private-sector 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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

D. Assets, Liabilities and Net Assets or Equity

1. *Deposits and Investments*

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

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

2. *Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the 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 2009-2010 and 2010-2011 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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

4. Restricted Assets

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and/or their use is limited by capital lease-purchase agreements for specific capital projects financed under the agreement.

5. Capital Assets

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

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

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. *Capital Assets (Continued)*

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

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

6. *Compensated Absences*

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

7. *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.

8. *Fund Equity*

Beginning with fiscal year 2011, the District implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Fund Equity (Continued)

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2C.)

Adult Education Programs – This restriction was created in accordance with NJSA 18A:50-6 to represent the accumulated surplus from excess program fees and sources other than property taxes over the operating costs of the District's Adult Education Program.

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

Tuition Adjustments – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments and is required to be liquidated in the second year following the contract year with any remaining balance related to that contract year to be reserved and budgeted for property tax relief.

Tuition Adjustment – Designated for Subsequent Year's Expenditures – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2009/2010 contract year that is appropriated in the 2011/2012 original budget certified for taxes.

Reserved Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2011 audited excess surplus that is required to be appropriated in the 2012/2013 original budget certified for taxes.

Reserved Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2010 audited excess surplus that was appropriated in the 2011/2012 original budget certified for taxes.

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

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

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

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

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Fund Equity (Continued)*

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

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2011/2012 District budget certified for taxes.

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

9. *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 notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent 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 2010/2011. During 2010/2011 the Board increased the original budget by \$4,671,619. The increase was funded by additional revenue appropriated, grant awards and the reappropriation of prior year general fund encumbrances.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

B. 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			
Unallocated Benefits			
Unemployment Compensation	\$41,423	\$195,299	\$(153,876)

The above variances were offset with other available resources.

C. Transfers to Capital Outlay

During the 2010/2011 school year, the district transferred \$2,064,018 to the capital outlay facility acquisition and construction services accounts. The transfer was made from available appropriation balances in current expense budget line accounts. The transfer was approved by the County Superintendent to support emergent circumstances pursuant to N.J.A.C. 6A:23A-13.3(h).

D. Capital Reserve

A capital reserve account was established by the District on June 20, 2011. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2011 is as follows:

Increased by:	
Deposits Approved by Board Resolution	<u>\$ 1,710,000</u>
Balance, June 30, 2011	<u>\$ 1,710,000</u>

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2011 is \$759,173. Of this amount, \$174,720 was designated and appropriated in the 2011/2012 original budget certified for taxes and the remaining amount of \$584,453 will be appropriated in the 2012/2013 original budget certified for taxes.

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 (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2011, the book value of the Board's deposits was \$8,811,385 and bank balances of the Board's cash and deposits amounted to \$11,175,503. 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>\$ 11,175,503</u>

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2011 none of the Board’s bank balance were exposed to custodial credit risk.

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, 2011, the Board had the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
Invesco AIM Government Agency Management Fund	\$ <u>30,050</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial risk. As of June 30, 2011, \$30,050 of the Board’s investments was exposed to custodial credit risk as follows:

<u>Uninsured and Collateralized:</u>	<u>Fair Value</u>
Collateral held by pledging financing institutions' trust department or agent but not in the Board's name	\$ <u>30,050</u>

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Investments (Continued)

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer.

The fair value of the above-listed investment was based on quoted market prices provided by the Trustee.

B. Receivables

Receivables as of June 30, 2011 for the district’s individual major 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	\$ 89,083	\$ 1,148,302	\$ 162,302	\$ 26,053	\$ 1,425,740
Accounts	<u>71,109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,109</u>
Gross Receivables	160,192	1,148,302	162,302	26,053	1,496,849
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 160,192</u>	<u>\$ 1,148,302</u>	<u>\$ 162,302</u>	<u>\$ 26,053</u>	<u>\$ 1,496,849</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 Tuition Charges	\$41,730
Special Revenue Fund	
Unencumbered grant draw downs	265,899
Grant drawdowns reserved for encumbrances	<u>233,095</u>
Total deferred revenue for governmental funds	<u>\$540,724</u>

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance, July 1, 2010	Prior Period Adjustment	Increases	Decreases	Balance, June 30, 2011
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>-</u>	<u>1,780,323</u>
Capital Assets, Being Depreciated:					
Buildings	15,157,188	\$ (1,867,099)	\$ 780,480		14,070,569
Land Improvements	1,749,077	483,449			2,232,526
Machinery and Equipment	8,733,881	(1,085,027)	146,779	-	7,795,633
Total Capital Assets Being Depreciated	<u>25,640,146</u>	<u>(2,468,677)</u>	<u>927,259</u>	<u>-</u>	<u>24,098,728</u>
Less Accumulated Depreciation for:					
Buildings	(8,753,369)	(190,568)	(333,319)		(9,277,256)
Land Improvements	(1,166,467)	(57,061)	(61,950)		(1,285,478)
Machinery and Equipment	(5,972,057)	(44,200)	(308,744)	-	(6,325,001)
Total Accumulated Depreciation	<u>(15,891,893)</u>	<u>(291,829)</u>	<u>(704,013)</u>	<u>-</u>	<u>(16,887,735)</u>
Total Capital Assets, Being Depreciated, Net	<u>9,748,253</u>	<u>(2,760,506)</u>	<u>223,246</u>	<u>-</u>	<u>7,210,993</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,528,576</u>	<u>\$ (2,760,506)</u>	<u>\$ 223,246</u>	<u>\$ -</u>	<u>\$ 8,991,316</u>
Business-Type Activities:					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 246,699	\$ (45,963)	-	-	\$ 200,736
Total Capital Assets Being Depreciated	<u>246,699</u>	<u>(45,963)</u>	<u>-</u>	<u>-</u>	<u>200,736</u>
Less Accumulated Depreciation for:					
Machinery and Equipment	(208,020)	32,454	\$ (2,184)	-	(177,750)
Total Accumulated Depreciation	<u>(208,020)</u>	<u>32,454</u>	<u>(2,184)</u>	<u>-</u>	<u>(177,750)</u>
Total Capital Assets, Being Depreciated, Net	<u>38,679</u>	<u>(13,509)</u>	<u>(2,184)</u>	<u>-</u>	<u>22,986</u>
Business-Type Activities Capital Assets, Net	<u>\$ 38,679</u>	<u>\$ (13,509)</u>	<u>\$ (2,184)</u>	<u>\$ -</u>	<u>\$ 22,986</u>

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 153,266
Total Instruction	<u>153,266</u>
Support Services	
General Administration	43,803
Operations and Maintenance of Plant	411,876
Student Transportation	<u>95,068</u>
Total Support Services	<u>550,747</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 704,013</u>

Business-Type Activities:

Food Service Fund	<u>\$ 2,184</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 2,184</u>

Construction Commitments

The District has the following active construction projects as of June 30, 2011:

<u>Project</u>	<u>Remaining Commitment</u>
Solar Panels Project	\$ 42,247
Fine Arts Tech Room Alterations at the High School	119,130
Roof Replacement at Ray Brown Middle School	89,200
Science Lab Renovations at High School	218,451
Toilet Room Upgrades at High School	299,000
Toilet Room Upgrades at Lincoln School	149,000
Toilet Room Upgrades at Jefferson School	84,833
Upgrades to Various Schools	530,000
High School Window Replacements	260,000
Locker Room Improvements	100,116
Refurbish Cupola at Jefferson School	38,900
Various Improvements to Buildings and Grounds	<u>145,881</u>
	<u>\$ 2,076,758</u>

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 491,817
General Fund	Capital Project Fund	151,673
General Fund	Food Service Fund	27,691
General Fund	Unemployment Compensation Trust Fund	1,284
General Fund	Payroll Agency Fund	87,260
Summer Enrichment Fund	General Fund	39,871
Unemployment Compensation Trust Fund	Payroll Agency Fund	<u>62,588</u>
 Total		 <u>\$ 862,184</u>

The above balances are the result of receipts deposited in one fund which are due to another fund, expenditures paid by one fund on behalf of another fund and to cover cash balances which were in an overdraft position.

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

E. Long-Term Debt

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2011 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 122,448,615
Less: Net Debt	<u>-</u>
 Remaining Borrowing Power	 <u>\$ 122,448,615</u>

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Debt (Continued)

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2011, was as follows:

	<u>Balance, July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2011</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 989,922	\$ 190,669	\$ 46,974	\$ 1,133,617	\$ 47,185
Governmental activity					
Long-term liabilities	<u>\$ 989,922</u>	<u>\$ 190,669</u>	<u>\$ 46,974</u>	<u>\$ 1,133,617</u>	<u>\$ 47,185</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the insurance fund 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.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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>
2011	\$ 195,299	\$ 49,726	\$ 253,347	\$ 55,557
2010	40,000	87,753	94,434	63,879
2009		48,753	49,045	29,560

B. Contingent Liabilities

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

Pending Litigation

Freehold Regional High School District Board of Education v. Bergenfield Board of Education, bearing Docket No. EDUOT 4590-2007S, Agency Reference No. 143-6/07, pending in the Office of Administrative Law.

This matter involves a claim made by the Freehold Regional High School District Board of Education (hereinafter referred to as "Freehold") against the Board for tuition. Specifically, Freehold claims that the Board is responsible for one-half (1/2) of the tuition costs for two (2) disabled children currently residing at and attending a private school for the disabled in Cherry Hill, New Jersey. Freehold's claim is premised upon the fact that the children's parents currently maintain separate domiciles, one of which is in Bergenfield. As such, Freehold argues that, pursuant to two (2) previous cases (both of which, in the Board attorney's opinion, are non-precedential and/or represent an incorrect interpretation of the law), Bergenfield is responsible for half the tuition. An initial decision was issued by an administrative law judge on November 17, 2011, granting the Board's cross motion for summary decision and imposing the full cost of education for these two (2) students on Freehold. The administrative law judge's decision is a recommended decision which may be adopted, modified or rejected by the Commissioner of Education within forty-five (45) days of this decision.

In the Board Attorney's opinion the Board has a substantial likelihood of success in prevailing before the Commissioner of Education. It appears unavoidable, however, considering the amount of tuition in dispute that the Commissioner of Education's decision will be appealed to the Superior Court Appellate Division. If the Board is not successful, however, the amount or range of potential loss would be equal to half the amount of tuition paid by Freehold, less the amount of any extraordinary aid received from the State. While the Board was not put on notice of the potential claim until on or about October 25, 2006, Freehold is seeking to recover tuition for the 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009 and 2009-2010 school years, totaling more than \$1,050,000, depending upon the amount of extraordinary aid received by Freehold. The Board attorney has estimated the range of potential loss, including attorney fees to exhaust all appeals, to be \$1,400,000. Based on the Board Attorney's estimate, the District has encumbered \$1,400,000 at June 30, 2011 for this potential loss.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities (Continued)

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, 2011, 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. 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.

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

Other Pension Funds (Continued)

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

Basis of Accounting

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

Investment Valuation

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Significant Legislation

P.L. 2010, c. 1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement system.

This new legislation changed the membership eligibility criteria for new members of TPAF and PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of TPAF and PERS to 1/60 from 1/55, and it provided that new members of TPAF and PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of TPAF and PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the prosecutor's part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in Fiscal Year 2012.

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 66.0 percent with an unfunded actuarial accrued liability of \$45.8 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 62.0 percent and \$30.7 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 72.1 percent and \$15.1 billion.

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

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

Actuarial Methods and Assumptions

In the June 30, 2009 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 5.5% for PERS, 5.5% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2011, 2010 and 2009 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2011	\$ 643,256	\$ 81,951	None
2010	513,403	84,571	None
2009	392,787	80,393	None

During the last three fiscal years the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed \$81,951, \$84,571 and \$80,393 during 2010/2011, 2009/2010 and 2008/2009, respectively, for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,839,044 during the year ended June 30, 2011 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.

