

BERGENFIELD BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Bergenfield, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Bergenfield Board of Education

Bergenfield, New Jersey

For The Fiscal Year Ended June 30, 2016

Prepared by

Business Office

**BERGENFIELD BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

| | |
|--------------------------|-------|
| Letter of Transmittal | i-iii |
| Organizational Chart | iv |
| Roster of Officials | v |
| Consultants and Advisors | vi |

FINANCIAL SECTION

| | |
|------------------------------|-----|
| Independent Auditor's Report | 1-3 |
|------------------------------|-----|

REQUIRED SUPPLEMENTARY INFORMATION – PART I

| | |
|--------------------------------------|------|
| Management's Discussion and Analysis | 4-15 |
|--------------------------------------|------|

Basic Financial Statements

A. District-wide Financial Statements

| | |
|-------------------------------|-------|
| A-1 Statement of Net Position | 16 |
| A-2 Statement of Activities | 17-18 |

B. Fund Financial Statements

Governmental Funds

| | |
|--|-------|
| B-1 Balance Sheet | 19-20 |
| B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances | 21 |
| B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 22 |

Proprietary Funds

| | |
|--|----|
| B-4 Statement of Net Position | 23 |
| B-5 Combining Statement of Revenues, Expenses, and Changes in Net Position | 24 |
| B-6 Statement of Cash Flows | 25 |

Fiduciary Funds

| | |
|--|----|
| B-7 Statement of Fiduciary Net Position | 26 |
| B-8 Statement of Changes in Fiduciary Net Position | 27 |

| | |
|--|-------|
| Notes to the Financial Statements | 28-60 |
|--|-------|

**BERGENFIELD BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

| | | |
|-----|--|-------|
| C-1 | Budgetary Comparison Schedule – General Fund | 61-69 |
| C-2 | Budgetary Comparison Schedule – Special Revenue Fund | 70 |

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II

| | | |
|-----|--|----|
| C-3 | Budgetary Comparison Schedule – Note to Required Supplementary Information | 71 |
|-----|--|----|

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

| | | |
|-----|---|----|
| L-1 | Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System | 72 |
| L-2 | Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System | 73 |
| L-3 | Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund | 74 |
| L-4 | Notes to Required Supplementary Information | 75 |

OTHER SUPPLEMENTARY INFORMATION

D. School Level Schedules - Not Applicable

E. Special Revenue Fund

| | | |
|-----|---|-------|
| E-1 | Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis | 76-78 |
| E-2 | Schedule of Preschool Aid Expenditures – Budgetary Basis – Not Applicable | 79 |

F. Capital Projects Fund

| | | |
|-------------|--|-------|
| F-1 | Summary Schedule of Project Expenditures | 80 |
| F-2 | Summary Schedule of Revenues, Expenditures and Changes in Fund Balance | 81 |
| F-2A- 2H | Schedule of Project Revenues, Expenditures, Project Balance and Project Status | 82-89 |

G. Proprietary Funds

Enterprise Fund

| | | |
|-----|---|----|
| G-1 | Statement of Net Position – Not Applicable | 90 |
| G-2 | Combining Statement of Revenues, Expenses and Changes in Net Position – Not Applicable | 90 |
| G-3 | Statement of Cash Flows – Not Applicable | 90 |

**BERGENFIELD BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

H. Fiduciary Funds

| | | |
|-----|---|----|
| H-1 | Combining Statement of Agency Fund Assets and Liabilities | 91 |
| H-2 | Combining Statement of Changes in Fiduciary Net Position – Not Applicable | 92 |
| H-3 | Student Activity Agency Fund Schedule of Receipts and Disbursements | 92 |
| H-4 | Payroll Agency Fund Schedule of Changes in Assets and Liabilities | 93 |

OTHER SUPPLEMENTARY INFORMATION (Continued)

I. Long-Term Debt

| | | |
|-----|---|----|
| I-1 | Schedule of Serial Bonds – Not Applicable | 94 |
| I-2 | Schedule of Obligations Under Capital Leases – Not Applicable | 94 |
| I-3 | Debt Service Fund Budgetary Comparison Schedule | 95 |

J. STATISTICAL SECTION (Unaudited)

| | | |
|------|---|-------|
| J-1 | Net Position by Component | 96 |
| J-2 | Changes in Net Position | 97-98 |
| J-3 | Fund Balances – Governmental Funds | 99 |
| J-4 | Changes in Fund Balances, Governmental Funds | 100 |
| J-5 | General Fund Other Local Revenue by Source | 101 |
| J-6 | Assessed Value and Actual Value of Taxable Property | 102 |
| J-7 | Direct and Overlapping Property Tax Rates | 103 |
| J-8 | Principal Property Taxpayers | 104 |
| J-9 | Property Tax Levies and Collections | 105 |
| J-10 | Ratios of Outstanding Debt by Type | 106 |
| J-11 | Ratios of Net General Bonded Debt Outstanding | 107 |
| J-12 | Direct and Overlapping Governmental Activities Debt | 108 |
| J-13 | Legal Debt Margin Information | 109 |
| J-14 | Demographic and Economic Statistics | 110 |
| J-15 | Principal Employers | 111 |
| J-16 | Full-Time Equivalent District Employees by Function/Program | 112 |
| J-17 | Operating Statistics | 113 |
| J-18 | School Building Information | 114 |
| J-19 | Schedule of Required Maintenance for School Facilities | 115 |
| J-20 | Schedule of Insurance | 116 |

**BERGENFIELD BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

K.

SINGLE AUDIT SECTION

| | | |
|-----|--|---------|
| K-1 | Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report | 117-118 |
| K-2 | Report on Compliance for each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report | 119-121 |
| K-3 | Schedule of Expenditures of Federal Awards | 122 |
| K-4 | Schedule of Expenditures of State Financial Assistance | 123-124 |
| K-5 | Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance | 125-126 |
| K-6 | Schedule of Findings and Questioned Costs | 127-131 |
| K-7 | Summary Schedule of Prior Year Audit Findings and Questioned Costs | 132 |

INTRODUCTORY SECTION



Christopher M. Tully, EdS
Interim Superintendent of Schools

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Bergenfield, New Jersey 07621
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www.bergenfield.org

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

November 30, 2016

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, 2016, 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 provisions of Title II U.S. Code of Federal Regulation (LFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award (Uniform Guidance)", and the State Treasury Circular OMB 15-08. 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 2015-2016 fiscal year with an enrollment of 3,565 students, which is 98 students more 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 2015 opening day K-12 enrollment was 3,467. This represents an increase of 63 pupils as compared to the opening enrollment in September of 2014. 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 2015-2016 School Year include Uni-vent replacements at Lincoln and Washington Schools; ADA Bathroom Renovation at Bergenfield High School; Auditorium Lighting Upgrade at Bergenfield High School; Tri Valley Academy for Autism continues to grow thus reducing out of district tuition cost and increasing revenue.

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.

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 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.

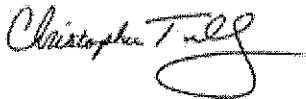
8. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements". The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions 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 Uniform Guidance and State Treasury Circular OMB 15-08. 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,

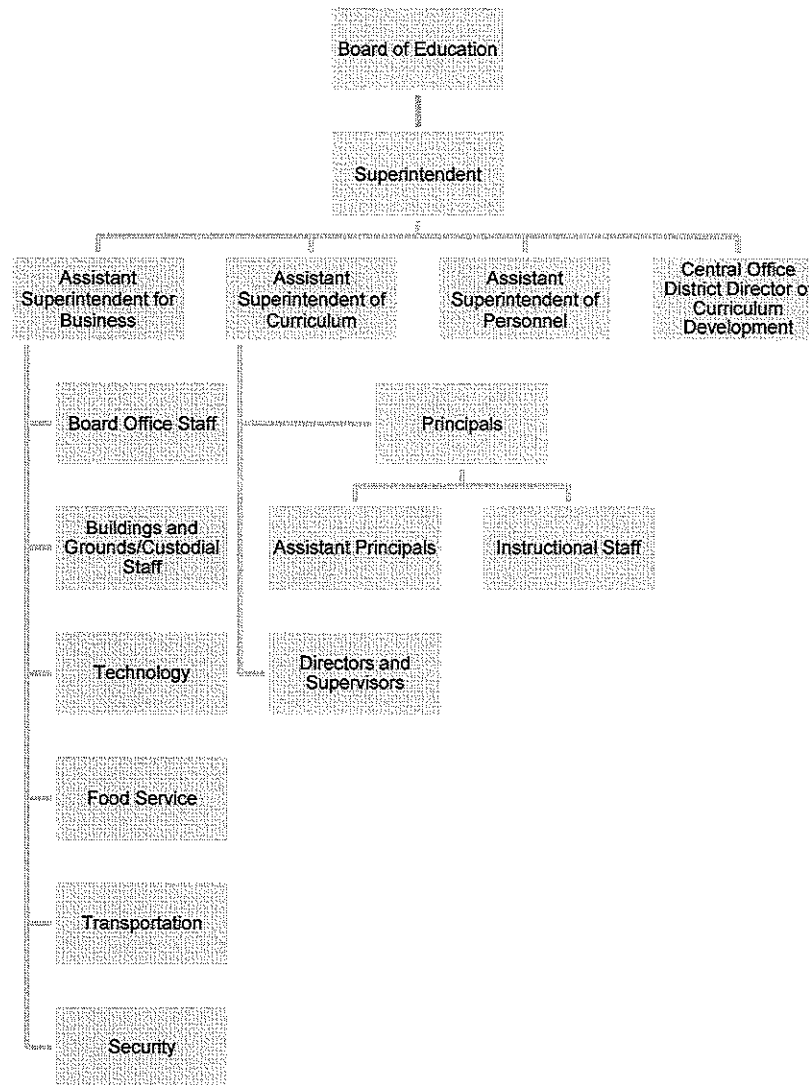


Christopher M. Tully, Ed.S., Interim Superintendent



Mark Hayes
Interim Business Administrator/Board Secretary

BERGENFIELD BOARD OF EDUCATION Organization Chart



**BERGENFIELD BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2016**

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|--|---------------------|
| Joseph Amara, President | 2016 |
| Eileen Ryder, Vice President | 2017 |
| Ralph Messina | 2018 |
| Anthony Cortez | 2018 |
| Mark D'Esposito | 2016 |

Other Officials

Christopher Tully, Interim Superintendent
Dr. Mark Hayes, Interim Business Administrator/Board Secretary
Sean Gately, Treasurer of School Monies

BERGENFIELD BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

Architect

Solutions Architecture
81 Clay Street
2nd Floor, Suite 2
Newark, NJ 07104

Audit Firm

Lerch, Vinci, & Higgins, LLP
17-17 Route 208
Fair Lawn, NJ 08876

Attorneys

Fogarty & Hara
16-00 Route 208 South
Fair Lawn, NJ 07410

Official Depository

TD Bank
126 North Washington Avenue
Bergenfield, NJ 07621

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
ROBERT AMPONSAH, CPA

INDEPENDENT AUDITOR’S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bergenfield Board of Education, as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bergenfield Board of Education as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bergenfield Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Bergenfield Board of Education.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2016 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Bergenfield Board of Education's internal control over financial reporting and compliance.

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
November 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

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, 2016. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the District's financial statements and notes to the financial statements which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2015-2016 fiscal year include the following:

- The assets and deferred outflow of resources of the Bergenfield Board of Education exceeded its liabilities and deferred inflow of resources at the close of the fiscal year by \$22,133,019 (net position).
- The District's overall net position increased \$2,596,838 or 13%.
- Overall district revenues were \$77,838,926. General revenues accounted for \$55,818,239 or 72% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$22,020,687 or 28% of total revenues.
- The school district had \$74,131,812 in expenses for governmental activities; only \$20,664,417 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$55,818,239 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 \$12,882,750 an increase of \$480,767 from the previous year.
- The General Fund unassigned fund balance at June 30, 2016 was \$246,438 compared to the ending unassigned fund balance at June 30, 2015 of \$312,471.
- The General Fund unassigned budgetary fund balance at June 30, 2016 was \$1,951,506 which represents an increase of \$23,980 when compared to the ending unassigned budgetary fund balance at June 30, 2015 of \$1,927,526.
- The District's governmental activities investment in capital assets increased \$2,371,922 during the current fiscal year.

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

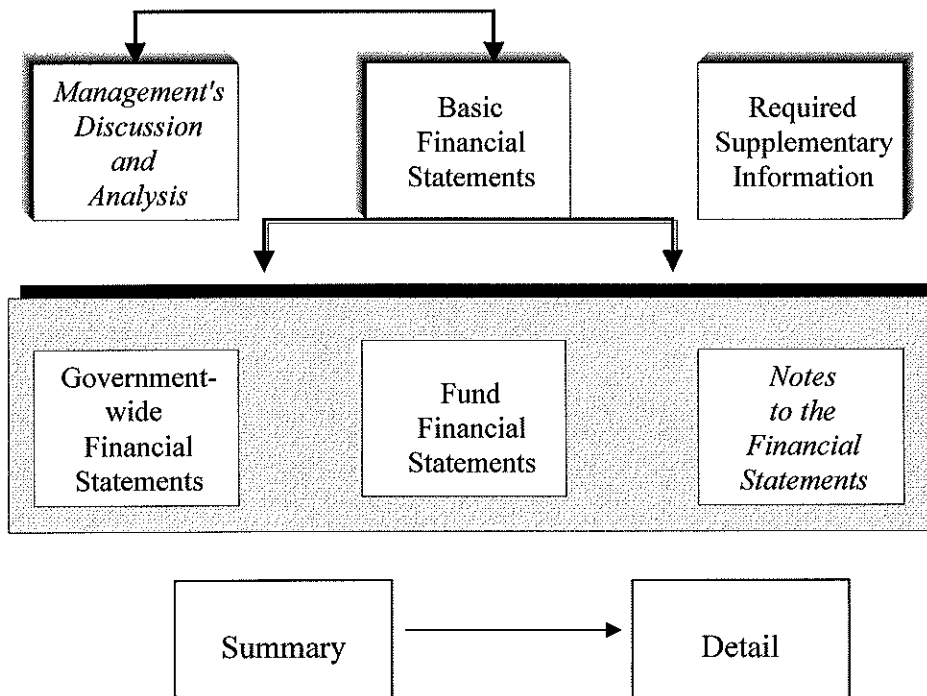
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

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 basic 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, 2016**

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 Position Statement of Activities | Balance Sheet Statement of Revenues, Expenditures and changes in fund balances | Statement of Net Position Statement of revenue, expenses, and changes in fund net position Statement of cash flows | Statements of Fiduciary net position Statement of changes in fiduciary net position |
| Accounting Basis and Measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of asset, liability, and deferred resources information | All assets, liabilities, and deferred outflows/inflows of resources 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, liabilities, and deferred outflows/inflows of resources both financial and capital, and short-term and long-term | All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets. |
| Type of inflow/outflow information | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable. | All revenues and expenses during the year, regardless of when cash is received or paid. | All additions and dedications during the year, regardless of when cash is received or paid. |

District-Wide Financial Statements

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

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

- Over time, increases or decreases in the District’s net position are an indicator of whether its financial condition 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, 2016**

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

Notes to the Financial Statements

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

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's budget process and pension plans. 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. Information regarding the District's employee retirement systems and pension plans has also been provided 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 and pension information.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$22,133,019 and \$19,536,181 as of June 30, 2016 and 2015, respectively.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that 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 Position
As of June 30, 2016 and 2015**

| | Governmental | | Business-Type | | Total | |
|---|----------------------|----------------------|-------------------|-------------------|----------------------|----------------------|
| | Activities | | Activities | | | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Assets | | | | | | |
| Current Assets | \$ 15,740,544 | \$ 15,007,024 | \$ 505,192 | \$ 282,026 | \$ 16,245,736 | \$ 15,289,050 |
| Capital Assets | 25,012,976 | 22,641,054 | 9,900 | 11,550 | 25,022,876 | 22,652,604 |
| Total Assets | <u>40,753,520</u> | <u>37,648,078</u> | <u>515,092</u> | <u>293,576</u> | <u>41,268,612</u> | <u>37,941,654</u> |
| Deferred Outflows of Resources | <u>2,428,635</u> | <u>422,075</u> | - | - | <u>2,428,635</u> | <u>422,075</u> |
| Total Assets and Deferred Outflow of Resources | <u>43,182,155</u> | <u>38,070,153</u> | <u>515,092</u> | <u>293,576</u> | <u>43,697,247</u> | <u>38,363,729</u> |
| Liabilities | | | | | | |
| Long-Term Liabilities | 18,122,320 | 15,017,913 | | | 18,122,320 | 15,017,913 |
| Other Liabilities | 2,857,794 | 2,605,041 | 48,870 | 73,338 | 2,906,664 | 2,678,379 |
| Total Liabilities | <u>20,980,114</u> | <u>17,622,954</u> | <u>48,870</u> | <u>73,338</u> | <u>21,028,984</u> | <u>17,696,292</u> |
| Deferred Inflow of Resources | <u>535,244</u> | <u>1,131,246</u> | - | 10 | <u>535,244</u> | <u>1,131,256</u> |
| Total Liabilities and Deferred Inflow of Resources | <u>21,515,358</u> | <u>18,754,200</u> | <u>48,870</u> | <u>73,348</u> | <u>21,564,228</u> | <u>18,827,548</u> |
| Net Position | | | | | | |
| Investment in Capital Assets | 25,012,976 | 22,641,054 | 9,900 | 11,550 | 25,022,876 | 22,652,604 |
| Restricted | 7,726,994 | 7,730,315 | | | 7,726,994 | 7,730,315 |
| Unrestricted | <u>(11,073,173)</u> | <u>(11,055,416)</u> | <u>456,322</u> | <u>208,678</u> | <u>(10,616,851)</u> | <u>(10,846,738)</u> |
| Total Net Position | <u>\$ 21,666,797</u> | <u>\$ 19,315,953</u> | <u>\$ 466,222</u> | <u>\$ 220,228</u> | <u>\$ 22,133,019</u> | <u>\$ 19,536,181</u> |

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

The District's total net position of \$22,133,019 at June 30, 2016 represents a \$2,596,838 or 13% increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2016 and 2015.

**Changes in Net Position
For the Fiscal Years Ended June 30, 2016 and 2015**

| | <u>Governmental</u> | | <u>Business-Type</u> | | <u>Total</u> | |
|---|-----------------------------|-----------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|
| | <u>Activities</u> | | <u>Activities</u> | | | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 1,523,020 | \$ 1,543,179 | \$ 647,275 | \$ 595,692 | \$ 2,170,295 | \$ 2,138,871 |
| Operating Grants and Contributions | 17,818,879 | 16,368,958 | 708,995 | 625,918 | 18,527,874 | 16,994,876 |
| Capital Grants and Contributions | 1,322,518 | 430,227 | | | 1,322,518 | 430,227 |
| General Revenues | | | | | | |
| Property Taxes | 47,016,865 | 46,194,008 | | | 47,016,865 | 46,194,008 |
| Unrestricted State Aid | 8,537,481 | 8,396,653 | | | 8,537,481 | 8,396,653 |
| Other | 263,893 | 1,344,956 | - | - | 263,893 | 1,344,956 |
| Total Revenues | <u>76,482,656</u> | <u>74,277,981</u> | <u>1,356,270</u> | <u>1,221,610</u> | <u>77,838,926</u> | <u>75,499,591</u> |
| Expenses | | | | | | |
| Instruction | | | | | | |
| Regular | 32,261,746 | 31,677,273 | | | 32,261,746 | 31,677,273 |
| Special Education | 12,964,052 | 12,474,570 | | | 12,964,052 | 12,474,570 |
| Other Instruction | 1,856,760 | 1,811,716 | | | 1,856,760 | 1,811,716 |
| School Sponsored Activities and Athletics | 1,147,973 | 1,099,250 | | | 1,147,973 | 1,099,250 |
| Support Services | | | | | | |
| Student and Instruction Related Services | 9,607,497 | 8,864,355 | | | 9,607,497 | 8,864,355 |
| General Administrative Services | 1,364,735 | 1,412,876 | | | 1,364,735 | 1,412,876 |
| School Administrative Services | 4,955,690 | 4,549,105 | | | 4,955,690 | 4,549,105 |
| Central Administrative Services | 869,321 | 787,507 | | | 869,321 | 787,507 |
| Plant Operations and Maintenance | 6,772,981 | 6,854,874 | | | 6,772,981 | 6,854,874 |
| Student Transportation | 2,331,057 | 2,106,932 | | | 2,331,057 | 2,106,932 |
| Food Services | | | 1,103,811 | 1,273,741 | 1,103,811 | 1,273,741 |
| Summer Enrichment Program | - | - | 6,465 | 46,792 | 6,465 | 46,792 |
| Total Expenses | <u>74,131,812</u> | <u>71,638,458</u> | <u>1,110,276</u> | <u>1,320,533</u> | <u>75,242,088</u> | <u>72,958,991</u> |
| Change in Net Position | 2,350,844 | 2,639,523 | 245,994 | (98,923) | 2,596,838 | 2,540,600 |
| Net Position, Beginning of Year | 19,315,953 | 16,021,466 | 220,228 | 319,151 | 19,536,181 | 16,340,617 |
| Prior Period Adjustment | - | 654,964 | - | - | - | 654,964 |
| Net Position, End of Year | <u>\$ 21,666,797</u> | <u>\$ 19,315,953</u> | <u>\$ 466,222</u> | <u>\$ 220,228</u> | <u>\$ 22,133,019</u> | <u>\$ 19,536,181</u> |

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

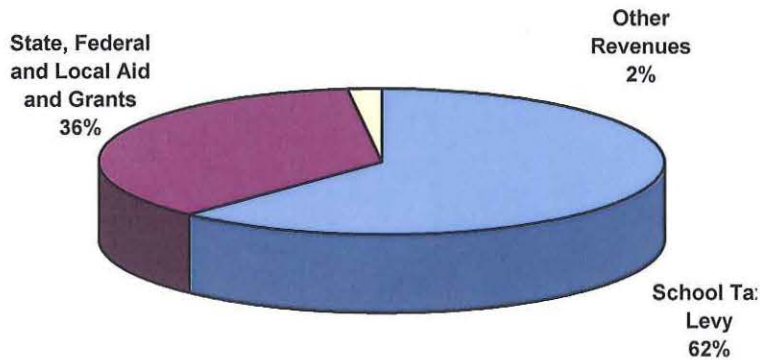
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$76,482,656 and \$74,277,981 for the fiscal years ended June 30, 2016 and 2015. Property taxes of \$47,016,865 and \$46,194,008 represented 62% and 62% of revenues for the fiscal years ended June 30, 2016 and 2015. Another significant portion of revenues came from State and Federal aid; total State, Federal and Local aid and grants of \$27,678,878 and \$25,195,838 represented 36% and 34% of revenues for the fiscal years ended June 30, 2016 and 2015. In addition, tuition, transportation fees and other miscellaneous income is earned which includes items such as interest, prior year refunds and other miscellaneous items of revenues.

