

BERGENFIELD BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Bergenfield, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Bergenfield Board of Education

Bergenfield, New Jersey

For The Fiscal Year Ended June 30, 2017

Prepared by

Business Office

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INTRODUCTORY SECTION



100 South Prospect Avenue
Bergenfield, New Jersey 07621

CHRISTOPHER M. TULLY, ED.D.
Superintendent of Schools

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FAX: (201) 384-2914
WWW.BERGENFIELD.ORG

December 1, 2017

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, 2017 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 04-04. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Bergenfield Public Schools is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and account groups of the District are included in this report. The Bergenfield Board of Education and all its schools constitute the District's reporting entity.

"Education is not filling a bucket, but lighting a fire."

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and vocational as well as special education for handicapped youngsters. The District completed the 2016-2017 fiscal year with an enrollment of 3,590 students, which is 23 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 2016 opening day K-12 enrollment was 3464. This represents an decrease of 3 pupils as compared to the opening enrollment in September of 2015. 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 2016-2017 School Year include Uni-vent replacements at Jefferson 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 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.

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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,

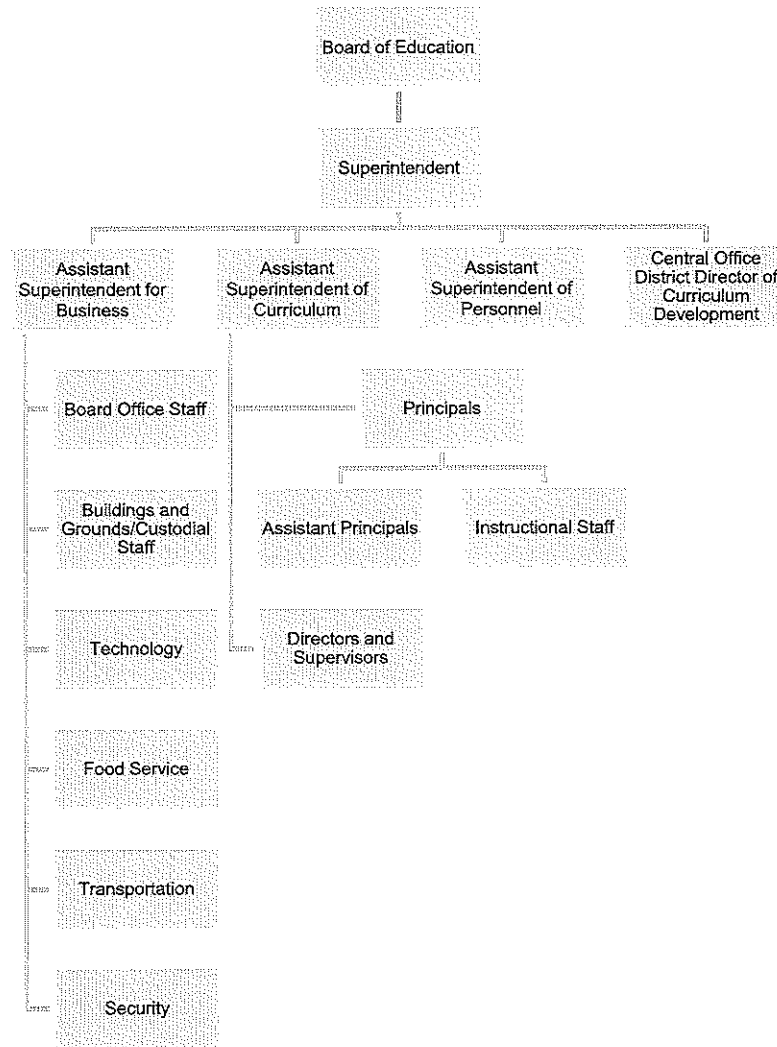


Christopher M. Tully, EDD
Superintendent



David DiPisa
Business Administrator/Board Secretary

BERGENFIELD BOARD OF EDUCATION Organization Chart



**BERGENFIELD BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2017**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joseph Amara, President	2019
Eileen Ryder, Vice President	2017
Ralph Messina	2018
Anthony Cortez	2018
William Jaeger	2019

Other Officials

Christopher M. Tully, EDD, 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, New Jersey 07410

Attorneys

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

Official Depository

TD Bank
126 North Washington Avenue
Bergenfield, New Jersey 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, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
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, 2017 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 from 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, 2017, 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 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 December 1, 2017 on our consideration of the Bergenfield Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bergenfield Board of Education's 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
December 1, 2017

REQUIRED SUPPLEMENTARY INFORMATION – PART I
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

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, 2017. 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 2016-2017 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 \$22,048,546 (net position).
- The District's overall net position decreased \$84,473 or less than 1%.
- Overall district revenues were \$83,218,783. General revenues accounted for \$56,736,669 or 68% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$26,482,114 or 32% of total revenues.
- The school district had \$82,068,548 in expenses for governmental activities; only \$25,108,144 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$56,736,669 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 \$11,307,544 a decrease of \$1,575,206 from the previous year.
- The General Fund unassigned fund balance at June 30, 2017 was \$253,802 compared to the ending unassigned fund balance at June 30, 2016 of \$246,438.
- The General Fund unassigned budgetary fund balance at June 30, 2017 was \$1,956,080 which represents an increase of \$4,574 when compared to the ending unassigned budgetary fund balance at June 30, 2016 of \$1,951,506.
- The District's governmental activities investment in capital assets increased \$3,009,539 during the current fiscal year.
- The District's long-term liabilities increased \$6,458,462 during the current fiscal year.

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

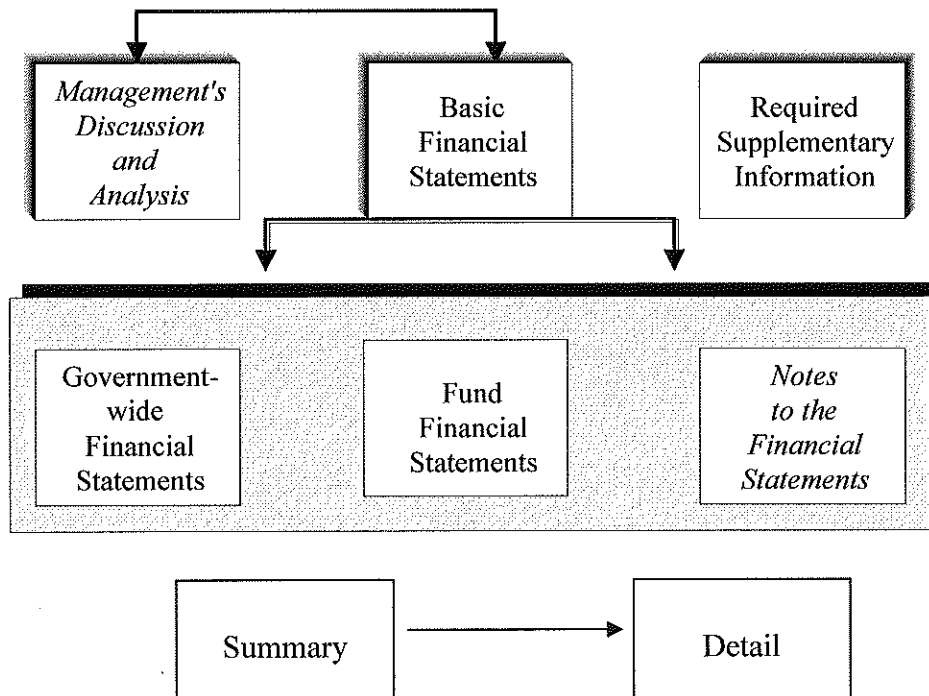
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

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, 2017**

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, 2017**

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, 2017**

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 \$22,048,546 and \$22,133,019 as of June 30, 2017 and 2016, 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, 2017 and 2016**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Assets						
Current Assets	\$ 13,550,903	\$ 15,740,544	\$ 658,977	\$ 505,192	\$ 14,209,880	\$ 16,245,736
Capital Assets	<u>28,022,515</u>	<u>25,012,976</u>	<u>8,250</u>	<u>9,900</u>	<u>28,030,765</u>	<u>25,022,876</u>
Total Assets	<u>41,573,418</u>	<u>40,753,520</u>	<u>667,227</u>	<u>515,092</u>	<u>42,240,645</u>	<u>41,268,612</u>
Deferred Outflows of Resources	<u>6,903,309</u>	<u>2,428,635</u>	<u>-</u>	<u>-</u>	<u>6,903,309</u>	<u>2,428,635</u>
Total Assets and Deferred Outflow of Resources	<u>48,476,727</u>	<u>43,182,155</u>	<u>667,227</u>	<u>515,092</u>	<u>49,143,954</u>	<u>43,697,247</u>
Liabilities						
Long-Term Liabilities	24,580,782	18,122,320			24,580,782	18,122,320
Other Liabilities	<u>2,243,359</u>	<u>2,857,794</u>	<u>61,743</u>	<u>48,870</u>	<u>2,305,102</u>	<u>2,906,664</u>
Total Liabilities	<u>26,824,141</u>	<u>20,980,114</u>	<u>61,743</u>	<u>48,870</u>	<u>26,885,884</u>	<u>21,028,984</u>
Deferred Inflow of Resources	<u>209,524</u>	<u>535,244</u>	<u>-</u>	<u>-</u>	<u>209,524</u>	<u>535,244</u>
Total Liabilities and Deferred Inflow of Resources	<u>27,033,665</u>	<u>21,515,358</u>	<u>61,743</u>	<u>48,870</u>	<u>27,095,408</u>	<u>21,564,228</u>
Net Position						
Investment in Capital Assets	28,022,515	25,012,976	8,250	9,900	28,030,765	25,022,876
Restricted	6,450,116	7,726,994			6,450,116	7,726,994
Unrestricted	<u>(13,029,569)</u>	<u>(11,073,173)</u>	<u>597,234</u>	<u>456,322</u>	<u>(12,432,335)</u>	<u>(10,616,851)</u>
Total Net Position	<u>\$ 21,443,062</u>	<u>\$ 21,666,797</u>	<u>\$ 605,484</u>	<u>\$ 466,222</u>	<u>\$ 22,048,546</u>	<u>\$ 22,133,019</u>

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

The District's total net position of \$22,048,546 at June 30, 2017 represents a decrease of \$84,473 or less than 1% from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2017 and 2016.

**Changes in Net Position
For the Fiscal Years Ended June 30, 2017 and 2016**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,341,391	\$ 1,523,020	\$ 655,917	\$ 647,275	\$ 1,997,308	\$ 2,170,295
Operating Grants and Contributions	22,433,036	17,818,879	718,053	708,995	23,151,089	18,527,874
Capital Grants and Contributions	1,333,717	1,322,518			1,333,717	1,322,518
General Revenues						
Property Taxes	47,959,500	47,016,865			47,959,500	47,016,865
Unrestricted State Aid	8,516,937	8,537,481			8,516,937	8,537,481
Other	260,232	263,893	-	-	260,232	263,893
Total Revenues	<u>81,844,813</u>	<u>76,482,656</u>	<u>1,373,970</u>	<u>1,356,270</u>	<u>83,218,783</u>	<u>77,838,926</u>
Expenses						
Instruction						
Regular	35,767,134	32,261,746			35,767,134	32,261,746
Special Education	14,058,665	12,964,052			14,058,665	12,964,052
Other Instruction	2,459,193	1,856,760			2,459,193	1,856,760
School Sponsored Activities and Athletics	1,343,105	1,147,973			1,343,105	1,147,973
Support Services						
Student and Instruction Related Services	10,043,184	9,607,497			10,043,184	9,607,497
General Administrative Services	1,430,291	1,364,735			1,430,291	1,364,735
School Administrative Services	5,692,952	4,955,690			5,692,952	4,955,690
Central Administrative Services	986,636	869,321			986,636	869,321
Plant Operations and Maintenance	7,684,744	6,772,981			7,684,744	6,772,981
Student Transportation	2,602,644	2,331,057			2,602,644	2,331,057
Food Services			1,184,300	1,103,811	1,184,300	1,103,811
Summer Enrichment Program	-	-	50,408	6,465	50,408	6,465
Total Expenses	<u>82,068,548</u>	<u>74,131,812</u>	<u>1,234,708</u>	<u>1,110,276</u>	<u>83,303,256</u>	<u>75,242,088</u>
Change in Net Position	(223,735)	2,350,844	139,262	245,994	(84,473)	2,596,838
Net Position, Beginning 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>
Net Position, End of Year	<u>\$ 21,443,062</u>	<u>\$ 21,666,797</u>	<u>\$ 605,484</u>	<u>\$ 466,222</u>	<u>\$ 22,048,546</u>	<u>\$ 22,133,019</u>

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

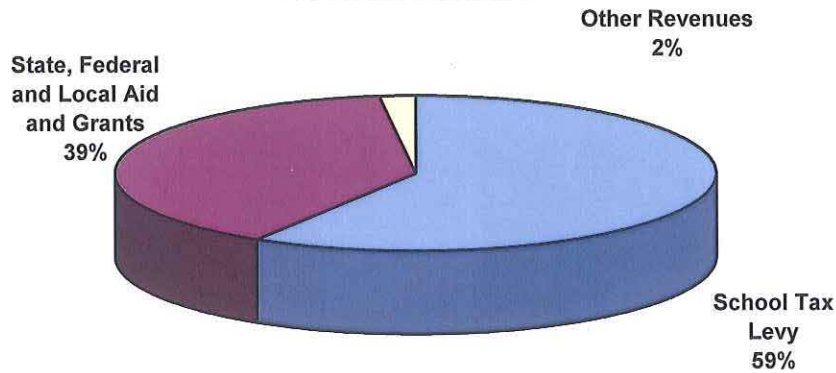
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$81,844,813 and \$76,482,656 for the fiscal years ended June 30, 2017 and 2016. Property taxes of \$47,959,500 and \$47,016,865 represented 59% and 62% of revenues for the fiscal years ended June 30, 2017 and 2016. Another significant portion of revenues came from State and Federal aid; total State, Federal and Local aid and grants of \$32,283,690 and \$27,678,878 represented 39% and 36% of revenues for the fiscal years ended June 30, 2017 and 2016. 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.

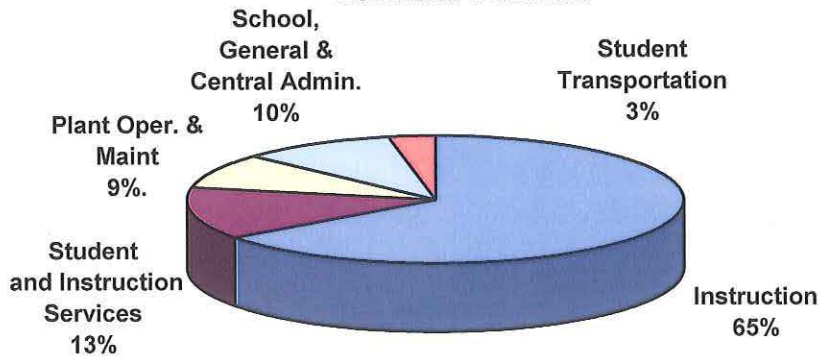
The total cost of all governmental activities programs and services were \$82,068,548 and \$74,131,812 for the fiscal years ended June 30, 2017 and 2016. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$53,628,097 (65%) and \$48,230,531 (65%) of total expenses for the fiscal years ended June 30, 2017 and 2016. Support services, totaled \$28,440,451 (35%) and \$25,901,281 (35%) of total expenses for the fiscal years ended June 30, 2017 and 2016.