D. 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 Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 514 state and local participating employers and contributing entities for Fiscal Year 2010.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

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

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

Basis of Accounting

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

Significant Legislation

P.L. 2010, c.2 effective May 21, 2010, makes changes to the SHBP-State/Local Government/Local Education concerning eligibility, cost sharing, choice of a plan, the application of benefit changes, the waiver of coverage, and multiple coverage under such plans. It also requires contributions toward the cost of health care benefits coverage by public employees and certain retirees.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Investment Valuation

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

Funded Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the State had a \$56.8 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$20.5 billion for state active and retired members and \$36.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

Actuarial Methods and Assumptions

In the June 30, 2009, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2010, there were 87,288 retirees receiving post-retirement medical benefits and the State contributed \$883.8 million on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions (Continued)

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2011, 2010 and 2009 were \$1,740,642, \$1,588,358 and \$1,533,687, 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.

NOTE 5 PRIOR PERIOD ADJUSTMENT

The District conducted an update of its capital assets during the 2010/2011 school year. The update was conducted by an independent appraisal company hired by the Board. The capital asset report amounts differed from the amounts reported in the District's prior year audit as of June 30, 2010. The District recorded a prior period adjustment to its July 1, 2010 capital assets values, including accumulated depreciation amounts, to reflect the amounts reported in the capital asset appraisal report.

BUDGETARY COMPARISON SCHEDULES

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<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 Property Tax Levy	\$ 44,883,849		\$ 44,883,849	\$ 44,883,849	
Tuition	1,172,152	\$ 72,000	1,244,152	1,284,685	\$ 40,533
Transportation Fees				45,002	45,002
Miscellaneous	60,774	-	60,774	534,154	473,380
Total Local Revenues	<u>46,116,775</u>	<u>72,000</u>	<u>46,188,775</u>	<u>46,747,690</u>	<u>558,915</u>
State Sources					
Equalization Aid	8,425,509	(1,826,642)	6,598,867	6,598,867	-
Special Education Aid	93,436	1,826,642	1,920,078	1,920,078	
Extraordinary Aid				1,393,240	1,393,240
On Behalf TPAF Contributions (Non Budgeted)					
Pension Benefit Contribution - NCGI				81,951	81,951
Post Retirement Medical Benefit Contribution				1,740,642	1,740,642
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	1,839,044	1,839,044
Total State Revenues	<u>8,518,945</u>	<u>-</u>	<u>8,518,945</u>	<u>13,573,822</u>	<u>5,054,877</u>
Federal Sources					
Medicaid Reimbursement	36,597	-	36,597	20,888	(15,709)
	<u>36,597</u>	<u>-</u>	<u>36,597</u>	<u>20,888</u>	<u>(15,709)</u>
Total Revenues	<u>54,672,317</u>	<u>72,000</u>	<u>54,744,317</u>	<u>60,342,400</u>	<u>5,598,083</u>
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	518,063	14,595	532,658	532,427	231
Grades 1-5	5,675,374	(553,327)	5,122,047	5,122,012	35
Grades 6-8	4,454,662	(1,016,763)	3,437,899	3,437,898	1
Grades 9-12	5,545,952	175,494	5,721,446	5,704,612	16,834
Regular Programs - Home Instruction					
Salaries of Teachers	115,825	(73,585)	42,240	42,240	-
Other Salaries for Instruction	6,650	986	7,636	7,635	1
Regular Programs - Undistributed Instruction					
General Supplies	832,930	152,245	985,175	964,769	20,406
Textbooks	410,249	(168,787)	241,462	237,984	3,478
Other Objects	236,276	(21,594)	214,682	178,036	36,646
Total Regular Programs	<u>17,795,981</u>	<u>(1,490,736)</u>	<u>16,305,245</u>	<u>16,227,613</u>	<u>77,632</u>
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	400,454	103,525	503,979	503,979	-
Other Salaries for Instruction	248,813	(124,718)	124,095	124,094	1
Purchased Professional/Educational Services	42,300	(23,370)	18,930	18,930	-
General Supplies	3,616	(453)	3,163	3,162	1
Textbooks	3,952	(281)	3,671	3,671	-
Total Learning / Language Disabilities	<u>699,135</u>	<u>(45,297)</u>	<u>653,838</u>	<u>653,836</u>	<u>2</u>

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 238,731	\$ (139,201)	\$ 99,530	\$ 99,529	\$ 1
Other Salaries for Instruction	45,953	35,795	81,748	81,748	-
Purchased Professional/Educational Services	15,600	(12,000)	3,600	3,600	-
General Supplies	10,600	(3,308)	7,292	7,292	-
Textbooks	4,160	(535)	3,625	3,625	-
Total Multiple Disabilities	<u>315,044</u>	<u>(119,249)</u>	<u>195,795</u>	<u>195,794</u>	<u>1</u>
Resource Room / Resource Center					
Salaries of Teachers	1,381,537	402,227	1,783,764	1,783,763	1
Other Salaries for Instruction	380,793	101,586	482,379	482,379	-
Purchased Professional/Educational Services	104,050	(96,194)	7,856	7,856	-
General Supplies	13,163	(1,245)	11,918	11,917	1
Textbooks	25,949	(6,986)	18,963	18,962	1
Other Objects	553	(553)	-	-	-
Total Resource Room / Resource Center	<u>1,906,045</u>	<u>398,835</u>	<u>2,304,880</u>	<u>2,304,877</u>	<u>3</u>
Autism					
Salaries of Teachers	681,746	447,662	1,129,408	1,129,407	1
Other Salaries for Instruction		142,333	142,333	142,075	258
Purchased Professional-Educational Services	10,900	200	11,100	6,880	4,220
General Supplies	21,980	(21,440)	540	139	401
Other Objects	10,590	(9,957)	633	55	578
Total Autism	<u>725,216</u>	<u>558,798</u>	<u>1,284,014</u>	<u>1,278,556</u>	<u>5,458</u>
Preschool Disabilities - Part - Time					
Salaries of Teachers	161,516	(10,751)	150,765	150,765	-
Other Salaries for Instruction	101,793	(13,000)	88,793	87,960	833
General Supplies	1,006	(192)	814	813	1
Other Objects	500	400	900	874	26
Total Preschool Disabilities - Part - Time	<u>264,815</u>	<u>(23,543)</u>	<u>241,272</u>	<u>240,412</u>	<u>860</u>
Total Special Education	<u>3,910,255</u>	<u>769,544</u>	<u>4,679,799</u>	<u>4,673,475</u>	<u>6,324</u>
Basic Skills/Remedial					
Salaries of Teachers	810,282	(232,701)	577,581	557,920	19,661
General Supplies	6,600	699	7,299	6,926	373
Textbooks	7,150	(6,349)	801	801	-
Total Basic Skills/Remedial	<u>824,032</u>	<u>(238,351)</u>	<u>585,681</u>	<u>565,647</u>	<u>20,034</u>
Bilingual Education					
Salaries of Teachers	589,391	(12,579)	576,812	576,811	1
Other Salaries for Instruction	518	(31)	487	-	487
General Supplies	17,430	(15,430)	2,000	2,000	-
Textbooks	21,175	(8,026)	13,149	13,149	-
Total Bilingual Education	<u>628,514</u>	<u>(36,066)</u>	<u>592,448</u>	<u>591,960</u>	<u>488</u>

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
School Sponsored Co-Curricular Activities					
Salaries	\$ 186,814	\$ (58,884)	\$ 127,930	\$ 127,930	-
Supplies and Materials	60,472	(18,200)	42,272	42,171	\$ 101
Total School Sponsored Co-Curricular Activities	247,286	(77,084)	170,202	170,101	101
School Sponsored Athletics - Instruction					
Salaries	330,756	(7,100)	323,656	302,754	20,902
Purchased Services	208,501	10,312	218,813	148,639	70,174
Total School Sponsored Athletics - Instruction	539,257	3,212	542,469	451,393	91,076
Community Services Program					
Salaries	26,910	(3,845)	23,065		23,065
Supplies and Materials	11,555	-	11,555	1,911	9,644
Total Community Services Program	38,465	(3,845)	34,620	1,911	32,709
Total - Instruction	23,983,790	(1,073,326)	22,910,464	22,682,100	228,364
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Special	830,278	(249,796)	580,482	571,501	8,981
Tuition to County Vocational School District-Reg.	143,100	576,350	719,450	709,701	9,749
Tuition to County Vocational School/Dist.-Spec.	244,400	(164,400)	80,000	76,500	3,500
Tuition to County Special Services - School Districts & Regional Day Schools	710,362	415,246	1,125,608	1,107,922	17,686
Tuition to Private Schools - Disabled Within State	1,041,531	2,207,011	3,248,542	1,834,039	1,414,503
Tuition to Private Schools Disabled & Other Leas-Spl, O/S St.	551,042	(550,648)	394		394
Tuition - State Facilities	48,449	-	48,449	48,449	-
Tuition - Other	233,870	(233,870)	-	-	-
Total Undistributed Expenditures - Instruction	3,803,032	1,999,893	5,802,925	4,348,112	1,454,813
Attendance and Social Work Services					
Salaries	93,414	136,676	230,090	230,090	-
Supplies and Materials	500	(500)	-	-	-
Total Attendance and Social Work Services	93,914	136,176	230,090	230,090	-
Health Services					
Salaries	592,081	(8,835)	583,246	583,209	37
Other Purchased Services	1,000	569	1,569	1,569	-
Supplies and Materials	4,159	(735)	3,424	3,423	1
Total Health Services	597,240	(9,001)	588,239	588,201	38

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Speech, OT, PT and Related Services					
Salaries	\$ 559,880	\$ 10,302	\$ 570,182	\$ 570,182	-
Travel		357	357	357	-
Supplies and Materials	841	-	841	841	-
Total Speech, OT, PT and Related Services	<u>560,721</u>	<u>10,659</u>	<u>571,380</u>	<u>571,380</u>	<u>-</u>
Other Support Services-Students-Extra Services					
Salaries	95,972	131,409	227,381	223,877	\$ 3,504
Purchased Professional-Educational Services	27,200	(20,357)	6,843	6,843	-
Total Other Support Services-Extra	<u>123,172</u>	<u>111,052</u>	<u>234,224</u>	<u>230,720</u>	<u>3,504</u>
Guidance					
Salaries of Other Professional Staff	822,942	(154,955)	667,987	667,986	1
Salaries of Secretarial and Clerical Assistants	147,534	(6,017)	141,517	141,507	10
Other Objects	118,856	(78,109)	40,747	39,856	891
Total Guidance	<u>1,089,332</u>	<u>(239,081)</u>	<u>850,251</u>	<u>849,349</u>	<u>902</u>
Child Study Team					
Salaries of Other Professional Staff	870,031	167,508	1,037,539	1,037,539	-
Salaries of Secretarial and Clerical Assistants	87,574	30,775	118,349	118,348	1
Other Purchased Professional/Technical Services	604,839	(168,027)	436,812	436,812	-
Total Child Study Team	<u>1,562,444</u>	<u>30,256</u>	<u>1,592,700</u>	<u>1,592,699</u>	<u>1</u>
Improvement of Instruction Services					
Other Salaries	305,786	(3,944)	301,842	301,841	1
Supplies and Materials	500	-	500	-	500
Total Improvement of Instruction Services	<u>306,286</u>	<u>(3,944)</u>	<u>302,342</u>	<u>301,841</u>	<u>501</u>
Educational Media Services/School Library					
Salaries	251,975	(93,065)	158,910	158,773	137
Purchased Professional and Technical Services	100,000	(11,376)	88,624	88,624	-
Supplies and Materials	155,910	(46,964)	108,946	93,702	15,244
Total Educational Media Services/School Library	<u>507,885</u>	<u>(151,405)</u>	<u>356,480</u>	<u>341,099</u>	<u>15,381</u>
Instructional Staff Training Services					
Salaries of Other Professional Staff	2,070	8,930	11,000	10,000	1,000
Other Purchased Professional/Technical Services	5,000	4,000	9,000	9,000	-
Total Instructional Staff Training Services	<u>7,070</u>	<u>12,930</u>	<u>20,000</u>	<u>19,000</u>	<u>1,000</u>
Support Services General Administration					
Salaries	591,859	172,448	764,307	764,306	1
Legal Services	125,000	(41,656)	83,344	83,343	1
Other Purchased Professional Services	60,000	(13,696)	46,304	46,304	-
Purchased Technical Services	750	-	750	750	-
Communications/Telephone	260,000	(94,103)	165,897	165,619	278
Other Purchased Services	148,550	(6,524)	142,026	141,567	459
General Supplies	16,500	24,457	40,957	40,956	1
Total Support Services General Administration	<u>1,202,659</u>	<u>40,926</u>	<u>1,243,585</u>	<u>1,242,845</u>	<u>740</u>