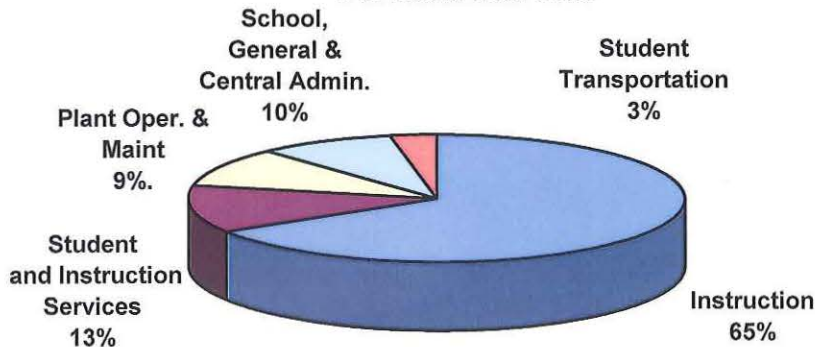
The total cost of all governmental activities programs and services were \$74,131,812 and \$71,638,458 for the fiscal years ended June 30, 2016 and 2015. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$48,230,531 (65%) and \$47,062,809 (66%) of total expenses for the fiscal years ended June 30, 2016 and 2015. Support services, totaled \$25,901,281 (35%) and \$24,575,649 (34%) of total expenses for the fiscal years ended June 30, 2016 and 2015.

Total governmental activities revenues exceeded expenses increasing net position at June 30, 2016 and 2015 by \$2,350,844 and \$2,639,523 from the previous year.

**Revenues by Source- Governmental Activities
For Fiscal Year 2016**



**Expenses by Type- Governmental Activities
For Fiscal Year 2016**



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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

Total and Net Cost of Governmental Activities. The District's total cost of services were \$74,131,812 and \$71,638,458 for fiscal years 2016 and 2015. After applying program revenues, derived from charges for services of \$1,523,020 and \$1,543,179, operating grants and contributions of \$17,818,879 and \$16,368,958 and capital grants and contributions of \$1,322,518 and \$430,227, the net cost of services of the District is \$53,467,395 and \$53,296,094 for fiscal years 2016 and 2015.

Total and Net Cost of Governmental Activities

| | Total Cost of Services | | Net Cost of Services | |
|---|-----------------------------------|-----------------------------|---------------------------------|-----------------------------|
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Instruction | | | | |
| Regular | \$ 32,261,746 | \$ 31,677,273 | \$ 23,418,927 | \$ 23,916,856 |
| Special Education | 12,964,052 | 12,474,570 | 6,616,216 | 5,823,535 |
| Other Instruction | 1,856,760 | 1,811,716 | 984,281 | 982,755 |
| School Sponsored Activities and Athletics | 1,147,973 | 1,099,250 | 1,147,973 | 1,099,250 |
| Support Services | | | | |
| Student and Instruction Related Services | 9,607,497 | 8,864,355 | 7,742,991 | 7,471,888 |
| General Administrative Services | 1,364,735 | 1,412,876 | 1,364,735 | 1,412,876 |
| School Administrative Services | 4,955,690 | 4,549,105 | 3,802,791 | 3,580,685 |
| Central Administrative Services | 869,321 | 787,507 | 869,321 | 787,507 |
| Plant Operations and Maintenance | 6,772,981 | 6,854,874 | 5,365,896 | 6,268,537 |
| Pupil Transportation | <u>2,331,057</u> | <u>2,106,932</u> | <u>2,154,264</u> | <u>1,952,205</u> |
| Total | <u>\$ 74,131,812</u> | <u>\$ 71,638,458</u> | <u>\$ 53,467,395</u> | <u>\$ 53,296,094</u> |

Business-Type Activities – The District's total business-type activities revenues were \$1,356,270 and \$1,221,610 for the years ended June 30, 2016 and 2015. Charges for services accounted for \$647,275 (48%) and \$595,692 (49%) of total revenues for fiscal years 2016 and 2015. Operating grants and contributions accounted for \$708,995 (52%) and \$625,918 (51%) of total revenue for fiscal years 2016 and 2015.

The total cost of all business-type activities programs and services were \$1,110,276 and \$1,320,533 for the fiscal years ended June 30, 2016 and 2015. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District of \$1,103,811 (100%) and \$1,273,741 (96%) and the Summer Enrichment Programs offered to all students of \$6,465, and \$46,792, (4%) for fiscal years 2016 and 2015.

For the current year total business-type activities revenues exceeded expenses, increasing net position by \$245,994 at June 30, 2016 from the previous year. For fiscal year 2015 expenses exceeded revenues decreasing net position by \$98,923 at June 30, 2015 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.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

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, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$12,882,750, an increase of \$480,767 when compared to the previous years combined fund balance of \$12,401,983.

Revenues for the District's governmental funds for fiscal years 2016 and 2015 were \$69,237,410 and \$68,360,549, while total expenses were \$69,756,643 and \$69,651,145, 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 pre-kindergarten through grade 12 including pupil transportation, co-curricular and athletic activities and capital outlay projects.

The following schedule presents a summary of General Fund Revenues for the fiscal years ended June 30, 2016 and 2015.

| | <u>Fiscal Year Ended June 30, 2016</u> | <u>Fiscal Year Ended June 30, 2015</u> | <u>Amount of Increase (Decrease)</u> | <u>Percent Change</u> |
|-----------------------------|--|--|--|---------------------------|
| Local Sources: | | | | |
| Property Tax Levy | \$ 47,016,865 | \$ 46,194,008 | \$ 822,857 | 2% |
| Tuition and Fees | 1,523,020 | 1,543,179 | (20,159) | -1% |
| Miscellaneous | 263,893 | 1,344,956 | (1,081,063) | -80% |
| State Sources | 17,175,324 | 16,870,983 | 304,341 | 2% |
| Federal Sources | 51,533 | 85,196 | (33,663) | -40% |
| Total General Fund Revenues | <u>\$ 66,030,635</u> | <u>\$ 66,038,322</u> | <u>\$ (7,687)</u> | 0% |

Total General Fund Revenues decreased by \$7,687 from the previous year. Property tax levy increased \$822,887 or 2% from the previous year to fund increases in budgeted operating costs. Miscellaneous revenue from local sources decreased \$1,081,063 or 80% primarily due to the prior year cancellation of payables related to salary accruals in 2014/15. State aid revenues increased \$304,341 or 2% as a result of increases in on-behalf teachers' pension and post-retirement medical benefit contributions paid by the State for the District's teaching professionals. Federal revenues decreased \$33,663 predominantly attributable to decreased Medicaid reimbursements for special education related costs.

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2016 and 2015.

| | <u>Fiscal Year Ended June 30, 2016</u> | <u>Fiscal Year Ended June 30, 2015</u> | <u>Amount of Increase (Decrease)</u> | <u>Percent Change</u> |
|--------------------|--|--|--|---------------------------|
| Instruction | \$ 39,793,378 | \$ 39,891,029 | \$ (97,651) | 0% |
| Support Services | 23,396,444 | 22,886,793 | 509,651 | 2% |
| Capital Outlay | <u>482,867</u> | <u>2,443,386</u> | <u>(1,960,519)</u> | -80% |
| Total Expenditures | <u>\$ 63,672,689</u> | <u>\$ 65,221,208</u> | <u>\$ (1,548,519)</u> | -2% |

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

General Fund (Continued)

Total General Fund expenditures decreased \$1,548,819 or 2% from the previous year. This decrease can primarily be attributable to a decrease in capital outlay costs funded in the general fund budget.

In addition, during the current fiscal year the General Fund transferred \$2,655,934 to the Capital Projects Fund to provide the required local share of funding towards the District's regular operating district (ROD) grant projects.

For fiscal year 2016 General Fund revenues and other financing sources were less than expenditures and other financing uses by \$297,988. As a result, total fund balance decreased to \$8,924,564 at June 30, 2016 compared to \$9,222,552 at June 30, 2015.

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 \$1,955,322, for the year ended June 30, 2016. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented \$1,550,868 or 79% of the total revenue for the year. State sources accounted for \$376,566 or 19% and local sources accounted for \$27,888 or 2%, of the total revenue for the year.

Total Special Revenue Fund revenues increased \$63,322 or 3% from the previous year. State sources increased \$138,943 or 58%, local sources decreased \$92,570 or 77% and Federal sources increased \$16,949 or 1%.

Expenditures of the Special Revenue Fund were \$1,955,322. Instructional expenditures were \$1,479,534 or 76% and expenditures for the support services were \$404,723 or 21% and expenditures for capital outlay were \$71,065 or 3% of total expenditures for the fiscal year ended June 30, 2016.

Capital Projects Fund – The Capital Projects Fund revenues and other financing sources exceeded expenditures by \$778,755 resulting in a fund balance of \$3,958,186 at June 30, 2016. This increase is a result of the District transferring \$2,655,934 from the General Fund to provide the local share of funding for the state ROD grant awards. The district was awarded \$1,505,590 in ROD grants during the 2016 fiscal year.

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 for revenues, expenditures and encumbrances. The most significant budgetary fund is the General Fund.

For the fiscal year ended June 30, 2016 General Fund budgetary basis expenditures and other financing uses exceeded revenues and other financing sources by \$207,975. Therefore, total fund balance decreased to \$10,629,632 at June 30, 2016 from \$10,837,607 at June 30, 2015. After deducting restricted, committed and assigned fund balances, the unassigned budgetary fund balance increased from \$1,927,526 at June 30, 2015 to \$1,951,506 at June 30, 2016. The District's reserved excess surplus resulting from the current year budgetary operations was \$1,146,517 compared to \$1,115,100 from the previous year.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2016 amounts to \$25,022,876 (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 2015-2016 amounted to \$1,310,642 for governmental activities and \$1,650 for business-type activities. During fiscal year 2015-2016 the District increased its governmental activities capital assets by \$2,371,922 and decreased its business-type activities capital assets by \$1,650

**Capital Assets at June 30, 2016 and 2015
(Net of Accumulated Depreciation)**

| | <u>Governmental</u> | | <u>Business-Type</u> | | <u>Total</u> | |
|----------------------------------|----------------------|----------------------|----------------------|------------------|----------------------|----------------------|
| | <u>Activities</u> | | <u>Activities</u> | | | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Land | \$ 1,780,323 | \$ 1,780,323 | | | \$ 1,780,323 | \$ 1,780,323 |
| Construction in Progress | 3,674,832 | 4,166,570 | | | 3,674,832 | 4,166,570 |
| Buildings | 15,962,014 | 12,832,771 | | | 15,962,014 | 12,832,771 |
| Land Improvements | 2,198,844 | 2,372,371 | | | 2,198,844 | 2,372,371 |
| Machinery and Equipment | <u>1,396,963</u> | <u>1,489,019</u> | <u>\$ 9,900</u> | <u>\$ 11,550</u> | <u>1,406,863</u> | <u>1,500,569</u> |
| Total Capital Assets, Net | <u>\$ 25,012,976</u> | <u>\$ 22,641,054</u> | <u>\$ 9,900</u> | <u>\$ 11,550</u> | <u>\$ 25,022,876</u> | <u>\$ 22,652,604</u> |

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

LONG TERM LIABILITIES

At year end, the District's long-term liabilities amounted to \$18,122,320 and consisted of \$1,651,944 of compensated absences payable compared to \$1,595,426 at the end of the previous year as well as net pension liability of \$16,470,376 compared to \$13,422,487 at the end of the previous year.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2016-2017 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 2016-2017. Budgeted expenditures in the General Fund increased less than 1 percent to \$63,800,540 in fiscal year 2016-2017.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

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 Interim School Business Administrator, Bergenfield Board of Education, 10 Prospect Avenue, Bergenfield, NJ 07621.

FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**BERGENFIELD BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2016**

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 11,186,021 | \$ 372,887 | \$ 11,558,908 |
| Receivables, Net | | | |
| Receivables From Other Governments | 4,509,592 | 104,073 | 4,613,665 |
| Other Accounts Receivable | 44,931 | | 44,931 |
| Inventory | | 28,232 | 28,232 |
| Capital Assets, Not Being Depreciated | 5,455,155 | | 5,455,155 |
| Capital Assets, Being Depreciated, Net | <u>19,557,821</u> | <u>9,900</u> | <u>19,567,721</u> |
| Total Assets | <u>40,753,520</u> | <u>515,092</u> | <u>41,268,612</u> |
| DEFERRED OUTFLOW OF RESOURCES | | | |
| Deferred Amounts on Net Pension Liability | <u>2,428,635</u> | - | <u>2,428,635</u> |
| Total Assets and Deferred Outflow of Resources | <u>43,182,155</u> | <u>515,092</u> | <u>43,697,247</u> |
| LIABILITIES | | | |
| Accounts Payable and Other Current Liabilities | 389,237 | 42 | 389,279 |
| Payable to Other Governments | 17,483 | | 17,483 |
| Unearned Revenue | 2,451,074 | 48,828 | 2,499,902 |
| Noncurrent Liabilities | | | |
| Due within one year | 41,290 | | 41,290 |
| Due beyond one year | <u>18,081,030</u> | - | <u>18,081,030</u> |
| Total Liabilities | <u>20,980,114</u> | <u>48,870</u> | <u>21,028,984</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Amounts on Net Pension Liability | <u>535,244</u> | - | <u>535,244</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>21,515,358</u> | <u>48,870</u> | <u>21,564,228</u> |
| NET POSITION | | | |
| Investment in Capital Assets | 25,012,976 | 9,900 | 25,022,876 |
| Restricted for: | | | |
| Capital Projects | 5,761,041 | | 5,761,041 |
| Plant Maintenance | 1,375,953 | | 1,375,953 |
| Tuition Adjustments | 590,000 | | 590,000 |
| Unrestricted | <u>(11,073,173)</u> | <u>456,322</u> | <u>(10,616,851)</u> |
| Total Net Position | <u>\$ 21,666,797</u> | <u>\$ 466,222</u> | <u>\$ 22,133,019</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, 2016**

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | Total |
|---|----------------------|-------------------------|--|--|--|-----------------------------|---------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | |
| Governmental Activities: | | | | | | | |
| Instruction: | | | | | | | |
| Regular | \$ 32,261,746 | \$ 69,094 | \$ 8,702,660 | \$ 71,065 | \$ (23,418,927) | | \$ (23,418,927) |
| Special Education | 12,964,052 | 1,357,235 | 4,990,601 | | (6,616,216) | | (6,616,216) |
| Other Instruction | 1,856,760 | | 872,479 | | (984,281) | | (984,281) |
| School Sponsored Activities and Athletics | 1,147,973 | | | | (1,147,973) | | (1,147,973) |
| Support Services: | | | | | | | |
| Student & Instruction Related Services | 9,607,497 | | 1,864,506 | | (7,742,991) | | (7,742,991) |
| General Administrative Services | 1,364,735 | | | | (1,364,735) | | (1,364,735) |
| School Administrative Services | 4,955,690 | | 1,152,899 | | (3,802,791) | | (3,802,791) |
| Central Administrative Services | 869,321 | | | | (869,321) | | (869,321) |
| Plant Operations and Maintenance | 6,772,981 | | 155,632 | \$ 1,251,453 | (5,365,896) | | (5,365,896) |
| Student Transportation | 2,331,057 | 96,691 | 80,102 | - | (2,154,264) | - | (2,154,264) |
| Total Governmental Activities | <u>74,131,812</u> | <u>1,523,020</u> | <u>17,818,879</u> | <u>1,322,518</u> | <u>(53,467,395)</u> | <u>-</u> | <u>(53,467,395)</u> |
| Business-Type Activities: | | | | | | | |
| Food Service | 1,103,811 | 566,895 | 708,995 | | | \$ 172,079 | 172,079 |
| Summer Enrichment Program | 6,465 | 80,380 | - | - | - | 73,915 | 73,915 |
| Total Business-Type Activities | <u>1,110,276</u> | <u>647,275</u> | <u>708,995</u> | <u>-</u> | <u>-</u> | <u>245,994</u> | <u>245,994</u> |
| Total Primary Government | <u>\$ 75,242,088</u> | <u>\$ 2,170,295</u> | <u>\$ 18,527,874</u> | <u>\$ 1,322,518</u> | <u>(53,467,395)</u> | <u>245,994</u> | <u>(53,221,401)</u> |

**BERGENFIELD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Net (Expense) Revenue and Changes in Net Position | | |
|---|--|-------------------------------------|---------------|
| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
| General Revenues: | | | |
| Taxes: | | | |
| Property Taxes, levied for general purposes | \$ 47,016,865 | | \$ 47,016,865 |
| State Aid - Unrestricted | 8,537,481 | | 8,537,481 |
| Miscellaneous Income | 263,893 | - | 263,893 |
| Total General Revenues | 55,818,239 | - | 55,818,239 |
| Change in Net Position | 2,350,844 | \$ 245,994 | 2,596,838 |
| Net Position, Beginning of Year (Restated) | 19,315,953 | 220,228 | 19,536,181 |
| Net Position, End of Year | \$ 21,666,797 | \$ 466,222 | \$ 22,133,019 |

FUND FINANCIAL STATEMENTS

**BERGENFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2016**

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|---|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 8,909,515 | | \$ 2,276,506 | \$ 11,186,021 |
| Receivables From Other Governments | 114,545 | \$ 411,605 | 3,983,442 | 4,509,592 |
| Accounts Receivable | 44,931 | - | - | 44,931 |
| Due from Other Funds | <u>101,124</u> | <u>-</u> | <u>-</u> | <u>101,124</u> |
| Total Assets | <u>\$ 9,170,115</u> | <u>\$ 411,605</u> | <u>\$ 6,259,948</u> | <u>\$ 15,841,668</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ 115,624 | \$ 57,136 | | \$ 172,760 |
| Payable to State Government | | 17,483 | | 17,483 |
| Due to Other Funds | 108,987 | 101,124 | | 210,111 |
| Other Liabilities | | 107,490 | | 107,490 |
| Unearned Revenue | <u>20,940</u> | <u>128,372</u> | <u>2,301,762</u> | <u>2,451,074</u> |
| Total Liabilities | <u>245,551</u> | <u>411,605</u> | <u>2,301,762</u> | <u>2,958,918</u> |
| Fund Balances: | | | | |
| Restricted | | | | |
| Capital Reserve | 972,715 | | | 972,715 |
| Capital Reserve - Designated for Subsequent Year's Expenditures | 830,140 | | | 830,140 |
| Maintenance Reserve | 685,000 | | | 685,000 |
| Maintenance Reserve - Designated for Subsequent Year's Expenditures | 690,953 | | | 690,953 |
| Emergency Reserve | 594,000 | | | 594,000 |
| Tuition Adjustments | 307,000 | | | 307,000 |
| Tuition Adjustments - Designated for Subsequent Year's Expenditures | 283,000 | | | 283,000 |
| Excess Surplus | 1,146,517 | | | 1,146,517 |
| Excess Surplus - Designated for Subsequent Year's Expenditures | 1,115,100 | | | 1,115,100 |
| Capital Projects | | | \$ 3,958,186 | 3,958,186 |
| Committed | | | | |
| Year End Encumbrances | 813,202 | | | 813,202 |
| Assigned | | | | |
| Year End Encumbrances | 920,667 | | | 920,667 |
| ARRA - SEMI - Designated for Subsequent Year's Expenditures | 6,100 | | | 6,100 |
| Designated for Subsequent Year's Expenditures | 313,732 | | | 313,732 |
| Unassigned | <u>246,438</u> | <u>-</u> | <u>-</u> | <u>246,438</u> |
| Total Fund Balances | <u>8,924,564</u> | <u>-</u> | <u>3,958,186</u> | <u>12,882,750</u> |
| Total Liabilities and Fund Balances | <u>\$ 9,170,115</u> | <u>\$ 411,605</u> | <u>\$ 6,259,948</u> | <u>\$ 15,841,668</u> |

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

**BERGENFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2016**

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Total Fund Balances - Governmental Funds (B-1) \$ 12,882,750

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$43,788,348 and the accumulated depreciation is \$ 18,775,372. 25,012,976

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

| | | | |
|--|--------------------------------|------------------|-----------|
| | Deferred Outflows of Resources | \$ 2,428,635 | |
| | Deferred Inflows of Resources | <u>(535,244)</u> | |
| | | | 1,893,391 |

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

| | | | |
|--|-----------------------|--------------------|---------------------|
| | Net Pension Liability | (16,470,376) | |
| | Compensated Absences | <u>(1,651,944)</u> | |
| | | | <u>(18,122,320)</u> |

Net Position of Governmental Activities (Exhibit A-1) \$ 21,666,797

**BERGENFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|---|
| REVENUES | | | | |
| Local sources: | | | | |
| Property Tax Levy | \$ 47,016,865 | | | \$ 47,016,865 |
| Tuition | 1,426,329 | | | 1,426,329 |
| Transportation Fees | 96,691 | | | 96,691 |
| Miscellaneous | 263,893 | \$ 27,888 | - | 291,781 |
| Total - Local Sources | 48,803,778 | 27,888 | - | 48,831,666 |
| State Sources | 17,175,324 | 376,566 | 1,251,453 | 18,803,343 |
| Federal Sources | 51,533 | 1,550,868 | - | 1,602,401 |
| Total Revenues | 66,030,635 | 1,955,322 | 1,251,453 | 69,237,410 |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | | | | |
| Regular | 26,632,183 | 162,516 | | 26,794,699 |
| Special Education | 10,878,983 | 854,954 | | 11,733,937 |
| Other Instruction | 1,164,712 | 462,064 | | 1,626,776 |
| School Sponsored Activities and Athletics | 1,117,500 | | | 1,117,500 |
| Support Services | | | | |
| Student and Instruction Related Services | 8,226,250 | 404,723 | | 8,630,973 |
| General Administrative Services | 1,331,947 | | | 1,331,947 |
| School Administrative Services | 4,202,650 | | | 4,202,650 |
| Central Administrative Services | 844,392 | | | 844,392 |
| Plant Operations and Maintenance | 6,579,448 | | | 6,579,448 |
| Student Transportation | 2,211,757 | | | 2,211,757 |
| Capital Outlay | 482,867 | 71,065 | 3,128,632 | 3,682,564 |
| Total Expenditures | 63,672,689 | 1,955,322 | 3,128,632 | 68,756,643 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,357,946 | - | (1,877,179) | 480,767 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | | 2,655,934 | 2,655,934 |
| Transfers Out | (2,655,934) | - | - | (2,655,934) |
| Total Other Financing Sources (Uses) | (2,655,934) | - | 2,655,934 | - |
| Net Change in Fund Balance | (297,988) | - | 778,755 | 480,767 |
| Fund Balance, Beginning of Year | 9,222,552 | - | \$ 3,179,431 | 12,401,983 |
| Fund Balance, End of Year | \$ 8,924,564 | \$ - | \$ 3,958,186 | \$ 12,882,750 |

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, 2016**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 480,767

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 | \$ 3,682,564 | |
| Depreciation expense | <u>(1,310,642)</u> | |
| | | 2,371,922 |

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

| | | |
|----------------------------------|-----------------|------------------|
| Increase in Pension Expenses | (445,327) | |
| Increase in Compensated Absences | <u>(56,518)</u> | |
| | | <u>(501,845)</u> |

