

BERGENFIELD BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Bergenfield, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Bergenfield Board of Education

Bergenfield, New Jersey

For The Fiscal Year Ended June 30, 2018

Prepared by

Business Office

**BERGENFIELD BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

Letter of Transmittal	1-3
Organizational Chart	4
Roster of Officials	5
Consultants and Advisors	6

FINANCIAL SECTION

Independent Auditor's Report	7-9
------------------------------	-----

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis	10-21
--------------------------------------	-------

Basic Financial Statements

A. District-wide Financial Statements

A-1 Statement of Net Position	22
A-2 Statement of Activities	23-24

B. Fund Financial Statements

Governmental Funds

B-1 Balance Sheet	25-26
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	27
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28

Proprietary Funds

B-4 Statement of Net Position	29
B-5 Combining Statement of Revenues, Expenses, and Changes in Net Position	30
B-6 Statement of Cash Flows	31

Fiduciary Funds

B-7 Statement of Fiduciary Net Position	32
B-8 Statement of Changes in Fiduciary Net Position	33

Notes to the Financial Statements	34-73
------------------------------------------	-------

**BERGENFIELD BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

C-1	Budgetary Comparison Schedule – General Fund	74-82
C-2	Budgetary Comparison Schedule – Special Revenue Fund	83

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II

C-3	Budgetary Comparison Schedule – Note to Required Supplementary Information	84
-----	----------------------------------------------------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. Schedules Related to Accounting and Reporting for Pensions and OPEB (GASB 68 and 75)

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	85
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	86
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	87
L-4	Notes to Required Supplementary Information – Net Pension Liability	88
L-5	Required Supplementary Information – Schedule of District’s Proportionate Share Of Total OPEB Liability	89
L-6	Notes to Required Supplementary Information – OPEB Liability	90

OTHER SUPPLEMENTARY INFORMATION

D. School Level Schedules - Not Applicable

E. Special Revenue Fund

E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	91-93
E-2	Schedule of Preschool Aid Expenditures – Budgetary Basis – Not Applicable	94

F. Capital Projects Fund

F-1	Summary Schedule of Project Expenditures	95
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance	96
F-2A-	Schedule of Project Revenues, Expenditures, Project Balance and Project Status	
2I		97-105

**BERGENFIELD BOARD OF EDUCATION
TABLE OF CONTENTS**

	<u>Page</u>
G. Proprietary Funds	
<i>Enterprise Fund</i>	
G-1 Statement of Net Position – Not Applicable	106
G-2 Combining Statement of Revenues, Expenses and Changes in Net Position – Not Applicable	106
G-3 Statement of Cash Flows – Not Applicable	106
H. Fiduciary Funds	
H-1 Combining Statement of Agency Fund Assets and Liabilities	107
H-2 Combining Statement of Changes in Fiduciary Net Position – Not Applicable	108
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	108
H-4 Payroll Agency Fund Schedule of Changes in Assets and Liabilities	109
I. Long-Term Debt – Not Applicable	
J. STATISTICAL SECTION (Unaudited)	
J-1 Net Position by Component	110
J-2 Changes in Net Position	111-112
J-3 Fund Balances – Governmental Funds	113
J-4 Changes in Fund Balances, Governmental Funds	114
J-5 General Fund Other Local Revenue by Source	115
J-6 Assessed Value and Actual Value of Taxable Property	116
J-7 Direct and Overlapping Property Tax Rates	117
J-8 Principal Property Taxpayers	118
J-9 Property Tax Levies and Collections	119
J-10 Ratios of Outstanding Debt by Type	120
J-11 Ratios of Net General Bonded Debt Outstanding	121
J-12 Direct and Overlapping Governmental Activities Debt	122
J-13 Legal Debt Margin Information	123
J-14 Demographic and Economic Statistics	124
J-15 Principal Employers	125
J-16 Full-Time Equivalent District Employees by Function/Program	126
J-17 Operating Statistics	127
J-18 School Building Information	128
J-19 Schedule of Required Maintenance for School Facilities	129
J-20 Schedule of Insurance	130

**BERGENFIELD BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

K. SINGLE AUDIT SECTION

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report	131-132
K-2	Report on Compliance for each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report	133-135
K-3	Schedule of Expenditures of Federal Awards	136
K-4	Schedule of Expenditures of State Financial Assistance	137-138
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	139-140
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	141-142
K-7	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	143
K-7	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	144-147
K-8	Summary Schedule of Prior Year Findings	148

INTRODUCTORY SECTION

Board of Education
BERGENFIELD, NEW JERSEY

Christopher M. Tully, EdS
Superintendent of Schools

225 W. Clinton Avenue
Bergenfield, New Jersey 07621
201-385-8801

January 29, 2019

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, 2018 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditors' report, management's discussion and analysis (MD&A) and the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplemental information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the provisions of Title II U.S. Code of Federal Regulation (LFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award (Uniform Guidance)", and the State Treasury Circular OMB 15-08. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Bergenfield Public Schools is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds 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.