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Support Services School Administration					
Salaries of Principals/Asst. Principals	\$ 1,227,153	\$ 58,310	\$ 1,285,463	\$ 1,126,735	\$ 158,728
Salaries of Other Professional Staff	1,352,491	(420,744)	931,747	715,122	216,625
Salaries of Secretarial and Clerical Assistants	413,892	(20,856)	393,036	393,032	4
Other Salaries	189,203	(9,603)	179,600	174,579	5,021
Other Purchased Services	194,482	55,174	249,656	249,300	356
Total Support Services School Administration	<u>3,377,221</u>	<u>(337,719)</u>	<u>3,039,502</u>	<u>2,658,768</u>	<u>380,734</u>
Central Services					
Salaries	439,898	23,227	463,125	444,619	18,506
Supplies and Materials	10,000	9,988	19,988	19,082	906
Miscellaneous Expenditures	43,578	(503)	43,075	34,659	8,416
Total Central Services	<u>493,476</u>	<u>32,712</u>	<u>526,188</u>	<u>498,360</u>	<u>27,828</u>
Required Maintenance for School Facilities					
Salaries	2,067,478	37,544	2,105,022	2,100,818	4,204
Cleaning, Repair & Maintenance Services	781,109	(30,633)	750,476	731,135	19,341
General Supplies	39,700	(22,927)	16,773	16,773	-
Total Required Maintenance for School Facilities	<u>2,888,287</u>	<u>(16,016)</u>	<u>2,872,271</u>	<u>2,848,726</u>	<u>23,545</u>
Custodial Services					
Salaries	282,182	(43,483)	238,699	234,334	4,365
Purchased Professional & Technical Services	52,614	(28,698)	23,916	23,715	201
Cleaning, Repair and Maintenance Services	53,289	(41,474)	11,815	11,815	-
Other Purchased Property Services	456,903	193,000	649,903	649,116	787
Insurance	83,150	(83,150)	-	-	-
Miscellaneous Purchased Services	31,629	(16,618)	15,011	11,280	3,731
General Supplies	198,100	(34,835)	163,265	139,795	23,470
Energy (Heat and Electricity)	1,246,955	(448,782)	798,173	695,189	102,984
Total Custodial Services	<u>2,404,822</u>	<u>(504,040)</u>	<u>1,900,782</u>	<u>1,765,244</u>	<u>135,538</u>
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Special	956,951	138,271	1,095,222	1,095,222	-
Salaries for Pupil Transportation (Other Than Between Home & School)	14,671	(1,963)	12,708	200	12,508
Management Fee-ESC & CTSA Trans. Prog.	80,000	(39,259)	40,741	18,172	22,569
Cleaning, Repair and Maintenance Services	53,466	47,630	101,096	101,096	-
Lease Purchase Payments-School Buses	177,264	(129,302)	47,962	641	47,321
Contracted Services (Other Than Between Home and School) - Vendors	112,905	-	112,905	18,992	93,913
Contracted Services (Spec Ed) - ESC's & CTSA's	1,390,949	(549,768)	841,181	181,030	660,151
Miscellaneous Purchased Services - Transportation	30,000	(200)	29,800	2,235	27,565
Supplies and Materials	124,447	366	124,813	117,688	7,125
Total Student Transportation Services	<u>2,940,653</u>	<u>(534,225)</u>	<u>2,406,428</u>	<u>1,535,276</u>	<u>871,152</u>

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<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)					
Unallocated Benefits					
Social Security Contributions	\$ 429,732	\$ 337,766	\$ 767,498	\$ 749,938	\$ 17,560
Other Retirement Contributions - PERS	491,932	151,324	643,256	643,256	-
Unemployment Compensation		41,423	41,423	195,299	(153,876)
Workmen's Compensation	620,033	(27,326)	592,707	533,259	59,448
Health Benefits	6,971,529	(754,936)	6,216,593	6,215,389	1,204
Other Employee Benefits	-	442,000	442,000	442,000	-
Total Unallocated Benefits	<u>8,513,226</u>	<u>190,251</u>	<u>8,703,477</u>	<u>8,779,141</u>	<u>(75,664)</u>
On Behalf TPAF Contributions (Non Budgeted)					
Pension Benefit Contribution-NCGI		-		81,951	(81,951)
Post Retirement Medical Benefit Contribution		-		1,740,642	(1,740,642)
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	1,839,044	(1,839,044)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,661,637</u>	<u>(3,661,637)</u>
Total Undistributed Expenditures	<u>30,471,440</u>	<u>769,424</u>	<u>31,240,864</u>	<u>32,062,488</u>	<u>(821,624)</u>
Total Expenditures - Current Expenditures	<u>54,455,230</u>	<u>(303,902)</u>	<u>54,151,328</u>	<u>54,744,588</u>	<u>(593,260)</u>
CAPITAL OUTLAY					
Equipment					
Grades 1-5		102,706	102,706	10,772	91,934
Grades 6-8		-			-
Grades 9-12	119,887	(32,452)	87,435	87,434	1
Support Services					
Instruction	100,000	(6,182)	93,818	5,600	88,218
General Administration	5,000	(5,000)			-
School Administration	5,000	(5,000)			-
School Buses - Special	33,492	85,272	118,764	-	118,764
Total Equipment	<u>263,379</u>	<u>139,344</u>	<u>402,723</u>	<u>103,806</u>	<u>298,917</u>
Facilities Acquisition and Construction Services					
Other Purchased Professional/Technical Svcs.	100,000	474,491	574,491	107,822	466,669
Construction Services	527,914	2,251,022	2,778,936	665,770	2,113,166
Other Objects	6,888	-	6,888	6,888	-
Total Facilities Acquis. and Const. Services	<u>634,802</u>	<u>2,725,513</u>	<u>3,360,315</u>	<u>780,480</u>	<u>2,579,835</u>
Total Capital Outlay	<u>898,181</u>	<u>2,864,857</u>	<u>3,763,038</u>	<u>884,286</u>	<u>2,878,752</u>

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	\$ 10,000	-	\$ 10,000	-	\$ 10,000
General Supplies	900	-	900	-	900
Total Summer School - Instruction	<u>10,900</u>	<u>-</u>	<u>10,900</u>	<u>-</u>	<u>10,900</u>
Total Summer School	<u>10,900</u>	<u>-</u>	<u>10,900</u>	<u>-</u>	<u>10,900</u>
Other Special Schools - Instruction					
Salaries of Teachers	26,000	-	26,000	-	26,000
Other Salaries for Instruction	39,330	-	39,330	\$ 1,920	37,410
General Supplies	900	-	900	-	900
Total Other Special Schools - Instruction	<u>66,230</u>	<u>-</u>	<u>66,230</u>	<u>1,920</u>	<u>64,310</u>
Total Other Special Schools	<u>66,230</u>	<u>-</u>	<u>66,230</u>	<u>1,920</u>	<u>64,310</u>
Total Special Schools	<u>77,130</u>	<u>-</u>	<u>77,130</u>	<u>1,920</u>	<u>75,210</u>
Charter Schools					
Transfer To Charter Schools	233,870	\$ 198,056	431,926	431,926	-
Total Transfer to Charter Schools	<u>233,870</u>	<u>198,056</u>	<u>431,926</u>	<u>431,926</u>	<u>-</u>
Total Expenditures	<u>55,664,411</u>	<u>2,759,011</u>	<u>58,423,422</u>	<u>56,062,720</u>	<u>2,360,702</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(992,094)	(2,687,011)	(3,679,105)	4,279,680	7,958,785
Fund Balances, Beginning of Year	<u>6,858,043</u>	<u>-</u>	<u>6,858,043</u>	<u>6,858,043</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 5,865,949</u>	<u>\$ (2,687,011)</u>	<u>\$ 3,178,938</u>	<u>\$ 11,137,723</u>	<u>\$ 7,958,785</u>

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Recapitulation					
Restricted					
Capital Reserve				\$ 1,710,000	
Adult Education Programs				104,078	
Maintenance Reserve				541,520	
Tuition Adjustments - 2010/2011				450,000	
Tuition Adjustments - 2009/2010 - Designated for Subsequent					
Year's Expenditures				450,000	
Reserved Excess Surplus				584,453	
Reserved Excess Surplus - Designated for Subsequent					
Year's Expenditures				174,720	
Committed					
Year End Encumbrances				2,577,784	
Assigned					
Year End Encumbrances				1,696,870	
Designated for Subsequent					
Year's Expenditures				407,036	
Unassigned					
				<u>2,441,262</u>	
				11,137,723	
Reconciliation to Governmental Funds Statements (GAAP)					
Less State Aid Revenue Not Recognized on GAAP Basis				<u>(2,154,131)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 8,983,592</u>	

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 119,321	\$ 180,137	\$ 299,458	\$ 251,919	\$ (47,539)
Federal	1,171,151	1,489,149	2,660,300	2,235,068	(425,232)
Local Sources					
Miscellaneous	-	243,322	243,322	48,950	(194,372)
Total Revenues	<u>\$ 1,290,472</u>	<u>\$ 1,912,608</u>	<u>\$ 3,203,080</u>	<u>\$ 2,535,937</u>	<u>\$ (667,143)</u>
EXPENDITURES					
Instruction					
Salaries	\$ 1,194,552	\$ (440,600)	\$ 753,952	\$ 644,165	\$ 109,787
Purchased Professional / Technical Services		103,920	103,920	69,662	34,258
Purchased Professional / Education Services		42,000	42,000	26,572	15,428
Other Purchased Services		22,885	22,885	6,700	16,185
General Supplies		726,771	726,771	430,532	296,239
Textbooks	16,819	(3,064)	13,755	13,755	-
Total Instruction	<u>1,211,371</u>	<u>451,912</u>	<u>1,663,283</u>	<u>1,191,386</u>	<u>471,897</u>
Support Services - Instruction					
Salaries		516,053	516,053	480,638	35,415
Salaries of Other Professional Staff		78,970	78,970	78,970	-
Salaries of Secretarial and Clerical Assistants		33,342	33,342	33,342	-
Purchased Professional / Technical Services		226,320	226,320	182,695	43,625
Purchased Property Services		15,910	15,910	13,386	2,524
Other Purchased Services	79,101	150,800	229,901	184,317	45,584
Travel		73,939	73,939	73,939	-
Supplies and Materials	-	100,095	100,095	66,573	33,522
Total Support Services	<u>79,101</u>	<u>1,195,429</u>	<u>1,274,530</u>	<u>1,113,860</u>	<u>160,670</u>
Unallocated Employee Benefits	-	192,857	192,857	187,718	5,139
Facilities Acquisition and Construction					
Instructional Equipment	-	72,410	72,410	42,973	29,437
Total Facilities Acq. & Construction	<u>-</u>	<u>72,410</u>	<u>72,410</u>	<u>42,973</u>	<u>29,437</u>
Total Expenditures	<u>1,290,472</u>	<u>1,912,608</u>	<u>3,203,080</u>	<u>2,535,937</u>	<u>667,143</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
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, 2011**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 60,342,400	\$ 2,535,937
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2010-2011)	(2,154,131)	
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2009-2010)	2,254,356	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2011		(233,095)
Encumbrances, June 30, 2010	-	49,974
	<hr/>	<hr/>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 60,442,625</u>	<u>\$ 2,352,816</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 56,062,720	\$ 2,535,937
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, 2011		(233,095)
Encumbrances , June 30, 2010 (net of cancellations)	-	49,974
	<hr/>	<hr/>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 56,062,720</u>	<u>\$ 2,352,816</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, 2011**