Change in Net Position of Governmental Activities (Exhibit A-2) \$ 2,350,844

**BERGENFIELD BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2016**

| | Business-Type Activities Enterprise Funds | | |
|----------------------------------|--|---|---------------------|
| | <u>Food Service</u> | <u>Summer Enrichment Program</u> | <u>Total</u> |
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 162,479 | \$ 210,408 | \$ 372,887 |
| Intergovernmental Receivable | 104,073 | | 104,073 |
| Inventories | 28,232 | - | 28,232 |
| Total Current Assets | 294,784 | 210,408 | 505,192 |
| Capital Assets | | | |
| Equipment | 146,846 | | 146,846 |
| Accumulated Depreciation | (136,946) | - | (136,946) |
| Total Capital Assets, Net | 9,900 | - | 9,900 |
| Total Assets | \$ 304,684 | \$ 210,408 | \$ 515,092 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | \$ 42 | | \$ 42 |
| Unearned Revenue | - | \$ 48,828 | 48,828 |
| Total Current Liabilities | 42 | 48,828 | 48,870 |
| NET POSITION | | | |
| Investment in Capital Assets | 9,900 | | 9,900 |
| Unrestricted | 294,742 | 161,580 | 456,322 |
| Total Net Position | \$ 304,642 | \$ 161,580 | \$ 466,222 |

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 POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | 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 | \$ 283,064 | | \$ 283,064 |
| School Breakfast Program | 14,177 | | 14,177 |
| Daily Sales Non-Reimbursable Programs | 269,654 | | 269,654 |
| Program Fees | - | \$ 80,380 | 80,380 |
| Total Operating Revenues | <u>566,895</u> | <u>80,380</u> | <u>647,275</u> |
| OPERATING EXPENSES | | | |
| Salaries and Benefits | 474,268 | - | 474,268 |
| Cost of Sales - Reimbursable Programs | 195,570 | | 195,570 |
| Cost of Sales - Non-Reimbursable Programs | 180,500 | | 180,500 |
| Supplies and Materials | 51,132 | 3,255 | 54,387 |
| Other Purchased Services | 90,118 | 3,210 | 93,328 |
| Purchased Management Services | 86,302 | | 86,302 |
| Miscellaneous Expense | 24,271 | | 24,271 |
| Depreciation | 1,650 | - | 1,650 |
| Total Operating Expenses | <u>1,103,811</u> | <u>6,465</u> | <u>1,110,276</u> |
| Operating Income (Loss) | <u>(536,916)</u> | <u>73,915</u> | <u>(463,001)</u> |
| NONOPERATING REVENUES | | | |
| State Sources | | | |
| State School Lunch Program | 12,686 | | 12,686 |
| Federal Sources | | | |
| School Breakfast Program | 87,463 | | 87,463 |
| National School Lunch Program | 539,353 | | 539,353 |
| Food Distribution Program | 69,493 | - | 69,493 |
| Total Nonoperating Revenues | <u>708,995</u> | <u>-</u> | <u>708,995</u> |
| Changes in Net Position | 172,079 | 73,915 | 245,994 |
| Total Net Position, Beginning of Year | <u>132,563</u> | <u>87,665</u> | <u>220,228</u> |
| Total Net Position, End of Year | <u>\$ 304,642</u> | <u>\$ 161,580</u> | <u>\$ 466,222</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, 2016**

| | Business-Type Activities | | |
|--|--------------------------|--|--------------|
| | Enterprise Funds | | |
| | <u>Food Service</u> | <u>Summer Enrichment Program</u> | <u>Total</u> |
| Cash Flows from Operating Activities | | | |
| Cash Received from Customers | \$ 566,895 | \$ 55,870 | \$ 622,765 |
| Cash Payments for Employees | | | |
| Salaries & Benefits | (474,268) | - | (474,268) |
| Cash Payments to Suppliers for Goods and Services | (582,773) | (6,465) | (589,238) |
| Net Cash Provided by (Used for) Operating Activities | (490,146) | 49,405 | (440,741) |
| Cash Flows from Noncapital Financing Activities | | | |
| Cash Received from State and Federal Subsidy Reimbursements | 645,467 | - | 645,467 |
| Net Cash Provided by Noncapital Financing Activities | 645,467 | - | 645,467 |
| Net Increase in Cash and Cash Equivalents | 155,321 | 49,405 | 204,726 |
| Cash and Cash Equivalents, Beginning of Year | 7,158 | 161,003 | 168,161 |
| Cash and Cash Equivalents, End of Year | \$ 162,479 | \$ 210,408 | \$ 372,887 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities | | | |
| Operating Income (Loss) | \$ (536,916) | \$ 73,915 | \$ (463,001) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities | | | |
| Depreciation | 1,650 | | 1,650 |
| Non-Cash Federal Assistance-Food Distribution Program | 69,493 | | 69,493 |
| Change in Assets, Liabilities and Deferred Inflows | | | |
| (Increase)/Decrease in Inventory | (24,405) | | (24,405) |
| Increase/(Decrease) in Accounts Payable | 42 | - | 42 |
| Increase/(Decrease) in Unearned Revenue | | (24,510) | (24,510) |
| Increase/(Decrease) in Deferred Commodities Revenue | (10) | - | (10) |
| Total Adjustments | 46,770 | (24,510) | 22,260 |
| Net Cash Provided by (Used for) Operating Activities | \$ (490,146) | \$ 49,405 | \$ (440,741) |
| Non-Cash Investing, Capital and Financing Activities: | | | |
| Value Received - Food Distribution Program | \$ 69,483 | | |

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

**BERGENFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2016**

| | Unemployment Compensation <u>Trust Fund</u> | Scholarship Trust Fund | <u>Agency Fund</u> |
|---|--|-----------------------------------|---------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 117,396 | \$ 44,065 | \$ 95,851 |
| Due from Other Funds | <u>108,987</u> | <u>-</u> | <u>26,442</u> |
| Total Assets | <u>226,383</u> | <u>44,065</u> | <u>\$ 122,293</u> |
| LIABILITIES | | | |
| Intergovernmental Accounts Payable | \$ 5,211 | \$ - | |
| Payroll Deductions and Withholdings | | | \$ 31,708 |
| Accrued Salaries and Wages | | | 37,471 |
| Due to Student Groups | | | 53,114 |
| Due to Other Funds | <u>26,442</u> | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>31,653</u> | <u>-</u> | <u>\$ 122,293</u> |
| NET POSITION | | | |
| Held in Trust for Unemployment Claims and Other Purposes | <u>\$ 194,730</u> | <u>\$ 44,065</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 POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Unemployment Compensation Trust Fund</u> | <u>Scholarship Trust Fund</u> |
|---------------------------------|---|-----------------------------------|
| ADDITIONS | | |
| Contributions | | |
| Donations | | \$ 63,565 |
| District | \$ 2,779 | |
| Employees | <u>53,833</u> | <u>-</u> |
| Total Contributions | <u>56,612</u> | <u>63,565</u> |
| DEDUCTIONS | | |
| Scholarship Awards | | 19,500 |
| Unemployment Claims | <u>10,671</u> | <u>-</u> |
| Total Deductions | <u>10,671</u> | <u>19,500</u> |
| Change in Net Position | 45,941 | 44,065 |
| Net Position, Beginning of year | <u>148,789</u> | <u>-</u> |
| Net Position, End of Year | <u>\$ 194,730</u> | <u>\$ 44,065</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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. New Accounting Standards

During fiscal year 2016, the District adopted the following GASB statements as required:

- GASB No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

C. Basis of Presentation - Financial Statements

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

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

The 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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

4. Capital Assets

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

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets (Continued)*

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

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-------------------------|--------------|
| Land Improvements | 15-30 |
| Buildings | 40 |
| Building Improvements | 5-40 |
| Machinery and Equipment | 5-10 |
| Computer Equipment | 5 |

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, personal and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. *Pensions*

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

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

8. *Long-Term Obligations*

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

9. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements

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

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2016/2017 District budget certified for taxes.

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

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2016/2017 District budget certified for taxes

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

Tuition Adjustments – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2015/2016 contract year 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 2014/2015 contract year that is appropriated in the 2016/2017 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2016 audited excess surplus that is required to be appropriated in the 2017/2018 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that was appropriated in the 2016/2017 original budget certified for taxes.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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.

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.

ARRA/SEMI – Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of the unexpended ARRA/SEMI revenue at June 30, 2016 that has been appropriated in the adopted 2016/2017 budget certified for taxes.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2016/2017 District budget certified for taxes.

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2014-2015 and 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund and 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.

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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The annual budget is adopted in the spring of the preceding year for the general and special revenue funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 30, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

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 2015/2016. Also, during 2015/2016 the Board increased the original budget by \$2,346,900. The increase was funded by the additional appropriation of capital reserve fund balance, additional grant awards and the reappropriation of prior year general fund encumbrances.

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

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

B. Capital Reserve

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

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

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2016 is as follows:

| | | |
|---------------------------------------|----------------|---------------------|
| Balance, July 1, 2015 | | \$ 2,177,038 |
| Increased by: | | |
| Deposits Approved by Board Resolution | | <u>1,245,000</u> |
| | | 3,422,038 |
| Withdrawals | | |
| Approved in District Budget | \$ 1,101,334 | |
| Approved by Board Resolution | <u>517,849</u> | |
| | | <u>1,619,183</u> |
| Balance, June 30, 2016 | | <u>\$ 1,802,855</u> |
| Designated for 2016/17 Expenditures | | \$ 830,140 |
| Available Capital Reserve | | <u>972,715</u> |
| | | <u>\$ 1,802,855</u> |

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. Of the capital reserve balance at June 30, 2016, the District designated and appropriated \$830,140 in the 2016/2017 original budget certified for taxes.

C. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2016 is as follows:

| | |
|---------------------------------------|----------------------------|
| Balance, July 1, 2015 | \$ 1,743,768 |
| Increased by | |
| Deposits Approved by Board Resolution | <u>685,000</u> |
| | \$ 2,428,768 |
| Withdrawals | |
| Approved in District Budget | <u>\$ 1,052,815</u> |
| Balance, June 30, 2016 | <u><u>\$ 1,375,953</u></u> |

The June 30, 2016 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,893,079. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. Of the maintenance reserve balance at June 30, 2016, the District designated and appropriated \$690,953 in the 2016/2017 original budget certifies for taxes.

D. Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2016 is as follows:

| | |
|------------------------|--------------------------|
| Balance, July 1, 2015 | <u>\$ 594,000</u> |
| Balance, June 30, 2016 | <u><u>\$ 594,000</u></u> |

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Transfers to Capital Outlay

During the 2015/2016 school year, the district transferred \$517,849 to the non-equipment capital outlay accounts. The transfer was made from the appropriation of capital reserve to supplement capital projects previously approved in the budget certified for taxes

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2016 is \$2,261,617. Of this amount, \$1,115,100 was designated and appropriated in the 2016/2017 original budget certified for taxes and the remaining amount of \$1,146,517 will be appropriated in the 2017/2018 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

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, 2016, the book value of the Board's deposits were \$11,816,220 and bank and brokerage firm balances of the Board's deposits amounted to \$14,863,393. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

| <u>Depository Account</u> | <u>Bank Balance</u> |
|----------------------------------|--------------------------------|
| Insured | \$ <u>14,863,393</u> |

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2016 none of the Board’s bank balances 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, 2016, the Board had no outstanding investments.

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.

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

B. Receivables

Receivables as of June 30, 2016 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 | | | | | |
| Local | | | | | |
| State | \$ 88,726 | | \$ 3,983,442 | \$ 1,967 | \$ 4,074,135 |
| Federal | 25,819 | \$ 411,605 | | 102,106 | 539,530 |
| Accounts | 44,931 | - | - | - | 44,931 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Gross Receivables | 159,476 | 411,605 | 3,983,442 | 104,073 | 4,658,596 |
| Less: Allowance for Uncollectibles | - | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Net Total Receivables | <u>\$ 159,476</u> | <u>\$ 411,605</u> | <u>\$ 3,983,442</u> | <u>\$ 104,073</u> | <u>\$ 4,658,596</u> |

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

| | <u>Total</u> |
|---|-------------------------|
| General Fund | |
| Prepaid Tuition Charges | \$ 20,940 |
| Special Revenue Fund | |
| Unencumbered Grant Draw Downs | 118,605 |
| Grant Draw Downs Reserved for Encumbrances | 9,767 |
| Capital Projects Fund | |
| Unrealized School Facilities Grants | <u>2,301,762</u> |
| Total Unearned Revenue for Governmental Funds | <u>\$ 2,451,074</u> |

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

| | <u>Balance, July 1, 2015 (Restated)</u> | <u>Increases</u> | <u>Adjustments</u> | <u>Balance, June 30, 2016</u> |
|--|---|---------------------|-----------------------|-----------------------------------|
| Governmental Activities: | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 1,780,323 | | | \$ 1,780,323 |
| Construction in Progress | <u>4,166,570</u> | <u>\$ 3,177,228</u> | <u>\$ (3,668,966)</u> | <u>3,674,832</u> |
| Total Capital Assets, Not Being Depreciated | <u>5,946,893</u> | <u>3,177,228</u> | <u>(3,668,966)</u> | <u>5,455,155</u> |
| Capital Assets, Being Depreciated: | | | | |
| Buildings | 24,017,976 | 3,817,425 | | 27,835,401 |
| Land Improvements | 4,074,135 | - | | 4,074,135 |
| Machinery and Equipment | <u>6,066,780</u> | <u>356,877</u> | <u>-</u> | <u>6,423,657</u> |
| Total Capital Assets Being Depreciated | <u>34,158,891</u> | <u>4,174,302</u> | <u>-</u> | <u>38,333,193</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings | (11,185,205) | (688,182) | | (11,873,387) |
| Land Improvements | (1,701,764) | (173,527) | | (1,875,291) |
| Machinery and Equipment | <u>(4,577,761)</u> | <u>(448,933)</u> | <u>-</u> | <u>(5,026,694)</u> |
| Total Accumulated Depreciation | <u>(17,464,730)</u> | <u>(1,310,642)</u> | <u>-</u> | <u>(18,775,372)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>16,694,161</u> | <u>2,863,660</u> | <u>-</u> | <u>19,557,821</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 22,641,054</u> | <u>\$ 6,040,888</u> | <u>\$ (3,668,966)</u> | <u>\$ 25,012,976</u> |

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

| | Balance <u>July 1, 2015</u> | <u>Increases</u> | <u>Decreases</u> | Balance <u>June 30, 2016</u> |
|--|--------------------------------|-------------------|------------------|---------------------------------|
| Business-Type Activities: | | | | |
| Capital Assets, Being Depreciated: | | | | |
| Machinery and Equipment | \$ 146,846 | \$ - | - | \$ 146,846 |
| Total Capital Assets Being Depreciated | <u>146,846</u> | <u>-</u> | <u>-</u> | <u>146,846</u> |
| Less Accumulated Depreciation for: | | | | |
| Machinery and Equipment | (135,296) | (1,650) | - | (136,946) |
| Total Accumulated Depreciation | <u>(135,296)</u> | <u>(1,650)</u> | <u>-</u> | <u>(136,946)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>11,550</u> | <u>(1,650)</u> | <u>-</u> | <u>9,900</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 11,550</u> | <u>\$ (1,650)</u> | <u>\$ -</u> | <u>\$ 9,900</u> |

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

Governmental Activities:

| | | |
|--|--|---------------------|
| Instruction | | |
| Regular | | \$ 631,325 |
| Special Education | | 435,543 |
| Total Instruction | | <u>1,066,868</u> |
| Support Services | | |
| Student and Instruction Related Services | | 48,919 |
| General Administrative Services | | 12,823 |
| School Administrative Services | | 77,315 |
| Plant Operations and Maintenance | | 43,787 |
| Student Transportation | | 60,930 |
| Total Support Services | | <u>243,774</u> |
| Total Depreciation Expense - Governmental Activities | | <u>\$ 1,310,642</u> |
| Business-Type Activities: | | |
| Food Service Fund | | <u>\$ 1,650</u> |
| Total Depreciation Expense-Business Type Activities | | <u>\$ 1,650</u> |

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2016:

| <u>Project</u> | <u>Remaining Commitment</u> |
|---|---------------------------------|
| Unit Ventilator, Controls and HVAC Upgrades | 480,680 |
| Energy Generator and Electrical Upgrades at Hoover and Middle Schools | 18,217 |
| Window and Door Replacement at Middle School | 53,845 |
| Purchase of Land | 617,234 |
| Bergenfield High School - Auditorium Lighting Phase 1 | 195,968 |
| Window Replacement at Washington School | 61,000 |
| Window Replacement at Jefferson School | 151,000 |
| Window Replacement at Lincoln School | 458,600 |
| Replacement of Storage Area Network | 88,882 |
| Unit Ventilator & Mechanical/Electrical Upgrades at Washington School | 704,168 |
| Unit Ventilator & Mechanical/Electrical Upgrades at Jefferson School | 904,016 |
| Unit Ventilator & Mechanical/Electrical Upgrades at Lincoln School | <u>1,018,736</u> |
| | <u>\$ 4,752,346</u> |

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2016, is as follows:

Due to/from Other Funds

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|--------------------------------------|--------------------------------------|-------------------|
| General Fund | Special Revenue Fund | \$ 101,124 |
| Unemployment Compensation Trust Fund | General Fund | 108,987 |
| Payroll Agency Fund | Unemployment Compensation Trust Fund | <u>26,442</u> |
| Total | | <u>\$ 236,553</u> |

The above balances are the result of revenues earned or receipts deposited in one fund which are due to another fund or to cover cash balances which were in an overdraft position.

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

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund transfers

| | |
|---------------|---------------------------------|
| | <u>Transfer In:</u> |
| | Capital <u>Projects Fund</u> |
| Transfer Out: | |
| General Fund | <u>\$ 2,655,934</u> |

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

F. Long-Term Debt

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2016 was as follows:

| | |
|---|-----------------------|
| 4% of Equalized Valuation Basis (Municipal) | \$ 105,847,667 |
| Less: Net Debt | <u>-</u> |
| Remaining Borrowing Power | <u>\$ 105,847,667</u> |

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

| | <u>Balance, July 1, 2015</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance, June 30, 2016</u> | <u>Due Within One Year</u> |
|---------------------------------|----------------------------------|---------------------|-------------------|-----------------------------------|------------------------------------|
| Governmental activities: | | | | | |
| Compensated absences | \$ 1,595,426 | \$ 56,518 | \$ - | \$ 1,651,944 | \$ 41,290 |
| Net Pension Liability | <u>13,422,487</u> | <u>3,708,685</u> | <u>660,796</u> | <u>16,470,376</u> | <u>-</u> |
| Governmental activity | | | | | |
| Long-term liabilities | <u>\$ 15,017,913</u> | <u>\$ 3,765,203</u> | <u>\$ 660,796</u> | <u>\$ 18,122,320</u> | <u>\$ 41,290</u> |

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

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 or Group). 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 Group 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 Group, 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 Group. Members have a contractual obligation to fund any deficit of the Group attributable to a membership year during which they were a member.

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

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

The 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>Fiscal Year Ended June 30,</u> | <u>District Contributions</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|---|-----------------------------------|-----------------------------------|------------------------------|---------------------------|
| 2016 | \$ 2,779 | \$ 53,833 | \$ 10,671 | \$ 194,730 |
| 2015 | None | 54,875 | 56,074 | 148,789 |
| 2014 | 72,760 | 70,753 | 124,431 | 149,989 |

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2016, 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 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those 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, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

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

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, 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. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

Funding Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 35 percent with an unfunded actuarial accrued liability of \$86 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 28.71 percent and \$63.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 47.93 percent and \$22.4 billion, respectively.

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

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress (Continued)

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

Actuarial Methods and Assumptions

In the July 1, 2014 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 2.60-9.48 percent based on age for the PERS and varying percentages based on experience for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.92% for PERS, 6.92% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2016 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the 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 fiscal years ended June 30, 2016, 2015 and 2014 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:

| Fiscal Year Ended June 30, | <u>PERS</u> | On-behalf <u>TPAF</u> | <u>DCRP</u> |
|----------------------------------|-------------|--------------------------|-------------|
| 2016 | \$ 630,796 | \$ 1,813,942 | \$ 29,221 |
| 2015 | 591,009 | 1,269,108 | 20,149 |
| 2014 | 555,640 | 1,057,116 | 14,239 |

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

For fiscal years 2015/2016 and 2014/2015, the state contributed \$1,813,942 and \$1,269,108, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$1,057,116 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,783,241 during the fiscal year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

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

Public Employees Retirement System (PERS)

At June 30, 2016, the District reported in the statement of net position (accrual basis) a liability of \$16,470,376 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the District's proportionate share was 0.07337 percent, which was an increase of 0.00168 percent from its proportionate share measured as of June 30, 2014 of 0.07169 percent.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,076,123 for PERS. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

| | <u>2015</u> | |
|--|---|--|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Difference Between Expected and Actual Experience | \$ 392,925 | |
| Changes of Assumptions | 1,768,787 | |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | | \$ 264,812 |
| Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions | <u>266,923</u> | <u>270,432</u> |
| Total | <u>\$ 2,428,635</u> | <u>\$ 535,244</u> |

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

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

| Fiscal Year Ending <u>June 30,</u> | |
|--|---------------------|
| 2017 | \$ 342,039 |
| 2018 | 342,039 |
| 2019 | 342,039 |
| 2020 | 542,015 |
| 2021 | <u>325,259</u> |
| | <u>\$ 1,893,391</u> |

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | <u>PERS</u> |
|--|---------------------------------|
| Inflation Rate | 3.04% |
| Salary Increases: | |
| 2012-2021 | 2.15-4.40% |
| Thereafter | Based on Age 3.15-5.40% |
| Investment Rate of Return | Based on Age 7.90% |
| Mortality Rate Table | RP-2000 |
| Period of Actuarial Experience Study Upon Which Actuarial Assumptions were Based | July 1, 2008 - June 30, 2011 |

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

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------|--------------------------|---|
| Cash | 5.00% | 1.04% |
| U.S. Treasuries | 1.75% | 1.64% |
| Investment Grade Credit | 10.00% | 1.79% |
| Mortgages | 2.10% | 1.62% |
| High Yield Bonds | 2.00% | 4.03% |
| Inflation-Indexed Bonds | 1.50% | 3.25% |
| Broad US Equities | 27.25% | 8.52% |
| Developed Foreign Equities | 12.00% | 6.88% |
| Emerging Market Equities | 6.40% | 10.00% |
| Private Equity | 9.25% | 12.41% |
| Hedge Funds/Absolute Return | 12.00% | 4.72% |
| Real Estate (Property) | 2.00% | 6.83% |
| Commodities | 1.00% | 5.32% |
| Global Debt ex US | 3.50% | -0.40% |
| REIT | 4.25% | 5.12% |

Discount Rate

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

| <u>Plan</u> | <u>Discount Rate</u> |
|-------------|----------------------|
| PERS | 4.90% |

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Period of Projected Benefit

Payments for which the Following
Rates were Applied:

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

Municipal Bond Rate * From July 1, 2033
and Thereafter

* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

| | 1% Decrease <u>(3.90%)</u> | Current Discount Rate <u>(4.90%)</u> | 1% Increase <u>(5.90%)</u> |
|---|---|---|---|
| District's Proportionate Share of the PERS Net Pension Liability | <u>\$ 20,470,662</u> | <u>\$ 16,470,376</u> | <u>\$ 13,116,565</u> |

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2015. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$9,059,188 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2016 the State's proportionate share of the net pension liability attributable to the District is \$148,367,767. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2015. At June 30, 2015, the state's share of the net pension liability attributable to the District was 0.23474 percent, which was a decrease of 0.01514 percent from its proportionate share measured as of June 30, 2014 of 0.24988 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------|--------------------------|---|
| US Cash | 5.00% | 0.53% |
| US Government Bonds | 1.75% | 1.39% |
| US Credit Bonds | 13.50% | 2.72% |
| US Mortgages | 2.10% | 2.54% |
| US Inflation-Indexed Bonds | 1.50% | 1.47% |
| US High Yield Bonds | 2.00% | 4.57% |
| US Equity Market | 27.25% | 5.63% |
| Foreign-Developed Equity | 12.00% | 6.22% |
| Emerging Markets Equity | 6.40% | 8.46% |
| Private Real Estate Property | 4.25% | 3.97% |
| Timber | 1.00% | 4.09% |
| Farmland | 1.00% | 4.61% |
| Private Equity | 9.25% | 9.15% |
| Commodities | 1.00% | 3.58% |
| Hedge Funds - MultiStrategy | 4.00% | 4.59% |
| Hedge Funds - Equity Hedge | 4.00% | 5.68% |
| Hedge Funds - Distressed | 4.00% | 4.30% |

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

| <u>Plan</u> | <u>Discount Rate</u> |
|-------------|----------------------|
| TPAF | 4.13% |

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

| | |
|-----------------------------------|-------------------------------------|
| Period of Projected Benefit | |
| Payments for which the Following | |
| Rates were Applied: | |
| Long-Term Expected Rate of Return | Through June 30, 2027 |
| Municipal Bond Rate * | From July 1, 2027 and Thereafter |

* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.13%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

| | 1% Decrease (3.13%) | Current Discount Rate (4.13%) | 1% Increase (5.13%) |
|--|------------------------------------|--|------------------------------------|
| State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District | <u>\$ 176,329,545</u> | <u>\$ 148,367,767</u> | <u>\$ 124,277,022</u> |

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2015. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2015 was not provided by the pension system.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

D. Post-Retirement Medical Benefits

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

As a result of implementing Governmental Accounting Standards 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, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2015.