Total governmental activities revenues were less than expenses decreasing net position at June 30, 2017 by \$223,735 and revenues exceeded expenses increasing net position at June 30, 2016 by \$2,350,844 from the previous year.

**Revenues by Source- Governmental Activities
For Fiscal Year 2017**



**Expenses by Type- Governmental Activities
For Fiscal Year 2017**



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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

Total and Net Cost of Governmental Activities. The District's total cost of services were \$82,068,548 and \$74,131,812 for fiscal years 2017 and 2016. After applying program revenues, derived from charges for services of \$1,341,391 and \$1,523,020, operating grants and contributions of \$22,433,036 and \$17,818,879 and capital grants and contributions of \$1,333,717 and \$1,322,518, the net cost of services of the District is \$56,960,404 and \$53,467,395 for fiscal years 2017 and 2016.

Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Instruction				
Regular	\$ 35,767,134	\$ 32,261,746	\$ 23,808,482	\$ 23,418,927
Special Education	14,058,665	12,964,052	7,222,272	6,616,216
Other Instruction	2,459,193	1,856,760	1,356,884	984,281
School Sponsored Activities and Athletics	1,343,105	1,147,973	1,343,105	1,147,973
Support Services				
Student and Instruction Related Services	10,043,184	9,607,497	8,130,263	7,742,991
General Administrative Services	1,430,291	1,364,735	1,430,291	1,364,735
School Administrative Services	5,692,952	4,955,690	4,083,642	3,802,791
Central Administrative Services	986,636	869,321	986,636	869,321
Plant Operations and Maintenance	7,684,744	6,772,981	6,176,024	5,365,896
Pupil Transportation	<u>2,602,644</u>	<u>2,331,057</u>	<u>2,422,805</u>	<u>2,154,264</u>
Total	<u>\$ 82,068,548</u>	<u>\$ 74,131,812</u>	<u>\$ 56,960,404</u>	<u>\$ 53,467,395</u>

Business-Type Activities – The District's total business-type activities revenues were \$1,373,970 and \$1,356,270 for the years ended June 30, 2017 and 2016. Charges for services accounted for \$655,917 (48%) and \$647,275 (48%) of total revenues for fiscal years 2017 and 2016. Operating grants and contributions accounted for \$718,053 (52%) and \$708,995 (52%) of total revenue for fiscal years 2017 and 2016.

The total cost of all business-type activities programs and services were \$1,234,708 and \$1,110,276 for the fiscal years ended June 30, 2017 and 2016. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District of \$1,184,300 (96%) and \$1,103,811 (99%) and the Summer Enrichment Programs offered to all students of \$50,408 (4%) and \$6,465, (1%) for fiscal years 2017 and 2016, respectively.

For the current year total business-type activities revenues exceeded expenses, increasing net position by \$139,262 at June 30, 2017 from the previous year. For fiscal year 2016 revenues exceeded expenses increasing net position by \$245,994 at June 30, 2016 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, 2017**

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 \$11,307,544, a decrease of \$1,575,206 when compared to the previous years combined fund balance of \$12,882,750.

Revenues for the District's governmental funds for fiscal years 2017 and 2016 were \$71,166,911 and \$69,237,410, while total expenditures were \$72,742,117 and \$69,756,643, 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, 2017 and 2016.

	<u>Fiscal Year Ended June 30, 2017</u>	<u>Fiscal Year Ended June 30, 2016</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Local Sources:				
Property Tax Levy	\$ 47,959,500	\$ 47,016,865	\$ 942,635	2%
Tuition and Fees	1,341,391	1,523,020	(181,629)	-12%
Miscellaneous	260,232	263,893	(3,661)	-1%
State Sources	18,404,780	17,175,324	1,229,456	7%
Federal Sources	45,155	51,533	(6,378)	-12%
Total General Fund Revenues	<u>\$ 68,011,058</u>	<u>\$ 66,030,635</u>	<u>\$ 1,980,423</u>	3%

Total General Fund Revenues increased by \$1,980,423 from the previous year. Property tax levy increased \$942,635 or 2% from the previous year to fund increases in budgeted operating costs. Miscellaneous revenue from local sources decreased \$3,661 or 1%. State aid revenues increased \$1,229,456 or 7% as a result of increases in on-behalf teachers' pension contributions paid by the State for the District's teaching professionals. Federal revenues decreased \$6,378 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, 2017 and 2016.

	<u>Fiscal Year Ended June 30, 2017</u>	<u>Fiscal Year Ended June 30, 2016</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Instruction	\$ 42,147,489	\$ 39,793,378	\$ 2,354,111	6%
Support Services	24,554,036	23,396,444	1,157,592	5%
Capital Outlay	<u>890,251</u>	<u>482,867</u>	<u>407,384</u>	84%
Total Expenditures	<u>\$ 67,591,776</u>	<u>\$ 63,672,689</u>	<u>\$ 3,919,087</u>	6%

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

General Fund (Continued)

Total General Fund expenditures increased \$3,919,087 or 6% from the previous year. This increase can primarily be attributable to an increase of on-behalf teachers' pension contributions paid by the State for the District's teaching professionals.

In addition, during the current fiscal year the General Fund transferred \$1,003,303 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 2017 General Fund revenues and other financing sources were less than expenditures and other financing uses by \$584,021. As a result, total fund balance decreased to \$8,340,543 at June 30, 2017 compared to \$8,924,564 at June 30, 2016.

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 \$1,826,194, for the year ended June 30, 2017. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented \$1,703,489 or 93% of the total revenue for the year. State sources accounted for \$95,172 or 5% and local sources accounted for \$27,533 or 2%, of the total revenue for the year.

Total Special Revenue Fund revenues decreased \$129,128 or 7% from the previous year. State sources decreased \$281,394 or 75%, local sources decreased \$355 or 1% and Federal sources increased \$152,621 or 10%.

Expenditures of the Special Revenue Fund were \$1,826,194. Instructional expenditures were \$1,526,459 or 84% and expenditures for the support services were \$295,677 or 16% and expenditures for capital outlay were \$4,058 or less than 1% of total expenditures for the fiscal year ended June 30, 2017.

Capital Projects Fund - The Capital Projects Fund revenues and other financing sources were less than expenditures by \$991,185 resulting in a fund balance of \$2,967,001 at June 30, 2017. The District transferred \$1,003,303 from the General Fund to provide the local share of funding for the state ROD grant awards. The district was awarded \$622,469 in ROD grants during the 2017 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, 2017 General Fund budgetary basis expenditures and other financing uses exceeded revenues and other financing sources by \$586,811. Therefore, total fund balance decreased to \$10,042,821 at June 30, 2017 from \$10,629,632 at June 30, 2016. After deducting restricted, committed and assigned fund balances, the unassigned budgetary fund balance increased from \$1,951,506 at June 30, 2016 to \$1,956,080 at June 30, 2017. The District's reserved excess surplus resulting from the current year budgetary operations was \$1,144,579 compared to \$1,146,517 from the previous year.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2017 amounts to \$28,030,765 (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 2016-2017 amounted to \$1,207,894 for governmental activities and \$1,650 for business-type activities. During fiscal year 2016-2017 the District increased its governmental activities capital assets by \$3,009,539 and decreased its business-type activities capital assets by \$1,650.

**Capital Assets at June 30, 2017 and 2016
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 1,780,323	\$ 1,780,323			\$ 1,780,323	\$ 1,780,323
Construction in Progress	664,681	3,674,832			664,681	3,674,832
Buildings	22,251,914	15,962,014			22,251,914	15,962,014
Land Improvements	2,049,425	2,198,844			2,049,425	2,198,844
Machinery and Equipment	<u>1,276,172</u>	<u>1,396,963</u>	<u>\$ 8,250</u>	<u>\$ 9,900</u>	<u>1,284,422</u>	<u>1,406,863</u>
Total Capital Assets, Net	<u>\$ 28,022,515</u>	<u>\$ 25,012,976</u>	<u>\$ 8,250</u>	<u>\$ 9,900</u>	<u>\$ 28,030,765</u>	<u>\$ 25,022,876</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 \$24,580,782 and consisted of \$1,672,576 of compensated absences payable compared to \$1,651,944 at the end of the previous year as well as net pension liability of \$22,908,206 compared to \$16,470,376 at the end of the previous year. Total long-term liabilities increased \$6,458,462 during the current fiscal 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 2017-2018 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 2017-2018. Budgeted expenditures in the General Fund increased 1 percent to \$64,457,866 in fiscal year 2017-2018.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

DISTRICT-WIDE FINANCIAL STATEMENTS

**BERGENFIELD BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 7,697,234	\$ 617,707	\$ 8,314,941
Receivables, Net			
Receivables From Other Governments	5,781,520	31,924	5,813,444
Other Accounts Receivable	72,149		72,149
Inventory		9,346	9,346
Capital Assets, Not Being Depreciated	2,445,004		2,445,004
Capital Assets, Being Depreciated, Net	<u>25,577,511</u>	<u>8,250</u>	<u>25,585,761</u>
Total Assets	<u>41,573,418</u>	<u>667,227</u>	<u>42,240,645</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>6,903,309</u>	-	<u>6,903,309</u>
Total Assets and Deferred Outflow of Resources	<u>48,476,727</u>	<u>667,227</u>	<u>49,143,954</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	423,603		423,603
Payable to Other Governments	89,705		89,705
Unearned Revenue	1,730,051	61,743	1,791,794
Noncurrent Liabilities			
Due within one year	88,573		88,573
Due beyond one year	<u>24,492,209</u>	-	<u>24,492,209</u>
Total Liabilities	<u>26,824,141</u>	<u>61,743</u>	<u>26,885,884</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>209,524</u>	-	<u>209,524</u>
Total Liabilities and Deferred Inflows of Resources	<u>27,033,665</u>	<u>61,743</u>	<u>27,095,408</u>
NET POSITION			
Investment in Capital Assets	28,022,515	8,250	28,030,765
Restricted for:			
Capital Projects	4,420,116		4,420,116
Plant Maintenance	1,385,000		1,385,000
Tuition Adjustments	645,000		645,000
Unrestricted	<u>(13,029,569)</u>	<u>597,234</u>	<u>(12,432,335)</u>
Total Net Position	<u>\$ 21,443,062</u>	<u>\$ 605,484</u>	<u>\$ 22,048,546</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, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 35,767,134	\$ 71,261	\$ 11,883,333	\$ 4,058	\$ (23,808,482)		\$ (23,808,482)
Special Education	14,058,665	1,184,452	5,651,941		(7,222,272)		(7,222,272)
Other Instruction	2,459,193		1,102,309		(1,356,884)		(1,356,884)
School Sponsored Activities and Athletics	1,343,105				(1,343,105)		(1,343,105)
Support Services:							
Student & Instruction Related Services	10,043,184		1,912,921		(8,130,263)		(8,130,263)
General Administrative Services	1,430,291				(1,430,291)		(1,430,291)
School Administrative Services	5,692,952		1,609,310		(4,083,642)		(4,083,642)
Central Administrative Services	986,636				(986,636)		(986,636)
Plant Operations and Maintenance	7,684,744		179,061	1,329,659	(6,176,024)		(6,176,024)
Student Transportation	2,602,644	85,678	94,161	-	(2,422,805)	-	(2,422,805)
Total Governmental Activities	82,068,548	1,341,391	22,433,036	1,333,717	(56,960,404)	-	(56,960,404)
Business-Type Activities:							
Food Service	1,184,300	606,659	718,053			\$ 140,412	140,412
Summer Enrichment Program	50,408	49,258	-	-	-	(1,150)	(1,150)
Total Business-Type Activities	1,234,708	655,917	718,053	-	-	139,262	139,262
Total Primary Government	\$ 83,303,256	\$ 1,997,308	\$ 23,151,089	\$ 1,333,717	(56,960,404)	139,262	(56,821,142)

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

(Continued)

**BERGENFIELD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, levied for general purposes	\$ 47,959,500		\$ 47,959,500
State Aid - Unrestricted	8,516,937		8,516,937
Miscellaneous Income	<u>260,232</u>	<u>-</u>	<u>260,232</u>
Total General Revenues	<u>56,736,669</u>	<u>-</u>	<u>56,736,669</u>
Change in Net Position	(223,735)	\$ 139,262	(84,473)
Net Position, Beginning of Year	<u>21,666,797</u>	<u>466,222</u>	<u>22,133,019</u>
Net Position, End of Year	<u>\$ 21,443,062</u>	<u>\$ 605,484</u>	<u>\$ 22,048,546</u>

FUND FINANCIAL STATEMENTS

**BERGENFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 7,697,234			\$ 7,697,234
Receivables From Other Governments	651,070	\$ 524,539	\$ 4,605,911	5,781,520
Accounts Receivable	72,149	-	-	72,149
Due from Other Funds	<u>255,335</u>	<u>-</u>	<u>-</u>	<u>255,335</u>
Total Assets	<u>\$ 8,675,788</u>	<u>\$ 524,539</u>	<u>\$ 4,605,911</u>	<u>\$ 13,806,238</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 89,517	\$ 8,388		\$ 97,905
Accrued Salaries and Wages	88,345			88,345
Compensated Absences	129,863			129,863
Payable to State Government		89,705		89,705
Due to Other Funds	-	210,997	\$ 44,338	255,335
Other Liabilities		107,490		107,490
Unearned Revenue	<u>27,520</u>	<u>107,959</u>	<u>1,594,572</u>	<u>1,730,051</u>
Total Liabilities	<u>335,245</u>	<u>524,539</u>	<u>1,638,910</u>	<u>2,498,694</u>
Fund Balances:				
Restricted				
Capital Reserve	967,400			967,400
Capital Reserve - Designated for Subsequent Year's Expenditures	485,715			485,715
Maintenance Reserve	700,000			700,000
Maintenance Reserve - Designated for Subsequent Year's Expenditures	685,000			685,000
Emergency Reserve	594,000			594,000
Tuition Adjustments	338,000			338,000
Tuition Adjustments - Designated for Subsequent Year's Expenditures	307,000			307,000
Excess Surplus	1,144,579			1,144,579
Excess Surplus - Designated for Subsequent Year's Expenditures	1,146,517			1,146,517
Capital Projects			2,967,001	2,967,001
Assigned				
Year End Encumbrances	1,290,915			1,290,915
Designated for Subsequent Year's Expenditures	427,615			427,615
Unassigned	<u>253,802</u>	<u>-</u>	<u>-</u>	<u>253,802</u>
Total Fund Balances	<u>8,340,543</u>	<u>-</u>	<u>2,967,001</u>	<u>11,307,544</u>
Total Liabilities and Fund Balances	<u>\$ 8,675,788</u>	<u>\$ 524,539</u>	<u>\$ 4,605,911</u>	<u>\$ 13,806,238</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, 2017**

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

Total Fund Balances - Governmental Funds (B-1) \$ 11,307,544

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$48,004,248 and the accumulated depreciation is \$19,981,733.

28,022,515

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 amortized over future years.