	Chapter 193 Svcs.							IMPACT	Elemen. and Second. School Counseling	Other (Exhibit E-1a)	Other (Exhibit E-1b)	Total 2011
	Other Local Programs	Nonpublic Exam & Classification	Nonpublic Corrective Speech	Nonpublic Suppl. Inst.	Perkins	Nonpublic Inst.	Nonpublic Suppl. Inst.					
REVENUES												
Intergovernmental												
State												
Federal												
Other Sources	\$ 48,950											
	\$	\$ 18,821	\$ 43,028	\$ 12,090	\$ 14,856	\$ 38,713	\$	\$ 295,329	\$ 139,267	\$ 1,055,377	\$	\$ 251,919
Total Revenues	\$ 48,950	\$ 18,821	\$ 43,028	\$ 12,090	\$ 14,856	\$ 38,713	\$	\$ 295,329	\$ 1,008,773	\$ 1,055,377	\$	\$ 2,535,937
EXPENDITURES												
Instruction												
Salaries												
Salaries of Other Professional Staff												
Salaries of Secretarial and Clerical Assistants												
Personal Services/Employee-Benefits												
Purchased Professional / Technical Services												
Other Purchased Services												
General Supplies												
Textbooks												
Total Instruction	\$ 48,950				\$ 14,856	\$ 13,370		\$ 231,089	\$ 142,425	\$ 740,696		\$ 1,191,386
Support Services												
Salaries												
Salaries of Other Professional Staff												
Salaries of Secretarial and Clerical Assistants												
Personal Services/Employee-Benefits												
Purchased Professional / Technical Services												
Purchased Property Services												
Other Purchased Services												
Travel												
Supplies and Materials												
Total Support Services		\$ 18,821	\$ 43,028	\$ 12,090				\$ 64,240	\$ 861,917	\$ 284,881		\$ 1,301,578
Facilities Acquisition and Construction												
Instructional Equipment												
Total Facilities Acq. & Construction								\$ 8,742	\$ 4,431	\$ 29,800		\$ 42,973
Total Expenditures	\$ 48,950	\$ 18,821	\$ 43,028	\$ 12,090	\$ 14,856	\$ 38,713	\$	\$ 295,329	\$ 1,008,773	\$ 1,055,377	\$	\$ 2,535,937

BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	IDEA - Part B - Basic		IDEA - Preschool 2010/2011	HSTW	Career Academy Program	Nonpublic Nursing Services	Nonpublic Textbook Aid	Nonpublic Compensatory Aid	Charter 192 Svcs.		Total Exhibit E-1a
	2009/2010	2010/2011							Nonpublic ESL	Nonpublic Transportation	
REVENUES											
Intergovernmental											
State											
Federal											
Other Sources											
Total Revenues	\$ 788,428	\$ 37,609	\$ 34,073	\$ 2,000	\$ 9,396	\$ 11,990	\$ 13,755	\$ 94,360	\$ 17,162	\$	\$ 1,008,773
EXPENDITURES											
Instruction											
Salaries	\$ 69,280	\$ 18,158	\$ 2,000	\$ 2,781	\$ 11,990						\$ 104,209
Purchased Professional / Technical Services	5,628										5,628
Purchased Professional / Education Services	11,863	500									500
General Supplies		324		6,146							18,333
Textbooks							\$ 13,755				13,755
Total Instruction	\$ 86,771	\$ 18,982	\$ 2,000	\$ 8,927	\$ 11,990		\$ 13,755				\$ 142,425
Support Services											
Salaries	\$ 342,977	\$ 37,609			469						381,055
Salaries of Other Professional Staff	78,970										78,970
Salaries of Secretarial and Clerical Assistants	33,342										33,342
Personal Services Employee-Benefits	112,514										112,514
Purchased Professional / Technical Services	95,136	14,781									109,917
Purchased Property Services	13,386										13,386
Other Purchased Services	5,897							\$ 94,360	\$ 17,162		117,459
Supplies and Materials	14,964	310									15,274
Total Support Services	\$ 697,226	\$ 37,609	\$ 15,091	\$ 469	\$ 94,360	\$ 17,162	\$	\$	\$	\$	\$ 861,917
Facilities Acquisition and Construction											
Instructional Equipment	\$ 4,431										\$ 4,431
Total Facilities Acq. & Construction	\$ 4,431										\$ 4,431
Total Expenditures	\$ 788,428	\$ 37,609	\$ 34,073	\$ 2,000	\$ 9,396	\$ 11,990	\$ 13,755	\$ 94,360	\$ 17,162	\$	\$ 1,008,773

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	IDEA - Basic ARRA	IDEA - Preschool ARRA	NCLB Title I 2010/2011	NCLB Title I 2009/2010	NCLB Title IIA 2010/2011	NCLB Title IIA 2009/2010	Supplemental Financing 2010/2011	Supplemental Financing 2009/2010	NCLB Title III 2010/2011	NCLB Title III 2009/2010	NCLB Title IID 2010/2011	NCLB Title IID 2009/2010	Total Exhibit E-1b
REVENUES													
Intergovernmental													
State	\$ 356,666	\$ 15,305	\$ 351,458	\$ 44,282	\$ 74,470	\$ 21,050	\$ 43,204	\$ 9,800	\$ 30,381	\$ -	\$ 833	\$ -	\$ 1,055,377
Federal													
Other Sources													
Total Revenues	\$ 356,666	\$ 15,305	\$ 351,458	\$ 44,282	\$ 74,470	\$ 21,050	\$ 43,204	\$ 9,800	\$ 30,381	\$ -	\$ 833	\$ -	\$ 1,055,377
EXPENDITURES													
Instruction													
Salaries	\$ 26,027		\$ 159,075	\$ 44,282	\$ 11,000	\$ 4,025	\$ 30,588	\$ 9,800	\$ 19,291				\$ 304,088
Purchased Professional / Technical Services			39,604		20,000								59,604
Other Purchased Services			3,750										3,750
General Supplies	253,524	15,305	59,651	-	-	-	8,027	-	9,347	-	-	-	373,254
Total Instruction	279,551	15,305	262,080	44,282	4,025	-	38,615	9,800	28,638	-	-	-	740,696
Support Services													
Salaries			28,562		5,000	18,950							73,562
Personal Services Employee-Benefits	1,530		30,436		3,000	2,000	4,225						41,191
Purchased Professional / Technical Services	8,186		18,160		11,508	18,020	144		955		833		57,806
Other Purchased Services			4,041		27,754	28,930			298				61,023
Supplies and Materials	38,725		8,179		1,140	2,545	220		490				51,299
Total Support Services	48,441	-	89,378	-	70,445	21,050	4,589	-	1,743	-	833	-	284,881
Facilities Acq. & Construction													
Instructional Equipment	28,674		-		1,126								29,800
Total Facilities Acq. & Construction	28,674	-	-	-	1,126	-	-	-	-	-	-	-	29,800
Total Expenditures	\$ 356,666	\$ 15,305	\$ 351,458	\$ 44,282	\$ 74,470	\$ 21,050	\$ 43,204	\$ 9,800	\$ 30,381	\$ -	\$ 833	\$ -	\$ 1,055,377

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOT APPLICABLE

CAPITAL PROJECTS FUND

EXHIBIT F-1

BERGENFIELD BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>Issue/ Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2011</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Computer Network Cabling and Related Equipment (Capital Lease)	\$ 975,309	\$ 934,630	\$ -	\$ 40,679
	<u>\$ 975,309</u>	<u>\$ 934,630</u>	<u>\$ -</u>	<u>\$ 40,679</u>
<u>Reconciliation to Fund Balance - GAAP</u>				
Project Balance, June 30, 2011				<u>\$ 40,679</u>
Fund Balance, June 30, 2011				<u>\$ 40,679</u>
<u>Recapitulation of Fund Balance</u>				
Restricted for Capital Projects Available for Capital Projects				<u>\$ 40,679</u>
Total Restricted for Capital Projects				<u>\$ 40,679</u>

**BERGENFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Revenues and Other Financing Sources

Total Revenues and Other Financing Sources	-
--	---

Expenditures and Other Financing Uses

Total Expenditures and Other Financing Uses	-
---	---

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-
--	---

Fund Balance- Beginning of Year	\$ 40,679
---------------------------------	-----------

Fund Balance- Ending of Year	\$ 40,679
------------------------------	-----------

BERGENFIELD BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
 COMPUTER NETWORK CABLING AND RELATED EQUIPMENT
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Lease Proceeds	\$ 975,262	\$ -	\$ 975,262	\$ 975,262
Interest	47	-	47	47
Total Revenues and Other Financing Sources	<u>975,309</u>	<u>-</u>	<u>975,309</u>	<u>975,309</u>
Expenditures and Other Financing Uses				
Equipment	934,630	-	934,630	975,309
Total Expenditures and Other Financing Uses	<u>934,630</u>	<u>-</u>	<u>934,630</u>	<u>975,309</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 40,679</u>	<u>\$ -</u>	<u>\$ 40,679</u>	<u>\$ -</u>

Additional Project Information:

Original Authorized Cost	\$ 975,262
Additional Authorized Costs	-
Revised Authorized Cost	\$ 975,262

PROPRIETARY FUNDS

EXHIBIT G-1

**BERGENFIELD BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011**

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, 2011**

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, 2011**

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, 2011**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 89,835	\$ 286,107	\$ 375,942
Total Assets	<u>\$ 89,835</u>	<u>\$ 286,107</u>	<u>\$ 375,942</u>
LIABILITIES			
Due to Student Groups	\$ 89,835		\$ 89,835
Payroll Deductions and Withholdings		\$ 136,259	136,259
Due to Other Funds	<u>-</u>	<u>149,848</u>	<u>149,848</u>
Total Liabilities	<u>\$ 89,835</u>	<u>\$ 286,107</u>	<u>\$ 375,942</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, 2011**

NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Balance, July 1, <u>2010</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2011</u>
ROY W. BROWN MIDDLE SCHOOL	\$ 32,970	67,789	74,299	\$ 26,460
BERGENFIELD HIGH SCHOOL	<u>59,394</u>	<u>79,026</u>	<u>75,045</u>	<u>63,375</u>
	<u>\$ 92,364</u>	<u>\$ 146,815</u>	<u>\$ 149,344</u>	<u>\$ 89,835</u>

**BERGENFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Balance, July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2011</u>
ASSETS				
Cash (Overdraft)	\$ (6,878)	\$ 43,402,691	\$ 43,109,706	\$ 286,107
Due from Other Funds	<u>26,823</u>	<u>-</u>	<u>26,823</u>	<u>-</u>
Total Assets	<u>\$ 19,945</u>	<u>\$ 43,402,691</u>	<u>\$ 43,136,529</u>	<u>\$ 286,107</u>
LIABILITIES				
Payroll Deductions and Withholdings		\$ 15,501,085	\$ 15,364,826	\$ 136,259
Accrued Salaries and Wages		27,744,880	27,744,880	-
Due to Other Funds	<u>\$ 19,945</u>	<u>156,726</u>	<u>26,823</u>	<u>149,848</u>
Total Liabilities	<u>\$ 19,945</u>	<u>\$ 43,402,691</u>	<u>\$ 43,136,529</u>	<u>\$ 286,107</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, 2011**