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

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

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

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

Significant Legislation

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

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$24.4 billion for state active and retired members and \$40.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

Actuarial Methods and Assumptions

In the July 1, 2014, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2015, there were 107,314, retirees receiving post-retirement medical benefits and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

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 fiscal years ended June 30, 2016, 2015 and 2014 were \$2,159,904, \$2,014,709, and \$1,733,273, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 5 RESTATEMENT

The financial statements for June 30, 2015 have been restated to reflect an updated inventory of the District's capital assets. The effect of this restatement results in a net increase of \$654,964 in governmental activities capital assets with a corresponding increase in the net investment in capital assets component of net position at June 30, 2015 from the amounts as originally reported for the effects of the adjustments to capital assets. The result of this restatement is to increase total net position of Governmental Activities as of June 30, 2015 from \$18,660,989 as originally reported to \$19,315,953.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|--|--------------------|-----------------|-------------------|-------------------|---------------------------------------|
| REVENUES | | | | | |
| Local Sources | | | | | |
| Local Property Tax Levy | \$ 47,016,865 | | \$ 47,016,865 | \$ 47,016,865 | |
| Tuition | 1,400,000 | | 1,400,000 | 1,426,329 | \$ 26,329 |
| Transportation Fees | 100,000 | | 100,000 | 96,691 | (3,309) |
| Miscellaneous | 78,030 | - | 78,030 | 263,893 | 185,863 |
| Total Local Revenues | 48,594,895 | - | 48,594,895 | 48,803,778 | 208,883 |
| State Sources | | | | | |
| Equalization Aid | 8,165,600 | | 8,165,600 | 8,165,600 | - |
| School Choice Aid | 238,431 | | 238,431 | 238,431 | - |
| Special Education Aid | 2,072,512 | | 2,072,512 | 2,072,512 | - |
| Security Aid | 155,605 | | 155,605 | 155,605 | - |
| Transportation Aid | 80,089 | | 80,089 | 80,089 | - |
| Extraordinary Aid | | | | 725,953 | 725,953 |
| PARCC Readiness Aid | 35,030 | | 35,030 | 35,030 | - |
| Per Pupil Growth Aid | 35,030 | | 35,030 | 35,030 | - |
| On Behalf TPAF Contributions (Non Budgeted) | | | | | |
| Pension - NCGI Premium | | | | 86,071 | 86,071 |
| Pension Benefit Contribution | | | | 1,727,871 | 1,727,871 |
| Post Retirement Medical Benefit Contribution | | | | 2,159,904 | 2,159,904 |
| Reimbursed TPAF Social Security Contribution (Non Budgeted) | - | - | - | 1,783,241 | 1,783,241 |
| Total State Revenues | 10,782,297 | - | 10,782,297 | 17,265,337 | 6,483,040 |
| Federal Sources | | | | | |
| Medicaid Reimbursement | 23,614 | - | 23,614 | 51,533 | 27,919 |
| Total Federal Sources | 23,614 | - | 23,614 | 51,533 | 27,919 |
| Total Revenues | 59,400,806 | - | 59,400,806 | 66,120,648 | 6,719,842 |
| CURRENT EXPENDITURES | | | | | |
| Regular Programs - Instruction | | | | | |
| Salaries of Teachers | | | | | |
| Preschool | 18,270 | \$ (14,821) | 3,449 | - | 3,449 |
| Kindergarten | 916,681 | (115,000) | 801,681 | 791,497 | 10,184 |
| Grades 1-5 | 5,111,203 | 566,809 | 5,678,012 | 5,678,008 | 4 |
| Grades 6-8 | 4,242,916 | (234,942) | 4,007,974 | 4,007,972 | 2 |
| Grades 9-12 | 6,160,625 | 69,427 | 6,230,052 | 6,228,993 | 1,059 |
| Regular Programs - Home Instruction | | | | | |
| Salaries of Teachers | 115,825 | (64,180) | 51,645 | 51,645 | - |
| Other Salaries for Instruction | 6,650 | - | 6,650 | - | 6,650 |
| Purchased Professional/Educational Services | 629 | - | 629 | - | 629 |
| Regular Programs - Undistributed Instruction | | | | | |
| Other Salaries for Instruction | - | 74,902 | 74,902 | 68,512 | 6,390 |
| Purchased Professional/Educational Services | 225,546 | (18,873) | 206,673 | 174,482 | 32,191 |
| Purchased Technical Services | 19,225 | 9,224 | 28,449 | 28,285 | 164 |
| Other Purchased Services | 69,213 | 51,385 | 120,598 | 105,292 | 15,306 |
| General Supplies | 1,248,268 | (155,194) | 1,093,074 | 1,041,586 | 51,488 |
| Textbooks | 441,065 | (126,807) | 314,258 | 311,448 | 2,810 |
| Other Objects | 75,682 | (63,558) | 12,124 | 5,481 | 6,643 |
| Total Regular Programs | 18,651,798 | (21,628) | 18,630,170 | 18,493,201 | 136,969 |

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|---|--------------------|------------------|------------------|------------------|---------------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Special Education | | | | | |
| Learning / Language Disabilities | | | | | |
| Salaries of Teachers | \$ 284,238 | \$ (52,000) | \$ 232,238 | \$ 231,264 | \$ 974 |
| Other Salaries for Instruction | 217,074 | (142,000) | 75,074 | 74,828 | 246 |
| Purchased Professional/Educational Services | 21,500 | - | 21,500 | 6,240 | 15,260 |
| General Supplies | 3,650 | - | 3,650 | 3,175 | 475 |
| Textbooks | 4,025 | - | 4,025 | 2,561 | 1,464 |
| Total Learning / Language Disabilities | 530,487 | (194,000) | 336,487 | 318,068 | 18,419 |
| Behavioral Disabilities | | | | | |
| Salaries of Teachers | 117,218 | 4,318 | 121,536 | 121,535 | 1 |
| Other Objects | - | 2,841 | 2,841 | 2,841 | - |
| Total Behavioral Disabilities | 117,218 | 7,159 | 124,377 | 124,376 | 1 |
| Multiple Disabilities | | | | | |
| Salaries of Teachers | 341,802 | - | 341,802 | 337,044 | 4,758 |
| Other Salaries for Instruction | 82,843 | 3,584 | 86,427 | 86,427 | - |
| Purchased Professional/Educational Services | 13,856 | (12,994) | 862 | 705 | 157 |
| General Supplies | 17,000 | - | 17,000 | 15,732 | 1,268 |
| Textbooks | 4,500 | - | 4,500 | 1,137 | 3,363 |
| Other Objects | 4,000 | - | 4,000 | 2,232 | 1,768 |
| Total Multiple Disabilities | 464,001 | (9,410) | 454,591 | 443,277 | 11,314 |
| Resource Room / Resource Center | | | | | |
| Salaries of Teachers | 2,023,384 | (190,129) | 1,833,255 | 1,756,462 | 76,793 |
| Other Salaries for Instruction | 457,460 | - | 457,460 | 276,671 | 180,789 |
| Purchased Professional/Educational Services | 35,000 | (10,500) | 24,500 | 10,429 | 14,071 |
| General Supplies | 15,000 | - | 15,000 | 12,281 | 2,719 |
| Textbooks | 14,000 | - | 14,000 | 7,335 | 6,665 |
| Other Objects | 553 | - | 553 | 462 | 91 |
| Total Resource Room / Resource Center | 2,545,397 | (200,629) | 2,344,768 | 2,063,640 | 281,128 |
| Autism | | | | | |
| Salaries of Teachers | 420 | 27,558 | 27,978 | 27,311 | 667 |
| Purchased Professional-Educational Services | 4,000,000 | (61,421) | 3,938,579 | 3,749,052 | 189,527 |
| Other Purchased Services | 5,000 | 1,696 | 6,696 | 6,208 | 488 |
| General Supplies | 35,280 | (2,765) | 32,515 | 17,083 | 15,432 |
| Other Objects | 144 | - | 144 | - | 144 |
| Total Autism | 4,040,844 | (34,932) | 4,005,912 | 3,799,654 | 206,258 |
| Preschool Disabilities - Part - Time | | | | | |
| Salaries of Teachers | 216,551 | 966 | 217,517 | 188,675 | 28,842 |
| Other Salaries for Instruction | 81,543 | 6,096 | 87,639 | 87,638 | 1 |
| General Supplies | 1,500 | - | 1,500 | 1,215 | 285 |
| Other Objects | 300 | - | 300 | - | 300 |
| Total Preschool Disabilities - Part - Time | 299,894 | 7,062 | 306,956 | 277,528 | 29,428 |
| Total Special Education | 7,997,841 | (424,750) | 7,573,091 | 7,026,543 | 546,548 |

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|--|--------------------|------------------|-------------------|-------------------|---------------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Basic Skills/Remedial | | | | | |
| Salaries of Teachers | \$ 566,305 | \$ (285,000) | \$ 281,305 | \$ 272,877 | \$ 8,428 |
| General Supplies | 6,800 | - | 6,800 | 2,365 | 4,435 |
| Textbooks | 6,440 | (5,000) | 1,440 | - | 1,440 |
| Total Basic Skills/Remedial | 579,545 | (290,000) | 289,545 | 275,242 | 14,303 |
| Bilingual Education | | | | | |
| Salaries of Teachers | 575,375 | (40,000) | 535,375 | 525,823 | 9,552 |
| General Supplies | 19,500 | (11,940) | 7,560 | 4,522 | 3,038 |
| Textbooks | 20,500 | 506 | 21,006 | 11,195 | 9,811 |
| Total Bilingual Education | 615,375 | (51,434) | 563,941 | 541,540 | 22,401 |
| School Sponsored Co-Curricular Activities | | | | | |
| Salaries of Teachers | 210,000 | 28,672 | 238,672 | 238,672 | - |
| Purchased Services | 6,000 | 1,100 | 7,100 | 7,000 | 100 |
| Supplies and Materials | 13,450 | 62,446 | 75,896 | 75,614 | 282 |
| Other Objects | 4,445 | 3,861 | 8,306 | 8,071 | 235 |
| Total School Sponsored Co-Curricular Activities | 233,895 | 96,079 | 329,974 | 329,357 | 617 |
| School Sponsored Athletics - Instruction | | | | | |
| Salaries | 365,000 | 37,669 | 402,669 | 402,669 | - |
| Purchased Services | 75,886 | (18,137) | 57,749 | 56,864 | 885 |
| Supplies and Materials | 87,246 | (3,788) | 83,458 | 73,964 | 9,494 |
| Other Objects | - | 18,200 | 18,200 | 17,991 | 209 |
| Total School Sponsored Athletics - Instruction | 528,132 | 33,944 | 562,076 | 551,488 | 10,588 |
| Summer School - Instruction | | | | | |
| Salaries of Teachers | - | 147,613 | 147,613 | 147,613 | - |
| Total Summer School - Instruction | - | 147,613 | 147,613 | 147,613 | - |
| Community Services Program | | | | | |
| Salaries | 27,583 | - | 27,583 | - | 27,583 |
| Supplies and Materials | 9,125 | - | 9,125 | - | 9,125 |
| Total Community Services Program | 36,708 | - | 36,708 | - | 36,708 |
| Total - Instruction | 28,643,294 | (510,176) | 28,133,118 | 27,364,984 | 768,134 |
| Undistributed Expenditures | | | | | |
| Instruction | | | | | |
| Tuition - Other LEA's Within State - Special | - | 506,135 | 506,135 | 506,135 | - |
| Tuition to County Vocational School District-Reg. | 636,310 | (56,075) | 580,235 | 580,235 | - |
| Tuition to County Vocational School/Dist.-Spec. | 237,600 | (79,190) | 158,410 | 158,410 | - |
| Tuition to County Special Services - School Districts & Regional Day Schools | 1,231,380 | 99,934 | 1,331,314 | 1,331,314 | - |
| Tuition to Private Schools - Disabled Within State | 215,696 | 291,697 | 507,393 | 290,560 | 216,833 |
| Tuition - Other | - | 212,340 | 212,340 | 212,340 | - |
| Total Undistributed Expenditures - Instruction | 2,320,986 | 974,841 | 3,295,827 | 3,078,994 | 216,833 |

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final Budget To Actual</u> |
|---|----------------------------|--------------------|-------------------------|------------------|--|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Health Services | | | | | |
| Salaries | \$ 634,476 | \$ (13,343) | \$ 621,133 | \$ 596,238 | \$ 24,895 |
| Purchased Professional and Technical Services | 49,575 | 16,654 | 66,229 | 64,128 | 2,101 |
| Other Purchased Services | 1,000 | 1,236 | 2,236 | 2,044 | 192 |
| Supplies and Materials | 5,795 | 10,852 | 16,647 | 16,247 | 400 |
| Total Health Services | <u>690,846</u> | <u>15,399</u> | <u>706,245</u> | <u>678,657</u> | <u>27,588</u> |
| Speech, OT, PT and Related Services | | | | | |
| Salaries | 461,866 | (136,712) | 325,154 | 323,256 | 1,898 |
| Purchased Professional-Educational Services | 87,000 | 42,924 | 129,924 | 128,124 | 1,800 |
| Supplies and Materials | 3,189 | (2,530) | 659 | 50 | 609 |
| Other Objects | - | 4,276 | 4,276 | 3,265 | 1,011 |
| Total Speech, OT, PT and Related Services | <u>552,055</u> | <u>(92,042)</u> | <u>460,013</u> | <u>454,695</u> | <u>5,318</u> |
| Other Support Services-Students-Extra Services | | | | | |
| Salaries | 684,599 | 408,000 | 1,092,599 | 1,088,155 | 4,444 |
| Purchased Professional-Educational Services | 824,700 | (128,397) | 696,303 | 616,271 | 80,032 |
| Total Other Support Services-Extra | <u>1,509,299</u> | <u>279,603</u> | <u>1,788,902</u> | <u>1,704,426</u> | <u>84,476</u> |
| Guidance | | | | | |
| Salaries of Other Professional Staff | 851,114 | 166,687 | 1,017,801 | 997,524 | 20,277 |
| Salaries of Secretarial and Clerical Assistants | 143,234 | - | 143,234 | 78,238 | 64,996 |
| Purchased Professional-Educational Services | - | 4,850 | 4,850 | 4,844 | 6 |
| Other Purchased Services | 284 | 2,234 | 2,518 | 2,517 | 1 |
| Supplies and Materials | 11,150 | 2,790 | 13,940 | 6,582 | 7,358 |
| Other Objects | 26,751 | (17,000) | 9,751 | 2,109 | 7,642 |
| Total Guidance | <u>1,032,533</u> | <u>159,561</u> | <u>1,192,094</u> | <u>1,091,814</u> | <u>100,280</u> |
| Child Study Team | | | | | |
| Salaries of Other Professional Staff | 1,173,204 | 103,484 | 1,276,688 | 1,275,014 | 1,674 |
| Salaries of Secretarial and Clerical Assistants | 98,002 | 71,216 | 169,218 | 152,290 | 16,928 |
| Other Purchased Professional/Technical Services | 10,000 | (3,678) | 6,322 | 3,761 | 2,561 |
| Miscellaneous Purchased Services | - | 1,341 | 1,341 | 924 | 417 |
| Supplies and Materials | 16,000 | (3,752) | 12,248 | 11,876 | 372 |
| Total Child Study Team | <u>1,297,206</u> | <u>168,611</u> | <u>1,465,817</u> | <u>1,443,865</u> | <u>21,952</u> |
| Improvement of Instruction Services | | | | | |
| Other Salaries | 546,610 | 21,722 | 568,332 | 568,321 | 11 |
| Purchased Professional-Educational Services | 725 | 14,175 | 14,900 | 14,700 | 200 |
| Other Purchased Services | 61 | 1,304 | 1,365 | 1,364 | 1 |
| Supplies and Materials | 500 | 105 | 605 | 402 | 203 |
| Total Improvement of Instruction Services | <u>547,896</u> | <u>37,306</u> | <u>585,202</u> | <u>584,787</u> | <u>415</u> |
| Educational Media Services/School Library | | | | | |
| Salaries | 127,531 | (59,059) | 68,472 | 68,230 | 242 |
| Purchased Professional and Technical Services | 40,000 | 55,384 | 95,384 | 83,878 | 11,506 |
| Other Purchased Services | 99 | 200 | 299 | 190 | 109 |
| Supplies and Materials | 98,171 | (70,820) | 27,351 | 26,921 | 430 |
| Other Objects | 130 | 187 | 317 | 187 | 130 |
| Total Educational Media Services/School Library | <u>265,931</u> | <u>(74,108)</u> | <u>191,823</u> | <u>179,406</u> | <u>12,417</u> |

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|--|--------------------|-----------------|------------------|------------------|---------------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Instructional Staff Training Services | | | | | |
| Other Purchased Professional/Technical Services | \$ 13,000 | \$ (12,772) | \$ 228 | - | \$ 228 |
| Other Purchased Services | 189 | - | 189 | - | 189 |
| Total Instructional Staff Training Services | 13,189 | (12,772) | 417 | - | 417 |
| Support Services General Administration | | | | | |
| Salaries | 702,289 | (48,299) | 653,990 | \$ 483,336 | \$ 170,654 |
| Legal Services | 125,000 | (71,577) | 53,423 | 46,065 | 7,358 |
| Audit Fees | - | 41,645 | 41,645 | 41,644 | 1 |
| Architectural/Engineering Services | - | 22,730 | 22,730 | 7,548 | 15,182 |
| Other Purchased Professional Services | 100,000 | (44,321) | 55,679 | 50,952 | 4,727 |
| Purchased Technical Services | 39,880 | 55,115 | 94,995 | 94,995 | - |
| Communications/Telephone | 214,410 | (2,673) | 211,737 | 211,714 | 23 |
| BOE Other Purchased Services | 1,426 | 1,459 | 2,885 | 2,884 | 1 |
| Other Purchased Services | 91,549 | 39,335 | 130,884 | 129,279 | 1,605 |
| General Supplies | 18,730 | (14,078) | 4,652 | 3,136 | 1,516 |
| BOE in House Training/Meeting Supplies | - | 220 | 220 | 127 | 93 |
| Judgments Against the School District | - | 20,000 | 20,000 | 17,754 | 2,246 |
| Miscellaneous Expenditures | 1,500 | 9,639 | 11,139 | 11,099 | 40 |
| BOE Membership Dues & Fees | 40,769 | 1,816 | 42,585 | 42,577 | 8 |
| Total Support Services General Administration | 1,335,553 | 11,011 | 1,346,564 | 1,143,110 | 203,454 |
| Support Services School Administration | | | | | |
| Salaries of Principals/Asst. Principals/Prog. Dir. | 1,103,648 | 10,550 | 1,114,198 | 1,114,196 | 2 |
| Salaries of Other Professional Staff | 1,379,456 | (173,725) | 1,205,731 | 1,129,440 | 76,291 |
| Salaries of Secretarial and Clerical Assistants | 385,535 | 14,617 | 400,152 | 399,481 | 671 |
| Other Salaries | 219,195 | 5,887 | 225,082 | 225,081 | 1 |
| Purchased Professional and Technical Services | 5,886 | 27,144 | 33,030 | 4,850 | 28,180 |
| Other Purchased Services | 65,621 | 75 | 65,696 | 59,727 | 5,969 |
| Supplies and Materials | 27,425 | 53,547 | 80,972 | 41,464 | 39,508 |
| Other Objects | 18,024 | 5,111 | 23,135 | 20,574 | 2,561 |
| Total Support Services School Administration | 3,204,790 | (56,794) | 3,147,996 | 2,994,813 | 153,183 |
| Central Services | | | | | |
| Salaries | 540,567 | (15,916) | 524,651 | 524,650 | 1 |
| Purchased Professional Services | - | 1,350 | 1,350 | 1,350 | - |
| Purchased Technical Services | 24,265 | 296 | 24,561 | 24,560 | 1 |
| Misc. Purchased Services | 18,779 | 15,077 | 33,856 | 33,073 | 783 |
| Supplies and Materials | 10,000 | 1,902 | 11,902 | 11,902 | - |
| Miscellaneous Expenditures | 17,071 | (981) | 16,090 | 16,073 | 17 |
| Total Central Services | 610,682 | 1,728 | 612,410 | 611,608 | 802 |
| Administrative Info Technology | | | | | |
| Purchased Technical Services | 16,557 | 61,456 | 78,013 | 32,576 | 45,437 |
| Other Purchased Services | 48 | 1,951 | 1,999 | 1,999 | - |
| Supplies and Materials | 2,748 | 2,234 | 4,982 | 4,613 | 369 |
| Total Administrative Info Technology | 19,353 | 65,641 | 84,994 | 39,188 | 45,806 |