	\$	6,903,309	
Deferred Outflows of Resources		(209,524)	
Deferred Inflows of Resources		<u>6,693,785</u>	6,693,785

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:

		(22,908,206)	
Net Pension Liability		(1,672,576)	
Compensated Absences		<u>(24,580,782)</u>	(24,580,782)

Net Position of Governmental Activities (Exhibit A-1) **\$ 21,443,062**

**BERGENFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<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	\$ 47,959,500			\$ 47,959,500
Tuition	1,255,713			1,255,713
Transportation Fees	85,678			85,678
Miscellaneous	260,232	\$ 27,533	-	287,765
Total - Local Sources	49,561,123	27,533	-	49,588,656
State Sources	18,404,780	95,172	\$ 1,329,659	19,829,611
Federal Sources	45,155	1,703,489	-	1,748,644
Total Revenues	68,011,058	1,826,194	1,329,659	71,166,911
EXPENDITURES				
Current				
Instruction				
Regular	27,862,448	82,076		27,944,524
Special Education	11,476,453	971,627		12,448,080
Other Instruction	1,577,065	472,756		2,049,821
School Sponsored Activities and Athletics	1,231,523			1,231,523
Support Services				
Student and Instruction Related Services	8,314,839	295,677		8,610,516
General Administrative Services	1,345,970			1,345,970
School Administrative Services	4,529,850			4,529,850
Central Administrative Services	901,882			901,882
Plant Operations and Maintenance	7,122,118			7,122,118
Student Transportation	2,339,377			2,339,377
Capital Outlay	890,251	4,058	3,324,147	4,218,456
Total Expenditures	67,591,776	1,826,194	3,324,147	72,742,117
Excess (Deficiency) of Revenues Over (Under) Expenditures	419,282	-	(1,994,488)	(1,575,206)
OTHER FINANCING SOURCES (USES)				
Transfers In	-		1,003,303	1,003,303
Transfers Out	(1,003,303)	-	-	(1,003,303)
Total Other Financing Sources (Uses)	(1,003,303)	-	1,003,303	-
Net Change in Fund Balance	(584,021)	-	(991,185)	(1,575,206)
Fund Balance, Beginning of Year	8,924,564	-	3,958,186	12,882,750
Fund Balance, End of Year	<u>\$ 8,340,543</u>	<u>\$ -</u>	<u>\$ 2,967,001</u>	<u>\$ 11,307,544</u>

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

**BERGENFIELD BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (1,575,206)**

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	\$ 4,218,456	
Depreciation expense	<u>(1,207,894)</u>	3,010,562

The net effect of various miscellaneous transactions involving capital assets (i.e., sales disposals) is to decrease net assets. These transactions are not reported in the governmental fund financial statements.

Loss on Disposal of Capital Assets		(1,023)
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In the statement of activities, certain operating expenses - compensated absences and pension expense are measured by the amounts earned or incurred 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	(1,637,436)	
Increase in Compensated Absences	<u>(20,632)</u>	(1,658,068)

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ (223,735)**

**BERGENFIELD BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2017**

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>Summer Enrichment Program</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 395,534	\$ 222,173	\$ 617,707
Intergovernmental Receivable	31,924		31,924
Inventories	9,346	-	9,346
Total Current Assets	<u>436,804</u>	<u>222,173</u>	<u>658,977</u>
Capital Assets			
Equipment	146,846		146,846
Accumulated Depreciation	(138,596)	-	(138,596)
Total Capital Assets, Net	<u>8,250</u>	<u>-</u>	<u>8,250</u>
Total Assets	<u>445,054</u>	<u>222,173</u>	<u>667,227</u>
LIABILITIES			
Current Liabilities			
Unearned Revenue	-	61,743	61,743
Total Current Liabilities	<u>-</u>	<u>61,743</u>	<u>61,743</u>
NET POSITION			
Investment in Capital Assets	8,250		8,250
Unrestricted	436,804	160,430	597,234
Total Net Position	<u>\$ 445,054</u>	<u>\$ 160,430</u>	<u>\$ 605,484</u>

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

**BERGENFIELD BOARD OF EDUCATION
 PROPRIETARY FUND
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	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	\$ 268,700		\$ 268,700
School Breakfast Program	46,842		46,842
Daily Sales Non-Reimbursable Programs	291,117		291,117
Program Fees	-	\$ 49,258	49,258
	<u>606,659</u>	<u>49,258</u>	<u>655,917</u>
Total Operating Revenues			
OPERATING EXPENSES			
Salaries and Benefits	470,492	42,716	513,208
Cost of Sales - Reimbursable Programs	356,012		356,012
Cost of Sales - Non-Reimbursable Programs	91,802		91,802
Supplies and Materials	50,788	1,912	52,700
Other Purchased Services	98,715	5,780	104,495
Purchased Management Services	88,539		88,539
Miscellaneous Expense	26,302		26,302
Depreciation	1,650	-	1,650
	<u>1,184,300</u>	<u>50,408</u>	<u>1,234,708</u>
Total Operating Expenses			
Operating Loss	<u>(577,641)</u>	<u>(1,150)</u>	<u>(578,791)</u>
NONOPERATING REVENUES			
State Sources			
State School Lunch Program	12,507		12,507
Federal Sources			
School Breakfast Program	92,975		92,975
National School Lunch Program	535,797		535,797
Food Distribution Program	76,774	-	76,774
	<u>718,053</u>	<u>-</u>	<u>718,053</u>
Total Nonoperating Revenues			
Changes in Net Position	140,412	(1,150)	139,262
Total Net Position, Beginning of Year	<u>304,642</u>	<u>161,580</u>	<u>466,222</u>
Total Net Position, End of Year	<u>\$ 445,054</u>	<u>\$ 160,430</u>	<u>\$ 605,484</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, 2017**

	Business-Type Activities		
	Enterprise Funds		
	Food Service	Summer Enrichment Program	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 606,659	\$ 62,173	\$ 668,832
Cash Payments for Employees			
Salaries & Benefits	(470,492)	(42,716)	(513,208)
Cash Payments to Suppliers for Goods and Services	<u>(616,540)</u>	<u>(7,692)</u>	<u>(624,232)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(480,373)</u>	<u>11,765</u>	<u>(468,608)</u>
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements	<u>713,428</u>	<u>-</u>	<u>713,428</u>
Net Cash Provided by Noncapital Financing Activities	<u>713,428</u>	<u>-</u>	<u>713,428</u>
Net Increase in Cash and Cash Equivalents	233,055	11,765	244,820
Cash and Cash Equivalents, Beginning of Year	<u>162,479</u>	<u>210,408</u>	<u>372,887</u>
Cash and Cash Equivalents, End of Year	<u>\$ 395,534</u>	<u>\$ 222,173</u>	<u>\$ 617,707</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities			
Operating Loss	<u>\$ (577,641)</u>	<u>\$ (1,150)</u>	<u>\$ (578,791)</u>
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	76,774		76,774
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Inventory	18,886		18,886
Increase/(Decrease) in Accounts Payable	(42)	-	(42)
Increase/(Decrease) in Unearned Revenue	<u>-</u>	<u>12,915</u>	<u>12,915</u>
Total Adjustments	<u>97,268</u>	<u>12,915</u>	<u>110,183</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (480,373)</u>	<u>\$ 11,765</u>	<u>\$ (468,608)</u>
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 76,774		

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, 2017**

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 236,818	\$ 91,375	\$ 154,350
Due from Other Funds	<u>-</u>	<u>-</u>	<u>9,225</u>
 Total Assets	 <u>236,818</u>	 <u>91,375</u>	 <u>\$ 163,575</u>
LIABILITIES			
Intergovernmental Accounts Payable	387		
Payroll Deductions and Withholdings			61,551
Accrued Salaries and Wages			44,628
Due to Student Groups			57,396
Due to Other Funds	<u>9,225</u>	<u>-</u>	<u>-</u>
 Total Liabilities	 <u>9,612</u>	 <u>-</u>	 <u>\$ 163,575</u>
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 227,206</u>	<u>\$ 91,375</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, 2017**

	Unemployment Compensation <u>Trust Fund</u>	Scholarship <u>Trust Fund</u>
ADDITIONS		
Contributions		
Donations		\$ 64,714
District	\$ 2,760	
Employees	<u>71,414</u>	<u>-</u>
Total Contributions	<u>74,174</u>	<u>64,714</u>
DEDUCTIONS		
Scholarship Awards		17,404
Unemployment Claims	<u>41,698</u>	<u>-</u>
Total Deductions	<u>41,698</u>	<u>17,404</u>
Change in Net Position	32,476	47,310
Net Position, Beginning of year	<u>194,730</u>	<u>44,065</u>
Net Position, End of Year	<u>\$ 227,206</u>	<u>\$ 91,375</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, 2017**

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 2017, the District adopted the following GASB statements:

- 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*. 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. 77, *Tax Abatement Disclosures*. 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. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. *The Financial Reporting Entity, as amended*.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. 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.

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

- 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. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

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, 2017**

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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

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

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, 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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the 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 acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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, 2017**

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 sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

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, 2017**

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 2B.)

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 2017/2018 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. (See Note 2C).

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 2017/2018 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. (See Note 2D).

Tuition Adjustments – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2016/2017 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 2015/2016 contract year that is appropriated in the 2017/2018 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that is required to be appropriated in the 2018/2019 original budget certified for taxes. (See Note 2E).

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

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

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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)

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2017/2018 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.

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 2015-2016 and 2016-2017 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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 of the summer enrichment enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent 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. 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 2016/2017. Also, during 2016/2017 the Board increased the original budget by \$2,629,878. The increase was funded by additional appropriation of restricted fund balance, grant awards and the reappropriation of prior year general fund encumbrances. On January 30, 2017 the Board authorized and approved the withdrawal of \$69,600 of capital reserve in the general fund.

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.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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.

The activity of the capital reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016		\$ 1,802,855
Increased by:		
Deposits Approved by Board Resolution		<u>550,000</u>
		2,352,855
Withdrawals		
Approved in District Budget	\$ 830,140	
Approved by Board Resolution	<u>69,600</u>	
		<u>899,740</u>
Balance, June 30, 2017		<u>\$ 1,453,115</u>

The withdrawals from the capital reserve were for use in approved facilities projects, consistent with the Districts Long Range Facilities Plan. Of the capital reserve balance at June 30, 2017, \$485,715 was designated and appropriated for use in the 2017/2018 original budget certified for taxes.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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.

The activity of the maintenance reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016	\$ 1,375,953
Increased by	
Deposits Approved by Board Resolution	<u>700,000</u>
	\$ 2,075,953
Withdrawals	
Approved in District Budget	<u>\$ 690,953</u>
Balance, June 30, 2017	<u>\$ 1,385,000</u>

The June 30, 2017 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, 2017, \$685,000 was designated and appropriated for use in the 2017/2018 original budget certified 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 or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. 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.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Emergency Reserve (Continued)

The activity of the emergency reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016	<u>\$ 594,000</u>
Balance, June 30, 2017	<u>\$ 594,000</u>

E. 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, 2017 is \$2,291,096. Of this amount, \$1,146,517 was designated and appropriated in the 2017/2018 original budget certified for taxes and the remaining amount of \$1,144,579 will be appropriated in the 2018/2019 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), National Credit Union Share Insurance Fund (NCUSIF), 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. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2017, the book value of the Board's deposits were \$8,797,484 and bank and brokerage firm balances of the Board's deposits amounted to \$11,698,005. 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>\$ 11,698,005</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2017 none of the Board's bank balances were exposed to custodial credit risk.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

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

As of June 30, 2017, 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, 2017 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	\$ 561,281				\$ 561,281
State	89,789		\$ 4,605,911	\$ 574	4,696,274
Federal	-	\$ 524,539		31,350	555,889
Accounts	<u>72,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,149</u>
Gross Receivables	723,219	524,539	4,605,911	31,924	5,885,593
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 723,219</u>	<u>\$ 524,539</u>	<u>\$ 4,605,911</u>	<u>\$ 31,924</u>	<u>\$ 5,885,593</u>

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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	\$ 27,520
Special Revenue Fund	
Unencumbered Grant Draw Downs	91,930
Grant Draw Downs Reserved for Encumbrances	16,029
Capital Projects Fund	
Unrealized School Facilities Grants	<u>1,594,572</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 1,730,051</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	<u>Balance, July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2017</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,780,323			\$ 1,780,323
Construction in Progress	<u>3,674,832</u>	\$ 610,270	\$ (3,620,421)	<u>664,681</u>
Total Capital Assets, Not Being Depreciated	<u>5,455,155</u>	<u>610,270</u>	<u>(3,620,421)</u>	<u>2,445,004</u>
Capital Assets, Being Depreciated:				
Buildings	27,835,401	6,958,407		34,793,808
Land Improvements	4,074,135	-		4,074,135
Machinery and Equipment	<u>6,423,657</u>	270,200	(2,556)	<u>6,691,301</u>
Total Capital Assets Being Depreciated	<u>38,333,193</u>	<u>7,228,607</u>	<u>(2,556)</u>	<u>45,559,244</u>
Less Accumulated Depreciation for:				
Buildings	(11,873,387)	(668,507)		(12,541,894)
Land Improvements	(1,875,291)	(149,419)		(2,024,710)
Machinery and Equipment	<u>(5,026,694)</u>	<u>(389,968)</u>	1,533	<u>(5,415,129)</u>
Total Accumulated Depreciation	<u>(18,775,372)</u>	<u>(1,207,894)</u>	<u>1,533</u>	<u>(19,981,733)</u>
Total Capital Assets, Being Depreciated, Net	<u>19,557,821</u>	<u>6,020,713</u>	<u>(1,023)</u>	<u>25,577,511</u>
Governmental Activities Capital Assets, Net	<u>\$ 25,012,976</u>	<u>\$ 6,630,983</u>	<u>\$ (3,621,444)</u>	<u>\$ 28,022,515</u>

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	<u>Balance</u> <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2017</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	(136,946)	(1,650)	-	(138,596)
Total Accumulated Depreciation	<u>(136,946)</u>	<u>(1,650)</u>	<u>-</u>	<u>(138,596)</u>
Total Capital Assets, Being Depreciated, Net	<u>9,900</u>	<u>(1,650)</u>	<u>-</u>	<u>8,250</u>
Business-Type Activities Capital Assets, Net	<u>\$ 9,900</u>	<u>\$ (1,650)</u>	<u>\$ -</u>	<u>\$ 8,250</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 557,867
Special Education	409,219
Total Instruction	<u>967,086</u>
Support Services	
Student and Instruction Related Services	67,134
General Administrative Services	8,549
School Administrative Services	76,344
Plant Operations and Maintenance	35,703
Student Transportation	53,078
Total Support Services	<u>240,808</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,207,894</u>
Business-Type Activities:	
Food Service Fund	\$ 1,650
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, 2017**

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 and other significant commitments as of June 30, 2017:

<u>Project</u>	<u>Remaining Commitment</u>
Lockdown Emergency Notification System	199,400
Acquisition of Chromebooks	94,920
Acquisition of Smartboards	162,784
Unit Ventilator & Mechanical/Electrical Upgrades at Washington School	10,384
Unit Ventilator & Mechanical/Electrical Upgrades at Jefferson School	409,346
Unit Ventilator & Mechanical/Electrical Upgrades at Lincoln School	33,191
	<u>\$ 910,025</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 210,997
General Fund	Capital Projects Fund	44,338
Payroll Agency Fund	Unemployment Compensation Trust Fund	<u>9,225</u>
Total		<u>\$ 264,560</u>

The above balances are the result of amounts 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, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund transfers

	<u>Transfer In:</u>
	<u>Capital Projects Fund</u>
Transfer Out:	
General Fund	<u>\$ 1,003,303</u>

The above transfer is the result of restricted fund balance 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, 2017 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 108,360,174
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 108,360,174</u>

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

	<u>Balance, July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2017</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 1,651,944	\$ 20,632		\$ 1,672,576	\$ 88,573
Net Pension Liability	<u>16,470,376</u>	<u>7,124,977</u>	<u>\$ 687,147</u>	<u>22,908,206</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 18,122,320</u>	<u>\$ 7,145,609</u>	<u>\$ 687,147</u>	<u>\$ 24,580,782</u>	<u>\$ 88,573</u>

Also, 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, 2017**

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

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

Fiscal Year Ended <u>June 30,</u>	District <u>Contributions</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2017	\$ 2,760	\$ 71,414	\$ 41,698	\$ 227,206
2016	2,779	53,833	10,671	194,730
2015	None	54,875	56,074	148,789

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, 2017, 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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

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.