NOT APPLICABLE

**BERGENFIELD BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011**

	<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 NINE FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 8,521,212	\$ 11,528,576	\$ 8,991,316
Restricted	840,361	312,665	312,623	365,848	394,315	398,791	271,816	766,995	3,326,995
Unrestricted	(695,317)	(877,496)	(651,731)	437,051	1,430,359	1,959,104	2,404,713	2,918,167	4,594,377
Total governmental activities net assets	\$ 4,453,487	\$ 4,922,424	\$ 5,250,015	\$ 6,816,316	\$ 7,943,115	\$ 9,330,942	\$ 11,197,741	\$ 15,213,738	\$ 16,912,688
Business-type activities									
Invested in capital assets, net of related debt	\$ 40,331	\$ 33,464	\$ 43,620	\$ 35,402	\$ 27,184	\$ 56,009	\$ 42,664	\$ 38,679	\$ 22,986
Restricted	154,544	73,792	(38,899)	(14,348)	(12,532)	4,138	69,650	82,917	110,167
Unrestricted	194,875	107,256	4,721	21,054	14,652	60,147	112,314	121,596	133,153
Total business-type activities net assets	\$ 390,750	\$ 214,512	\$ 8,442	\$ 41,108	\$ 2,204	\$ 120,294	\$ 264,628	\$ 242,712	\$ 263,406
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	\$ 8,563,876	\$ 11,567,255	\$ 9,014,302
Restricted	840,361	312,665	312,623	365,848	394,315	398,791	271,816	766,995	3,326,995
Unrestricted	(540,773)	(803,704)	(690,630)	422,703	1,417,827	1,963,242	2,474,363	3,001,084	4,704,544
Total district net assets	\$ 4,648,362	\$ 5,029,680	\$ 5,254,736	\$ 6,837,370	\$ 7,957,767	\$ 9,391,089	\$ 11,310,055	\$ 15,335,334	\$ 17,045,841

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 nine 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 NINE FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities									
Instruction									
Regular	\$ 18,483,396	\$ 19,664,527	\$ 21,312,167	\$ 22,498,274	\$ 23,354,155	\$ 24,072,216	\$ 23,681,898	\$ 22,727,317	\$ 23,530,605
Special Education	8,419,713	9,421,843	9,831,664	10,283,102	11,538,688	11,289,120	11,093,225	10,788,076	10,336,168
Other Instruction	1,668,006	1,625,709	1,789,639	1,912,054	1,950,020	2,107,336	1,754,020	1,931,633	2,038,207
School Sponsored Activities and Athletics	612,711	609,274	556,770	523,539	616,932	616,932	717,885	816,236	805,495
Community Services	24,122			25,940	27,673	17,439	20,171	15,335	1,911
Support Services:									
Student & instruction Related Services	5,879,575	6,426,685	6,546,161	6,996,586	8,133,793	8,594,671	7,863,005	7,683,983	7,561,603
General Administration	2,432,385	1,332,425	1,273,475	1,492,102	1,264,877	1,220,689	1,253,860	1,796,415	1,613,183
School Administrative Services	1,020,263	2,423,668	2,626,548	2,579,276	2,867,058	3,217,613	4,032,511	4,180,216	3,598,663
Central Services and Other Support Services	462,504	533,987	495,240	574,647	607,680	597,252	594,199	4,180,216	688,315
Plant Operations and Maintenance	3,823,853	4,263,853	4,504,417	5,325,316	5,075,218	6,076,847	5,806,560	5,806,560	6,023,494
Pupil Transportation	1,613,662	1,817,066	1,876,605	1,974,637	2,125,103	2,216,789	1,930,408	1,981,300	2,098,341
Interest on long-term debt			36,708	27,597	4,560	3,072	15,859	63,706	
Total governmental activities expenses	44,440,490	48,119,037	50,849,394	54,213,070	57,566,563	60,029,366	58,558,640	58,384,976	58,335,985
Business-type activities:									
Food service	1,046,496	1,106,004	1,189,512	1,149,264	1,181,825	1,213,330	1,211,583	1,272,669	1,210,236
Summer Enrichment Program	49,785	54,771	61,237	54,838	55,060	55,161	55,093	59,834	57,125
Total business-type activities expense	1,096,261	1,160,775	1,250,769	1,204,102	1,237,785	1,268,511	1,266,676	1,332,503	1,267,361
Total district expenses	\$ 45,536,751	\$ 49,279,812	\$ 52,100,163	\$ 55,417,172	\$ 58,804,448	\$ 61,297,877	\$ 59,825,316	\$ 59,717,479	\$ 59,603,366
Program Revenues									
Governmental activities:									
Charges for services:									
Instruction	\$ 135,909	\$ 116,185	\$ 110,153	\$ 92,184	\$ 572,701	\$ 1,041,194	\$ 1,503,365	\$ 1,598,324	\$ 1,284,685
Support Services	8,990,376	10,289,322	10,978,287	11,596,096	37,909	13,360,020	8,665,339	11,506,298	45,002
Operating grants and contributions	554,585	593,376	127,092	72,854	13,122,360	13,360,020	18,036	326,379	9,273,979
Capital grants and contributions	9,680,870	10,958,883	11,215,532	11,764,134	13,741,432	14,401,214	10,186,740	13,425,001	42,973
Total governmental activities program revenues	\$ 19,361,730	\$ 23,957,706	\$ 23,226,964	\$ 25,165,268	\$ 27,414,372	\$ 38,802,434	\$ 29,774,780	\$ 36,656,001	\$ 20,606,659
Business-type activities:									
Charges for services:									
Food service	\$ 733,073	\$ 767,323	\$ 803,187	\$ 843,400	\$ 840,695	\$ 833,779	\$ 837,993	\$ 769,012	\$ 724,441
Summer Enrichment Program	51,716	62,338	65,653	59,713	58,625	38,793	50,237	64,318	61,157
Operating grants and contributions	228,313	243,495	279,394	317,322	332,063	362,434	410,613	508,455	506,849
Total business-type activities program revenues	\$ 1,013,102	\$ 1,073,156	\$ 1,148,234	\$ 1,220,435	\$ 1,231,383	\$ 1,234,006	\$ 1,318,843	\$ 1,341,783	\$ 1,292,447
Total district program revenues	\$ 10,693,972	\$ 12,072,039	\$ 12,365,766	\$ 12,984,569	\$ 14,972,815	\$ 15,633,220	\$ 11,505,583	\$ 14,766,786	\$ 11,939,086
Net (Expense)/Revenue									
Governmental activities	\$ (34,739,620)	\$ (37,120,154)	\$ (39,633,862)	\$ (42,448,936)	\$ (43,825,231)	\$ (45,628,182)	\$ (48,371,900)	\$ (44,959,975)	\$ (47,689,346)
Business-type activities	(83,159)	(87,619)	(102,533)	16,333	(6,402)	(34,505)	32,167	9,282	25,066
Total district-wide net expense	\$ (34,822,779)	\$ (37,207,773)	\$ (39,736,397)	\$ (42,432,603)	\$ (43,831,633)	\$ (45,662,687)	\$ (48,339,733)	\$ (44,950,693)	\$ (47,664,280)

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

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 42,178,609	\$ 43,182,460	\$ 44,883,849
Unrestricted Aid and contributions	4,664,775	5,293,410	5,622,439	5,635,658	5,316,845	5,623,017	7,973,166	5,719,858	6,730,799
Investment earnings	9,045	4,239	12,748	20,001	21,947	96,847	86,924		
Miscellaneous income	32,646	10,345	20,008	13,174	13,020	24,263		73,554	534,154
Transfers	-	-	-	-	(276,207)	(80,000)	-	-	-
Loss on Disposal of Capital Assets	-	-	-	-	44,952,030	47,015,979	50,238,699	48,975,972	52,148,802
Total governmental activities	\$ 36,110,820	\$ 37,589,955	\$ 39,961,453	\$ 44,015,237	\$ 44,952,030	\$ 47,095,979	\$ 50,238,699	\$ 48,975,972	\$ 52,148,802
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	\$ 50,238,699	\$ 48,975,972	\$ 52,148,802
Change in Net Assets									
Governmental activities	\$ 1,351,200	\$ 469,801	\$ 327,591	\$ 1,566,301	\$ 1,126,799	\$ 1,387,827	\$ 1,866,799	\$ 4,015,997	\$ 4,459,456
Business-type activities	(83,159)	(87,619)	(102,535)	16,533	(6,402)	45,495	52,167	9,282	25,066
Total district	\$ 1,268,041	\$ 382,182	\$ 225,056	\$ 1,582,834	\$ 1,120,397	\$ 1,433,322	\$ 1,918,966	\$ 4,025,279	\$ 4,484,522

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 2005 only nine 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 NINE FISCAL YEARS**
(Unaudited)
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved	\$ 189,429	\$ 336,652	\$ 388,007	\$ 1,223,128	\$ 2,405,864	\$ 1,723,835	\$ 1,798,237	\$ 4,549,424	
Unreserved	530,092	(1,530)	326,605	611,019	426,449	1,657,197	1,982,156	54,263	\$ 4,014,771
Restricted	-	-	-	-	-	-	-	-	2,577,784
Committed	-	-	-	-	-	-	-	-	2,103,906
Assigned	-	-	-	-	-	-	-	-	287,131
Unassigned	-	-	-	-	-	-	-	-	-
Total general fund	\$ 719,521	\$ 335,122	\$ 714,612	\$ 1,834,147	\$ 2,832,313	\$ 3,381,032	\$ 3,780,393	\$ 4,603,687	\$ 8,983,592
All Other Governmental Funds									
Reserved	\$ 208,277	\$ 652,248					\$ 40,632		
Unreserved	478,891	(431,243)	143,169	144,464	26,112	17,324	30,757	71,397	
Restricted	-	-	-	-	-	-	-	-	\$ 71,397
Total all other governmental funds	\$ 687,168	\$ 221,005	\$ 143,169	\$ 144,464	\$ 26,112	\$ 17,324	\$ 71,389	\$ 71,397	\$ 71,397

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

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Type Definitions." The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