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|---|--------------------|--------------------|------------------|------------------|---------------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Required Maintenance for School Facilities | | | | | |
| Salaries | \$ 2,134,204 | \$ (1,471,751) | \$ 662,453 | \$ 662,452 | \$ 1 |
| Cleaning, Repair & Maintenance Services | 948,845 | 2,857 | 951,702 | 673,521 | 278,181 |
| Travel | | 967 | 967 | 402 | 565 |
| General Supplies | 80,685 | 67,745 | 148,430 | 104,753 | 43,677 |
| Other Objects | 1,310 | 6,715 | 8,025 | 8,024 | 1 |
| Total Required Maintenance for School Facilities | 3,165,044 | (1,393,467) | 1,771,577 | 1,449,152 | 322,425 |
| Custodial Services | | | | | |
| Salaries | 300,000 | 1,823,209 | 2,123,209 | 2,086,697 | 36,512 |
| Purchased Professional & Technical Services | 52,306 | (50,363) | 1,943 | 400 | 1,543 |
| Cleaning, Repair and Maintenance Services | 39,750 | (36,192) | 3,558 | 1,608 | 1,950 |
| Rental of Land & Building | 220,000 | 42,600 | 262,600 | 210,000 | 52,600 |
| Other Purchased Property Services | 60,000 | (2,097) | 57,903 | 54,648 | 3,255 |
| Insurance | 280,000 | 6,322 | 286,322 | 286,322 | - |
| Miscellaneous Purchased Services | 31,629 | (31,629) | - | - | - |
| General Supplies | 220,940 | 7,420 | 228,360 | 215,460 | 12,900 |
| Energy (Natural Gas) | 282,000 | (23,269) | 258,731 | 205,870 | 52,861 |
| Energy (Electricity) | 749,978 | (286,443) | 463,535 | 381,887 | 81,648 |
| Total Custodial Services | 2,236,603 | 1,449,558 | 3,686,161 | 3,442,892 | 243,269 |
| Care and Upkeep of Grounds | | | | | |
| Cleaning, Repair and Maintenance Services | - | 27,259 | 27,259 | 27,259 | - |
| General Supplies | - | 3,043 | 3,043 | 3,043 | - |
| Total Care and Upkeep of Grounds | - | 30,302 | 30,302 | 30,302 | - |
| Security | | | | | |
| Salaries | 526,140 | - | 526,140 | 402,397 | 123,743 |
| Purchased Professional & Technical Services | - | 39,643 | 39,643 | 28,033 | 11,610 |
| Cleaning, Repair and Maintenance Services | - | 438 | 438 | 437 | 1 |
| General Supplies | 119,975 | (51,912) | 68,063 | 59,746 | 8,317 |
| Other Objects | 1,263 | - | 1,263 | - | 1,263 |
| Total Security Services | 647,378 | (11,831) | 635,547 | 490,613 | 144,934 |
| Undistributed Expenditures | | | | | |
| Student Transportation Services | | | | | |
| Salaries for Pupil Transportation (Between Home and School) - Special Ed | 1,075,250 | 153,215 | 1,228,465 | 1,228,465 | - |
| Salaries for Pupil Transportation (Other Than Between Home & School) | 15,139 | (11,803) | 3,336 | - | 3,336 |
| Management Fee-ESC & CTSA Trans. Prog. | 67,128 | (67,128) | - | - | - |
| Other Purchased Professional and Technical Svcs | 8,411 | 4,286 | 12,697 | 12,473 | 224 |
| Cleaning, Repair and Maintenance Services | 95,000 | 47,504 | 142,504 | 142,504 | - |
| Lease Purchase Payments-School Buses | 70,000 | (70,000) | - | - | - |
| Contracted Services (Other Than Between Home and School) - Vendors | 75,755 | (67,097) | 8,658 | 8,250 | 408 |
| Contracted Services (Spec Ed) - ESC's & CTSA's | 284,914 | 5,397 | 290,311 | 290,310 | 1 |
| Miscellaneous Purchased Services - Transportation | 30,000 | (29,000) | 1,000 | 560 | 440 |
| General Supplies | 132,000 | (107,041) | 24,959 | 20,804 | 4,155 |
| Transportation Supplies | 61,876 | 9,260 | 71,136 | 54,655 | 16,481 |
| Other Objects | 1,120 | (687) | 433 | 432 | 1 |
| Total Student Transportation Services | 1,916,593 | (133,094) | 1,783,499 | 1,758,453 | 25,046 |

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|--|--------------------|------------------|-------------------|-------------------|---------------------------------------|
| CURRENT EXPENDITURES (Continued) | | | | | |
| Unallocated Benefits | | | | | |
| Social Security Contributions | \$ 800,000 | - | \$ 800,000 | \$ 799,921 | \$ 79 |
| Other Retirement Contributions - Regular | 700,000 | \$ 41,281 | 741,281 | 741,281 | - |
| Other Retirement Contributions - Other | 300 | - | 300 | - | 300 |
| Unemployment Compensation | 1,380 | 1,410 | 2,790 | 2,779 | 11 |
| Workmen's Compensation | 307,810 | (90,442) | 217,368 | 217,368 | - |
| Health Benefits | 8,303,212 | (723,155) | 7,580,057 | 7,064,505 | 515,552 |
| Tuition Reimbursement | 62,000 | (850) | 61,150 | 31,212 | 29,938 |
| Other Employee Benefits | 48,000 | (28,852) | 19,148 | 19,133 | 15 |
| Unused Sick Pay to Terminated/Retired Staff | 20,000 | (14,173) | 5,827 | 723 | 5,104 |
| Total Unallocated Benefits | 10,242,702 | (814,781) | 9,427,921 | 8,876,922 | 550,999 |
| On Behalf TPAF Contributions (Non Budgeted) | | | | | |
| Pension -NCGI Premium | | | | 86,071 | (86,071) |
| Pension Benefit Contribution | | | | 1,727,871 | (1,727,871) |
| Post Retirement Medical Benefit Contribution | | | | 2,159,904 | (2,159,904) |
| Reimbursed TPAF Social Security Contribution (Non Budgeted) | - | - | - | 1,783,241 | (1,783,241) |
| Total On-Behalf Contributions | - | - | - | 5,757,087 | (5,757,087) |
| Total Undistributed Expenditures | 31,608,639 | 604,672 | 32,213,311 | 35,810,784 | (3,597,473) |
| Total Expenditures - Current Expenditures | 60,251,933 | 94,496 | 60,346,429 | 63,175,768 | (2,829,339) |
| CAPITAL OUTLAY | | | | | |
| Equipment | | | | | |
| Instruction | | | | | |
| Grades 1-5 | 22,908 | - | 22,908 | 4,849 | 18,059 |
| Grades 6-8 | 5,760 | 125 | 5,885 | 5,885 | - |
| Grades 9-12 | 34,744 | (125) | 34,619 | 5,935 | 28,684 |
| Autism | 10,050 | - | 10,050 | - | 10,050 |
| School Sponsored & Other Instr. Programs | 12,662 | 13,686 | 26,348 | 26,062 | 286 |
| Support Services | | | | | |
| Instruction | 102,983 | 45,473 | 148,456 | 122,362 | 26,094 |
| School Administration | 5,000 | - | 5,000 | - | 5,000 |
| Central Services | 10,000 | 2,964 | 12,964 | 12,964 | - |
| Admin Info Tech | 10,000 | 96,700 | 106,700 | - | 106,700 |
| Required School Maintenance | 24,656 | 175,925 | 200,581 | 160,481 | 40,100 |
| Security | 12,788 | 14,068 | 26,856 | 26,856 | - |
| School Buses - Regular | - | 41,137 | 41,137 | 25,622 | 15,515 |
| School Buses - Special | 95,278 | (27,540) | 67,738 | 50,450 | 17,288 |
| Total Equipment | 346,829 | 362,413 | 709,242 | 441,466 | 267,776 |
| Facilities Acquisition and Construction Services | | | | | |
| Other Purchased Professional/Technical Svcs. | 20,000 | 196,068 | 216,068 | - | 216,068 |
| Construction Services | 237,581 | 705,298 | 942,879 | 44,969 | 897,910 |
| SDA - Debt Service Assessment | 10,486 | - | 10,486 | 10,486 | - |
| Total Facilities Acquis. and Const. Services | 268,067 | 901,366 | 1,169,433 | 55,455 | 1,113,978 |
| Total Capital Outlay | 614,896 | 1,263,779 | 1,878,675 | 496,921 | 1,381,754 |

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Original Budget | Adjustments | Final Budget | Actual | Variance Final Budget To Actual |
|--|--------------------|----------------|-----------------|---------------|---------------------------------------|
| SPECIAL SCHOOLS | | | | | |
| Summer School - Instruction | | | | | |
| Salaries of Teachers | \$ 10,000 | - | \$ 10,000 | | \$ 10,000 |
| General Supplies | 900 | - | 900 | - | 900 |
| Total Summer School - Instruction | 10,900 | - | 10,900 | - | 10,900 |
| Total Summer School | 10,900 | - | 10,900 | - | 10,900 |
| Other Special Schools - Instruction | | | | | |
| Salaries of Teachers | 26,650 | - | 26,650 | | 26,650 |
| Other Salaries for Instruction | 40,313 | - | 40,313 | | 40,313 |
| General Supplies | 900 | - | 900 | - | 900 |
| Total Other Special Schools - Instruction | 67,863 | - | 67,863 | - | 67,863 |
| Total Other Special Schools | 67,863 | - | 67,863 | - | 67,863 |
| Total Special Schools | 78,763 | - | 78,763 | - | 78,763 |
| Charter Schools | | | | | |
| Transfer To Charter Schools | 237,204 | \$ (237,204) | - | - | - |
| Total Transfer to Charter Schools | 237,204 | (237,204) | - | - | - |
| Total Expenditures | 61,182,796 | 1,121,071 | 62,303,867 | \$ 63,672,689 | (1,368,822) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,781,990) | (1,121,071) | (2,903,061) | 2,447,959 | 5,351,020 |
| Other Financing Sources (Uses) | | | | | |
| Transfers Out - Capital Outlay to Cap. Proj. Fund | (1,052,815) | (16,936) | (1,069,751) | (1,069,751) | - |
| Transfers Out - Capital Reserve to Cap. Proj. Fund | (1,101,334) | (484,849) | (1,586,183) | (1,586,183) | - |
| Total Other Financing Sources (Uses) | (2,154,149) | (501,785) | (2,655,934) | (2,655,934) | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses) | (3,936,139) | (1,622,856) | (5,558,995) | (207,975) | 5,351,020 |
| Fund Balances, Beginning of Year | 10,837,607 | - | 10,837,607 | 10,837,607 | - |
| Fund Balances, End of Year | \$ 6,901,468 | \$ (1,622,856) | \$ 5,278,612 | \$ 10,629,632 | \$ 5,351,020 |

BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Actual</u> |
|---|---------------------|
| Recapitulation | |
| Restricted | |
| Capital Reserve | \$ 972,715 |
| Capital Reserve - Designated for Subsequent Year's Expenditures | 830,140 |
| Maintenance Reserve | 685,000 |
| Maintenance Reserve - Designated for Subsequent Year's Expenditures | 690,953 |
| Emergency Reserve | 594,000 |
| Tuition Adjustments - 2015/2016 | 307,000 |
| Tuition Adjustments - 2014/2015 - Designated for Subsequent Year's Expenditures | 283,000 |
| Excess Surplus | 1,146,517 |
| Excess Surplus - Designated for Subsequent Year's Expenditures | 1,115,100 |
| Committed | |
| Year End Encumbrances | 813,202 |
| Assigned | |
| Year End Encumbrances | 920,667 |
| ARRA-SEMI - Designated for Subsequent Year's Expenditures | 6,100 |
| Designated for Subsequent Year's Expenditures | 313,732 |
| Unassigned | <u>1,951,506</u> |
| | |
| Fund Balance - Budgetary Basis | 10,629,632 |
| | |
| Reconciliation to Governmental Funds Statements (GAAP) | |
| Less State Aid Revenue Not Recognized on GAAP Basis | <u>(1,705,068)</u> |
| | |
| Fund Balance Per Governmental Funds (GAAP) | <u>\$ 8,924,564</u> |

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Original Budget</u> | <u>Adjustments</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final Budget to Actual</u> |
|--|----------------------------|--------------------|-------------------------|------------------|--|
| REVENUES | | | | | |
| Intergovernmental | | | | | |
| State | \$ 119,790 | \$ 282,257 | \$ 402,047 | \$ 384,561 | \$ (17,486) |
| Federal | 1,310,906 | 290,909 | 1,601,815 | 1,551,080 | (50,735) |
| Local Sources | | | | | |
| Miscellaneous | - | 150,878 | 150,878 | 28,144 | (122,734) |
| Total Revenues | <u>1,430,696</u> | <u>724,044</u> | <u>2,154,740</u> | <u>1,963,785</u> | <u>(190,955)</u> |
| EXPENDITURES | | | | | |
| Instruction | | | | | |
| Salaries | 405,885 | (110,899) | 294,986 | 289,721 | 5,265 |
| Purchased Professional / Technical Services | - | 3,350 | 3,350 | 3,350 | - |
| Other Purchased Services | 831,744 | 46,905 | 878,649 | 878,649 | - |
| General Supplies | 51,073 | 314,232 | 365,305 | 238,892 | 126,413 |
| Textbooks | 16,819 | 3,795 | 20,614 | 20,412 | 202 |
| Miscellaneous Expenditures | - | 4,497 | 4,497 | 4,497 | - |
| Total Instruction | <u>1,305,521</u> | <u>261,880</u> | <u>1,567,401</u> | <u>1,435,521</u> | <u>131,880</u> |
| Support Services - Instruction | | | | | |
| Salaries | 20,500 | 25,402 | 45,902 | 45,902 | - |
| Personnel Services - Employee Benefits | | 55,441 | 55,441 | 48,851 | 6,590 |
| Purchased Professional / Technical Services | 17,379 | 26,934 | 44,313 | 16,217 | 28,096 |
| Other Purchased Services | 79,101 | 242,886 | 321,987 | 301,726 | 20,261 |
| Travel | | 2,316 | 2,316 | 2,316 | - |
| Supplies and Materials | 8,195 | 38,120 | 46,315 | 42,187 | 4,128 |
| Total Support Services | <u>125,175</u> | <u>391,099</u> | <u>516,274</u> | <u>457,199</u> | <u>59,075</u> |
| Capital Outlay | | | | | |
| Instructional Equipment | - | 71,065 | 71,065 | 71,065 | - |
| Total Capital Outlay | <u>-</u> | <u>71,065</u> | <u>71,065</u> | <u>71,065</u> | <u>-</u> |
| Total Expenditures | <u>1,430,696</u> | <u>724,044</u> | <u>2,154,740</u> | <u>1,963,785</u> | <u>190,955</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**BERGENFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

| | General Fund | Special Revenue Fund |
|---|-------------------------|-------------------------------------|
| Sources/inflows of resources | | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule | \$ 66,120,648 | \$ 1,963,785 |
| Difference - Budget to GAAP: | | |
| State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2015-2016) | (1,705,068) | |
| State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2014-2015) | 1,615,055 | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | |
| Encumbrances, June 30, 2016 | | (9,767) |
| Encumbrances, June 30, 2015 | - | 1,304 |
| | ----- | ----- |
| Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. | <u>\$ 66,030,635</u> | <u>\$ 1,955,322</u> |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule | \$ 63,672,689 | \$ 1,963,785 |
| 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, 2016 | | (9,767) |
| Encumbrances , June 30, 2015 | - | 1,304 |
| | ----- | ----- |
| Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | <u>\$ 63,672,689</u> | <u>\$ 1,955,322</u> |

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

**BERGENFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Three Fiscal Years*

| | <u>2016</u> | | <u>2015</u> | | <u>2014</u> |
|---|--------------|---|--------------|---|--------------|
| District's Proportion of the Net Position Liability (Asset) | 0.07337 | % | 0.07169 | % | 0.07374 |
| | | | | | % |
| District's Proportionate Share of the Net Pension Liability (Asset) | \$16,470,376 | | \$13,422,487 | | \$14,093,792 |
| District's Covered-Employee Payroll | \$ 5,264,179 | | \$ 4,816,801 | | \$ 4,760,180 |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 278.66 | % | 278.66 | % | 296.08 |
| | | | | | % |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 47.93 | % | 52.08 | % | 48.72 |
| | | | | | % |

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**BERGENFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Three Fiscal Years

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|----------------|----------------|----------------|
| Contractually Required Contribution | \$ 630,796 | \$ 591,009 | \$ 555,640 |
| Contributions in Relation to the Contractually Required Contribution | <u>630,796</u> | <u>591,009</u> | <u>555,640</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's Covered-Employee Payroll | \$5,264,179 | \$4,816,801 | \$4,760,180 |
| Contributions as a Percentage of Covered-Employee Payroll | 11.98% | 12.27% | 11.67% |

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**BERGENFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Three Fiscal Years*

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|------------------------------|------------------------------|------------------------------|
| District's Proportion of the Net Position Liability (Asset) | 0% | 0% | 0% |
| District's Proportionate Share of the Net Pension Liability (Asset) | \$0 | \$0 | \$0 |
| State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District | <u>148,367,767</u> | <u>133,555,508</u> | <u>125,618,626</u> |
| Total | <u>\$ 148,367,767</u> | <u>\$ 133,555,508</u> | <u>\$ 125,618,626</u> |
| District's Covered-Employee Payroll | \$ 24,464,937 | \$ 23,020,150 | \$ 23,147,876 |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 0% | 0% | 0% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 28.71% | 33.64% | 33.76% |

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**BERGENFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4C.

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, 2016**

| | <u>Nonpublic Nursing Services</u> | <u>IIS Competitive</u> | <u>New Jersey Achievement Coaches</u> | <u>Nonpublic Security Aid</u> | <u>Other Local Programs</u> | <u>Other (Exhibit E-1a)</u> | <u>Other (Exhibit E-1b)</u> | <u>Total 2016</u> |
|---|---|----------------------------|---|---------------------------------------|---------------------------------|-------------------------------------|-------------------------------------|-----------------------|
| REVENUES | | | | | | | | |
| Intergovernmental | | | | | | | | |
| State | \$ 32,760 | \$ 121,396 | \$ 45,701 | \$ 8,122 | | \$ 176,582 | - | \$ 384,561 |
| Federal | | | | | | - | \$ 1,551,080 | 1,551,080 |
| Other Sources | - | - | - | - | \$ 28,144 | - | - | 28,144 |
| Total Revenues | \$ 32,760 | \$ 121,396 | \$ 45,701 | \$ 8,122 | \$ 28,144 | \$ 176,582 | \$ 1,551,080 | \$ 1,963,785 |
| EXPENDITURES | | | | | | | | |
| Instruction | | | | | | | | |
| Salaries | | | \$ 42,280 | | | \$ - | \$ 247,441 | \$ 289,721 |
| Purchased Professional / Technical Services | | | | | | - | 3,350 | 3,350 |
| Other Purchased Services | | \$ 23,889 | | | \$ 6,012 | - | 848,748 | 878,649 |
| General Supplies | | | | 8,122 | 15,319 | 8,877 | 206,574 | 238,892 |
| Textbooks | | | | | | 20,412 | - | 20,412 |
| Miscellaneous Expenditures | - | - | - | - | 4,497 | - | - | 4,497 |
| Total Instruction | - | 23,889 | 42,280 | 8,122 | 25,828 | 29,289 | 1,306,113 | 1,435,521 |
| Support Services | | | | | | | | |
| Salaries | | | - | | | 469 | 45,433 | 45,902 |
| Personal Services Employee-Benefits | | | 3,234 | | | - | 45,617 | 48,851 |
| Purchased Professional / Technical Services | | \$ 2,604 | | | | - | 13,613 | 16,217 |
| Other Purchased Services | \$ 32,760 | 1,101 | | | | 146,824 | 121,041 | 301,726 |
| Travel | | | | | 2,316 | - | - | 2,316 |
| Supplies and Materials | - | 22,737 | \$ 187 | - | - | - | 19,263 | 42,187 |
| Total Support Services | 32,760 | 26,442 | 3,421 | - | 2,316 | 147,293 | 244,967 | 457,199 |
| Capital Outlay | | | | | | | | |
| Instructional Equipment | - | 71,065 | - | - | - | - | - | 71,065 |
| Total Capital Outlay | - | 71,065 | - | - | - | - | - | 71,065 |
| Total Expenditures | \$ 32,760 | \$ 121,396 | \$ 45,701 | \$ 8,122 | \$ 28,144 | \$ 176,582 | \$ 1,551,080 | \$ 1,963,785 |

76

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Chapter 192/193 Services | | | | | Nonpublic Textbook Aid | Nonpublic Technology Aid | Total Exhibit E-1a |
|---|---------------------------------------|-----------------------------------|--|----------------------------------|------------------|------------------------------|--------------------------------|--------------------------|
| | Nonpublic Exam & Classification | Nonpublic Corrective Speech | Nonpublic Supplemental Instruction | Nonpublic Compensatory Aid | Nonpublic ESL | | | |
| REVENUES | | | | | | | | |
| Intergovernmental | | | | | | | | |
| State | \$ 25,734 | \$ 43,643 | \$ 17,525 | \$ 54,400 | \$ 5,522 | \$ 20,412 | \$ 9,346 | \$ 176,582 |
| Federal | - | - | - | - | - | - | - | - |
| Other Sources | - | - | - | - | - | - | - | - |
| Total Revenues | <u>\$ 25,734</u> | <u>\$ 43,643</u> | <u>\$ 17,525</u> | <u>\$ 54,400</u> | <u>\$ 5,522</u> | <u>\$ 20,412</u> | <u>\$ 9,346</u> | <u>\$ 176,582</u> |
| EXPENDITURES | | | | | | | | |
| Instruction | | | | | | | | |
| Salaries | | | | | | | | \$ - |
| Purchased Professional / Technical Services | | | | | | | | - |
| Other Purchased Services | | | | | | | | - |
| General Supplies | | | | | | | \$ 8,877 | 8,877 |
| Textbooks | | | | | | \$ 20,412 | | 20,412 |
| Miscellaneous Expenditures | - | - | - | - | - | - | - | - |
| Total Instruction | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>20,412</u> | <u>8,877</u> | <u>29,289</u> |
| Support Services | | | | | | | | |
| Salaries | | | | | | | 469 | 469 |
| Personal Services Employee-Benefits | | | | | | | | - |
| Purchased Professional / Technical Services | | | | | | | | - |
| Other Purchased Services | \$ 25,734 | \$ 43,643 | \$ 17,525 | \$ 54,400 | \$ 5,522 | | | 146,824 |
| Travel | | | | | | | | - |
| Supplies and Materials | - | - | - | - | - | - | - | - |
| Total Support Services | <u>25,734</u> | <u>43,643</u> | <u>17,525</u> | <u>54,400</u> | <u>5,522</u> | <u>-</u> | <u>469</u> | <u>147,293</u> |
| Total Expenditures | <u>\$ 25,734</u> | <u>\$ 43,643</u> | <u>\$ 17,525</u> | <u>\$ 54,400</u> | <u>\$ 5,522</u> | <u>\$ 20,412</u> | <u>\$ 9,346</u> | <u>\$ 176,582</u> |