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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Basis of Accounting

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

Investment Valuation

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. 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/treasury/doinvest.

Funding Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2015 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 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for the PERS and varying percentages based on experience for TPAF.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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 7.06% for PERS, 7.06% 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, 2017 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, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2017	\$ 687,147	\$ 2,713,450	\$ 39,586
2016	630,796	1,813,942	29,221
2015	591,009	1,269,108	20,149

In addition for fiscal year 2016/2017 the District contributed \$4,031 for PERS and the State contributed \$4,519 for TPAF for Long Term Disability Insurance Premium (LTDI).

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 \$1,806,869 during the fiscal year ended June 30, 2017 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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Public Employees Retirement System (PERS)

At June 30, 2017, the District reported in the statement of net position (accrual basis) a liability of \$22,908,206 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, the District's proportionate share was 0.07735 percent, which was an increase of 0.00398 percent from its proportionate share measured as of June 30, 2015 of 0.07337 percent.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,324,583 for PERS. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 426,023	
Changes of Assumptions	4,745,357	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	873,511	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>858,418</u>	<u>\$ 209,524</u>
Total	<u>\$ 6,903,309</u>	<u>\$ 209,524</u>

At June 30, 2017, the 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>	<u>Total</u>
2018	\$ 1,499,169
2019	1,499,169
2020	1,699,145
2021	1,482,389
2022	<u>513,913</u>
	<u>\$ 6,693,785</u>

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.98%

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$13,391,352 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, 2017 the State's proportionate share of the net pension liability attributable to the District is \$178,227,969. 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, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was 0.22656 percent, which was a decrease of 0.00818 percent from its proportionate share measured as of June 30, 2015 of 0.23474 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2016 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%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.22%

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, 2029
Municipal Bond Rate *	From July 1, 2029 and Thereafter

* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 3.22% 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 (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	1% Decrease <u>(2.22%)</u>	Current Discount Rate <u>(3.22%)</u>	1% Increase <u>(4.22%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 212,844,025</u>	<u>\$ 178,227,969</u>	<u>\$ 149,959,492</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 584 state and local participating employers and contributing entities for Fiscal Year 2016.

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, 2017**

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, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 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, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 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, 2017**

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, 2016, there were 110,512, retirees receiving post-retirement medical benefits and the State contributed \$1.37 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 (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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, 2017, 2016 and 2015 were \$2,260,921, \$2,159,904 and \$2,014,709, 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.

E. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district. For the Bergenfield Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 47,959,500		\$ 47,959,500	\$ 47,959,500	
Tuition	1,500,000		1,500,000	1,255,713	\$ (244,287)
Transportation Fees	100,000		100,000	85,678	(14,322)
Miscellaneous	80,435	-	80,435	260,232	179,797
Total Local Revenues	49,639,935	-	49,639,935	49,561,123	(78,812)
State Sources					
Equalization Aid	8,168,853		8,168,853	8,168,853	-
School Choice Aid	225,882		225,882	225,882	-
Special Education Aid	2,104,440		2,104,440	2,104,440	-
Security Aid	181,274		181,274	181,274	-
Additional Adjustment Aid	12,549		12,549	12,549	-
Host District Aid	2,721		2,721	2,721	-
Professional Learning Community Aid	35,060		35,060	35,060	-
Transportation Aid	95,498		95,498	95,498	-
Extraordinary Aid	-		-	719,894	719,894
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 Benefit Contribution				2,618,573	2,618,573
Pension - NCGI Premium				94,877	94,877
LTDI - Premium				4,519	4,519
Post Retirement Medical Benefit Contribution				2,260,921	2,260,921
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	1,806,869	1,806,869
Total State Revenues	10,896,337	-	10,896,337	18,401,990	7,505,653
Federal Sources					
Medicaid Reimbursement	25,243	-	25,243	45,155	19,912
Total Federal Sources	25,243	-	25,243	45,155	19,912
Total Revenues	60,561,515	-	60,561,515	68,008,268	7,446,753
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Preschool	\$ 19,001	\$ (19,001)	-	-	-
Kindergarten	871,992	(108,431)	\$ 763,561	\$ 763,561	-
Grades 1-5	5,564,861	221,043	5,785,904	5,785,904	-
Grades 6-8	4,437,243	(439,398)	3,997,845	3,997,845	-
Grades 9-12	6,123,040	315,036	6,438,076	6,438,076	-
Regular Programs - Home Instruction					
Salaries of Teachers	115,825	(82,866)	32,959	32,959	-
Other Salaries for Instruction	6,650	(6,650)	-	-	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	18,611	220,281	238,892	238,892	-
Purchased Professional/Educational Services	227,746	(27,338)	200,408	200,408	-
Purchased Technical Services	19,225	15,924	35,149	35,149	-
Other Purchased Services	69,213	48,988	118,201	114,754	\$ 3,447
General Supplies	1,181,275	20,463	1,201,738	1,012,891	188,847
Textbooks	385,965	(166,825)	219,140	216,903	2,237
Other Objects	73,174	(61,815)	11,359	11,294	65
Total Regular Programs	19,113,821	(70,589)	19,043,232	18,848,636	194,596

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	\$ 326,928	\$ (23,414)	\$ 303,514	\$ 247,357	\$ 56,157
Other Salaries for Instruction	238,791	(120,384)	118,407	63,128	55,279
Purchased Professional/Educational Services	10,000	(2,152)	7,848	6,773	1,075
General Supplies	3,600	(70)	3,530	3,530	-
Textbooks	4,500	(2,216)	2,284	1,046	1,238
Total Learning / Language Disabilities	<u>583,819</u>	<u>(148,236)</u>	<u>435,583</u>	<u>321,834</u>	<u>113,749</u>
Behavioral Disabilities					
Salaries of Teachers	124,855	16,903	141,758	141,758	-
Total Behavioral Disabilities	<u>124,855</u>	<u>16,903</u>	<u>141,758</u>	<u>141,758</u>	<u>-</u>
Multiple Disabilities					
Salaries of Teachers	348,960	(78,401)	270,559	270,559	-
Other Salaries for Instruction	88,654	373	89,027	89,027	-
Purchased Professional/Educational Services	10,000	(5,729)	4,271	4,271	-
General Supplies	17,000	(2,316)	14,684	14,647	37
Textbooks	4,500	(2,311)	2,189	2,189	-
Other Objects	8,950	(3,325)	5,625	5,625	-
Total Multiple Disabilities	<u>478,064</u>	<u>(91,709)</u>	<u>386,355</u>	<u>386,318</u>	<u>37</u>
Resource Room / Resource Center					
Salaries of Teachers	1,923,904	-	1,923,904	1,740,109	183,795
Other Salaries for Instruction	473,136	(29,392)	443,744	290,941	152,803
Purchased Professional/Educational Services	12,000	(3,588)	8,412	8,412	-
General Supplies	15,000	(59)	14,941	14,941	-
Textbooks	14,000	(7,170)	6,830	6,830	-
Other Objects	553	2,300	2,853	2,853	-
Total Resource Room / Resource Center	<u>2,438,593</u>	<u>(37,909)</u>	<u>2,400,684</u>	<u>2,064,086</u>	<u>336,598</u>
Autism					
Other Salaries for Instruction	18,611	35,495	54,106	54,106	-
Purchased Professional-Educational Services	4,000,000	(108,492)	3,891,508	3,881,452	10,056
Other Purchased Services	6,696	-	6,696	6,016	680
General Supplies	33,584	(14,938)	18,646	8,593	10,053
Other Objects	144	-	144	20	124
Total Autism	<u>4,059,035</u>	<u>(87,935)</u>	<u>3,971,100</u>	<u>3,950,187</u>	<u>20,913</u>
Preschool Disabilities - Part - Time					
Salaries of Teachers	127,070	77,969	205,039	205,039	-
Other Salaries for Instruction	85,514	631	86,145	86,145	-
General Supplies	2,000	-	2,000	1,986	14
Other Objects	300	-	300	-	300
Total Preschool Disabilities - Part - Time	<u>214,884</u>	<u>78,600</u>	<u>293,484</u>	<u>293,170</u>	<u>314</u>
Total Special Education	<u>7,899,250</u>	<u>(270,286)</u>	<u>7,628,964</u>	<u>7,157,353</u>	<u>471,611</u>

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Basic Skills/Remedial					
Salaries of Teachers	\$ 577,874	\$ (273,829)	\$ 304,045	\$ 302,969	\$ 1,076
General Supplies	7,700	(6,683)	1,017	1,017	-
Textbooks	6,440	(4,638)	1,802	1,802	-
Total Basic Skills/Remedial	592,014	(285,150)	306,864	305,788	1,076
Bilingual Education					
Salaries of Teachers	512,292	92,604	604,896	604,896	-
General Supplies	19,500	(8,307)	11,193	10,652	541
Textbooks	20,500	(7,565)	12,935	7,197	5,738
Total Bilingual Education	552,292	76,732	629,024	622,745	6,279
School Sponsored Co-Curricular Activities					
Salaries of Teachers	250,000	19,474	269,474	269,474	-
Purchased Services	19,500	(11,746)	7,754	7,320	434
Supplies and Materials	50,030	16,143	66,173	65,159	1,014
Other Objects	5,330	8,337	13,667	13,454	213
Total School Sponsored Co-Curricular Activities	324,860	32,208	357,068	355,407	1,661
School Sponsored Athletics - Instruction					
Salaries	375,000	37,774	412,774	412,774	-
Purchased Services	67,204	(252)	66,952	66,287	665
Supplies and Materials	79,446	32,647	112,093	108,868	3,225
Other Objects	10,200	11,250	21,450	20,919	531
Total School Sponsored Athletics - Instruction	531,850	81,419	613,269	608,848	4,421
Summer School - Instruction					
Salaries of Teachers	-	146,184	146,184	146,184	-
Total Summer School - Instruction	-	146,184	146,184	146,184	-
Community Services Program					
Supplies and Materials	6,155	(300)	5,855	-	5,855
Total Community Services Program	6,155	(300)	5,855	-	5,855
Total - Instruction	29,020,242	(289,782)	28,730,460	28,044,961	685,499
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Special	449,328	(23,803)	425,525	373,281	52,244
Tuition to County Vocational School District-Reg.	700,000	(123,803)	576,197	562,348	13,849
Tuition to County Vocational School/Dist.-Spec.	60,000	171,410	231,410	231,410	-
Tuition to County Special Services - School Districts & Regional Day Schools	1,228,845	159,274	1,388,119	1,388,119	-
Tuition to Private Schools - Disabled Within State	346,519	682,127	1,028,646	602,701	425,945
Tuition - State Facilities	36,806	-	36,806	36,806	-
Tuition - Other	-	220,293	220,293	183,202	37,091
Total Undistributed Expenditures - Instruction	2,821,498	1,085,498	3,906,996	3,377,867	529,129

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Health Services					
Salaries	\$ 628,663	\$ (30,419)	\$ 598,244	\$ 598,244	\$ -
Purchased Professional and Technical Services	109,600	(38,249)	71,351	71,345	6
Other Purchased Services	1,500	6,842	8,342	8,342	-
Supplies and Materials	15,643	(1,674)	13,969	13,969	-
Total Health Services	755,406	(63,500)	691,906	691,900	6
Speech, OT, PT and Related Services					
Salaries	326,515	33,408	359,923	359,923	-
Purchased Professional-Educational Services	194,660	(14,577)	180,083	156,640	23,443
Supplies and Materials	4,800	(4,010)	790	790	-
Other Objects	-	8,553	8,553	8,553	-
Total Speech, OT, PT and Related Services	525,975	23,374	549,349	525,906	23,443
Other Support Services-Students-Extra Services					
Salaries	724,261	260,471	984,732	984,732	-
Purchased Professional-Educational Services	681,400	(11,029)	670,371	670,371	-
Travel	-	200	200	200	-
Total Other Support Services-Extra	1,405,661	249,642	1,655,303	1,655,303	-
Guidance					
Salaries of Other Professional Staff	992,854	71,611	1,064,465	1,064,465	-
Salaries of Secretarial and Clerical Assistants	140,980	(53,471)	87,509	87,509	-
Purchased Professional-Educational Services	-	5,052	5,052	5,052	-
Other Purchased Services	784	1,574	2,358	2,358	-
Supplies and Materials	21,350	(9,850)	11,500	8,777	2,723
Other Objects	15,445	(14,510)	935	935	-
Total Guidance	1,171,413	406	1,171,819	1,169,096	2,723
Child Study Team					
Salaries of Other Professional Staff	1,074,641	193,088	1,267,729	1,267,729	-
Salaries of Secretarial and Clerical Assistants	103,180	54,644	157,824	157,824	-
Other Purchased Professional/Technical Services	6,500	7,260	13,760	13,760	-
Miscellaneous Purchased Services	-	1,649	1,649	1,649	-
Supplies and Materials	33,500	(24,882)	8,618	8,618	-
Total Child Study Team	1,217,821	231,759	1,449,580	1,449,580	-
Improvement of Instruction Services					
Other Salaries	-	1,613	1,613	1,613	-
Purchased Professional-Educational Services	10,700	3,175	13,875	13,875	-
Other Purchased Services	553	2,193	2,746	2,630	116
Supplies and Materials	500	(237)	263	-	263
Other Objects	-	606	606	606	-
Total Improvement of Instruction Services	11,753	7,350	19,103	18,724	379
Educational Media Services/School Library					
Salaries	685,048	(580,023)	105,025	105,025	-
Purchased Professional and Technical Services	75,681	454,117	529,798	529,798	-
Other Purchased Services	299	86,702	87,001	87,001	-
Supplies and Materials	38,875	(5,218)	33,657	33,473	184
Other Objects	130	122	252	252	-
Total Educational Media Services/School Library	800,033	(44,300)	755,733	755,549	184