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

	Fiscal Year Ended June 30								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues									
Property Tax levy	\$ 31,404,354	\$ 32,281,961	\$ 34,305,258	\$ 38,346,404	\$ 39,876,425	\$ 41,351,852	\$ 42,178,609	\$ 43,182,460	\$ 44,883,849
Tuition charges/Program fees/Transp. Fees	33,738	13,562	110,153	92,184	610,610	1,041,294	1,303,363	1,598,324	1,329,687
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	140,296	149,079	582,702
State Sources	13,317,102	14,838,493	15,218,312	15,536,814	16,850,613	17,548,564	14,942,257	13,611,126	13,940,760
Federal Sources	867,513	1,314,477	1,431,639	1,726,066	1,584,043	1,404,619	1,660,912	3,824,461	2,058,443
Total revenue	45,791,690	48,588,838	51,176,985	55,779,371	58,969,669	61,497,193	60,423,439	62,365,450	62,795,441
Expenditures									
Instruction									
Regular Instruction	18,729,119	19,722,303	21,201,260	22,417,382	23,396,016	24,041,453	23,583,408	22,739,145	23,310,868
Special Education Instruction	8,419,713	9,420,134	9,827,685	10,270,475	11,554,718	11,288,201	11,081,324	10,807,884	10,335,624
Other Instruction	1,668,006	1,618,745	1,788,933	1,907,709	1,956,756	2,106,992	1,750,670	1,937,235	2,053,118
School Sponsored Activities and Athletics	608,534	605,184	552,227	522,490	618,726	616,104	716,732	818,141	803,567
Community Services	24,122			25,940	27,673	17,439	20,171	15,335	1,911
Support Services:									
Student & Inst. Related Services	5,879,575	6,426,596	6,543,876	6,982,029	8,156,251	8,593,537	7,850,706	7,703,403	7,543,500
General Administration	1,185,277	1,254,505	1,683,465	1,416,188	1,212,483	1,171,183	1,206,490	1,753,109	1,565,958
School Administrative Services	2,412,814	2,593,484	2,623,490	2,573,386	2,875,530	3,217,104	4,023,431	4,192,192	3,587,875
Central Services and Other Support Services	523,219	531,352		573,427	609,401	597,157	568,867	595,830	686,324
Plant Operations and Maintenance	3,679,187	4,067,729	4,336,773	5,069,175	4,838,067	5,830,493	5,387,368	5,583,922	5,601,163
Pupil Transportation	1,642,894	1,841,747	1,805,421	1,866,746	2,004,216	2,089,739	1,791,058	1,848,666	1,998,369
Capital Outlay	1,464,009	1,389,226	720,206	553,875	777,878	1,274,596	2,801,834	2,589,078	927,259
Debt Service:									
Principal			252,045	607,649	55,521	29,082	147,486	1,234,998	
Interest and Other Charges			37,950	24,447	6,619	4,182	13,730	68,210	
Total expenditures	46,236,469	49,471,005	51,373,331	54,810,918	58,089,855	60,877,282	60,947,273	61,887,148	58,415,336
Excess (Deficiency) of revenues over (under) expenditures	(444,779)	(882,167)	(198,346)	968,453	879,814	619,931	(521,836)	478,302	4,379,905
Other Financing sources (uses)									
Capital leases (non-budgeted)	113,909	31,605	500,000	152,377			975,262	345,000	
Transfers in	1,284,578			116,389				435,360	
Transfers out	(1,284,578)			(116,389)		(80,000)		(435,360)	
Total other financing sources (uses)	113,909	31,605	500,000	152,377		(80,000)	975,262	345,000	
Net change in fund balances	\$ (330,870)	\$ (850,562)	\$ 301,654	\$ 1,120,830	\$ 879,814	\$ 539,931	\$ 453,426	\$ 823,302	\$ 4,379,905
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.57%	1.17%	0.11%	0.06%	0.28%	2.20%	0.00%

* 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 nine 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>Cancelled Prior Year Orders</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2009	1,407,282		96,083	20,983	9,759		56,143	1,590,250
2010	1,503,468		94,856	17,353	8,870		47,323	1,671,870
2011	1,284,605	45,002		14,486	9,980	\$ 410,000	99,688	1,863,761

**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
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	1,251,375,000	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	3,063,553,502	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
2009	8,620,900	2,213,976,600	286,764,300	46,701,500	111,932,000	2,667,995,300	2,127,384	2,670,122,684	2,680,527,382	1.598
2010	8,817,500	2,212,145,700	287,632,800	46,701,500	111,281,200	2,666,578,700	4,978,482	2,671,557,182	3,025,908,774	1.649
2011	N/A	N/A	N/A	N/A	N/A	2,658,430,300	4,122,023	2,662,552,323	2,893,274,034	N/A

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.

N/A Not Available

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		
2002	\$ 2.430	\$ 1.380	\$ 0.325	\$	4.130
2003	2.543	1.552	0.315		4.410
2004	2.600	1.553	0.347		4.560
2005 (A)	1.500	0.876	0.194		2.570
2006	1.630	0.918	0.202		2.750
2007	1.697	0.994	0.229		2.920
2008	1.725	1.012	0.253		2.990
2009	1.598	0.986	0.224		2.808
2010	1.649	0.996	0.222		2.867
2011	N/A	N/A	N/A		N/A

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	2011		2002	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Glance, Rabinowitz & Point Properties	\$ 21,777,200	0.82%		
Tower Ivy Lane, LLC	20,580,400	0.77%		
Olster Bergenfield Properties	17,129,500	0.64%		
Knickerbocker Country Club	17,000,000	0.64%	\$ 15,371,700	1.23%
Tower Management Financing Ptsp.	14,456,600	0.54%	13,550,000	1.08%
St. James Apts, VAP International	11,526,700	0.43%		
Pathmark Stores, LLC	10,215,400	0.38%		
Bergenfield Senior Housing LLC	10,000,000	0.38%		
Liberty Gardens Company			8,000,000	0.64%
Newwoodbine, LLC	7,443,200	0.28%		
Bergenfield Skating c/o Sears	6,068,000	0.22%		
VAP International			5,500,000	0.44%
ABA Realty Corp.			5,467,900	0.44%
Supermarkets General			4,751,100	0.38%
Bergenridge Realty Co.			2,882,000	0.23%
Lipman and Dansker, Trustees			2,500,000	0.20%
Canter			2,436,700	0.19%
Glanzberg and Nelson Realty			2,054,000	0.16%
	<u>\$ 136,197,000</u>	<u>5.10%</u>	<u>\$ 62,513,400</u>	<u>4.99%</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	
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%	
2009	42,178,609	42,178,609	100.00%	
2010	43,182,460	43,182,460	100.00%	
2011	44,883,849	44,883,849	100.00%	

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Population	Per Capita
	General Obligation Bonds	Project Loan Payable	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District			
2005		\$ 432,771	\$ 169,326			\$ 602,097	25,636	\$ 23	
2006			146,825			146,825	25,651	6	
2007			91,304			91,304	25,565	4	
2008			62,222			62,222	25,515	2	
2009			889,998			889,998	25,582	35	
2010			-			-	25,582 (E)	-	
2011			-			-	25,582 (E)	-	

(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 seven 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 SEVEN 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
2009	-	-	-	0.00%	0
2010	-	-	-	0.00%	0
2011	-	-	-	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 seven 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, 2011
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Bergenfield School District	-
Borough of Bergenfield	\$ 16,746,358
	16,746,358
Overlapping Debt Apportioned to the Municipality:	
Bergen County: (as of December 31, 2010)	
County of Bergen (A)	11,124,225
Bergen County Utilities Authority - Water Pollution (B)	10,833,744
	21,957,969
Total Direct and Overlapping Debt	\$ 38,704,327

Source:

(1) Borough's 2011 Annual Debt Statement

(A) The debt for this entity was apportioned to the municipality by dividing the municipality's 2010 equalized value by the total 2010 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 2011

Equalized valuation basis	
2010	\$ 2,889,034,345
2009	\$ 3,010,601,783
2008	\$ 3,284,009,985
	<u>\$ 9,183,646,113</u>
	\$ 3,061,215,371
	122,448,615
	<u>\$ 122,448,615</u>

Average equalized valuation of taxable property

Debt limit (4% of average equalization value)
 Total Net Debt Applicable to Limit
 Legal debt margin

	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 59,790,661	\$ 66,237,078	\$ 74,794,959	\$ 84,129,363	\$ 95,442,291	\$ 108,154,671	\$ 120,540,327	\$ 128,257,542	\$ 129,941,673	\$ 122,448,615
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 59,790,661	\$ 66,237,078	\$ 74,794,959	\$ 84,129,363	\$ 95,442,291	\$ 108,154,671	\$ 120,540,327	\$ 128,257,542	\$ 129,941,673	\$ 122,448,615
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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>
2002	26,041	\$ 51,931	5.70%
2003	25,940	51,291	5.60%
2004	25,855	54,669	4.60%
2005	25,636	56,963	3.50%
2006	25,651	63,021	3.70%
2007	25,565	67,113	3.20%
2008	25,515	68,541	4.10%
2009	25,582	64,388	7.60%
2010	25,582 (E)	N/A	7.90%
2011	25,582 (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>Employer</u>	<u>2011</u>		<u>2002</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION IS NOT AVAILABLE

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

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction	327	333	333	333	324	327	328
Support Services:							
Student & instruction related services	64	65	60	61	70.5	65.0	65.0
General administration	7	7	7	7	6	6	5
School administrative services	25	23	21	23	25	24	24
Central services	8	8	7	7	6.5	7.0	7.0
Plant operations and maintenance	41	41	39	41	43	42	40
Pupil transportation	1	1	1	1	15	15	16
Other support services	17	17	15	9	-		
Total	<u>490</u>	<u>495</u>	<u>483</u>	<u>481</u>	<u>490</u>	<u>486</u>	<u>485</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 seven 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 Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)			
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	-2.57%	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	3,635	3,395	-6.73%	96.04%
2008	3,589	59,569,402	16,598	4.92%	334	1:12	1:10	1:09	3,544	3,412	0.25%	96.28%
2009	3,754	57,984,225	15,446	-6.94%	351	1:15	1:13	1:14	3,684	3,567	3.95%	96.82%
2010	3,474	57,994,862	16,694	8.08%	349	1:15	1:13	1:14	3,432	3,308	-6.84%	96.39%
2011	3,529	57,488,277	16,290	-2.42%	350	1:15	1:13	1:14	3,529	3,405	2.83%	96.49%

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 TEN YEARS
(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES										
11-000-261-XXX										
School Facilities										
Bergenfield High School	\$ 857,449	\$ 875,131	\$ 906,669	\$ 1,004,171	\$ 1,202,659	\$ 1,134,378	\$ 1,511,168	\$ 1,341,001	\$ 1,267,962	\$ 1,206,434
Roy W. Brown Middle School	414,971	420,149	435,458	482,287	577,617	544,823	725,789	644,061	608,982	579,432
Franklin Elementary School	207,236	210,074	217,729	241,144	288,809	272,411	362,894	322,030	304,490	289,715
Hoover Elementary School	81,340	82,382	85,422	94,608	113,309	106,876	142,375	126,343	119,462	113,665
Jefferson Elementary School	113,976	115,335	119,676	132,545	158,745	149,732	199,467	177,006	167,365	159,244
Lincoln Elementary School	225,721	230,670	239,138	264,854	317,207	299,197	398,577	353,695	334,431	318,203
Washington Elementary Sch.	131,030	131,811	136,803	151,514	181,463	171,161	228,013	202,336	191,316	182,033
Grand Total	\$ 2,031,723	\$ 2,065,552	\$ 2,140,895	\$ 2,371,123	\$ 2,839,809	\$ 2,678,578	\$ 3,568,283	\$ 3,166,472	\$ 2,994,008	\$ 2,848,726

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, 2011
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NESBIG		
Property - Blanket Building & Contents	\$ 112,222,132	\$ 5,000
Comprehensive General Liability	2,000,000	
Commercial Umbrella	9,000,000	10,000
Accident Coverage	500,000	
Environmental Impairment	3,000,000	15,000
Excess Liability	50,000,000	
Workers Compensation Employers Liability	1,000,000	
Commercial Auto Liability	1,000,000	1,000
Crime Coverage		
Public Employee Dishonesty		
Per Employee (Primary)	100,000	5,000
Per Loss (Excess)	400,000	1,000
Forgery or Alteration Coverage	50,000	1,000
Treasurer of School Monies - Surety Bond	305,000	
Business Administrator/Board Secretary - Surety Bond	292,000	

Source: School District's records

SINGLE AUDIT

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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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, 2011, which collectively comprise the Bergenfield Board of Education's basic financial statements and have issued our report thereon dated December 1, 2011. 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 and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Bergenfield Board of Education is responsible for establishing and maintaining effective 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as items 2011-1 to be a material weakness.

A significant deficiency is a deficiency or combination of significant deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2011-2 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the of 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 the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as items 2011-1 and 2011-2.

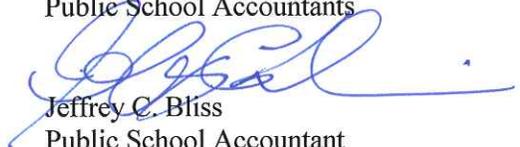
We also noted certain matters that we reported to management of the Bergenfield Board of Education in a separate report entitled, "Auditors' Management Report on Administrative Findings – Finance, Compliance and Performance" dated December 1, 2011.