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>IDEA Basic</u> <u>2015/2016</u> | <u>IDEA Preschool</u> <u>2015/2016</u> | <u>NCLB Title I</u> <u>2015/2016</u> | <u>NCLB Title IIA</u> <u>2015/2016</u> | <u>NCLB Title III</u> <u>2015/2016</u> | <u>Perkins</u> <u>2015/2016</u> | <u>Total</u> <u>Exhibit</u> <u>E-1b</u> |
|---|---------------------------------------|---|---|---|---|------------------------------------|---|
| REVENUES | | | | | | | |
| Intergovernmental | | | | | | | |
| State | | | | | | | |
| Federal | \$ 911,297 | \$ 33,601 | \$ 488,150 | \$ 64,953 | \$ 32,365 | \$ 20,714 | \$ 1,551,080 |
| Other Sources | - | - | - | - | - | - | - |
| Total Revenues | <u>\$ 911,297</u> | <u>\$ 33,601</u> | <u>\$ 488,150</u> | <u>\$ 64,953</u> | <u>\$ 32,365</u> | <u>\$ 20,714</u> | <u>\$ 1,551,080</u> |
| EXPENDITURES | | | | | | | |
| Instruction | | | | | | | |
| Salaries | | | \$ 216,573 | \$ 18,925 | \$ 11,943 | | \$ 247,441 |
| Purchased Professional / Technical Services | | | | | | 3,350 | 3,350 |
| Other Purchased Services | \$ 816,766 | \$ 31,982 | | | | | 848,748 |
| General Supplies | 3,589 | 1,619 | 170,789 | | 17,142 | 13,435 | 206,574 |
| Textbooks | | | | | | | - |
| Miscellaneous Expenditures | - | - | - | - | - | - | - |
| Total Instruction | <u>820,355</u> | <u>33,601</u> | <u>387,362</u> | <u>18,925</u> | <u>29,085</u> | <u>16,785</u> | <u>1,306,113</u> |
| Support Services | | | | | | | |
| Salaries | | | 45,433 | - | | | 45,433 |
| Personal Services Employee-Benefits | | | 45,617 | - | | | 45,617 |
| Purchased Professional / Technical Services | | | | 11,713 | 1,900 | | 13,613 |
| Other Purchased Services | 90,942 | - | 1,239 | 25,765 | 945 | 2,150 | 121,041 |
| Travel | | | | | | | - |
| Supplies and Materials | - | - | 8,499 | 8,550 | 435 | 1,779 | 19,263 |
| Total Support Services | <u>90,942</u> | <u>-</u> | <u>100,788</u> | <u>46,028</u> | <u>3,280</u> | <u>3,929</u> | <u>244,967</u> |
| Total Expenditures | <u>\$ 911,297</u> | <u>\$ 33,601</u> | <u>\$ 488,150</u> | <u>\$ 64,953</u> | <u>\$ 32,365</u> | <u>\$ 20,714</u> | <u>\$ 1,551,080</u> |

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**BERGENFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| <u>Issue/ Project Title</u> | <u>Modified Appropriation</u> | <u>Expenditures to Date Prior Years</u> | <u>Current Year</u> | <u>Balance June 30, 2016</u> |
|---|-----------------------------------|---|---------------------|----------------------------------|
| Computer Network Cabling and Related Equipment (Capital Lease) | \$ 963,619 | \$ 934,630 | | \$ 28,989 |
| Hoover School Gym Addition | 2,525,000 | 2,445,996 | | 79,004 |
| Bergenfield High School - Unbundled Project - HVAC, Vertical Movement | 2,141,330 | 601,881 | \$ 1,059,125 | 480,324 |
| Roy W. Brown Middle School - HVAC Upgrades, Electrical System Upgrades, Window Replacement, Emergency Generator, and Roof Replacement | 3,257,151 | 384,574 | 1,509,684 | 1,362,893 |
| Hoover Elementary School - HVAC Upgrades, Electrical System Upgrades, and Asbestos Abatement | 812,700 | 89,112 | 250,839 | 472,749 |
| Jefferson Elementary School - HVAC Upgrades, Electrical System Upgrades, and Asbestos Abatement | 1,330,900 | | 74,466 | 1,256,434 |
| Lincoln Elementary School - HVAC, Exterior Closure | 1,758,069 | | 111,924 | 1,646,145 |
| Washington Elementary School - HVAC, UV Replacements, Hazardous Material Abatement, Electrical Service Upgrade, Branch Panel Upgrades and Window Repalcements | <u>1,056,004</u> | <u>-</u> | <u>122,594</u> | <u>933,410</u> |
| | <u>\$ 13,844,773</u> | <u>\$ 4,456,193</u> | <u>\$ 3,128,632</u> | <u>\$ 6,259,948</u> |

Reconciliation to Fund Balance - GAAP

| | |
|--|-----------------------|
| Project Balance, June 30, 2016 | \$ 6,259,948 |
| Less: SDA Grant Revenue Not Realized Under GAAP | <u>\$ (2,301,762)</u> |
| Fund Balance, June 30, 2016 - GAAP | <u>\$ 3,958,186</u> |

Recapitulation of Fund Balance - GAAP

| | |
|--|---------------------|
| Restricted for Capital Projects Year End Encumbrances | \$ 4,386,905 |
| Available for Capital Projects | <u>(428,719)</u> |
| Total Restricted for Capital Projects | <u>\$ 3,958,186</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, 2016**

Revenues and Other Financing Sources

| | |
|--|------------------|
| State Sources - SDA Grant | \$ 1,505,590 |
| Transfer from General Fund - Capital Outlay | 1,069,751 |
| Transfer from General Fund - Capital Reserve | <u>1,586,183</u> |
| Total Revenues and Other Financing Sources | <u>4,161,524</u> |

Expenditures and Other Financing Uses

| | |
|---|------------------|
| Purchased Professional and Technical Services | \$ 165,909 |
| Construction Services | <u>2,962,723</u> |
| Total Expenditures and Other Financing Uses | <u>3,128,632</u> |

| | |
|--|---------------------|
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 1,032,892 |
| Fund Balance- Beginning of Year | <u>5,227,056</u> |
| Fund Balance- Ending of Year - Budgetary Basis | <u>\$ 6,259,948</u> |

Reconciliation to GAAP:

| | |
|---|---------------------|
| Project Fund Balance | \$ 6,259,948 |
| Less: SDA Grant Revenue not Realized Under GAAP | <u>(2,301,762)</u> |
| Fund Balance- End of Year - GAAP Basis | <u>\$ 3,958,186</u> |

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, 2016

| | <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 |
| Transfer to Other Projects | <u>(11,690)</u> | <u>-</u> | <u>(11,690)</u> | <u>(11,690)</u> |
| Total Revenues and Other Financing Sources | <u>963,619</u> | <u>-</u> | <u>963,619</u> | <u>963,619</u> |
| Expenditures and Other Financing Uses | | | | |
| Equipment | <u>934,630</u> | <u>-</u> | <u>934,630</u> | <u>963,619</u> |
| Total Expenditures and Other Financing Uses | <u>934,630</u> | <u>-</u> | <u>934,630</u> | <u>963,619</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses | <u>\$ 28,989</u> | <u>\$ -</u> | <u>\$ 28,989</u> | <u>\$ -</u> |
| Additional Project Information: | | | | |
| Original Authorized Cost | \$ 975,262 | | | |
| Additional (Reduced) Costs | 11,643 | | | |
| Revised Authorized Cost | 963,619 | | | |
| Percentage Decrease Over Original | | | | |
| Authorized Cost | | 1.19% | | |
| Percentage Complete | | 100.00% | | |
| Original Target Date | | N/A | | |
| Revised Target Date | | N/A | | |

**BERGENFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HOOVER SCHOOL GYM ADDITION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|------------------|--|
| Revenues and Other Financing Sources | | | | |
| Transfers from Capital Reserve | \$ 2,007,044 | | \$ 2,007,044 | \$ 2,007,044 |
| Transfers from Capital Outlay | 517,956 | - | 517,956 | 517,956 |
| | <u>2,525,000</u> | <u>-</u> | <u>2,525,000</u> | <u>2,525,000</u> |
| Expenditures and Other Financing Uses | | | | |
| Construction Services | 2,445,996 | - | 2,445,996 | 2,525,000 |
| | <u>2,445,996</u> | <u>-</u> | <u>2,445,996</u> | <u>2,525,000</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses | <u>\$ 79,004</u> | <u>\$ -</u> | <u>\$ 79,004</u> | <u>\$ -</u> |
| Additional Project Information: | | | | |
| Original Authorized Cost | \$ 2,525,000 | | | |
| Additional (Reduced) Costs | - | | | |
| Revised Authorized Cost | 2,525,000 | | | |
| Percentage Increase Over Original | | | | |
| Authorized Cost | | 0.00% | | |
| Percentage Completed | | 100% | | |
| Original Target Date | | June 30, 2015 | | |
| Revised Target Date | | August 31, 2015 | | |

**BERGENFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BERGENFIELD HIGH SCHOOL - UNBUNDLED PROJECT - HVAC, VERTICAL MOVEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|-----------------------|-------------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ 856,532 | \$ - | \$ 856,532 | \$ 856,532 |
| Transfer from Capital Reserve | 1,284,798 | - | 1,284,798 | 1,284,798 |
| Total Revenues | <u>2,141,330</u> | <u>-</u> | <u>2,141,330</u> | <u>2,141,330</u> |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 153,325 | 28,351 | 181,676 | 318,330 |
| Construction Services | 448,556 | 1,030,774 | 1,479,330 | 1,823,000 |
| Total Expenditures | <u>601,881</u> | <u>1,059,125</u> | <u>1,661,006</u> | <u>2,141,330</u> |
| Excess of Revenues Over Expenditures | <u>\$ 1,539,449</u> | <u>\$ (1,059,125)</u> | <u>\$ 480,324</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|----------------------------|------------------|
| DOE Project Number | 0300-020-14-1001 |
| SDA Project Number | 0300-020-14-G3CK |
| Grant Number | G5-6160 |
| Grant Date | 10/23/2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 2,141,330 |
| Additional Authorized Cost | \$ - |
| Revised Authorized Cost | \$ 2,141,330 |

Percentage Increase Over Original

| | |
|---------------------------------|---------------|
| Authorized Cost | 0.00% |
| Percentage Completion | 78% |
| Original Target Completion Date | June 30, 2016 |
| Revised Target Completion Date | June 30, 2017 |

**BERGENFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
ROY W. BROWN MIDDLE SCHOOL - HVAC UPGRADES, ELECTRICAL SYSTEM UPGRADES,
WINDOW REPLACEMENT, EMERGENCY GENERATOR, AND ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|-----------------------|---------------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ 1,296,240 | \$ - | \$ 1,296,240 | \$ 1,296,240 |
| Transfer from Capital Reserve | <u>1,944,360</u> | <u>16,551</u> | <u>1,960,911</u> | <u>1,960,911</u> |
| Total Revenues | <u>3,240,600</u> | <u>16,551</u> | <u>3,257,151</u> | <u>3,257,151</u> |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 205,954 | 28,524 | 234,478 | 454,600 |
| Construction Services | <u>178,620</u> | <u>1,481,160</u> | <u>1,659,780</u> | <u>2,802,551</u> |
| Total Expenditures | <u>384,574</u> | <u>1,509,684</u> | <u>1,894,258</u> | <u>3,257,151</u> |
| Excess of Revenues Over Expenditures | <u>\$ 2,856,026</u> | <u>\$ (1,493,133)</u> | <u>\$ 1,362,893</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|----------------------------|------------------|
| DOE Project Number | 0300-075-14-1006 |
| SDA Project Number | 0300-075-14-G1CT |
| Grant Number | G5-4825 |
| Grant Date | 12/11/2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 3,240,600 |
| Additional Authorized Cost | \$ 16,551 |
| Revised Authorized Cost | \$ 3,257,151 |

Percentage Increase Over Original

| | |
|---------------------------------|---------------|
| Authorized Cost | 0.51% |
| Percentage Completion | 58% |
| Original Target Completion Date | June 30, 2016 |
| Revised Target Completion Date | June 30, 2017 |

**BERGENFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HOOVER ELEMENTARY SCHOOL - HVAC UPGRADES, ELECTRICAL SYSTEM UPGRADES,
AND ASBESTOS ABATEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|---------------------|-------------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ 325,080 | \$ - | \$ 325,080 | \$ 325,080 |
| Transfer from Capital Reserve | 487,620 | - | 487,620 | 487,620 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Revenues | 812,700 | - | 812,700 | 812,700 |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | 58,298 | 12,522 | 70,820 | 125,700 |
| Construction Services | 30,814 | 238,317 | 269,131 | 687,000 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Expenditures | 89,112 | 250,839 | 339,951 | 812,700 |
| Excess of Revenues Over Expenditures | <u>\$ 723,588</u> | <u>\$ (250,839)</u> | <u>\$ 472,749</u> | <u>\$ -</u> |

Additional Project Information:

| | |
|----------------------------|------------------|
| DOE Project Number | 0300-050-14-1003 |
| SDA Project Number | 0300-050-14-G1CR |
| Grant Number | G5-4823 |
| Grant Date | 12/11/2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 812,700 |
| Additional Authorized Cost | \$ - |
| Revised Authorized Cost | \$ 812,700 |

Percentage Increase Over Original
Authorized Cost

Percentage Completion

Original Target Completion Date

Revised Target Completion Date

0.00%

42%

June 30, 2016

June 30, 2017

**BERGENFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
JEFFERSON ELEMENTARY SCHOOL - HVAC UPGRADES, ELECTRICAL SYSTEM UPGRADES,
AND ASBESTOS ABATEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|---------------------|---------------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ - | \$ 431,160 | \$ 431,160 | \$ 431,160 |
| Transfer from Capital Outlay /Reserve | - | 899,740 | 899,740 | 899,740 |
| Total Revenues | - | 1,330,900 | 1,330,900 | 1,330,900 |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | - | 27,090 | 27,090 | 167,900 |
| Construction Services | - | 47,376 | 47,376 | 1,163,000 |
| Total Expenditures | - | 74,466 | 74,466 | 1,330,900 |
| Excess of Revenues Over Expenditures | \$ - | \$ 1,256,434 | \$ 1,256,434 | \$ - |

Additional Project Information:

| | |
|----------------------------|------------------|
| DOE Project Number | 0300-060-14-1004 |
| SDA Project Number | 0300-060-14-G1CS |
| Grant Number | G5-4824 |
| Grant Date | 12/2/2015 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 1,077,900 |
| Additional Authorized Cost | \$ 253,000 |
| Revised Authorized Cost | \$ 1,330,900 |

| | |
|--|---------------|
| Percentage Increase Over Original Authorized Cost | 23.47% |
| Percentage Completion | 6% |
| Original Target Completion Date | June 30, 2017 |
| Revised Target Completion Date | June 30, 2017 |

**BERGENFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
LINCOLN SCHOOL - HVAC, EXTERIOR CLOSURE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|---------------------|---------------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ - | \$ 671,228 | \$ 671,228 | \$ 671,228 |
| Transfer from Capital Outlay /Reserve | - | 1,086,841 | 1,086,841 | 1,086,841 |
| Total Revenues | - | 1,758,069 | 1,758,069 | 1,758,069 |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | - | 36,660 | 36,660 | 249,069 |
| Construction Services | - | 75,264 | 75,264 | 1,509,000 |
| Total Expenditures | - | 111,924 | 111,924 | 1,758,069 |
| Excess of Revenues Over Expenditures | \$ - | \$ 1,646,145 | \$ 1,646,145 | \$ - |

Additional Project Information:

| | |
|----------------------------|------------------|
| DOE Project Number | 0300-070-14-1005 |
| SDA Project Number | 0300-070-14-G3CM |
| Grant Number | G5-6162 |
| Grant Date | 12/2/2015 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 1,678,069 |
| Additional Authorized Cost | \$ 80,000 |
| Revised Authorized Cost | \$ 1,758,069 |

Percentage Increase Over Original

| | |
|---------------------------------|---------------|
| Authorized Cost | 4.77% |
| Percentage Completion | 6% |
| Original Target Completion Date | June 30, 2017 |
| Revised Target Completion Date | June 30, 2017 |

**BERGENFIELD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
WASHINGTON SCHOOL - HVAC, UV REPLACEMENTS, HAZARDOUS MATERIAL ABATEMENT,
ELECTRICAL SERVICE UPGRADE, BRANCH PANEL UPGRADES AND WINDOW REPLACEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|---------------------|-------------------|--|
| Revenues and Other Financing Sources | | | | |
| State Sources - SDA Grant | \$ - | \$ 403,202 | \$ 403,202 | \$ 403,202 |
| Transfer from Capital Outlay /Reserve | - | 652,802 | 652,802 | 652,802 |
| Total Revenues | - | 1,056,004 | 1,056,004 | 1,056,004 |
| Expenditures and Other Financing Uses | | | | |
| Architectural/Engineering Services | - | 32,762 | 32,762 | 142,004 |
| Construction Services | - | 89,832 | 89,832 | 914,000 |
| Total Expenditures | - | 122,594 | 122,594 | 1,056,004 |
| Excess of Revenues Over Expenditures | \$ - | \$ 933,410 | \$ 933,410 | \$ - |

Additional Project Information:

| | |
|----------------------------|------------------|
| DOE Project Number | 0300-080-14-1007 |
| SDA Project Number | 0300-080-14-G3CN |
| Grant Number | G5-6163 |
| Grant Date | 12/2/2015 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 1,008,004 |
| Additional Authorized Cost | \$ 48,000 |
| Revised Authorized Cost | \$ 1,056,004 |

Percentage Increase Over Original
Authorized Cost

Percentage Completion

Original Target Completion Date

Revised Target Completion Date

4.76%

12%

June 30, 2017

June 30, 2017

PROPRIETARY FUNDS

EXHIBIT G-1

**BERGENFIELD BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2016**

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 POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016**

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

FIDUCIARY FUNDS

AGENCY FUNDS

**BERGENFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2016**

| | <u>Student Activity</u> | <u>Payroll</u> | <u>Total Agency Funds</u> |
|-------------------------------------|-----------------------------|------------------|-------------------------------|
| ASSETS | | | |
| Cash | \$ 53,114 | \$ 42,737 | \$ 95,851 |
| Due from Other Funds | <u>-</u> | <u>26,442</u> | <u>26,442</u> |
| Total Assets | <u>\$ 53,114</u> | <u>\$ 69,179</u> | <u>\$ 122,293</u> |
| LIABILITIES | | | |
| Payroll Deductions and Withholdings | | \$ 31,708 | \$ 31,708 |
| Accrued Salaries and Wages | | 37,471 | 37,471 |
| Due to Student Groups | <u>\$ 53,114</u> | <u>-</u> | <u>53,114</u> |
| Total Liabilities | <u>\$ 53,114</u> | <u>\$ 69,179</u> | <u>\$ 122,293</u> |

**BERGENFIELD BOARD OF EDUCATION
FIDUCIARY FUNDS
NONEXPENDABLE TRUST FUND
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Balance, July 1, <u>2015</u> | Cash <u>Receipts</u> | Cash <u>Disbursements</u> | Balance, June 30, <u>2016</u> |
|----------------------------|---|---------------------------------|--------------------------------------|--|
| ROY W. BROWN MIDDLE SCHOOL | \$ 13,071 | \$ 38,890 | \$ 38,786 | \$ 13,175 |
| BERGENFIELD HIGH SCHOOL | <u>39,491</u> | <u>77,430</u> | <u>76,982</u> | <u>39,939</u> |
| | <u>\$ 52,562</u> | <u>\$ 116,320</u> | <u>\$ 115,768</u> | <u>\$ 53,114</u> |

**BERGENFIELD BOARD OF EDUCATION
AGENCY FUNDS
PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | Balance, July 1, <u>2015</u> | <u>Increases</u> | <u>Decreases</u> | Balance, June 30, <u>2016</u> |
|-------------------------------------|---|-------------------------|-------------------------|--|
| ASSETS | | | | |
| Cash | \$ 66,489 | \$ 39,301,018 | \$ 39,324,770 | \$ 42,737 |
| Due from Other Funds | <u>26,442</u> | <u>-</u> | <u>-</u> | <u>26,442</u> |
| Total Assets | <u>\$ 92,931</u> | <u>\$ 39,301,018</u> | <u>\$ 39,324,770</u> | <u>\$ 69,179</u> |
| LIABILITIES | | | | |
| Payroll Deductions and Withholdings | \$ 54,120 | \$ 18,140,385 | \$ 18,162,797 | \$ 31,708 |
| Accrued Salaries and Wages | <u>38,811</u> | <u>21,160,633</u> | <u>21,161,973</u> | <u>37,471</u> |
| Total Liabilities | <u>\$ 92,931</u> | <u>\$ 39,301,018</u> | <u>\$ 39,324,770</u> | <u>\$ 69,179</u> |

LONG-TERM DEBT

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

**BERGENFIELD BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

NOT APPLICABLE

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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)**

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 (1) | 2015 | 2016 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 6,118,441 | \$ 6,973,047 | \$ 8,521,212 | \$ 11,528,576 | \$ 8,991,316 | \$ 11,615,142 | \$ 14,809,943 | \$ 18,048,809 | \$ 22,641,054 | \$ 25,012,976 |
| Restricted | 394,315 | 398,791 | 271,816 | 766,995 | 3,326,995 | 5,072,995 | 6,702,305 | 8,450,750 | 7,730,315 | 7,726,994 |
| Unrestricted | 1,430,359 | 1,959,104 | 2,404,713 | 2,918,167 | 4,594,377 | 5,634,835 | 5,437,142 | (10,478,093) | (11,055,416) | (11,073,173) |
| Total governmental activities net position | <u>\$ 7,943,115</u> | <u>\$ 9,330,942</u> | <u>\$ 11,197,741</u> | <u>\$ 15,213,738</u> | <u>\$ 16,912,688</u> | <u>\$ 22,322,972</u> | <u>\$ 26,949,390</u> | <u>\$ 16,021,466</u> | <u>\$ 19,315,953</u> | <u>\$ 21,666,797</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 27,184 | \$ 56,009 | \$ 42,664 | \$ 38,679 | \$ 22,986 | | \$ 4,823 | \$ 13,200 | \$ 11,550 | \$ 9,900 |
| Restricted | | | | | | | | | | |
| Unrestricted | (12,532) | 4,138 | 69,650 | 82,917 | 110,167 | 85,493 | 191,348 | 305,951 | 208,678 | 456,322 |
| Total business-type activities net position | <u>\$ 14,652</u> | <u>\$ 60,147</u> | <u>\$ 112,314</u> | <u>\$ 121,596</u> | <u>\$ 133,153</u> | <u>\$ 85,493</u> | <u>\$ 196,171</u> | <u>\$ 319,151</u> | <u>\$ 220,228</u> | <u>\$ 466,222</u> |
| District-wide | | | | | | | | | | |
| Net investment in capital assets | \$ 6,145,625 | \$ 7,029,056 | \$ 8,563,876 | \$ 11,567,255 | \$ 9,014,302 | \$ 11,615,142 | \$ 14,814,766 | \$ 18,062,009 | \$ 22,652,604 | \$ 25,022,876 |
| Restricted | 394,315 | 398,791 | 271,816 | 766,995 | 3,326,995 | 5,072,995 | 6,702,305 | 8,450,750 | 7,730,315 | 7,726,994 |
| Unrestricted | 1,417,827 | 1,963,242 | 2,474,363 | 3,001,084 | 4,704,544 | 5,720,328 | 5,628,490 | (10,172,142) | (10,846,738) | (10,616,851) |
| Total district net position | <u>\$ 7,957,767</u> | <u>\$ 9,391,089</u> | <u>\$ 11,310,055</u> | <u>\$ 15,335,334</u> | <u>\$ 17,045,841</u> | <u>\$ 22,408,465</u> | <u>\$ 27,145,561</u> | <u>\$ 16,340,617</u> | <u>\$ 19,536,181</u> | <u>\$ 22,133,019</u> |