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	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	\$ (5,050)	\$ 7,950	7,950	\$ -
Other Purchased Services	189	30	219	219	-
Total Instructional Staff Training Services	13,189	(5,020)	8,169	8,169	-
Support Services General Administration					
Salaries	661,853	126,497	788,350	\$ 630,800	\$ 157,550
Legal Services	97,000	(42,078)	54,922	54,922	-
Audit Fees	38,000	7,995	45,995	45,995	-
Architectural/Engineering Services	-	52,375	52,375	52,375	-
Other Purchased Professional Services	57,064	(1,127)	55,937	41,715	14,222
Purchased Technical Services	100,193	1,638	101,831	80,117	21,714
Communications/Telephone	206,131	13,758	219,889	219,860	29
BOE Other Purchased Services	2,006	412	2,418	2,418	-
Other Purchased Services	121,520	59,014	180,534	126,354	54,180
General Supplies	15,558	(4,164)	11,394	9,753	1,641
BOE in House Training/Meeting Supplies	-	111	111	111	-
Judgments Against the School District	20,000	(18,708)	1,292	-	1,292
Miscellaneous Expenditures	10,228	547	10,775	9,262	1,513
BOE Membership Dues & Fees	41,533	6,273	47,806	47,806	-
Total Support Services General Administration	1,371,086	202,543	1,573,629	1,321,488	252,141
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	1,098,000	22,945	1,120,945	1,117,933	3,012
Salaries of Other Professional Staff	1,338,000	(121,000)	1,217,000	1,081,819	135,181
Salaries of Secretarial and Clerical Assistants	396,205	39,649	435,854	435,854	-
Other Salaries	227,553	(37,228)	190,325	184,202	6,123
Purchased Professional and Technical Services	5,886	32,575	38,461	38,461	-
Other Purchased Services	68,121	26,114	94,235	87,663	6,572
Supplies and Materials	92,529	3,365	95,894	54,599	41,295
Other Objects	20,246	10,150	30,396	29,410	986
Total Support Services School Administration	3,246,540	(23,430)	3,223,110	3,029,941	193,169
Central Services					
Salaries	560,573	(65,363)	495,210	471,717	23,493
Purchased Professional Services	1,350	(1,350)	-	-	-
Purchased Technical Services	18,930	32,679	51,609	51,609	-
Misc. Purchased Services	26,620	3,408	30,028	28,259	1,769
Supplies and Materials	10,000	5,701	15,701	15,276	425
Other Objects	12,655	(4,830)	7,825	7,825	-
Total Central Services	630,128	(29,755)	600,373	574,686	25,687
Administrative Info Technology					
Purchased Technical Services	16,557	62,213	78,770	71,938	6,832
Supplies and Materials	2,748	3,316	6,064	5,749	315
Total Administrative Info Technology	19,305	65,529	84,834	77,687	7,147

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 647,307	\$ (10,094)	\$ 637,213	\$ 637,213	\$ -
Cleaning, Repair & Maintenance Services	868,849	484,364	1,353,213	952,488	400,725
Travel	-	1,058	1,058	1,058	-
General Supplies	78,029	66,891	144,920	142,646	2,274
Other Objects	4,571	4,661	9,232	9,232	-
Total Required Maintenance for School Facilities	<u>1,598,756</u>	<u>546,880</u>	<u>2,145,636</u>	<u>1,742,637</u>	<u>402,999</u>
Custodial Services					
Salaries	2,053,029	111,022	2,164,051	2,164,051	-
Purchased Professional & Technical Services	51,701	(40,289)	11,412	10,296	1,116
Cleaning, Repair and Maintenance Services	39,750	(39,750)	-	-	-
Rental of Land & Building	220,000	20,000	240,000	222,500	17,500
Other Purchased Property Services	89,532	(34,269)	55,263	55,263	-
Insurance	290,453	(1,415)	289,038	289,038	-
Other Objects	-	500	500	250	250
General Supplies	220,940	(15,502)	205,438	194,742	10,696
Energy (Natural Gas)	282,000	33,864	315,864	252,726	63,138
Energy (Electricity)	749,978	(197,067)	552,911	423,021	129,890
Total Custodial Services	<u>3,997,383</u>	<u>(162,906)</u>	<u>3,834,477</u>	<u>3,611,887</u>	<u>222,590</u>
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	-	14,245	14,245	14,245	-
General Supplies	-	1,713	1,713	1,713	-
Total Care and Upkeep of Grounds	<u>-</u>	<u>15,958</u>	<u>15,958</u>	<u>15,958</u>	<u>-</u>
Security					
Salaries	494,919	(80,656)	414,263	414,263	-
Purchased Professional & Technical Services	15,000	10,109	25,109	13,500	11,609
Cleaning, Repair and Maintenance Services	-	2,855	2,855	2,695	160
General Supplies	104,975	(51,773)	53,202	44,051	9,151
Other Objects	1,263	1,976	3,239	3,239	-
Total Security Services	<u>616,157</u>	<u>(117,489)</u>	<u>498,668</u>	<u>477,748</u>	<u>20,920</u>
Undistributed Expenditures					
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Special Ed	1,183,763	101,398	1,285,161	1,285,161	-
Salaries for Pupil Transportation (Other Than Between Home & School)	15,139	(15,139)	-	-	-
Management Fee-ESC & CTSA Trans. Prog.	67,128	(67,128)	-	-	-
Other Purchased Professional and Technical Svcs	8,500	(2,428)	6,072	6,072	-
Cleaning, Repair and Maintenance Services	95,000	8,318	103,318	103,318	-
Lease Purchase Payments-School Buses	70,000	(70,000)	-	-	-
Contracted Services (Other Than Between Home and School) - Vendors	71,850	(43,931)	27,919	12,881	15,038
Contracted Services (Spec Ed) - ESC's & CTSA's	285,000	63,216	348,216	343,080	5,136
Miscellaneous Purchased Services - Transportation	30,705	(232)	30,473	150	30,323
General Supplies	135,000	(89,180)	45,820	20,765	25,055
Transportation Supplies	61,876	-	61,876	61,841	35
Other Objects	3,620	3,500	7,120	2,652	4,468
Total Student Transportation Services	<u>2,027,581</u>	<u>(111,606)</u>	<u>1,915,975</u>	<u>1,835,920</u>	<u>80,055</u>

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Unallocated Benefits					
Social Security Contributions	\$ 830,000	\$ (3,147)	\$ 826,853	\$ 826,853	\$ -
Other Retirement Contributions - Regular	670,000	220,639	890,639	890,639	-
Other Retirement Contributions - Other	300	-	300	-	300
Unemployment Compensation	1,380	1,380	2,760	2,760	-
Workmen's Compensation	307,810	(92,542)	215,268	215,268	-
Health Benefits	8,690,184	(1,268,260)	7,421,924	7,404,701	17,223
Tuition Reimbursement	62,000	-	62,000	27,424	34,576
Other Employee Benefits	48,000	(1,238)	46,762	7,665	39,097
Unused Sick Pay to Terminated/Retired Staff-Mass	20,000	-	20,000	200	19,800
Unused Sick Pay to Terminated/Retired Staff	-	129,863	129,863	129,863	-
Total Unallocated Benefits	10,629,674	(1,013,305)	9,616,369	9,505,373	110,996
On Behalf TPAF Contributions (Non Budgeted)					
Pension Benefit Contribution				2,618,573	(2,618,573)
Pension -NCGI Premium				94,877	(94,877)
LTDI Premium				4,519	(4,519)
Post Retirement Medical Benefit Contribution				2,260,921	(2,260,921)
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	1,806,869	(1,806,869)
Total On-Behalf Contributions	-	-	-	6,785,759	(6,785,759)
Total Undistributed Expenditures	32,859,359	857,628	33,716,987	38,631,178	(4,914,191)
Total Expenditures - Current Expenditures	61,879,601	567,846	62,447,447	66,676,139	(4,228,692)
CAPITAL OUTLAY					
Equipment					
Instruction					
Grades 1-5	22,908	(19,269)	3,639	3,639	-
Grades 6-8	5,760	5,157	10,917	10,917	-
Grades 9-12	34,619	(2,379)	32,240	32,240	-
Autism	10,050	(10,050)	-	-	-
School Sponsored & Other Instr. Programs	12,662	13,418	26,080	12,338	13,742
Support Services					
Instruction	100,000	118,048	218,048	40,210	177,838
School Administration	5,009	(771)	4,238	241	3,997
Central Services	3,119	(3,119)	-	-	-
Admin Info Tech	11,986	94,713	106,699	106,699	-
Required School Maintenance	24,656	138,644	163,300	71,317	91,983
Security	-	202,995	202,995	3,595	199,400
School Buses - Special	67,738	(6,794)	60,944	-	60,944
Total Equipment	298,507	530,593	829,100	281,196	547,904
Facilities Acquisition and Construction Services					
Other Purchased Professional/Technical Svcs.	40,000	(23,894)	16,106	-	16,106
Construction Services	365,000	875,506	1,240,506	623,273	617,233
SDA - Debt Service Assessment	10,486	-	10,486	10,486	-
Total Facilities Acquis. and Const. Services	415,486	851,612	1,267,098	633,759	633,339
Total Capital Outlay	713,993	1,382,205	2,096,198	914,955	1,181,243

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	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	18,611	-	18,611		18,611
General Supplies	900	-	900	682	218
Total Other Special Schools - Instruction	46,161	-	46,161	682	45,479
Total Other Special Schools	46,161	-	46,161	682	45,479
Total Special Schools	57,061	-	57,061	682	56,379
Charter Schools					
Transfer To Charter Schools	216,182	(216,182)	-	-	-
Total Transfer to Charter Schools	216,182	(216,182)	-	-	-
Total Expenditures	62,866,837	1,733,869	64,600,706	\$ 67,591,776	(2,991,070)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,305,322)	(1,733,869)	(4,039,191)	416,492	4,455,683
Other Financing Sources (Uses)					
Transfers Out - Capital Outlay to Cap. Proj. Fund	(103,563)	-	(103,563)	(103,563)	-
Transfers Out - Capital Reserve to Cap. Proj. Fund	(830,140)	(69,600)	(899,740)	(899,740)	-
Total Other Financing Sources (Uses)	(933,703)	(69,600)	(1,003,303)	(1,003,303)	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(3,239,025)	(1,803,469)	(5,042,494)	(586,811)	4,455,683
Fund Balances, Beginning of Year	10,629,632	-	10,629,632	10,629,632	-
Fund Balances, End of Year	\$ 7,390,607	\$ (1,803,469)	\$ 5,587,138	\$ 10,042,821	\$ 4,455,683

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
Recapitulation					
Restricted					
Capital Reserve				\$ 967,400	
Capital Reserve - Designated for Subsequent Year's Expenditures				485,715	
Maintenance Reserve				700,000	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				685,000	
Emergency Reserve				594,000	
Tuition Adjustments - 2016/2017				338,000	
Tuition Adjustments - 2015/2016 - Designated for Subsequent Year's Expenditures				307,000	
Excess Surplus				1,144,579	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,146,517	
Assigned					
Year End Encumbrances				1,290,915	
Designated for Subsequent Year's Expenditures				427,615	
Unassigned				<u>1,956,080</u>	
Fund Balance - Budgetary Basis				10,042,821	
Reconciliation to Governmental Funds Statements (GAAP)					
Less State Aid Revenue Not Recognized on GAAP Basis				<u>(1,702,278)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 8,340,543</u>	

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<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	\$ 57,092	\$ 176,882	\$ 87,177	\$ (89,705)
Federal	1,310,906	623,620	1,934,526	1,716,270	(218,256)
Local Sources					
Miscellaneous	-	145,697	145,697	29,009	(116,688)
Total Revenues	<u>1,430,696</u>	<u>826,409</u>	<u>2,257,105</u>	<u>1,832,456</u>	<u>(424,649)</u>
EXPENDITURES					
Instruction					
Salaries	341,038	203,557	544,595	466,048	78,547
Purchased Professional / Technical Services	-	98,382	98,382	96,248	2,134
Other Purchased Services	831,744	(9,510)	822,234	789,291	32,943
General Supplies	116,351	42,864	159,215	69,074	90,141
Textbooks	16,819	2,433	19,252	11,579	7,673
Miscellaneous Expenditures	-	58,528	58,528	4,651	53,877
Total Instruction	<u>1,305,952</u>	<u>396,254</u>	<u>1,702,206</u>	<u>1,436,891</u>	<u>265,315</u>
Support Services - Instruction					
Salaries	17,200	69,358	86,558	84,710	1,848
Personnel Services - Employee Benefits	-	101,463	101,463	89,725	11,738
Purchased Professional / Technical Services	-	53,444	53,444	21,746	31,698
Other Purchased Services	102,971	161,030	264,001	169,202	94,799
Travel	-	2,727	2,727	2,705	22
Supplies and Materials	4,573	32,950	37,523	18,294	19,229
Total Support Services	<u>124,744</u>	<u>420,972</u>	<u>545,716</u>	<u>386,382</u>	<u>159,334</u>
Capital Outlay					
Instructional Equipment	-	9,183	9,183	9,183	-
Total Capital Outlay	<u>-</u>	<u>9,183</u>	<u>9,183</u>	<u>9,183</u>	<u>-</u>
Total Expenditures	<u>1,430,696</u>	<u>826,409</u>	<u>2,257,105</u>	<u>1,832,456</u>	<u>424,649</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, 2017**

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	\$ 68,008,268	\$ 1,832,456
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2016-2017)	(1,702,278)	
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2015-2016)	1,705,068	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2017		(16,029)
Encumbrances, June 30, 2016	-	9,767
	<hr/>	<hr/>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 68,011,058</u>	<u>\$ 1,826,194</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 67,591,776	\$ 1,832,456
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, 2017		(16,029)
Encumbrances , June 30, 2016	-	9,767
	<hr/>	<hr/>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 67,591,776</u>	<u>\$ 1,826,194</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 Four Fiscal Years*

	<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.07735	%	0.07337	%	0.07169	%	0.07374
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 22,908,206		\$ 16,470,376		\$ 13,422,487		\$ 14,093,792
District's Covered-Employee Payroll	\$ 5,215,348		\$ 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	439.25%	%	312.88%	%	278.66%	%	296.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14	%	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 Four Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 687,147	\$ 630,796	\$ 591,009	\$ 555,640
Contributions in Relation to the Contractually Required Contribution	<u>687,147</u>	<u>630,796</u>	<u>591,009</u>	<u>555,640</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$5,215,348	\$5,264,179	\$4,816,801	\$4,760,180
Contributions as a Percentage of Covered-Employee Payroll	13.18%	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 Four Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>178,227,969</u>	<u>148,367,767</u>	<u>133,555,508</u>	<u>125,618,626</u>
Total	<u>\$ 178,227,969</u>	<u>\$ 148,367,767</u>	<u>\$ 133,555,508</u>	<u>\$ 125,618,626</u>
District's Covered-Employee Payroll	\$ 24,402,413	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	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, 2017**

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, 2017

	Nonpublic Nursing Services	IIS Competitive	New Jersey Achievement Coaches	Nonpublic Security Aid	Other Local Programs	Other (Exhibit E-1a)	Other (Exhibit E-1b)	Total 2017
REVENUES								
Intergovernmental								
State	\$ 16,572	\$ -	\$ -	\$ 7,042		\$ 63,563	\$ -	\$ 87,177
Federal							\$ 1,716,270	1,716,270
Other Sources					\$ 29,009			29,009
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,009</u>	<u>-</u>	<u>-</u>	<u>29,009</u>
Total Revenues	<u>\$ 16,572</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,042</u>	<u>\$ 29,009</u>	<u>\$ 63,563</u>	<u>\$ 1,716,270</u>	<u>\$ 1,832,456</u>
EXPENDITURES								
Instruction								
Salaries						\$ -	\$ 466,048	\$ 466,048
Purchased Professional / Technical Services	\$ 16,572				\$ 3,695		\$ 75,981	\$ 96,248
Other Purchased Services							\$ 789,291	\$ 789,291
General Supplies				\$ 7,042	17,958	5,138	38,936	69,074
Textbooks						11,579		11,579
Miscellaneous Expenditures					4,651			4,651
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,651</u>	<u>-</u>	<u>-</u>	<u>4,651</u>
Total Instruction	<u>16,572</u>	<u>-</u>	<u>-</u>	<u>7,042</u>	<u>26,304</u>	<u>16,717</u>	<u>1,370,256</u>	<u>1,436,891</u>
Support Services								
Salaries							\$ 84,710	\$ 84,710
Personal Services Employee-Benefits							\$ 89,725	\$ 89,725
Purchased Professional / Technical Services							\$ 21,746	\$ 21,746
Other Purchased Services						\$ 46,846	\$ 122,356	\$ 169,202
Travel					\$ 2,705			\$ 2,705
Supplies and Materials			\$ -				\$ 18,294	\$ 18,294
	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>2,705</u>	<u>-</u>	<u>18,294</u>	<u>18,294</u>
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,705</u>	<u>46,846</u>	<u>336,831</u>	<u>386,382</u>
Capital Outlay								
Instructional Equipment							\$ 9,183	\$ 9,183
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,183</u>	<u>9,183</u>
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,183</u>	<u>9,183</u>
Total Expenditures	<u>\$ 16,572</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,042</u>	<u>\$ 29,009</u>	<u>\$ 63,563</u>	<u>\$ 1,716,270</u>	<u>\$ 1,832,456</u>