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

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, New Jersey State Department of Education, 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
December 1, 2011

LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

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

Independent Auditor's Report

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

Compliance

We have audited the Bergenfield Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Bergenfield Board of Education's major federal and state programs for the fiscal year ended June 30, 2011. 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 and Regulatory Compliance, 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 compliance requirements referred to above that have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements that 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 2011-3 through 2011-7.

Internal Control Over Compliance

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but nor 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 was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2011-4 to be a material weakness.

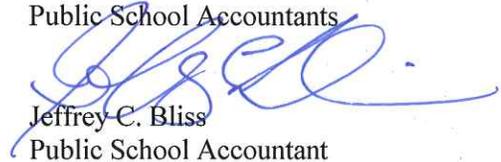
A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2011-5 and 2011-6 to be significant deficiencies.

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

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, 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
December 1, 2011

BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal CFDA Number	Federal Grantor/Pass Through Grantor/ Expendable Title	Grant or State Project Number	Grant Expiry	Award Amount	(Account Receivable)	Deferred Revenue	Due to Grantor	Carryover (W/loss) Amount Def. Rev.	Carryover (Walkover) Amount A/R	Cash Received	Budgetary Encumbrance	Prior Year's Prior Balances	Prior Year Canceled / Adjustments	(Account Receivable)	Balance June 30, 2011 Deferred Revenue	Due to Grantor	Memo GAAP Reasonable
10.553	School Breakfast Program	N/A	7/1/09-6/30/10	\$ 19,871	\$ (1,401)			\$	\$ 1,401	\$ 27,681	\$ 29,811			\$ (2,130)			
10.553	School Breakfast Program	N/A	7/1/10-6/30/11	28,811													
10.555	National School Lunch Program	N/A	7/1/09-6/30/10	398,055	(28,654)				28,654	406,177	406,641			(21,520)			
	Cash Assistance		7/1/10-6/30/11	406,177													
	Non-Cash Assistance (Food Distribution)		7/1/09-6/30/10	67,148													
	Non-Cash Assistance (Food Distribution)		7/1/10-6/30/11	56,441						56,441	54,462				1,979		
10.556	Special Milk Program	N/A	7/1/09-6/30/10	935					935		935						
			7/1/10-6/30/11							499,233	493,465			(24,620)	1,979		
	Total U.S. Department of Agriculture				(30,055)												
	Total U.S. Department of Education																
	Passed-through State Department of Education																
84.010A	NCLB	NCLB	9/1/09-8/31/10	354,062	(280,133)	121,147		\$ (82,059)	76,865	208,522	44,282			(259,727)	75,049		(184,678)
84.010A	NCLB	NCLB	9/1/10-8/31/11	344,448				82,059		161,566	351,458			(62,790)	1,416		(41,354)
84.389	NCLB	NCLB	9/1/09-8/31/10	242,588	(125,694)	109,344		(15,635)	15,635	28,674	21,650			(99,159)	41,237		(57,922)
84.381A	NCLB	NCLB	9/1/09-8/31/10	102,886	(81,106)	36,485				36,548	74,470						
84.281A	NCLB	NCLB	9/1/09-8/31/10	100,072	(2,878)					2,878							
84.281A	NCLB	NCLB	9/1/10-8/31/11	3,552													
84.365A	NCLB	NCLB	9/1/09-8/31/10	41,552	(31,297)	18,408		(413)	413	20,840	30,381			(457)			(657)
84.365A	NCLB	NCLB	9/1/10-8/31/11	47,498	(42,337)			(8,974)	8,974	11,395	30,381			(36,190)	17,117		(19,073)
84.365A	NCLB	NCLB	9/1/09-8/31/10	60,355	(45,552)			8,974		43,360	43,360			(22,453)	1,907		(20,517)
84.186A	NCLB	NCLB	9/1/09-8/31/10	36,137	(14,424)	126,223		(101,244)	88,614	151,789	37,609			(86,651)			(86,651)
84.186A	NCLB	NCLB	9/1/10-8/31/11	823,500				101,244		577,560	788,438			(332,565)	134,840		(197,716)
84.027A	FT-492002	FT-492002	9/1/09-8/31/10	865,087	(552,456)	490,627				162,191	356,666			(390,965)	134,097		(256,168)
84.173A	PS-090000	PS-090000	9/1/09-8/31/10	32,953	(14,009)	6,334		(6,334)	6,334	7,675							
84.173A	PS-090000	PS-090000	9/1/10-8/31/11	33,720						22,114	34,073			(17,840)	5,981		(11,859)
84.392	PS-090005	PS-090005	9/1/09-8/31/10	38,725	(30,590)	27,543				6,319	15,305			(94,271)	12,238		(12,033)
84.215E	Elementary and Secondary School Counseling	N/A	9/1/09-8/31/10	286,639	(130,112)					150,312	295,329			(156,434)			(156,434)
84.215E	Elementary and Secondary School Counseling	N/A	9/1/10-8/31/11	292,376						138,895				(30,709)			(30,709)
84.000	Comprehensive School Reform, Carryover	CSR-060300	9/1/09-8/31/10	184,000	(106)									(1,721)			(1,721)
84.000	Small Learning Comm Grant-Carryover	N/A	9/1/09-8/31/10	40,000	(106)									(1,721)			(1,721)
84.000	Career Academy Grant-Carryover	99-BV14-006	9/1/09-6/30/10	100,000	(14,590)	12,675				9,590	9,596			(1,721)	5,984		(1,721)
84.048A	Perkins Grant	N/A	9/1/09-8/31/10	25,277	(30,277)					14,293	14,656			(13,986)			(13,986)
84.048A	Perkins Grant	N/A	9/1/10-8/31/11	15,278										(13,986)			(13,986)
84.217F	Carl M. White Physical Education	Q213F40483	10/1/09-9/30/08	86,072		80,672								(13,986)	80,672		(14,856)
	Total U.S. Department of Education				(1,685,449)	1,035,642				1,855,177	2,235,698	7,674	8,332	(1,539,991)	\$10,960		(1,109,703)
	Total Federal Awards				(1,715,495)	1,037,158				2,354,410	2,738,433	7,674	8,332	(1,564,441)	\$12,939		(1,109,703)

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Refund of Prior Years' Balances	Balance, June 30, 2011		GAAP Reservable	Cumulative Total Expenditures
										(Accounts Receivable)	Deferred Revenue		
State Department of Education													
Current Expense:													
Equalization Aid	10-495-034-5120-078	7/1/09-6/30/10	5,681,003	\$ (721,326)		\$ 721,326							
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	6,598,867		6,099,473	\$ 6,099,473	\$ 6,598,867						\$ 6,598,867
Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	354,836	(45,057)		45,057							
Security Aid	10-495-034-5120-084	7/1/09-6/30/10	327,753	(41,615)		41,615							
Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	1,951,047	(247,728)		247,728							
Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	1,920,078		1,748,581	1,748,581	1,920,078						1,920,078
Extraordinary Aid	10-100-034-5120-473	7/1/09-6/30/10	1,198,650	(1,198,650)		1,198,650							
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	1,393,240				1,393,240						1,393,240
Additional Non-Public Transportation Aid	N/A		\$ 53	(53)									
Additional Non-Public Transportation Aid	N/A												
On Behalf Payments			1,839,044		1,749,961	1,749,961	1,839,044						1,839,044
TPAF Social Security	11-495-034-5095-002	7/1/10-6/30/11											
TPAF Pension	11-495-034-5095-007	7/1/10-6/30/11	81,951		81,951	81,951							81,951
Pension Benefit Contribution-NCGI	11-495-034-5095-001	7/1/10-6/30/11	1,740,642		1,740,642	1,740,642							1,740,642
Post Retirement Medical Benefit Contribution													
Total, General Fund			(2,254,409)		13,585,017	13,585,017	13,573,822		(2,243,214)		(89,083)		13,573,822
Special Revenue:													
New Jersey Nonpublic Aid			13,411	2,459					\$ 2,459				
Textbook Aid	10-100-034-5120-064	7/1/09-6/30/10	13,756		13,756	13,756							13,756
Nursing Services	10-100-034-5120-070	7/1/09-6/30/10	15,905	4,516					4,516				
Nursing Services	11-100-034-5120-070	7/1/10-6/30/11	16,299		16,299	16,299							11,990
Auxiliary Services:													
Compensatory Education	10-100-034-5120-067	7/1/09-6/30/10	83,494	11,633					11,633				
Compensatory Education	11-100-034-5120-067	7/1/10-6/30/11	95,031		95,031	94,360							94,360
English as a Second Language	10-100-034-5120-067	7/1/09-6/30/10	18,595	5,400					5,400				
English as a Second Language	11-100-034-5120-067	7/1/10-6/30/11	21,089		21,089	17,162							17,162
Transportation	10-100-034-5120-068	7/1/09-6/30/10	3,940	3,940					3,940				
Transportation	11-100-034-5120-068	7/1/10-6/30/11	3,365		3,365								3,365
Handicapped Services:													
Examination and Classification	10-100-034-5120-066	7/1/09-6/30/10	22,111	3,351					3,351				
Examination and Classification	11-100-034-5120-066	7/1/10-6/30/11	26,793		26,793	18,821							18,821
Corrective Speech	10-100-034-5120-066	7/1/09-6/30/10	46,718	7,751					7,751				
Corrective Speech	11-100-034-5120-066	7/1/10-6/30/11	51,633		51,633	43,028							43,028
Supplemental Instruction	10-100-034-5120-066	7/1/09-6/30/10	11,150	5,285					5,285				
Supplemental Instruction	11-100-034-5120-066	7/1/10-6/30/11	17,649		17,649	12,090							12,090
IMPACT Grant	N/A		37,153	(26,555)									
IMPACT Grant	N/A		55,510		55,510	28,115							28,115
HSTW Grant			2,000		2,000	2,000							2,000
Character Education, Carryover	05-495-034-5120-053	7/1/04-6/30/06	10,247	14									
Total Special Revenue Fund			17,794		284,768	251,919			44,335		(35,510)		251,919
Total			(2,236,615)		13,869,785	13,836,936			48,770		(124,524)		13,712,412

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

State Granting/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Refund of Prior Years' Balances	Balance, June 30, 2011		Cumulative Total Expenditures
										(Accounts Receivable)	Deferred Revenue	
State Department of Agriculture												
Food Service:												
National School Lunch Program (State Share)	10-100-010-3350-023	7/1/09-6/30/10	19,864	(1,429)	\$ 1,429	\$ 13,484						13,484
School Breakfast Program	11-100-010-3350-023	7/1/10-6/30/11	13,484		110							
	10-100-010-3350-021	7/1/09-6/30/10	1,499	(110)								
Total Food Service Fund				(1,539)	13,620	13,484				(1,403)		13,484
School Development Authority												
Educational Facilities Construction and Financing Act of 2000												
Capital Projects Fund:												
Roy W. Brown Middle School Electrical Upgrades	SP0300-050-02-0904	N/A	202,102	(162,302)						(162,302)		(162,302)
Total Capital Projects Fund				(162,302)						(162,302)		(162,302)
Total State Financial Assistance				(2,400,456)	13,883,405	13,839,225	34,423		1	(2,442,429)	7,396	13,839,225
State Financial Assistance Not Subject to Single Audit Determination												
General Fund												
On-Behalf TPAF Pension System Contributions-NCGI	11-100-034-5095-007	7/1/10-6/30/11	81,951		(81,951)							(81,951)
On-Behalf TPAF Post-Retirement Medical Contribution	11-100-034-5095-001	7/1/10-6/30/11	1,740,642		(1,740,642)							(1,740,642)
Total State Financial Assistance Subject to Single Audit				(2,440,456)	12,060,812	12,016,632	34,423		1	(2,442,429)	7,396	12,016,632

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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 delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2.. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$100,225 for the general fund and a decrease of \$183,121 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 as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 20,888	\$ 13,674,047	\$ 13,694,935
Special Revenue Fund	2,037,555	266,713	2,304,268
Food Service Fund	<u>493,365</u>	<u>13,484</u>	<u>506,849</u>
Total Financial Assistance	<u>\$ 2,551,808</u>	<u>\$ 13,954,244</u>	<u>\$ 16,506,052</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, 2011****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 \$1,839,044 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, 2011. The amount reported as TPAF Pension System Contributions in the amount of \$81,951 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,740,642 represents the amount paid by the State on behalf of the District for the year ended June 30, 2011.