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

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

| | Fiscal Year Ended June 30 | | | | | | | | | |
|---|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 23,354,155 | \$ 24,072,216 | \$ 23,681,898 | \$ 22,727,317 | \$ 23,530,605 | \$ 24,256,926 | \$ 25,822,685 | \$ 26,071,825 | \$ 31,677,273 | \$ 32,261,746 |
| Special Education | 11,538,688 | 11,289,120 | 11,093,225 | 10,788,076 | 10,356,168 | 10,478,106 | 10,937,704 | 10,638,090 | 12,474,570 | 12,964,052 |
| Other Instruction | 1,950,926 | 2,107,336 | 1,754,020 | 1,931,633 | 2,058,207 | 1,967,919 | 1,928,241 | 1,833,891 | 1,811,716 | 1,856,760 |
| School Sponsored Activities and Athletics | 616,932 | 616,322 | 717,885 | 816,236 | 805,495 | 755,888 | 856,417 | 1,045,178 | 1,099,250 | 1,147,973 |
| Other Services | 27,673 | 17,439 | 20,171 | 15,335 | 19,311 | 3,917 | 32,215 | 28,980 | | |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 8,135,793 | 8,394,671 | 7,863,005 | 7,683,983 | 7,561,605 | 7,721,787 | 7,856,535 | 7,362,058 | 8,864,355 | 9,607,497 |
| General Administration | 1,264,877 | 1,220,689 | 1,253,860 | 1,796,415 | 1,613,183 | 1,956,817 | 1,563,370 | 1,394,165 | 1,412,876 | 1,364,735 |
| School Administrative Services | 2,867,058 | 3,217,613 | 4,032,511 | 4,180,216 | 3,598,663 | 3,688,898 | 3,807,670 | 3,741,186 | 4,549,105 | 4,955,690 |
| Central Administrative Services | 607,680 | 597,232 | 569,981 | 594,199 | 688,315 | 611,371 | 660,550 | 731,002 | 787,507 | 869,321 |
| Plant Operations and Maintenance | 5,075,218 | 6,076,847 | 5,625,817 | 5,806,560 | 6,023,494 | 5,382,925 | 5,697,345 | 6,421,972 | 6,854,874 | 6,772,981 |
| Student Transportation | 2,125,103 | 2,216,789 | 1,930,408 | 1,981,300 | 2,098,341 | 2,040,505 | 2,062,756 | 2,013,627 | 2,106,932 | 2,233,057 |
| Interest on long-term debt | 4,560 | 3,072 | 15,859 | 63,706 | 2,098,341 | 2,040,505 | 2,062,756 | 2,013,627 | 2,106,932 | 2,233,057 |
| Total governmental activities expenses | \$ 57,566,663 | \$ 60,029,366 | \$ 58,558,640 | \$ 58,384,976 | \$ 58,335,983 | \$ 58,245,059 | \$ 61,228,488 | \$ 61,273,974 | \$ 71,638,458 | \$ 74,131,812 |
| Business-type activities: | | | | | | | | | | |
| Food service | 1,181,825 | 1,213,350 | 1,211,583 | 1,272,669 | 1,210,256 | 1,316,498 | 1,083,100 | 1,093,065 | 1,273,741 | 1,105,811 |
| Summer Enrichment Program | 55,960 | 55,161 | 55,095 | 59,834 | 57,125 | 69,311 | 69,759 | 40,709 | 46,792 | 6,465 |
| Total business-type activities expense | \$ 1,237,785 | \$ 1,268,511 | \$ 1,266,678 | \$ 1,332,503 | \$ 1,267,381 | \$ 1,385,809 | \$ 1,152,859 | \$ 1,133,774 | \$ 1,320,533 | \$ 1,112,276 |
| Total district expenses | \$ 58,804,448 | \$ 61,297,877 | \$ 59,825,316 | \$ 59,717,479 | \$ 59,603,366 | \$ 59,630,868 | \$ 62,381,347 | \$ 62,413,748 | \$ 72,958,991 | \$ 75,244,088 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Instruction | \$ 574,701 | \$ 1,041,194 | \$ 1,503,365 | \$ 1,598,334 | \$ 1,284,685 | \$ 1,311,100 | \$ 1,526,489 | \$ 1,597,066 | \$ 1,468,802 | \$ 1,426,329 |
| Support Services | 37,909 | 13,360,020 | 8,665,339 | 11,506,298 | 45,002 | 50,755 | 115,956 | 147,527 | 74,377 | 96,691 |
| Operating grants and contributions | 13,122,360 | 18,036 | 18,036 | 320,379 | 9,273,979 | 10,091,784 | 10,380,633 | 9,553,009 | 16,368,958 | 17,818,879 |
| Capital grants and contributions | 8,462 | 14,401,214 | 10,186,740 | 13,423,001 | 42,973 | 42,551 | 27,860 | | 430,227 | 1,322,518 |
| Total governmental activities program revenues | \$ 13,741,432 | \$ 33,827,404 | \$ 29,843,450 | \$ 35,342,914 | \$ 10,646,639 | \$ 11,496,190 | \$ 12,248,888 | \$ 11,299,602 | \$ 18,342,364 | \$ 20,664,417 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Food service | \$ 840,695 | \$ 832,779 | \$ 857,993 | \$ 769,012 | \$ 724,441 | \$ 697,285 | \$ 577,217 | \$ 591,610 | \$ 544,341 | \$ 566,895 |
| Summer Enrichment Program | 58,625 | 38,793 | 50,237 | 64,318 | 61,157 | 69,386 | 59,545 | 54,475 | 51,351 | 80,380 |
| Operating grants and contributions | 333,065 | 362,454 | 410,613 | 508,455 | 506,849 | 594,454 | 628,775 | 612,669 | 625,918 | 708,995 |
| Total business type activities program revenues | \$ 1,231,385 | \$ 1,234,006 | \$ 1,318,843 | \$ 1,341,785 | \$ 1,292,447 | \$ 1,361,135 | \$ 1,265,537 | \$ 1,258,754 | \$ 1,221,610 | \$ 1,356,270 |
| Total district program revenues | \$ 14,972,815 | \$ 35,061,410 | \$ 31,162,293 | \$ 36,684,699 | \$ 11,939,086 | \$ 12,857,325 | \$ 13,514,425 | \$ 12,558,356 | \$ 19,563,974 | \$ 22,020,687 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (43,825,231) | \$ (45,628,152) | \$ (48,371,900) | \$ (44,939,975) | \$ (47,689,346) | \$ (46,748,869) | \$ (48,979,600) | \$ (49,980,372) | \$ (53,296,094) | \$ (53,467,395) |
| Business-type activities | (6,402) | (34,503) | 52,167 | 9,282 | 25,066 | (24,674) | 110,678 | 122,980 | (98,923) | 245,994 |
| Total district-wide net expense | \$ (43,831,633) | \$ (45,662,657) | \$ (48,319,733) | \$ (44,930,693) | \$ (47,664,280) | \$ (46,773,543) | \$ (48,868,922) | \$ (49,857,392) | \$ (53,395,017) | \$ (53,221,401) |

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes, net | \$ 39,876,425 | \$ 41,351,852 | \$ 42,178,609 | \$ 43,182,460 | \$ 44,883,849 | \$ 44,883,849 | \$ 45,332,687 | \$ 46,194,008 | \$ 46,194,008 | \$ 47,016,865 |
| Unrestricted Aid and contributions | 5,316,845 | 5,623,017 | 7,973,166 | 5,719,958 | 6,730,799 | 7,598,261 | 8,184,570 | 8,302,723 | 8,396,653 | 8,537,481 |
| Investment earnings | 21,947 | 96,847 | 86,924 | | | | | | | |
| Miscellaneous income | 13,020 | 24,263 | | 73,554 | 534,154 | 83,266 | 88,761 | 304,709 | 1,344,956 | 263,893 |
| Transfers | | (80,000) | | | | | | | | |
| Loss on Disposal of Capital Assets | (276,207) | | | | | | | | | |
| Total governmental activities | <u>\$ 44,952,030</u> | <u>\$ 47,015,979</u> | <u>\$ 50,238,699</u> | <u>\$ 48,975,972</u> | <u>\$ 52,148,802</u> | <u>\$ 52,565,376</u> | <u>\$ 53,606,018</u> | <u>\$ 54,801,440</u> | <u>\$ 55,935,617</u> | <u>\$ 55,818,239</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | | 80,000 | | | | | | | | |
| Transfers | | 80,000 | | | | | | | | |
| Total business-type activities | <u>-</u> | <u>80,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total district-wide | <u>\$ 44,952,030</u> | <u>\$ 47,095,979</u> | <u>\$ 50,238,699</u> | <u>\$ 48,975,972</u> | <u>\$ 52,148,802</u> | <u>\$ 52,565,376</u> | <u>\$ 53,606,018</u> | <u>\$ 54,801,440</u> | <u>\$ 55,935,617</u> | <u>\$ 55,818,239</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 1,126,799 | \$ 1,387,827 | \$ 1,866,799 | \$ 4,015,997 | \$ 4,459,456 | \$ 5,816,507 | \$ 4,626,418 | \$ 4,821,068 | \$ 2,639,523 | \$ 2,350,844 |
| Business-type activities | (6,402) | 45,495 | 52,167 | 9,282 | 25,066 | (24,674) | 110,678 | 122,980 | (98,923) | 245,994 |
| Total district | <u>\$ 1,120,397</u> | <u>\$ 1,433,322</u> | <u>\$ 1,918,966</u> | <u>\$ 4,025,279</u> | <u>\$ 4,484,522</u> | <u>\$ 5,791,833</u> | <u>\$ 4,737,096</u> | <u>\$ 4,944,048</u> | <u>\$ 2,540,600</u> | <u>\$ 2,596,838</u> |

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| General Fund | | | | | | | | | | |
| Reserved | \$ 2,405,864 | \$ 1,723,835 | \$ 1,798,237 | \$ 4,549,424 | | | | | | |
| Unreserved | 426,449 | 1,657,197 | 1,982,156 | 54,263 | | | | | | |
| Restricted | | | | | \$ 4,014,771 | \$ 6,481,434 | \$ 9,237,329 | \$ 9,673,844 | \$ 7,375,064 | \$ 6,624,425 |
| Committed | | | | | 2,577,784 | 3,571,574 | 3,661,427 | 1,226,800 | 689,234 | 813,202 |
| Assigned | | | | | 2,103,906 | 1,425,385 | 602,282 | 963,478 | 845,783 | 1,240,499 |
| Unassigned | - | - | - | - | 287,131 | 172,236 | 168,473 | 227,376 | 312,471 | 246,438 |
| Total general fund | \$ 2,832,313 | \$ 3,381,032 | \$ 3,780,393 | \$ 4,603,687 | \$ 8,983,592 | \$ 11,650,629 | \$ 13,669,511 | \$ 12,091,498 | \$ 9,222,552 | \$ 8,924,564 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | | | \$ 40,632 | | | | | | | |
| Unreserved | \$ 26,112 | \$ 17,324 | 30,757 | \$ 71,397 | | | | | | |
| Restricted | - | - | - | - | \$ 71,397 | \$ 71,397 | \$ 59,707 | \$ 1,601,081 | \$ 3,179,431 | \$ 3,958,186 |
| Total all other governmental funds | \$ 26,112 | \$ 17,324 | \$ 71,389 | \$ 71,397 | \$ 71,397 | \$ 71,397 | \$ 59,707 | \$ 1,601,081 | \$ 3,179,431 | \$ 3,958,186 |

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 TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|--------------------|-----------------------|-------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Revenues | | | | | | | | | | |
| Property Tax levy | \$ 39,876,425 | \$ 41,351,852 | \$ 42,178,609 | \$ 43,182,460 | \$ 44,883,849 | \$ 44,883,849 | \$ 45,332,687 | \$ 46,194,008 | \$ 46,194,008 | \$ 47,016,865 |
| Tuition and Fees | 610,610 | 1,041,294 | 1,503,365 | 1,598,324 | 1,329,687 | 1,361,855 | 1,640,395 | 1,744,593 | 1,543,179 | 1,426,329 |
| Interest Earnings | 21,947 | 96,847 | | | | | | | | 96,691 |
| Miscellaneous | 26,031 | 54,017 | 140,296 | 149,079 | 582,702 | 160,664 | 158,961 | 368,549 | 1,465,414 | 291,781 |
| State Sources | 16,850,613 | 17,548,564 | 14,942,257 | 13,611,126 | 13,940,760 | 15,326,616 | 17,115,383 | 16,264,591 | 17,538,833 | 18,803,343 |
| Federal Sources | 1,584,043 | 1,404,619 | 1,660,912 | 3,824,461 | 2,058,443 | 2,328,582 | 1,607,480 | 1,529,301 | 1,619,115 | 1,602,401 |
| Total revenue | 58,969,669 | 61,497,193 | 60,425,439 | 62,365,450 | 62,795,441 | 64,061,566 | 65,854,906 | 66,101,042 | 68,360,549 | 69,237,410 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 23,396,016 | 24,041,453 | 23,585,408 | 22,739,145 | 23,310,868 | 24,042,309 | 25,105,398 | 25,805,127 | 27,172,483 | 26,794,699 |
| Special Education Instruction | 11,554,718 | 11,288,201 | 11,081,324 | 10,807,884 | 10,335,624 | 10,223,736 | 10,647,397 | 10,506,238 | 11,511,294 | 11,733,937 |
| Other Instruction | 1,956,756 | 2,106,992 | 1,750,670 | 1,937,235 | 2,053,118 | 1,971,962 | 1,910,763 | 1,832,881 | 1,623,457 | 1,626,776 |
| School Sponsored Activities and Athletics | 618,726 | 616,104 | 716,732 | 818,141 | 803,567 | 737,335 | 848,357 | 1,042,604 | 1,097,656 | 1,117,500 |
| Other Services | 27,673 | 17,439 | 20,171 | 15,335 | 1,911 | 3,917 | 32,215 | 28,980 | | |
| Support Services: | | | | | | | | | | |
| Student & Inst. Related Services | 8,156,251 | 8,593,537 | 7,850,706 | 7,703,403 | 7,543,500 | 7,712,741 | 7,746,701 | 7,335,700 | 8,270,139 | 8,630,973 |
| General Administrative Services | 1,212,483 | 1,171,183 | 1,206,490 | 1,753,109 | 1,565,958 | 1,358,450 | 1,543,786 | 1,388,322 | 1,400,528 | 1,331,947 |
| School Administrative Services | 2,875,530 | 3,217,104 | 4,025,431 | 4,192,192 | 3,587,875 | 3,666,953 | 3,706,542 | 3,712,382 | 3,957,485 | 4,202,650 |
| Central Administrative Services | 609,401 | 597,157 | 568,867 | 595,830 | 686,324 | 607,240 | 647,316 | 730,460 | 786,066 | 844,392 |
| Plant Operations and Maintenance | 4,838,067 | 5,830,493 | 5,387,368 | 5,583,922 | 5,601,163 | 5,356,299 | 5,618,638 | 6,397,830 | 6,810,941 | 6,579,448 |
| Student Transportation | 2,004,216 | 2,089,739 | 1,791,058 | 1,848,666 | 1,998,369 | 1,952,091 | 1,951,812 | 1,945,113 | 2,039,773 | 2,211,757 |
| Capital Outlay | 777,878 | 1,274,596 | 2,801,834 | 2,589,078 | 927,259 | 3,761,496 | 4,088,789 | 5,412,044 | 4,981,323 | 3,682,564 |
| Debt Service: | | | | | | | | | | |
| Principal | 55,521 | 29,082 | 147,486 | 1,234,998 | | | | | | |
| Interest and Other Charges | 6,619 | 4,182 | 13,730 | 68,210 | | | | | | |
| Total expenditures | 58,089,855 | 60,877,262 | 60,947,275 | 61,887,148 | 58,415,536 | 61,394,529 | 63,847,714 | 66,137,681 | 69,651,145 | 68,756,643 |
| Excess (Deficiency) of revenues over (under) expenditures | 879,814 | 619,931 | (521,836) | 478,302 | 4,379,905 | 2,667,037 | 2,007,192 | (36,639) | (1,290,596) | 480,767 |
| Other Financing sources (uses) | | | | | | | | | | |
| Capital leases (non-budgeted) | | | 975,262 | 345,000 | | | | | | |
| Transfers in | 116,389 | | | 435,360 | | | 2,525,000 | 3,747,496 | 2,655,934 | |
| Transfers out | (116,389) | (80,000) | | (435,360) | | | (2,525,000) | (3,747,496) | (2,655,934) | |
| Total other financing sources (uses) | - | (80,000) | 975,262 | 345,000 | - | - | - | - | - | - |
| Net change in fund balances | \$ 879,814 | \$ 539,931 | \$ 453,426 | \$ 823,302 | \$ 4,379,905 | \$ 2,667,037 | \$ 2,007,192 | \$ (36,639) | \$ (1,290,596) | \$ 480,767 |
| Debt service as a percentage of noncapital expenditures | 0.11% | 0.06% | 0.28% | 2.20% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

* Noncapital expenditures are total expenditures less capital outlay.

**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>Prior Year Refunds</u> | <u>Miscellaneous</u> | <u>Total</u> |
|---|----------------|--------------------------------|---|--|--------------|--|-------------------------------|----------------------|--------------|
| 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 |
| 2012 | 1,311,100 | 50,755 | | 19,578 | 10,315 | | | 53,373 | 1,445,121 |
| 2013 | 1,526,439 | 113,956 | | 24,651 | 9,970 | | | 54,140 | 1,729,156 |
| 2014 | 1,597,066 | 147,527 | | 23,499 | 13,398 | | \$ 234,666 | 33,146 | 2,049,302 |
| 2015 | 1,468,802 | 74,377 | | 18,256 | 9,625 | \$ 1,070,232 | \$ 103,992 | 142,851 | 2,888,135 |
| 2016 | 1,426,329 | 96,691 | | 15,333 | 4,440 | 17,923 | 88,212 | 137,985 | 1,786,913 |

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 |
|----------------------------|---------------|------------------|----------------|---------------|---------------|----------------------|------------------|-----------------------|---|---|
| 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 | 7,253,500 | 2,198,699,800 | 285,515,300 | 45,741,100 | 121,220,600 | 2,658,430,300 | 4,122,023 | 2,662,552,323 | 2,893,274,034 | 1.686 |
| 2012 | 7,253,500 | 2,196,794,100 | 282,927,700 | 45,212,400 | 120,013,700 | 2,652,201,400 | 869,130 | 2,653,070,530 | 2,755,673,769 | 1.700 |
| 2013 | 7,381,600 | 2,194,172,200 | 276,285,800 | 44,683,600 | 116,732,200 | 2,639,255,400 | 869,130 | 2,640,124,530 | 2,657,053,290 | 1.753 |
| 2014 | 7,228,800 | 2,195,867,700 | 270,292,300 | 44,003,400 | 116,438,800 | 2,633,831,000 | 900,000 | 2,634,731,000 | 2,563,061,673 | 1.753 |
| 2015 | 7,187,600 | 2,196,822,200 | 269,567,700 | 42,589,900 | 116,438,800 | 2,632,606,200 | 98,340 | 2,632,704,540 | 2,684,336,177 | 1.773 |
| 2016 | 7,673,200 | 2,205,008,400 | 268,446,900 | 42,589,900 | 115,784,000 | 2,639,502,400 | 98,340 | 2,639,600,740 | 2,714,961,138 | 1.798 |

Source: County Abstract of Ratables

a Tax rates are per \$100

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 | |
| 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 | 1.686 | 1.019 | 0.226 | 2.931 |
| 2012 | 1.700 | 1.042 | 0.228 | 2.970 |
| 2013 | 1.734 | 1.068 | 0.229 | 3.031 |
| 2014 | 1.753 | 1.087 | 0.225 | 3.065 |
| 2015 | 1.773 | 1.104 | 0.245 | 3.122 |
| 2016 | 1.798 | 1.120 | 0.253 | 3.171 |

Source: County Abstract of Ratables

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

| Taxpayer | 2016 | | 2007 | |
|--|------------------------|--|------------------------|--|
| | Taxable Assessed Value | % of Total District Net Assessed Value | Taxable Assessed Value | % of Total District Net Assessed Value |
| Rabinowitz, Charles (Trustee) | \$ 19,277,200 | 0.73% | | |
| Tower Ivy Lane, LLC | 18,850,000 | 0.71% | \$ 12,271,000 | 0.51% |
| Knickerbocker Country Club | 17,000,000 | 0.64% | 19,244,400 | 0.80% |
| Olster Bergenfield Properties | 16,500,000 | 0.63% | | |
| Tower Management Financing Ptsp. | 13,350,000 | 0.51% | | |
| St. James Apts, VAP International | 11,526,700 | 0.44% | 9,548,900 | 0.40% |
| Pathmark Stores, LLC | 10,215,000 | 0.39% | 7,790,300 | 0.33% |
| Legion Manor Assoc., LLC | 10,000,000 | 0.38% | | |
| New Bridge Shopping Center LLC | 7,100,000 | 0.27% | | |
| Keepers Bergenfield LLC | 5,496,700 | 0.21% | 4,976,900 | 0.21% |
| Point Properties | | | 11,657,700 | 0.49% |
| ABA Realty Corp. | | | 10,192,000 | 0.43% |
| Tower Management Financing Partnership | | | 8,481,200 | 0.35% |
| New Woodbine, LLC | | | 5,668,900 | 0.24% |
| 120 Woodbine Inc. | | | 4,052,600 | 0.17% |
| | <u>\$ 129,315,600</u> | <u>4.90%</u> | <u>\$ 93,883,900</u> | <u>3.92%</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 | |
| 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% | |
| 2012 | 44,883,849 | 44,883,849 | 100.00% | |
| 2013 | 45,332,687 | 45,332,687 | 100.00% | |
| 2014 | 46,194,008 | 41,773,143 | 90.43% | \$ 4,420,865 |
| 2015 | 46,194,008 | 46,194,008 | 100.00% | |
| 2016 | 47,016,865 | 47,016,865 | 100.00% | |

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

| Fiscal Year Ended June 30, | Governmental Activities | | | Total District | Population | Per Capita |
|-------------------------------------|--------------------------------|-------------------------|-------------------|----------------|------------|------------|
| | General Obligation Bonds | Project Loan Payable | Capital Leases | | | |
| 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 | | | - | - | 26,810 | 0 |
| 2011 | | | - | - | 27,022 | 0 |
| 2012 | | | - | - | 27,231 | 0 |
| 2013 | | | - | - | 27,380 | 0 |
| 2014 | | | - | - | 27,503 | 0 |
| 2015 | | | - | - | 27,621 | 0 |
| 2016 | | | - | - | 27,621 (E) | 0 |

(E) - Estimate

Source: District records

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

| <u>General Bonded Debt Outstanding</u> | | | | | |
|---|---|-------------------|--|--|-------------------|
| <u>Fiscal Year Ended June 30,</u> | <u>General Obligation Bonds</u> | <u>Deductions</u> | <u>Net General Bonded Debt Outstanding</u> | <u>Percentage of Actual Taxable Value ^a of Property</u> | <u>Per Capita</u> |
| 2007 | - | - | - | 0.00% | 0 |
| 2008 | - | - | - | 0.00% | 0 |
| 2009 | - | - | - | 0.00% | 0 |
| 2010 | - | - | - | 0.00% | 0 |
| 2011 | - | - | - | 0.00% | 0 |
| 2012 | - | - | - | 0.00% | 0 |
| 2013 | - | - | - | 0.00% | 0 |
| 2014 | - | - | - | 0.00% | 0 |
| 2015 | - | - | - | 0.00% | 0 |
| 2016 | - | - | - | 0.00% | 0 |