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**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	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	\$ 9,003	\$ 12,546	\$ 5,571	\$ 18,813	\$ 913	\$ 11,579	\$ 5,138	\$ 63,563
Federal								-
Other Sources	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 9,003</u>	<u>\$ 12,546</u>	<u>\$ 5,571</u>	<u>\$ 18,813</u>	<u>\$ 913</u>	<u>\$ 11,579</u>	<u>\$ 5,138</u>	<u>\$ 63,563</u>
EXPENDITURES								
Instruction								
Salaries								\$ -
Purchased Professional / Technical Services								-
Other Purchased Services							\$ 5,138	5,138
General Supplies								-
Textbooks						\$ 11,579		11,579
Miscellaneous Expenditures	-	-	-	-	-	-	-	-
Total Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,579</u>	<u>5,138</u>	<u>16,717</u>
Support Services								
Salaries								-
Personal Services Employee-Benefits								-
Purchased Professional / Technical Services								-
Other Purchased Services	\$ 9,003	\$ 12,546	\$ 5,571	\$ 18,813	\$ 913			46,846
Travel								-
Supplies and Materials	-	-	-	-	-	-	-	-
Total Support Services	<u>9,003</u>	<u>12,546</u>	<u>5,571</u>	<u>18,813</u>	<u>913</u>	<u>-</u>	<u>-</u>	<u>46,846</u>
Total Expenditures	<u>\$ 9,003</u>	<u>\$ 12,546</u>	<u>\$ 5,571</u>	<u>\$ 18,813</u>	<u>\$ 913</u>	<u>\$ 11,579</u>	<u>\$ 5,138</u>	<u>\$ 63,563</u>

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**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>NCLB Title I</u>	<u>NCLB Title IIA</u>	<u>NCLB Title III</u>	<u>NCLB Title III Immigrant</u>	<u>IEP for Life</u>	<u>Perkins</u>	<u>Total Exhibit E-1b</u>
REVENUES									
Intergovernmental									
State									
Federal	\$ 856,601	\$ 29,853	\$ 494,706	\$ 84,845	\$ 40,806	\$ 5,870	\$ 181,446	\$ 22,143	\$ 1,716,270
Other Sources	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 856,601	\$ 29,853	\$ 494,706	\$ 84,845	\$ 40,806	\$ 5,870	\$ 181,446	\$ 22,143	\$ 1,716,270
EXPENDITURES									
Instruction									
Salaries			\$ 293,016	\$ 513	\$ 34,087		\$ 138,432		\$ 466,048
Purchased Professional / Technical Services			71,551					4,430	75,981
Other Purchased Services	\$ 760,095	\$ 29,196							789,291
General Supplies	332	657	15,775		2,603	4,808	8,381	6,380	38,936
Textbooks									-
Miscellaneous Expenditures	-	-	-	-	-	-	-	-	-
Total Instruction	760,427	29,853	380,342	513	36,690	4,808	146,813	10,810	1,370,256
Support Services									
Salaries			41,630	41,160	1,920				84,710
Personal Services Employee-Benefits			55,191				34,534		89,725
Purchased Professional / Technical Services				19,550	2,196				21,746
Other Purchased Services	96,174		1,815	22,118			99	2,150	122,356
Travel									-
Supplies and Materials	-	-	15,728	1,504	-	1,062	-	-	18,294
Total Support Services	96,174	-	114,364	84,332	4,116	1,062	34,633	2,150	336,831
Capital Outlay									
Instructional Equipment	-	-	-	-	-	-	-	9,183	9,183
Total Capital Outlay	-	-	-	-	-	-	-	9,183	9,183
Total Expenditures	\$ 856,601	\$ 29,853	\$ 494,706	\$ 84,845	\$ 40,806	\$ 5,870	\$ 181,446	\$ 22,143	\$ 1,716,270

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

<u>Issue/ Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2017</u>
		<u>Prior Years</u>	<u>Current Year</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	1,661,006	\$ 87,844	392,480
Roy W. Brown Middle School - HVAC Upgrades, Electrical System Upgrades, Window Replacement, Emergency Generator, and Roof Replacement	3,257,151	1,894,258	86,176	1,276,717
Hoover Elementary School - HVAC Upgrades, Electrical System Upgrades, and Asbestos Abatement	812,700	339,951	12,870	459,879
Jefferson Elementary School - HVAC Upgrades, Electrical System Upgrades, and Asbestos Abatement	1,330,900	74,466	700,845	555,589
Lincoln Elementary School - HVAC, Exterior Closure	1,827,669	111,924	1,556,893	158,852
Washington Elementary School - HVAC, UV Replacements, Hazardous Material Abatement, Electrical Service Upgrade, Branch Panel Upgrades and Window Replacements	1,056,004	122,594	795,525	137,885
Washington Elementary School - HVAC, UV Replacements, Hazardous Material Abatement, 3 Stop Elevator	1,556,172	-	83,994	1,472,178
	<u>\$ 15,470,545</u>	<u>\$ 7,584,825</u>	<u>\$ 3,324,147</u>	<u>\$ 4,561,573</u>

Reconciliation to Fund Balance - GAAP

Project Balance, June 30, 2017	\$ 4,561,573
Less: SDA Grant Revenue Not Realized Under GAAP	<u>\$ (1,594,572)</u>
Fund Balance, June 30, 2017 - GAAP	<u>\$ 2,967,001</u>

Recapitulation of Fund Balance - GAAP

Restricted for Capital Projects Year End Encumbrances	\$ 614,089
Available for Capital Projects	<u>2,352,912</u>
Total Restricted for Capital Projects	<u>\$ 2,967,001</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, 2017**

Revenues and Other Financing Sources

State Sources - SDA Grant	\$ 622,469
Transfer from General Fund - Capital Reserve	<u>1,003,303</u>
Total Revenues and Other Financing Sources	<u>1,625,772</u>

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	\$ 286,707
Construction Services	<u>3,037,440</u>
Total Expenditures and Other Financing Uses	<u>3,324,147</u>

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,698,375)
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Fund Balance- Beginning of Year	<u>6,259,948</u>
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Fund Balance- Ending of Year - Budgetary Basis	<u>\$ 4,561,573</u>
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Reconciliation to GAAP:

Project Fund Balance	\$ 4,561,573
Less: SDA Grant Revenue not Realized Under GAAP	<u>(1,594,572)</u>
Fund Balance- End of Year - GAAP Basis	<u>\$ 2,967,001</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, 2017**

	<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	(11,690)	-	(11,690)	(11,690)
	<u>963,619</u>	<u>-</u>	<u>963,619</u>	<u>963,619</u>
Expenditures and Other Financing Uses				
Equipment	934,630	-	934,630	963,619
	<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, 2017

	<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	<u>517,956</u>	<u>-</u>	<u>517,956</u>	<u>517,956</u>
 Total Revenues and Other Financing Sources	 <u>2,525,000</u>	 <u>-</u>	 <u>2,525,000</u>	 <u>2,525,000</u>
Expenditures and Other Financing Uses				
Construction Services	<u>2,445,996</u>	<u>-</u>	<u>2,445,996</u>	<u>2,525,000</u>
 Total Expenditures and Other Financing Uses	 <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, 2017**

	<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
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	2,141,330	-	2,141,330	2,141,330
Expenditures and Other Financing Uses				
Architectural/Engineering Services	181,676	786	182,462	318,330
Construction Services	1,479,330	87,058	1,566,388	1,823,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	1,661,006	87,844	1,748,850	2,141,330
Excess of Revenues Over Expenditures	\$ 480,324	\$ (87,844)	\$ 392,480	\$ -

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	82%
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, 2017**

	<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>1,960,911</u>	<u>-</u>	<u>1,960,911</u>	<u>1,960,911</u>
Total Revenues	<u>3,257,151</u>	<u>-</u>	<u>3,257,151</u>	<u>3,257,151</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	234,478	2,650	237,128	454,600
Construction Services	<u>1,659,780</u>	<u>83,526</u>	<u>1,743,306</u>	<u>2,802,551</u>
Total Expenditures	<u>1,894,258</u>	<u>86,176</u>	<u>1,980,434</u>	<u>3,257,151</u>
Excess of Revenues Over Expenditures	<u>\$ 1,362,893</u>	<u>\$ (86,176)</u>	<u>\$ 1,276,717</u>	<u>\$ -</u>

Additional Project Information:

DOE Project Number	0300-075-14-1006
SDA Project Number	0300-075-14-GICT
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	61%
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, 2017**

	<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	<u>487,620</u>	<u>-</u>	<u>487,620</u>	<u>487,620</u>
 Total Revenues	 <u>812,700</u>	 <u>-</u>	 <u>812,700</u>	 <u>812,700</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	70,820	-	70,820	125,700
Construction Services	<u>269,131</u>	<u>12,870</u>	<u>282,001</u>	<u>687,000</u>
 Total Expenditures	 <u>339,951</u>	 <u>12,870</u>	 <u>352,821</u>	 <u>812,700</u>
 Excess of Revenues Over Expenditures	 <u>\$ 472,749</u>	 <u>\$ (12,870)</u>	 <u>\$ 459,879</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	
	0.00%
Percentage Completion	
	43%
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
JEFFERSON ELEMENTARY SCHOOL - HVAC UPGRADES, ELECTRICAL SYSTEM UPGRADES,
AND ASBESTOS ABATEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<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
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	1,330,900	-	1,330,900	1,330,900
Expenditures and Other Financing Uses				
Architectural/Engineering Services	27,090	35,728	62,818	167,900
Construction Services	47,376	665,117	712,493	1,163,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	74,466	700,845	775,311	1,330,900
Excess of Revenues Over Expenditures	<u>\$ 1,256,434</u>	<u>\$ (700,845)</u>	<u>\$ 555,589</u>	<u>\$ -</u>

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	58%
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, 2017**

	<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	<u>1,086,841</u>	<u>69,600</u>	<u>1,156,441</u>	<u>1,156,441</u>
Total Revenues	<u>1,758,069</u>	<u>69,600</u>	<u>1,827,669</u>	<u>1,827,669</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	36,660	114,750	151,410	249,069
Construction Services	<u>75,264</u>	<u>1,442,143</u>	<u>1,517,407</u>	<u>1,578,600</u>
Total Expenditures	<u>111,924</u>	<u>1,556,893</u>	<u>1,668,817</u>	<u>1,827,669</u>
Excess of Revenues Over Expenditures	<u>\$ 1,646,145</u>	<u>\$ (1,487,293)</u>	<u>\$ 158,852</u>	<u>\$ -</u>

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	\$ 149,600
Revised Authorized Cost	\$ 1,827,669

Percentage Increase Over Original

Authorized Cost	8.92%
Percentage Completion	91%
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, 2017**

	<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	<u>652,802</u>	<u>-</u>	<u>652,802</u>	<u>652,802</u>
 Total Revenues	 <u>1,056,004</u>	 <u>-</u>	 <u>1,056,004</u>	 <u>1,056,004</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	32,762	48,799	81,561	142,004
Construction Services	<u>89,832</u>	<u>746,726</u>	<u>836,558</u>	<u>914,000</u>
 Total Expenditures	 <u>122,594</u>	 <u>795,525</u>	 <u>918,119</u>	 <u>1,056,004</u>
 Excess of Revenues Over Expenditures	 <u>\$ 933,410</u>	 <u>\$ (795,525)</u>	 <u>\$ 137,885</u>	 <u>\$ -</u>

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	4.76%
Percentage Completion	87%
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
FRANKLIN SCHOOL - HVAC CONTROLS UPGRADES, HAZARDOUS MATERIAL ABATEMENT,
UV REPLACEMENT AND 3 STOP ELEVATOR
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<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	\$ -	\$ 622,469	\$ 622,469	\$ 622,469
Transfer from Capital Outlay /Reserve	-	933,703	933,703	933,703
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	1,556,172	1,556,172	1,556,172
Expenditures and Other Financing Uses				
Architectural/Engineering Services	-	83,994	83,994	260,172
Construction Services	-	-	-	1,296,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	83,994	83,994	1,556,172
Excess of Revenues Over Expenditures	<hr/> <u>\$ -</u>	<hr/> <u>\$ 1,472,178</u>	<hr/> <u>\$ 1,472,178</u>	<hr/> <u>\$ -</u>

Additional Project Information:

DOE Project Number	0300-040-14-1002
SDA Project Number	0300-040-14-G04
Grant Number	G5-482X
Grant Date	12/21/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,556,172
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,556,172

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	5%
Original Target Completion Date	June 30, 2017
Revised Target Completion Date	June 30, 2017

PROPRIETARY FUNDS

EXHIBIT G-1

**BERGENFIELD BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2017**

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, 2017**

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, 2017**

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, 2017**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 57,396	\$ 96,954	\$ 154,350
Due from Other Funds	<u>-</u>	<u>9,225</u>	<u>9,225</u>
 Total Assets	 <u>\$ 57,396</u>	 <u>\$ 106,179</u>	 <u>\$ 163,575</u>
 LIABILITIES			
Payroll Deductions and Withholdings		\$ 61,551	\$ 61,551
Accrued Salaries and Wages		44,628	44,628
Due to Student Groups	<u>\$ 57,396</u>	<u>-</u>	<u>57,396</u>
 Total Liabilities	 <u>\$ 57,396</u>	 <u>\$ 106,179</u>	 <u>\$ 163,575</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, 2017**

NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Balance, July 1, <u>2016</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2017</u>
ROY W. BROWN MIDDLE SCHOOL	\$ 13,175	\$ 41,105	\$ 41,498	\$ 12,782
BERGENFIELD HIGH SCHOOL	<u>39,939</u>	<u>91,949</u>	<u>87,274</u>	<u>44,614</u>
	<u>\$ 53,114</u>	<u>\$ 133,054</u>	<u>\$ 128,772</u>	<u>\$ 57,396</u>

**BERGENFIELD BOARD OF EDUCATION
AGENCY FUNDS
PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Balance, July 1, <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, <u>2017</u>
ASSETS				
Cash	\$ 42,737	\$ 41,405,711	\$ 41,351,494	\$ 96,954
Due from Other Funds	<u>26,442</u>	<u>-</u>	<u>17,217</u>	<u>9,225</u>
Total Assets	<u>\$ 69,179</u>	<u>\$ 41,405,711</u>	<u>\$ 41,368,711</u>	<u>\$ 106,179</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 31,708	\$ 20,070,063	\$ 20,040,220	\$ 61,551
Accrued Salaries and Wages	<u>37,471</u>	<u>21,318,431</u>	<u>21,311,274</u>	<u>44,628</u>
Total Liabilities	<u>\$ 69,179</u>	<u>\$ 41,388,494</u>	<u>\$ 41,351,494</u>	<u>\$ 106,179</u>