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unqualified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted? X yes no

Federal Awards Section

Internal Control over major programs:

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

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

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

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

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010A</u>	<u>Title I</u>
<u>84.389</u>	<u>Title I, ARRA</u>
<u>84.027A</u>	<u>IDEA Part B Basic</u>
<u>84.391</u>	<u>IDEA Part B Basic, ARRA</u>
<u>84.173A</u>	<u>IDEA Part B, Preschool</u>
<u>84.392</u>	<u>IDEA Part B, Preschool, ARRA Program</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.556</u>	<u>Special Milk Program</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? yes X no

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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:

GMIS Number(s)	Name of State Program
11-495-034-5120-089	Special Education Aid
11-495-034-5120-078	Equalization Aid
11-495-034-5120-473	Extraordinary Aid
11-495-034-5095-002	TPAF Social Security

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

\$ 360,499

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, 2011**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

Finding 2011-1

Our audit of the general ledger account balances revealed numerous adjusting journal entries which were required to bring the District records into agreement with subsidiary records and supporting documentation.

Criteria or specific requirement:

The State Department of Education's GAAP Technical Systems Manual

Condition:

Numerous adjusting journal entries were required to reclassify receipts, revenues and budget charge mispostings in the General, Special Revenue and Enterprise Funds. We noted numerous receipt and revenue entries which were misclassified as to the proper fund and account. In addition, certain budget charges were reclassified from General Fund to Special Revenue Fund to properly account for certain grant program charges of career academy grant program.

Context:

Numerous journal entries were required to reclassify mispostings of transactions in the General, Special Revenue and Enterprise Funds.

Cause:

General ledger account balances were not reviewed and reconciled to subsidiary records and supporting documentation on a monthly basis.

Effect

The Board Secretary's records were not in agreement with subsidiary records and supporting documentation.

Recommendation

Internal controls over financial accounting and reporting procedures be reviewed and enhanced to ensure financial transactions are properly recorded and reported in the District's internal accounting records.

View of Responsible Officials and Planned Corrective Action:

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

Finding 2011-2

During January, February and March, the Treasurer reports ending cash balances were not always in agreement with the following month's beginning cash balance. In addition, those months appear to have some invalid reconciling items.

Criteria or specific requirement

New Jersey Administrative Code – Board Secretary's and Treasurer's Monthly Reports.

Condition

We noted cash balances were not in agreement from one month to the next month and certain reconciling items that appear to be invalid on the monthly bank reconciliations.

Context

Treasurer's reports for three (3) consecutive months did not agree to the previous months balances. Several reconciling items appeared on those months bank reconciliations that were not supported and appeared invalid.

Cause

Treasurer reports and bank reconciliations were not accurately prepared and reconciled.

Effect

The Treasurer's reports that were reported to the Board for the months of January, February and March were not accurate.

Recommendation

The Treasurer's reports be prepared accurately and be in agreement with the Board Secretary reports on a monthly basis.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has already taken corrective action by appointing a new Treasurer of School Monies.

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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.

CURRENT YEAR FEDERAL AWARDS

Finding 2011-3:

Our audit of meals claimed for reimbursement and revenue collections revealed:

- Several instances where meals/milks claimed for certain schools exceeded the maximum amount allowed based on eligible students.
- Six instances where deposit slips were not available for audit.
- Several instances where there was a difference between the "Daily Review Report" and the "Daily Cashier Worksheet".

Information on the Federal Program:

School Breakfast Program	10.553
National School Lunch Program	10.555
Special Milk Program	10.556

Criteria or specific requirement:

Federal Grant Compliance Supplement

Condition:

See Finding 2011-3.

Questioned Costs:

Unknown

Context:

The District report 686 meals and milks in excess of amounts verified on the monthly reimbursement vouchers resulting in an overclaim of \$1,823.

Effect:

Noncompliance with Federal Grant Compliance Supplement may result in over or under claims of meals reported for reimbursement

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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.

CURRENT YEAR FEDERAL AWARDS (Continued)

Finding 2011-3: (Continued)

Cause:

Unknown.

Recommendation:

Internal control procedures be reviewed and enhanced over the collection of food service sales and filing of reimbursement vouchers.

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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.

CURRENT YEAR STATE AWARDS

Finding 2011-4

Our audit of the general ledger account balances revealed numerous adjusting journal entries which were required to bring District records into agreement with the subsidiary records and supporting documentation.

State program information:

Special Education Aid	11-495-034-5120-089
Equalization Aid	11-495-034-5120-078

Criteria or specific requirement:

NJ Department of Education – Grant Compliance Supplement – State Aid Public

Condition

See Finding 2011-1.

Questioned Costs:

See Finding 2011-1.

Context:

See Finding 2011-1.

Effect:

See Finding 2011-1.

Cause

See Finding 2011-1.

Recommendation:

Internal controls over financial accounting and reporting procedures be reviewed and enhanced to ensure financial transactions are properly accounted and reported in the District's internal accounting records.

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Part 2 – Schedule of Financial Statement Findings

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.

CURRENT YEAR STATE AWARDS

Finding 2011-5

During January, February and March, the Treasurer reports ending cash balances were not always in agreement with the following month's beginning cash balance. In addition, those months appear to have some invalid reconciling items.

State program information:

Special Education Aid	495-034-5120-089
Equalization Aid	495-034-5120-078

Criteria or specific requirement:

NJ Department of Education – Specific Grant Compliance of State Aid - Public

Condition

See Finding 2011-2.

Questioned Costs:

None

Context:

See Finding 2011-2.

Effect:

See Finding 2011-2.

Cause

See Finding 2011-2.

Recommendation:

The Treasurer's reports be prepared accurately and be in agreement with the Board Secretary reports on a monthly basis

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has already taken corrective action by appointing a new Treasurer of School Monies.

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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.

CURRENT YEAR STATE AWARDS

Finding 2011-6

A review of student's Individual Education Plans (IEP) revealed certain students reported on the application for State Extraordinary Aid did not have an intensive service included in their IEP. A minimum of one intensive service is required to be included in a student's IEP to be eligible for inclusion on the Extraordinary Aid application.

Information on the State Program

Extraordinary Aid 11-100-034-5095-002

Criteria or Specific Requirement

N.J. Department of Education – Grant Compliance Supplement.

Condition

Detailed documentation was not maintained in certain students IEP's to support intensive related services reported for certain students reported on the District's Extraordinary Aid Application.

Questioned Costs

None.

Context

Student IEPs for seven (7) students tested out of eighteen (18) students reviewed did not indicate an intensive related service was required.

Effect

Intensive Related Services identified on the Extraordinary Aid Application for certain students could not be verified to the respective students Individual Education Plans (IEP).

Cause

Students IEP's did not support the intensive related service listed on the Application for State Extraordinary Aid.

Recommendation

Internal control procedures be reviewed and revised to ensure only eligible students are reported on the application for State Extraordinary Aid.

Views of Responsible Officials and Planned Corrective Action

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

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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.

CURRENT YEAR STATE AWARDS

Finding 2011-7

The Board passed a resolution in June, 2011 to deposit up to \$400,000 into the Capital Reserve account. This resolution was subsequently amended to deposit up to \$1,800,000 into the Capital Reserve account.

Information on the State Program

Special Education Aid	11-495-034-5120-089
Equalization Aid	11-495-034-5120-078

Criteria or Specific Requirement

N.J. Department of Education – Grant Compliance Supplement – State Aid Public.

Condition

The Board's resolution in June, 2011 to transfer money into the Capital Reserve account was not accurate.

Questioned Costs

None.

Context

See Condition

Effect

Noncompliance with State Grant Compliance Supplement – State Aid – Public

Cause

Original resolution approved by the Board was incomplete and the amendment of this resolution was not approved in a timely manner.

Recommendation

All resolutions to deposit money into the Capital Reserve account be complete and approved in a timely manner.

Views of Responsible Officials and Planned Corrective Action

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, 2011**

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 2010-1

Condition:

Our audit of employee's compensation and overtime pay revealed weakness in the internal control system over the processing and payment of employee's compensation and overtime pay as follows:

- Incomplete personnel files caused by either documentation and information not included in the file or not required to be included in file.
- Overtime hourly rates and stipends which are not documented in personnel files.
- No formal documentation between Human Resources and the Business Office with respect to providing information required to process employee's pay, accurately and in accordance with Board approved amounts.
- Personnel files which are maintained outside of Human Resources.
- Various types of overtime reporting forms used by different departments which do not provide sufficient detailed descriptions and information of amounts reported.
- No system in place to document requests by department heads, supervisors or principals for overtime required for specific events or purposes prior to incurring overtime costs.
- No policy or procedure in place requiring the pre-approval by District administration of overtime requested by department heads, supervisors or principals.
- No separate salary budget sub-accounts are maintained within the District budget account structure to report to the Board amounts budgeted and expended for overtime costs of the various departments which incur overtime.

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, 2011**

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 2010-2

Condition

Numerous adjusting journal entries were required to reclassify receipts, revenues and budget charge mispostings in the General, Special Revenue and Enterprise Funds. We noted numerous receipt and revenue entries which were misclassified as to the proper fund and account. In addition, certain budget charges were reclassified from General Fund to Special Revenue Fund to properly account for certain grant program charges of career academy grant program.

Current Status

See Finding 2011-1.

Finding 2010-3

Condition

Our audit revealed that in certain instances checks are being issued out of sequence.

Current Status

Corrective action was taken.

Finding 2010-4

Condition

Our audit of the Treasurer's June 30, 2010 monthly report revealed that the bank reconciliations for the general operating and net payroll accounts were not prepared accurately. We noted certain outstanding checks and reconciling items on the General and Net Payroll bank reconciliations that were deemed to be invalid at June 30, 2010.

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, 2011**

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 2010-5

Condition

Our audit of meal counts claimed for reimbursement revealed:

- Four instances where meals claimed on the monthly reimbursement vouchers did not agree with the edit check worksheets.
- Free milks claimed in one month exceeded the eligible amount per the edit check worksheet.
- Free milks claimed in several months exceeded the maximum amount allowed based on eligible students.

Current Status

See Finding 2011-3.

Finding 2010-6

Condition

Our audit of the general ledger account balances revealed numerous adjusting journal entries which were required to bring District records into agreement with the subsidiary records and supporting documentation.

Current Status

See Finding 2011-4.

Finding 2010-7

Condition

Our audit of the Treasurer's June, 2010 monthly report revealed the bank reconciliations for the general operating and net payroll accounts were not prepared accurately. We noted certain outstanding checks and reconciling items on the General and Net Payroll bank reconciliations that were deemed to be invalid at June 30, 2010.

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, 2011**

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 2010-8

Condition

Our audit revealed that the report provided by the District's third party service provider to payroll did not have sufficient detail to verify the employee's wages included in the claim for T.P.A.F. Social Security reimbursement.

Current Status

Corrective action was taken.

Finding 2010-9

Condition

Our audit of reimbursed travel expenses revealed:

- A District maximum travel expense amount was not approved by the Board.
- Certain conferences, workshops and seminars were not pre-approved in accordance with policy.
- Post-travel expense reports were not available for audit.

Current Status

Corrective action was taken.

Finding 2010-10

Condition

A review of student's Individual Education Plans (IEP) revealed certain students reported on the application for State Extraordinary Aid did not have an intensive service included in their IEP. A minimum of one intensive service is required to be included in a student's IEP to be eligible for inclusion on the Extraordinary Aid application.

Current Status

See Finding 2011-6.