Source: District records

**BERGENFIELD BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015
(Unaudited)**

| | <u>Total Debt</u> |
|---|-------------------|
| Municipal Debt: (1) | |
| Bergenfield School District | |
| Borough of Bergenfield | \$ 11,468,971 |
| Total Direct Debt | 11,468,971 |
| Overlapping Debt Apportioned to the Municipality: | |
| Bergen County: | |
| County of Bergen (A) | 15,728,084 |
| Bergen County Utilities Authority - Water Pollution (B) | 6,991,051 |
| Total Overlapping Debt | 22,719,135 |
| Total Direct and Overlapping Debt | \$ 34,188,106 |

Source:

(1) Borough's 2015 Annual Debt Statement

(A) The debt for this entity was apportioned to the municipality by dividing the municipality's 2015 equalized value by the total 2015 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 2016

Equalized valuation basis

| | | |
|------|----|----------------------|
| 2015 | \$ | 2,700,385,886 |
| 2014 | | 2,678,290,624 |
| 2013 | | 2,559,898,545 |
| | \$ | <u>7,938,575,055</u> |

Average equalized valuation of taxable property

\$ 2,646,191,685

Debt limit (4 % of average equalization value)

105,847,667

Total Net Debt Applicable to Limit

-

Legal debt margin

\$ 105,847,667

Fiscal Year Ending June 30,

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt limit | \$ 108,154,671 | \$ 120,540,327 | \$ 128,257,542 | \$ 129,941,673 | \$ 122,448,615 | \$ 115,366,524 | \$ 110,708,495 | \$ 106,320,018 | \$ 105,325,851 | \$ 105,847,667 |
| Total net debt applicable to limit | - | - | - | - | - | - | - | - | - | - |
| Legal debt margin | <u>\$ 108,154,671</u> | <u>\$ 120,540,327</u> | <u>\$ 128,257,542</u> | <u>\$ 129,941,673</u> | <u>\$ 122,448,615</u> | <u>\$ 115,366,524</u> | <u>\$ 110,708,495</u> | <u>\$ 106,320,018</u> | <u>\$ 105,325,851</u> | <u>\$ 105,847,667</u> |
| 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> |
|-------------|-------------------|--|------------------------------|
| 2007 | 25,565 | \$ 68,147 | 3.20% |
| 2008 | 25,515 | 68,548 | 4.10% |
| 2009 | 25,582 | 64,571 | 7.60% |
| 2010 | 26,810 | 65,275 | 7.90% |
| 2011 | 27,022 | 68,244 | 7.50% |
| 2012 | 27,231 | 71,380 | 7.70% |
| 2013 | 27,380 | 70,498 | 7.00% |
| 2014 | 27,503 | 73,536 | 4.90% |
| 2015 | 27,621 | 73,536 (E) | 4.20% |
| 2016 | 27,621 (E) | 73,536 (E) | 4.20% (E) |

Source: New Jersey State Department of Education

(E) - Estimate

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

| | 2016 | | 2007 | |
|----------|-----------|---|-----------|---|
| | Employees | Percentage of Total Municipal Employment | Employees | Percentage of Total Municipal Employment |
| Employer | | | | |

INFORMATION IS NOT AVAILABLE

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

| <u>Function/Program</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction | 333 | 333 | 324 | 327 | 328 | 318 | 329 | 329 | 330 | 332 |
| Support Services: | | | | | | | | | | |
| Student & instruction related services | 60 | 61 | 71 | 65 | 65 | 72 | 66 | 65 | 66 | 66 |
| General administration | 7 | 7 | 6 | 6 | 5 | 7 | 5 | 4 | 5 | 6 |
| School administrative services | 21 | 23 | 25 | 24 | 24 | 34 | 24 | 23 | 24 | 24 |
| Central services | 7 | 7 | 7 | 7 | 7 | 6 | 7 | 7 | 6 | 6 |
| Plant operations and maintenance | 39 | 41 | 43 | 42 | 40 | 40 | 41 | 41 | 41 | 40 |
| Pupil transportation | 1 | 1 | 15 | 15 | 16 | 24 | 16 | 17 | 16 | 16 |
| Other support services | 15 | 9 | - | | | | | | | |
| Total | 483 | 481 | 491 | 486 | 485 | 501 | 488 | 486 | 488 | 490 |

Source: District Personnel Records

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

Teacher/Pupil Ratio

| Fiscal Year | Enrollment ^a | Operating Expenditures ^b | Cost Per Pupil ^c | Percentage Change | Teaching Staff | Teacher/Pupil Ratio | | | Average Daily Enrollment (ADE) | Average Daily Attendance (ADA) | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|-------------------------|-------------------------------------|-----------------------------|-------------------|----------------|---------------------|---------------|--------------------|--------------------------------|--------------------------------|--------------------------------------|-------------------------------|
| | | | | | | Elementary | Middle School | Senior High School | | | | |
| 2007 | 3,619 | \$ 57,249,837 | \$ 15,819 | 11.80% | 349 | 1:15 | 1:14 | 1:13 | 3,535 | 3,395 | -6.73% | 96.04% |
| 2008 | 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% |
| 2012 | 3,643 | 57,633,033 | 15,820 | -2.89% | 349 | 1:15 | 1:13 | 1:14 | 3,530 | 3,409 | 0.03% | 96.57% |
| 2013 | 3,643 | 59,758,925 | 16,404 | 3.69% | 347 | 1:15 | 1:13 | 1:14 | 3,575 | 3,460 | 1.27% | 96.78% |
| 2014 | 3,633 | 60,725,637 | 16,715 | 1.90% | 351 | 1:15 | 1:13 | 1:14 | 3,532 | 3,358 | -1.20% | 95.07% |
| 2015 | 3,518 | 64,669,822 | 18,383 | 9.98% | 345 | 1:15 | 1:13 | 1:14 | 3,475 | 3,338 | -1.61% | 96.06% |
| 2016 | 3,567 | 65,074,079 | 18,243 | -0.76% | 346 | 1:13 | 1:14 | 1:15 | 3,532 | 3,411 | 1.64% | 96.57% |

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)**

115

| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| School Facilities | | | | | | | | | | |
| Bergenfield High School | \$ 1,134,378 | \$ 1,511,168 | \$ 1,341,001 | \$ 1,267,962 | \$ 1,206,434 | \$ 1,213,577 | \$ 1,278,931 | \$ 1,348,560 | \$ 1,400,192 | \$ 613,716 |
| Roy W. Brown Middle School | 544,823 | 725,789 | 644,061 | 608,982 | 579,432 | 582,863 | 614,252 | 647,693 | 672,492 | 294,758 |
| Franklin Elementary School | 272,411 | 362,894 | 322,030 | 304,490 | 289,715 | 291,430 | 307,124 | 323,845 | 336,244 | 147,378 |
| Hoover Elementary School | 106,876 | 142,375 | 126,343 | 119,462 | 113,665 | 114,338 | 120,495 | 127,056 | 131,920 | 57,821 |
| Jefferson Elementary School | 149,732 | 199,467 | 177,006 | 167,365 | 159,244 | 160,187 | 168,814 | 178,004 | 184,820 | 81,008 |
| Lincoln Elementary School | 299,197 | 398,577 | 353,695 | 334,431 | 318,203 | 320,076 | 337,313 | 355,677 | 369,295 | 161,865 |
| Washington Elementary Sch. | 171,161 | 228,013 | 202,336 | 191,316 | 182,033 | 183,121 | 192,983 | 203,489 | 211,281 | 92,606 |
| Grand Total | <u>\$ 2,678,578</u> | <u>\$ 3,568,283</u> | <u>\$ 3,166,472</u> | <u>\$ 2,994,008</u> | <u>\$ 2,848,726</u> | <u>\$ 2,865,592</u> | <u>\$ 3,019,912</u> | <u>\$ 3,184,324</u> | <u>\$ 3,306,244</u> | <u>\$ 1,449,152</u> |

Source: District Records

Note:

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

**BERGENFIELD BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2016
(Unaudited)**

| | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|-------------------|
| School Package Policy - NESBIG | | |
| Property - Blanket Building & Contents | \$ 125,234,422 | \$ 5,000 |
| Comprehensive General Liability | 2,000,000 | |
| Commercial Umbrella | 9,000,000 | 10,000 |
| Accident Coverage | 500,000 | |
| Environmental Impairment | 2,000,000 | 15,000 |
| Commercial Umbrella Cap | 50,000,000 | |
| School Board Legal Liability | 1,000,000 | 10,000 |
| 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 | |
| Forgery or Alteration Coverage | 50,000 | 1,000 |
| Treasurer of School Monies - Surety Bond | 325,000 | |
| Business Administrator/Board Secretary - Surety Bond | 325,000 | |

Source: School District's records

SINGLE AUDIT



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
ROBERT AMPONSAH, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bergenfield Board of Education as of and for the fiscal year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Bergenfield Board of Education's basic financial statements and have issued our report thereon dated November 30, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bergenfield of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Bergenfield Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bergenfield Board of Education's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bergenfield Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2016-001.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Bergenfield Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 30, 2016.

Bergenfield Board of Education's Responses to Findings

The Bergenfield Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Bergenfield Board of Education's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bergenfield Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Bergenfield Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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
November 30, 2016



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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ROBERT AMPONSAH, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

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) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Bergenfield Board of Education's major federal and state programs for the fiscal year ended June 30, 2016. The 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.

Management's Responsibility

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Bergenfield Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Bergenfield Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Bergenfield Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Bergenfield Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Bergenfield Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Bergenfield Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.


Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the 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, 2016 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 30, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
November 30, 2016

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Federal/Grantor/Pass-Through Grantor/ Program Title | Federal CFDA Number | FAIN Number | Grant or State Project Number | Grant Period | Award Amount | Balance, June 30, 2015 | | | Carryover/ (Walkover) Amount Def. Rev. | Carryover/ (Walkover) Amount A/R | Cash Received | Budgetary Expenditures | Refund of Prior Years Balances | Prior Year Payables Cancelled / Adjustments | Balance, June 30, 2016 | | | Memo GAAP Receivable |
|--|---------------------------|-----------------|----------------------------------|-----------------|-----------------|-------------------------|---------------------|-------------------|---|---|---------------------|---------------------------|--------------------------------------|--|-------------------------|---------------------|-------------------|----------------------------|
| | | | | | | (Account Receivable) | Unearned Revenue | Due to Grantor | | | | | | | (Account Receivable) | Unearned Revenue | Due to Grantor | |
| U.S. Department of Education | | | | | | | | | | | | | | | | | | |
| Passed-through State Department of Education | | | | | | | | | | | | | | | | | | |
| <u>Enterprise Fund</u> | | | | | | | | | | | | | | | | | | |
| School Breakfast Program | 10.553 | 16161NJ304N1099 | N/A | 7/1/15-6/30/16 | \$ 87,463 | | | | | \$ 70,316 | \$ 87,463 | | | | \$ (17,147) | | | \$ (17,147) |
| School Breakfast Program | 10.553 | | N/A | 7/1/14-6/30/15 | 59,834 | \$ (14,445) | | | | 14,445 | | | | | | | | - |
| National School Lunch Program | 10.555 | | N/A | | | | | | | | | | | | | | | - |
| Cash Assistance | | 16161NJ304N1099 | | 7/1/15-6/30/16 | 539,353 | | | | | 454,394 | 539,353 | | | | (84,959) | | | (84,959) |
| Cash Assistance | | | | 7/1/14-6/30/15 | 500,384 | (92,966) | | | | 92,966 | | | | | | | | - |
| Non-Cash Assistance (Food Distribution) | | 16161NJ304N1099 | | 7/1/15-6/30/16 | 69,483 | | | | | 69,483 | 69,483 | | | | | | | - |
| Non-Cash Assistance (Food Distribution) | | | | 7/1/14-6/30/15 | 52,986 | - | 10 | - | - | - | 10 | | | | | | | - |
| Total Enterprise Fund | | | | | | (107,411) | 10 | - | - | 701,604 | 696,309 | - | - | - | (102,106) | - | - | (102,106) |
| U.S. Department of Health and Human Services | | | | | | | | | | | | | | | | | | |
| <u>General Fund</u> | | | | | | | | | | | | | | | | | | |
| Medicaid Assistance Program | 93.778 | 1605NJ5MAP | N/A | 7/1/15-6/30/16 | 51,533 | | | | | 25,714 | 37,411 | | | | (11,697) | | | (11,697) |
| Medicaid Assistance Program | 93.778 | | N/A | 7/1/14-6/30/15 | 71,519 | (7,577) | - | - | - | 7,577 | | | | | | | | - |
| Medicaid -2014 Cost Settlement | 93.778 | | N/A | 7/1/15-6/30/15 | 14,122 | - | - | - | - | - | 14,122 | | | | (14,122) | | | (14,122) |
| Total General Fund | | | | | | (7,577) | - | - | - | 33,291 | 51,533 | - | - | - | (25,819) | - | - | (25,819) |
| <u>Special Revenue Fund</u> | | | | | | | | | | | | | | | | | | |
| I.D.E.A. Part B, Basic Regular | 84.027 | | FT-090002 | 7/1/14-6/30/15 | 888,255 | (41,176) | 122 | (122) | 122 | 41,054 | | | | | | | | - |
| I.D.E.A. Part B, Basic Regular | 84.027 | H027A150100 | FT-090002 | 7/1/15-6/30/16 | 911,190 | - | - | 122 | (122) | 841,495 | 911,297 | | | | (69,817) | 15 | | (69,802) |
| I.D.E.A. Part B, Preschool | 84.173 | | PS-090000 | 7/1/14-6/30/15 | 32,720 | (5,001) | - | - | - | 5,001 | | | | | | | | - |
| I.D.E.A. Part B, Preschool | 84.173 | H173A150114 | PS-090000 | 7/1/15-6/30/16 | 33,608 | - | - | - | - | 32,249 | 33,601 | | | | (1,359) | 7 | | (1,352) |
| IDEA Cluster | | | | | | (46,177) | 122 | - | - | 919,799 | 944,898 | - | - | - | (71,176) | 22 | - | (71,154) |
| <u>NCLB</u> | | | | | | | | | | | | | | | | | | |
| Title I | 84.010A | | NCLBCV-090300 | 7/1/14-6/30/15 | 420,058 | (254,289) | 4,530 | (4,530) | 4,530 | 249,859 | | | | | | | | - |
| Title I | 84.010A | S010A150030 | NCLBCV-090300 | 7/1/15-6/30/16 | 514,892 | - | - | 4,530 | (4,530) | 219,551 | 488,150 | | | | (299,871) | 31,272 | | (268,599) |
| Title II, Part A | 84.367A | | NCLBCV-090300 | 7/1/14-6/30/15 | 80,212 | (57,933) | 2,779 | (2,779) | 2,779 | 55,154 | | | | | | | | - |
| Title II, Part A | 84.367A | S367A150029 | NCLBCV-090300 | 7/1/15-6/30/16 | 79,474 | - | - | 2,779 | (2,779) | 34,780 | 64,953 | | | | (47,473) | 17,300 | | (30,173) |
| Title III | 84.365A | | NCLBCV-090300 | 7/1/14-6/30/15 | 39,118 | (15,136) | 3,625 | (3,625) | 3,625 | 11,511 | | | | | | | | - |
| Title III | 84.365A | S365A150030 | NCLBCV-090300 | 7/1/15-6/30/16 | 30,817 | - | - | 3,625 | (3,625) | 11,400 | 32,265 | | | | (23,042) | 2,077 | | (20,965) |
| Perkins Grant | 84.048A | | N/A | 7/1/14-6/30/15 | 24,841 | (24,841) | 2 | - | - | 24,839 | | | | | | | | - |
| Perkins Grant | 84.048A | V048A140030 | N/A | 7/1/15-6/30/16 | 20,777 | - | - | - | - | - | 20,714 | | | | (20,777) | 63 | | (20,714) |
| Total Special Revenue Fund | | | | | | (398,476) | 11,058 | - | - | 1,526,893 | 1,551,080 | - | - | - | (462,339) | 50,734 | - | (411,605) |
| Total Federal Awards | | | | | | \$ (513,464) | \$ 11,068 | \$ - | \$ - | \$ 2,261,788 | \$ 2,298,922 | \$ - | \$ - | \$ - | \$ (590,264) | \$ 50,734 | \$ - | \$ (539,530) |

Note - FAIN numbers are only applicable for current year grant awards

BERGENFIELD BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance, July 1, 2015 | Carryover Amount | Cash Received | Budgetary Expenditures | Adjustments | Refund of Prior Years' Balances | Balance, June 30, 2016 | | | Memo | | |
|---|-------------------------------|----------------|--------------|-----------------------|------------------|---------------|------------------------|-------------|---------------------------------|------------------------|------------------|----------------|-----------------|-------------------------------|---------------|
| | | | | | | | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor | GAAP Receivable | Cumulative Total Expenditures | |
| State Department of Agriculture | | | | | | | | | | | | | | | |
| Food Service: | | | | | | | | | | | | | | | |
| National School Lunch Program (State Share) | 16-100-010-3350-023 | 7/1/15-6/30/16 | 12,686 | \$ - | | \$ 10,719 | \$ 12,686 | | | | | | | \$ (1,967) | \$ 12,686 |
| | 15-100-010-3350-023 | 7/1/14-6/30/15 | 12,593 | (2,627) | - | 2,627 | - | - | - | - | - | - | - | - | - |
| Total Food Service Fund | | | | (2,627) | - | 13,346 | 12,686 | - | - | - | (1,967) | - | - | (1,967) | 12,686 |
| School Development Authority | | | | | | | | | | | | | | | |
| Educational Facilities Construction and Financing Act of 2000 | | | | | | | | | | | | | | | |
| Capital Projects Fund: | | | | | | | | | | | | | | | |
| Roy W. Brown Middle School - Various Improvements | 0300-075-14-G1CT | N/A | 1,296,240 | (153,830) | | | 603,874 | | | | (1,296,240) | 538,536 | | (1,296,240) | 757,704 |
| Hoover Elementary School - Various Improvements | 0300-050-14-G1CR | N/A | 325,080 | (35,645) | | | 100,336 | | | | (325,080) | 189,100 | | (325,080) | 135,980 |
| Bergenfield High School - HVAC, Vertical Movement | 0300-020-14-G3CK | N/A | 856,532 | (240,752) | | | 423,650 | | | | (856,532) | 192,130 | | (856,532) | 664,402 |
| Jefferson Elementary School - Various Improvements | 0300-060-14-G1CS | N/A | 431,160 | | | | 29,786 | | | | (431,160) | 401,374 | | (431,160) | 29,786 |
| Lincoln Elementary School - Various Improvements | 0300-070-14-G3CM | N/A | 671,228 | | | | 44,770 | | | | (671,228) | 626,458 | | (671,228) | 44,770 |
| Washington Elementary School - Various Improvements | 0300-080-14-G3CN | N/A | 403,202 | | | | 49,037 | \$ - | | | (403,202) | 354,164 | | (403,202) | 49,037 |
| Total Capital Projects Fund | | | | (430,227) | - | - | 1,251,453 | - | - | - | (3,983,442) | 2,301,762 | - | (3,983,442) | 1,681,679 |
| Total State Financial Assistance | | | | (2,134,967) | - | 17,644,745 | 18,914,037 | - | \$ 54,149 | | (5,779,203) | \$ 2,303,312 | \$ 17,483 | (4,074,135) | 19,344,263 |
| State Financial Assistance | | | | | | | | | | | | | | | |
| Not Subject to Single Audit Determination | | | | | | | | | | | | | | | |
| General Fund | | | | | | | | | | | | | | | |
| On-Behalf TPAF Pension System Contributions-NCGI | 16-100-034-5094-004 | 7/1/15-6/30/16 | 86,071 | | | (86,071) | (86,071) | | | | | | | | (86,071) |
| On-Behalf TPAF Pension System Contributions-Normal | 16-100-034-5094-002 | 7/1/15-6/30/16 | 1,727,871 | | | (1,727,871) | (1,727,871) | | | | | | | | (1,727,871) |
| On-Behalf TPAF Post-Retirement Medical Contribution | 16-100-034-5094-001 | 7/1/15-6/30/16 | 2,159,904 | | | (2,159,904) | (2,159,904) | | | | | | | | (2,159,904) |
| Total State Financial Assistance Subject to Single Audit | | | | \$ (2,134,967) | \$ - | \$ 13,670,829 | \$ 14,940,191 | \$ - | \$ 54,149 | | \$ (5,779,203) | \$ 2,303,312 | \$ 17,483 | \$ (4,074,135) | \$ 15,370,417 |

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, “Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid”. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$90,013 for the general fund and a decrease of \$8,463 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|----------------------------|---------------------|----------------------|----------------------|
| General Fund | \$ 51,533 | \$ 17,175,324 | \$ 17,226,857 |
| Special Revenue Fund | 1,550,868 | 376,566 | 1,927,434 |
| Capital Projects Fund | | 1,251,453 | 1,251,453 |
| Food Service Fund | <u>696,309</u> | <u>12,686</u> | <u>708,995</u> |
| Total Financial Assistance | <u>\$ 2,298,710</u> | <u>\$ 18,816,029</u> | <u>\$ 21,114,739</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, 2016**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,783,241 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2016. The amount reported as TPAF Pension System Contributions in the amount of \$1,813,942 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,159,904 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2016.

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 financial statements and the amount subject to State single audit and major program determination.

NOTE 7 DE MINIMIS INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? 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 Unmodified

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance? yes X no

Identification of major federal programs:

| <u>CFDA Number(s)</u> | <u>FAIN Number</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|--------------------|---|
| <u>84.027</u> | <u>H027A150100</u> | <u>IDEA Part B Basic</u> |
| <u>84.173</u> | <u>H173A150114</u> | <u>IDEA Part B Preschool</u> |
| <u> </u> | <u> </u> | <u> </u> |
| <u> </u> | <u> </u> | <u> </u> |
| <u> </u> | <u> </u> | <u> </u> |
| <u> </u> | <u> </u> | <u> </u> |
| <u> </u> | <u> </u> | <u> </u> |
| <u> </u> | <u> </u> | <u> </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: \$ 750,000

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, 2016**

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 2015-001

We noted certain encumbrances for contract balances outstanding which were unrecorded in the Capital Projects Fund at June 30, 2016.

Criteria or specific requirement:

State Department of Education's GAAP Technical Systems Manual.

Condition:

Certain contract awards were not encumbered by issuance of a purchase order and therefore were unrecorded at June 30, 2016 in the Capital Projects Fund.

Context

Encumbrances for contracts awarded prior to June 30, 2016 totaling \$739,267 were not properly recorded at June 30, 2016 in the Capital Projects Fund.

Effect

The financial statements did not properly reflect encumbrances and available project balances at year end. The financial statements were adjusted for the exceptions noted during our audit.

Cause

Unknown.

Recommendation

Internal control procedures be reviewed and enhanced to ensure purchase orders are issued and encumbered in the Capital Projects Fund based on the total contract award amount.

Management's Response

Management has reviewed this finding and indicated it will 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, 2016**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U. S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

There are none.

**BERGENFIELD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2015-001

Our audit noted certain instances where salaries charged to the NCLB-Title I grant were not in agreement with the amounts approved by resolution and certified in the time and activity reports.

Current Status

Corrective action was taken.