LONG-TERM DEBT

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

**BERGENFIELD BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

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,									
	2008	2009	2010	2011	2012	2013	2014 (1)	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 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	\$ 28,022,515
Restricted	398,791	271,816	766,995	3,326,995	5,072,995	6,702,305	8,450,750	7,730,315	7,726,994	6,450,116
Unrestricted	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)	(13,029,569)
Total governmental activities net position	<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>	<u>\$ 21,443,062</u>
Business-type activities										
Net investment in capital assets	\$ 56,009	\$ 42,664	\$ 38,679	\$ 22,986		\$ 4,823	\$ 13,200	\$ 11,550	\$ 9,900	\$ 8,250
Restricted										
Unrestricted	4,138	69,650	82,917	110,167	85,493	191,348	305,951	208,678	456,322	597,234
Total business-type activities net position	<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>	<u>\$ 605,484</u>
District-wide										
Net investment in capital assets	\$ 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	\$ 28,030,765
Restricted	398,791	271,816	766,995	3,326,995	5,072,995	6,702,305	8,450,750	7,730,315	7,726,994	6,450,116
Unrestricted	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)	(12,432,335)
Total district net position	<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>	<u>\$ 22,048,546</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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 35,767,154
Special Education	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	14,058,665
Other Instruction	2,107,336	1,754,020	1,931,633	2,058,207	1,967,919	1,929,241	1,833,891	1,811,716	1,856,760	2,459,193
School Sponsored Activities and Athletics	616,322	717,885	816,236	805,495	735,888	856,417	1,043,178	1,099,250	1,147,973	1,343,105
Other Services	17,439	20,171	15,335	1,911	3,917	32,215	28,980			
Support Services:										
Student & instruction Related Services	8,594,671	7,863,005	7,683,983	7,561,603	7,721,787	7,856,535	7,362,058	8,864,355	9,607,497	10,043,184
General Administration	1,220,689	1,253,860	1,796,415	1,613,183	1,356,817	1,565,370	1,394,165	1,412,876	1,364,735	1,430,291
School Administrative Services	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	5,692,952
Central Administrative Services	597,252	569,981	594,199	688,315	611,371	660,550	731,002	787,507	869,321	986,636
Plant Operations and Maintenance	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	7,684,744
Student Transportation	2,216,789	1,930,408	1,981,300	2,098,341	2,040,505	2,062,756	2,013,627	2,106,932	2,331,057	2,602,644
Interest on long-term debt	3,072	15,859	63,706							
Total governmental activities expenses	60,029,366	58,558,640	58,384,976	58,335,985	58,245,059	61,228,488	61,279,974	71,638,458	74,131,812	82,068,548
Business-type activities:										
Food service	1,213,350	1,211,583	1,272,669	1,210,256	1,316,498	1,085,100	1,095,065	1,273,741	1,103,811	1,184,300
Summer Enrichment Program	55,161	55,093	59,834	57,125	69,311	69,759	40,709	46,792	5,465	50,408
Total business-type activities expense	1,268,511	1,266,676	1,332,503	1,267,381	1,385,809	1,154,859	1,135,774	1,320,533	1,110,276	1,234,708
Total district expenses	\$ 61,297,877	\$ 59,825,316	\$ 59,717,479	\$ 59,603,366	\$ 59,630,868	\$ 62,383,347	\$ 62,415,748	\$ 72,958,991	\$ 75,242,088	\$ 83,303,256
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	\$ 1,041,194	\$ 1,503,365	\$ 1,598,324	\$ 1,284,685	\$ 1,311,100	\$ 1,526,439	\$ 1,597,066	\$ 1,468,802	\$ 1,426,329	\$ 1,255,713
Support Services				45,002	50,755	113,956	147,527	74,377	96,691	85,678
Operating grants and contributions	13,360,020	8,665,339	11,506,298	9,273,979	10,091,784	10,580,633	9,555,009	16,368,958	17,818,879	22,453,036
Capital grants and contributions		18,036	320,379	42,973	42,551	27,860		430,227	1,322,518	1,333,717
Total governmental activities program revenues	14,401,214	10,186,740	13,425,001	10,646,639	11,496,190	12,248,888	11,299,602	18,342,564	20,664,417	25,108,144
Business-type activities:										
Charges for services										
Food service	\$ 832,779	\$ 857,993	\$ 769,012	\$ 724,441	\$ 697,285	\$ 577,217	\$ 591,610	\$ 544,341	\$ 566,895	\$ 606,659
Summer Enrichment Program	38,793	50,237	64,318	61,157	69,386	59,545	54,475	51,351	80,380	49,258
Operating grants and contributions	362,434	410,613	508,455	506,849	594,464	628,775	612,669	625,918	708,995	718,053
Total business type activities program revenues	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	1,373,970
Total district program revenues	\$ 15,635,220	\$ 11,505,583	\$ 14,766,786	\$ 11,939,086	\$ 12,857,325	\$ 13,514,425	\$ 12,558,356	\$ 19,563,974	\$ 22,020,687	\$ 26,482,114
Net (Expense)/Revenue										
Governmental activities	\$ (45,628,152)	\$ (48,371,900)	\$ (44,959,975)	\$ (47,689,346)	\$ (46,748,869)	\$ (48,979,600)	\$ (49,980,372)	\$ (53,296,094)	\$ (53,467,395)	\$ (56,960,404)
Business-type activities	(34,505)	52,167	9,282	25,066	(24,674)	110,678	122,980	(98,923)	245,994	139,262
Total district-wide net expense	\$ (45,662,657)	\$ (48,319,733)	\$ (44,950,693)	\$ (47,664,280)	\$ (46,773,543)	\$ (48,868,922)	\$ (49,857,392)	\$ (53,395,017)	\$ (53,221,401)	\$ (56,821,142)

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

	Fiscal Year Ended June 30.									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 47,959,500
Unrestricted Aid and contributions	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	8,516,937
Investment earnings	96,847	86,924								
Miscellaneous income	24,263		73,554	534,154	83,266	88,761	304,709	1,344,956	263,893	260,232
Transfers	(80,000)									
Loss on Disposal of Capital Assets										
Total governmental activities	47,015,979	50,238,699	48,975,972	52,148,802	52,565,376	53,606,018	54,801,440	55,935,617	55,818,239	56,736,669
Business-type activities:										
Investment earnings										
Transfers	80,000									
Total business-type activities	80,000	-	-	-	-	-	-	-	-	-
Total district-wide	\$ 47,095,979	\$ 50,238,699	\$ 48,975,972	\$ 52,148,802	\$ 52,565,376	\$ 53,606,018	\$ 54,801,440	\$ 55,935,617	\$ 55,818,239	\$ 56,736,669
Change in Net Position										
Governmental activities	\$ 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	\$ (223,735)
Business-type activities	45,495	52,167	9,282	25,066	(24,674)	110,678	122,980	(98,923)	243,994	139,262
Total district	\$ 1,433,322	\$ 1,918,966	\$ 4,025,279	\$ 4,484,522	\$ 5,791,833	\$ 4,737,096	\$ 4,944,048	\$ 2,540,600	\$ 2,596,838	\$ (84,473)

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 1,723,835	\$ 1,798,237	\$ 4,549,424							
Unreserved	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	\$ 6,368,211
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	1,718,530
Unassigned	-	-	-	287,131	172,236	168,473	227,376	312,471	246,438	253,802
Total general fund	\$ 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	\$ 8,340,543
All Other Governmental Funds										
Reserved		\$ 40,632								
Unreserved	\$ 17,324	30,757	\$ 71,397							
Restricted	-	-	-	\$ 71,397	\$ 71,397	\$ 59,707	\$ 1,601,081	\$ 3,179,431	\$ 3,958,186	\$ 2,967,001
Total all other governmental funds	\$ 17,324	\$ 71,389	\$ 71,397	\$ 71,397	\$ 71,397	\$ 59,707	\$ 1,601,081	\$ 3,179,431	\$ 3,958,186	\$ 2,967,001

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Property Tax levy	\$ 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	\$ 47,959,500
Tuition and Fees	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	1,255,713
Interest Earnings	96,847								96,691	85,678
Miscellaneous	54,017	140,296	149,079	582,702	160,664	158,961	368,549	1,465,414	291,781	287,765
State Sources	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	19,829,611
Federal Sources	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	1,748,644
Total revenue	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	71,166,911
Expenditures										
Instruction										
Regular Instruction	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	27,944,524
Special Education Instruction	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	12,448,080
Other Instruction	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	2,049,821
School Sponsored Activities and Athletics	616,104	716,732	818,141	803,567	737,335	848,357	1,042,604	1,097,656	1,117,500	1,231,523
Other Services	17,439	20,171	15,335	1,911	3,917	32,215	28,980			
Support Services:										
Student & Inst. Related Services	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	8,610,516
General Administrative Services	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	1,345,970
School Administrative Services	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	4,529,850
Central Administrative Services	597,157	568,867	595,830	686,324	607,240	647,316	730,460	786,066	844,392	901,882
Plant Operations and Maintenance	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	7,122,118
Student Transportation	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	2,339,377
Capital Outlay	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	4,218,456
Debt Service:										
Principal	29,082	147,486	1,234,998							
Interest and Other Charges	4,182	13,730	68,210							
Total expenditures	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	72,742,117
Excess (Deficiency) of revenues over (under) expenditures	619,931	(521,836)	478,302	4,379,905	2,667,037	2,007,192	(36,639)	(1,290,596)	480,767	(1,575,206)
Other Financing sources (uses)										
Capital leases (non-budgeted)		975,262	345,000							
Transfers in			435,360				2,525,000	3,747,496	2,655,934	1,003,303
Transfers out	(80,000)		(435,360)				(2,525,000)	(3,747,496)	(2,655,934)	(1,003,303)
Total other financing sources (uses)	(80,000)	975,262	345,000	-	-	-	-	-	-	-
Net change in fund balances	\$ 539,931	\$ 453,426	\$ 823,302	\$ 4,379,905	\$ 2,667,037	\$ 2,007,192	\$ (36,639)	\$ (1,290,596)	\$ 480,767	\$ (1,575,206)
Debt service as a percentage of noncapital expenditures	0.06%	0.28%	2.20%	0.00%	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>
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
2017	1,255,713	85,678		19,835	4,830	17,746	101,939	115,882	1,601,623

**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
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
2017	7,257,700	2,218,874,700	267,250,300	42,302,100	114,531,300	2,650,216,100	96,840	2,650,312,940	2,766,941,136	1.826

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		
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
2017	1.826	1.135	0.261		3.222

Source: County Abstract of Ratables

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

Taxpayer	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Rabinowitz, Charles (Trustee)	\$ 19,000,000	0.72%		
Tower Ivy Lane, LLC	18,850,000	0.71%	\$ 12,261,438	0.51%
Knickerbocker Country Club	17,000,000	0.64%	19,229,431	0.79%
Olster Bergenfield Properties	16,500,000	0.62%		
Tower Omni 2015 LLC	13,350,000	0.50%		
St. James Apts, VAP International	10,900,000	0.41%		
Pathmark Stores, LLC	10,215,400	0.39%	7,784,247	0.32%
Legion Manor Assoc., LLC	10,000,000	0.38%		
New Bridge Shopping Center LLC	7,100,000	0.27%		
Keepers Bergenfield LLC	1,232,700	0.05%	4,973,043	0.21%
Glance, Rabinowitz & Point Prop			11,648,629	0.48%
ABA Realty Corp.			10,184,080	0.42%
Tower Management Financing Partnership			8,474,615	0.35%
New Woodbine, LLC			5,108,896	0.21%
120 Woodbine Inc.			4,049,431	0.17%
Bergenfield Skating			3,683,545	0.15%
	<u>\$ 124,148,100</u>	<u>4.68%</u>	<u>\$ 87,397,355</u>	<u>3.61%</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	
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%	
2017	47,959,500	47,959,500	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			
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			-	-	27,647	0
2017			-	-	27,647 (E)	0

(E) - Estimate

Source: District records

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

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita
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
2017	-	-	-	0.00%	0

Source: District records

**BERGENFIELD BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Bergenfield School District	
Borough of Bergenfield	\$ 14,146,621
Total Direct Debt	<u>14,146,621</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	19,478,070
Bergen County Utilities Authority - Water Pollution (B)	<u>6,279,919</u>
Total Overlapping Debt	<u>25,757,989</u>
Total Direct and Overlapping Debt	<u>\$ 39,904,610</u>

Source:

(1) Borough's 2016 Annual Debt Statement

(A) The debt for this entity was apportioned to the municipality by dividing the municipality's 2016 equalized value by the total 2016 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 2017

Equalized valuation basis

	2016	\$ 2,748,336,526
	2015	2,700,385,886
	2014	<u>2,678,290,624</u>
		<u>\$ 8,127,013,036</u>
Average equalized valuation of taxable property		<u>\$ 2,709,004,345</u>
Debt limit (4 % of average equalization value)		108,360,174
Total Net Debt Applicable to Limit		-
Legal debt margin		<u>\$ 108,360,174</u>

Fiscal Year Ending June 30.

	<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>	<u>2017</u>
Debt limit	\$ 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	\$ 108,360,174
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 108,360,174</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>
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	75,849	4.20%
2016	27,647	75,849 (E)	3.90% (E)
2017	27,647 (E)	75,849 (E)	3.90% (E)

Source: New Jersey State Department of Education

(E) - Estimate

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

	2017		2008	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
<u>Employer</u>				

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>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>	<u>2017</u>
Instruction	333	324	327	328	318	329	329	330	332	346
Support Services:										
Student & instruction related services	61	71	65	65	72	66	65	66	66	73
General administration	7	6	6	5	7	5	4	5	6	7
School administrative services	23	25	24	24	34	24	23	24	24	32
Central services	7	7	7	7	6	7	7	6	6	6
Plant operations and maintenance	41	43	42	40	40	41	41	41	40	63
Pupil transportation	1	15	15	16	24	16	17	16	16	17
Other support services	9	-								
Total	<u>481</u>	<u>491</u>	<u>486</u>	<u>485</u>	<u>501</u>	<u>488</u>	<u>486</u>	<u>488</u>	<u>490</u>	<u>544</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Teacher/Pupil Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
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	9.14%	346	1:13	1:14	1:15	3,532	3,411	1.64%	96.57%
2017	3,590	68,523,661	19,087	3.83%	346	1:13	1:12	1:12	3,559	3,403	0.76%	95.62%

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)**

	<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>	<u>2017</u>
School Facilities										
Bergenfield High School	\$ 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	\$ 738,005
Roy W. Brown Middle School	725,789	644,061	608,982	579,432	582,863	614,252	647,693	672,492	294,758	354,453
Franklin Elementary School	362,894	322,030	304,490	289,715	291,430	307,124	323,845	336,244	147,378	177,226
Hoover Elementary School	142,375	126,343	119,462	113,665	114,338	120,495	127,056	131,920	57,821	69,532
Jefferson Elementary School	199,467	177,006	167,365	159,244	160,187	168,814	178,004	184,820	81,008	97,414
Lincoln Elementary School	398,577	353,695	334,431	318,203	320,076	337,313	355,677	369,295	161,865	194,646
Washington Elementary Sch.	228,013	202,336	191,316	182,033	183,121	192,983	203,489	211,281	92,606	111,361
Grand Total	<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>	<u>\$ 1,742,637</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, 2017
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NESBIG		
Property - Blanket Building & Contents	\$ 126,278,330	\$ 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
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, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
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, 2017 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 December 1, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bergenfield Board 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Bergenfield Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 1, 2017.

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

December 1, 2017



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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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SHERYL M. NICOLosi, CPA, PSA

**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 Education
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, 2017. 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 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, 2017.

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, 2017 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 December 1, 2017, 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
December 1, 2017

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2016			Carryover/ (Walkover) Amount Def. Rev.	Carryover/ (Walkover) Amount A/R	Cash Received	Budgetary Expenditures	Refund of Prior Years Balance	Prior Year Payables Cancelled / Adjustments	Balance, June 30, 2017			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																		
Enterprise Fund																		
School Breakfast Program	10.553	16161N304N1099	N/A	7/1/15-6/30/16	\$ 87,463	\$ (17,147)				\$ 17,147								
School Breakfast Program	10.553	171N304N1099	N/A	7/1/16-6/30/17	92,975					86,439	\$ 92,975				\$ (6,536)			\$ (6,536)
National School Lunch Program	10.555		N/A															
Cash Assistance		16161N304N1099		7/1/15-6/30/16	539,353	(84,959)				84,959								
Cash Assistance		171N304N1099		7/1/16-6/30/17	555,797					510,983	555,797				(24,814)			(24,814)
Non-Cash Assistance (Food Distribution)		171N304N1099		7/1/16-6/30/17	76,774					76,774	76,774							
Total Enterprise Fund						(102,106)				776,302	705,546				(31,350)			(31,350)
U.S. Department of Health and Human Services																		
General Fund																		
Medicaid Assistance Program	93.778	1705N5MAP	N/A	7/1/16-6/30/17	43,923					43,923	43,923							
Medicaid Assistance Prog. - SEMI/ARRA	93.778	1705N5MAP	N/A	7/1/16-6/30/17	1,232					1,232	1,232							
Medicaid Assistance Program	93.778	1605NJMAP	N/A	7/1/15-6/30/16	51,533	(11,697)				11,697								
Medicaid -2014 Cost Settlement	93.778	1605NJMAP	N/A	7/1/15-6/30/15	14,122	(14,122)				14,122								
Total General Fund						(25,819)				70,974	45,155							
Special Revenue Fund																		
I.D.E.A. Part B, Basic Regular	84.027	H027A160100	FT-090002	7/1/16-6/30/17	871,648			15	(15)	674,472	856,601				(197,191)	15,062		(182,129)
I.D.E.A. Part B, Basic Regular	84.027	H027A150100	FT-090002	7/1/15-6/30/16	911,190	(69,817)	15	(15)	15	69,802								
I.D.E.A. Part B, Preschool	84.173	H173A160114	PS-090000	7/1/16-6/30/17	33,934			7	(7)	657	29,853				(33,284)	4,088		(29,196)
I.D.E.A. Part B, Preschool	84.173	H173A150114	PS-090000	7/1/15-6/30/16	33,608	(1,350)	7	(7)	7	1,352								
IDEA Cluster						(71,176)	22			746,283	886,454				(330,475)	19,150		(211,325)
NCLB																		
Title I	84.010	S010A160030	NCLBCV-090300	7/1/16-6/30/17	497,820			\$ 31,272	\$ (31,272)	369,590	494,706				(159,502)	34,386		(125,116)
Title I	84.010	S010A15003	NCLBCV-090300	7/1/15-6/30/16	514,892	(299,871)	31,272	(31,272)	31,272	268,599								
Title II, Part A	84.367A	S367A160029	NCLBCV-090300	7/1/16-6/30/17	70,714			18,600	(18,600)	51,819	84,845				(37,495)	4,469		(33,026)
Title II, Part A	84.367A	S367A50029	NCLBCV-090300	7/1/15-6/30/16	79,474	(47,473)	17,300	(18,600)	18,600	28,873			\$ 1,300					
Title III	84.365	S365A160030	NCLBCV-090300	7/1/16-6/30/17	42,819			2,077	(2,077)	31,690	40,806				(13,206)	4,090		(9,116)
Title III	84.365	S365A150030	NCLBCV-090300	7/1/15-6/30/16	30,817	(25,042)	\$ 2,077	(2,077)	2,077	20,965								
Title III - Immigrant	84.365	S365A160030	NCLBCV-090300	7/1/16-6/30/17	12,245					5,870					(12,245)	6,375		(5,870)
Perkins Grant	84.048	V048A160030	N/A	7/1/16-6/30/17	23,311			63	(63)		22,143				(23,374)	1,231		(22,143)
Perkins Grant	84.048	V048A150030	N/A	7/1/15-6/30/16	20,777	(20,777)	63	(63)	63	20,714								
IEP for Life	84.000	N/A	N/A	7/1/16-6/30/17	330,000					63,503	181,446				(266,497)	148,554		(117,943)
Total Special Revenue Fund						(462,359)	50,734			1,602,056	1,716,270		1,300		(742,794)	218,255		(524,539)
Total Federal Awards						\$ (590,264)	\$ 50,734	\$ -	\$ -	\$ 2,449,312	\$ 2,466,971	\$ -	\$ 1,300	\$ (774,144)	\$ 218,255	\$ -	\$ (555,889)	

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, 2017

State Grant/Program Title State Department of Education	Grant or State Project Number	Grant Period	Award Amount	Balance, Jan. 1, 2016	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Refund of Prior Years' Balances	Balance, June 30, 2017		Cumulative Total Expenditures	
										(Accounts Receivable)	Unencumbered Revenue		GAAP Reservable
Current Expense:													
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	\$ 8,168,853	(741,495)		\$ 741,499	8,168,853			\$ (736,482)		\$ 8,168,853	
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	8,168,853	(188,200)		188,200	2,072,512			(189,731)		2,104,440	
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	2,104,440	(14,130)		14,130	155,605			(16,343)		181,274	
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	2,104,440	(21,651)		21,651	225,882			(20,365)		225,882	
Security Aid	16-498-034-5120-084	7/1/15-6/30/16	181,274			164,931	164,931			(445)		181,274	
Security Aid	17-498-034-5120-084	7/1/16-6/30/17	181,274			205,517	225,882			(3,161)		225,882	
School Choice Aid	16-495-034-5120-068	7/1/15-6/30/16	225,882			2,721	2,721			(3,158)		225,882	
School Choice Aid	17-495-034-5120-068	7/1/16-6/30/17	225,882			2,721	2,721			(3,158)		225,882	
Hot Dinner Aid	17-495-034-5120-102	7/1/16-6/30/17	2,721			11,418	12,549					2,721	
Additional Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	12,549			31,899	35,060					12,549	
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	35,060	(3,181)		31,899	35,060					35,060	
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	35,030			31,872	35,030					35,030	
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	35,030			31,872	35,030					35,030	
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	35,030			31,872	35,030					35,030	
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	35,030			31,872	35,030					35,030	
State Aid Public Cluster				(971,842)		10,798,907	10,800,839			(973,774)		10,800,839	
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	80,089	(7,273)		7,273	7,273					80,089	
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	95,498			86,888	95,498			(8,610)		95,498	
Extrordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	719,894	(723,953)		723,953	719,894			(719,894)		719,894	
Extrordinary Aid	17-100-034-5120-473	7/1/16-6/30/17	719,894			88,726	719,894					719,894	
On Behalf Payments	16-495-034-5095-003	7/1/15-6/30/16	1,806,869	(88,726)		1,717,080	1,806,869			(89,789)		1,806,869	
TPAF Social Security	17-495-034-5094-003	7/1/16-6/30/17	1,806,869			1,717,080	1,806,869					1,806,869	
TPAF Pension	17-495-034-5094-002	7/1/16-6/30/17	2,618,573			2,618,573	2,618,573					2,618,573	
Pension Benefit Contribution	17-495-034-5094-004	7/1/16-6/30/17	94,877			94,877	94,877					94,877	
Pension-NCGI Premium	17-495-034-5094-004	7/1/16-6/30/17	4,519			4,519	4,519					4,519	
LTDI Premium	17-495-034-5094-004	7/1/16-6/30/17	2,260,921			2,260,921	2,260,921					2,260,921	
Post Retirement Medical Benefit Contribution	17-495-034-5094-001	7/1/16-6/30/17	2,260,921			2,260,921	2,260,921					2,260,921	
Total General Fund				(1,793,794)		18,403,717	18,401,990			(1,792,067)		18,401,990	
Special Revenue:													
New Jersey Nonpublic Aid:													
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	\$ 20,614	\$ 202		\$ 11,586	11,579		\$ 202			\$ 11,579	
Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	11,586			18,090	16,572					16,572	
Nursing Services	16-100-034-5120-070	7/1/15-6/30/16	9,100	978		10,050	7,042		978			7,042	
Security Aid	17-100-034-5120-509	7/1/16-6/30/17	10,050			5,226	5,138		40			5,138	
Security Aid	16-100-034-5120-573	7/1/15-6/30/16	9,386			5,226	5,138					5,138	
Technology Aid	17-100-034-5120-573	7/1/16-6/30/17	5,226			4,061	18,813		4,061			18,813	
Auxiliary Services:													
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	58,461	4,061		49,269	30,456					30,456	
Compensatory Education	17-100-034-5120-067	7/1/16-6/30/17	49,269			5,481	913		2,243			913	
English as a Second Language	16-100-034-5120-067	7/1/15-6/30/16	7,765	2,243		5,481	4,568					4,568	
English as a Second Language	17-100-034-5120-067	7/1/16-6/30/17	5,481			5,481	19,726					19,726	
Home Instruction	16-100-034-5120-067	7/1/15-6/30/16		6,304		54,750	35,024		6,304			35,024	
Auxiliary Services Cluster													
Handicapped Services:													
Examination and Classification	16-100-034-5120-066	7/1/15-6/30/16	30,503			21,432	9,003		4,769			9,003	
Examination and Classification	17-100-034-5120-066	7/1/16-6/30/17	21,432			42,408	13,546					13,546	
Conversive Speech	16-100-034-5120-066	7/1/15-6/30/16	42,408	2,592		2,598	2,598					2,598	
Conversive Speech	17-100-034-5120-066	7/1/16-6/30/17	2,592			13,340	5,571					5,571	
Supplemental Instruction	16-100-034-5120-066	7/1/15-6/30/16	20,133			13,340	5,571					5,571	
Supplemental Instruction	17-100-034-5120-066	7/1/16-6/30/17	13,340			17,180	27,120		9,959			27,120	
Handicapped Services Cluster													
NI Achievement Coaches			70,000	2						\$ 2			
IBS Competitive													
Total Special Revenue Fund				19,033		17,682	87,177		17,483		1,550		87,177

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2016	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Refund of Prior Years' Balances	Balance, June 30, 2017			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	\$ (1,967)		\$ 1,967									
	17-100-010-3350-023	7/1/16-6/30/17	12,507	-	-	11,933	\$ 12,507	-	-	\$ (574)	-	-	\$ (574)	\$ 12,507	
Total Food Service Fund				(1,967)	-	13,900	12,507	-	-	(574)	-	-	(574)	12,507	
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	(757,704)	-	-	34,470	-	-	(1,296,240)	504,066	-	(1,296,240)	792,174	
Hoover Elementary School - Various Improvements	0300-050-14-G1CR	N/A	325,080	(135,980)	-	-	5,148	-	-	(325,080)	183,952	-	(325,080)	141,128	
Bergenfield High School - HVAC, Vertical Movement	0300-020-14-G3CK	N/A	856,532	(664,402)	-	-	35,138	-	-	(856,532)	156,992	-	(856,532)	699,540	
Jefferson Elementary School - Various Improvements	0300-060-14-G1CS	N/A	431,160	(29,786)	-	-	280,338	-	-	(431,160)	121,036	-	(431,160)	310,124	
Lincoln Elementary School - Various Improvements	0300-070-14-G3CM	N/A	671,228	(44,770)	-	-	622,757	-	-	(671,228)	3,701	-	(671,228)	667,527	
Washington Elementary School - Various Improvements	0300-080-14-G3CN	N/A	403,202	(49,038)	-	-	318,210	-	-	(403,202)	35,954	-	(403,202)	367,247	
Franklin Elementary School - Various Improvements	0300-040-14-G04	N/A	622,469	-	-	-	33,598	-	-	(622,469)	588,871	-	(622,469)	33,598	
Total Capital Projects Fund				(1,681,680)	-	-	1,329,659	-	-	(4,605,911)	1,594,572	-	(4,605,911)	3,011,338	
Total State Financial Assistance				(3,458,408)	-	18,594,499	19,831,333	-	\$ 17,483	(6,398,552)	\$ 1,596,122	\$ 89,705	(4,696,274)	21,513,012	
State Financial Assistance															
Not Subject to Single Audit Determination															
General Fund															
On-Behalf TPAF Pension System Contributions-NCGI	17-100-034-5094-004	7/1/16-6/30/17	94,877	-	-	(94,877)	(94,877)	-	-	-	-	-	-	(94,877)	
On-Behalf TPAF Pension System Contributions-LTDI	17-100-034-5094-004	7/1/16-6/30/17	4,519	-	-	(4,519)	(4,519)	-	-	-	-	-	-	(4,519)	
On-Behalf TPAF Pension System Contributions-Normal	17-100-034-5094-002	7/1/16-6/30/17	2,618,573	-	-	(2,618,573)	(2,618,573)	-	-	-	-	-	-	(2,618,573)	
On-Behalf TPAF Post-Retirement Medical Contribution	17-100-034-5094-001	7/1/16-6/30/17	2,260,921	-	-	(2,260,921)	(2,260,921)	-	-	-	-	-	-	(2,260,921)	
Total State Financial Assistance Subject to Single Audit				\$ (3,458,408)	\$ -	\$ 13,615,609	\$ 14,852,443	\$ -	\$ 17,483	\$ (6,398,552)	\$ 1,596,122	\$ 89,705	\$ (4,696,274)	\$ 16,524,122	

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 Title 2 U.S. Code of Federal Regulations Part 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 an increase of \$2,790 for the general fund and a decrease of \$6,262 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	\$ 45,155	\$ 18,404,780	\$ 18,449,935
Special Revenue Fund	1,703,489	95,172	1,798,661
Capital Projects Fund		1,329,659	1,329,659
Food Service Fund	<u>705,546</u>	<u>12,507</u>	<u>718,053</u>
Total Financial Assistance	<u>\$ 2,454,190</u>	<u>\$ 19,842,118</u>	<u>\$ 22,296,308</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, 2017**

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 \$1,806,869 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, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$2,713,450, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,260,921 and TPAF Long-Term Disability Insurance in the amount of \$4,519 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance 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, 2017**

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? yes X none reported

Noncompliance material to basic financial statements noted? yes X 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>H027A160100</u>	<u>IDEA Part B Basic</u>
<u>84.173</u>	<u>H173A160114</u>	<u>IDEA Part B Preschool</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? X yes no

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Part I – Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

(1) Material weakness(es) identified?

_____ yes X no

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

_____ yes X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?

_____ yes X no

Identification of major state programs:

_____ GMIS Number(s) _____	_____ Name of State Program _____
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-068</u>	<u>School Choice Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-102</u>	<u>Host District Aid</u>
<u>495-034-5120-085</u>	<u>Additional Adjustment Aid</u>
<u>495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>495-034-5094-003</u>	<u>TPAF Social Security</u>
<u>0300-0XX-14-GXXX</u>	<u>School Development Authority-Educational</u>
_____	<u>Facilities Construction and Financing</u>

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

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, 2017**

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 Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2016-001

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

Current Status

Corrective action was taken.