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 2017 opening day K-12 enrollment was 3471. This represents an increase of 7 pupils as compared to the opening enrollment in September of 2016. 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 2017-2018 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.

S

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,

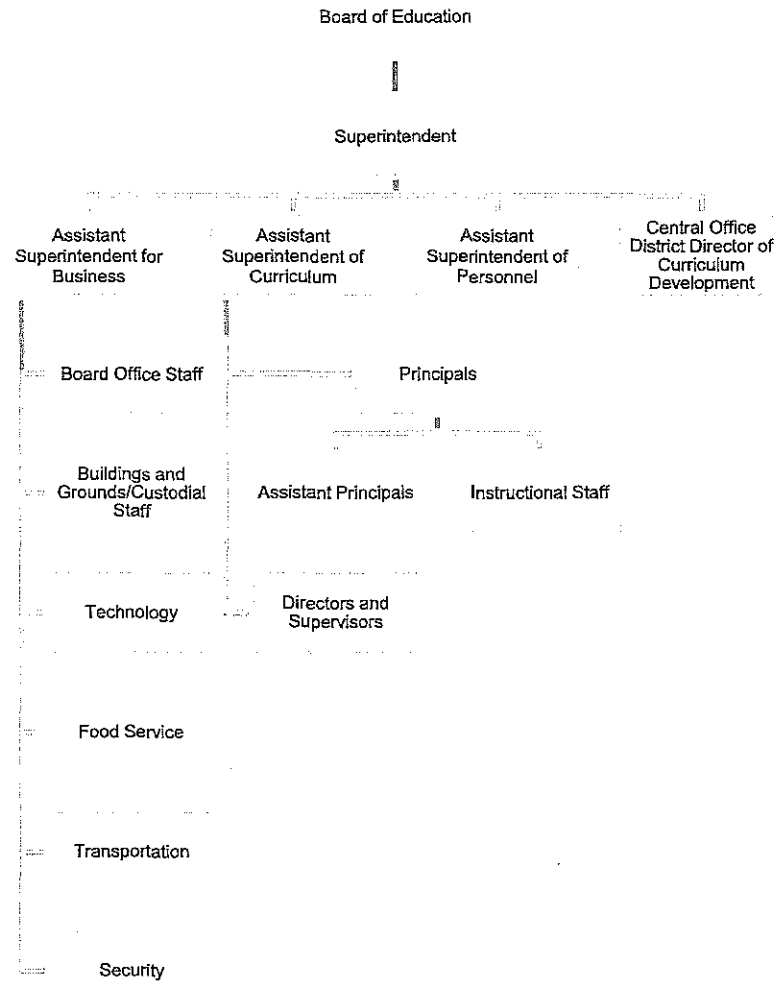


Christopher M. Tully, EDD
Superintendent



David DiPisa
Business Administrator/Board Secretary

BERGENFIELD BOARD OF EDUCATION Organization Chart



**BERGENFIELD BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2018**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joseph Amara, President	2019
Eileen Ryder, Vice President	2020
Ralph Messina	2018
Anthony Cortez	2018
William Jaeger	2019

Other Officials

Christopher M. Tully, EDD, Superintendent of Schools

David DiPisa, School 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. LEIDIG, CPA, PSA
ROBERT LERCH, CPA

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, 2018 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, 2018, 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2018 the Bergenfield Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

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, pension information and other postemployment benefits 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 January 29, 2019 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
January 29, 2019

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, 2018**

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, 2018. 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 2017-2018 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 \$21,781,815 (net position).
- The District's overall net position decreased \$266,731 or 1%.
- Overall district revenues were \$86,734,289 General revenues accounted for \$57,931,646 or 67% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$28,802,643 or 33% of total revenues.
- The school district had \$85,588,141 in expenses for governmental activities; only \$27,380,651 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$57,931,646 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 \$11,159,212 a decrease of \$148,332 from the previous year.
- The General Fund unassigned fund balance at June 30, 2018 was \$224,297 compared to the ending unassigned fund balance at June 30, 2017 of \$253,802.
- The General Fund unassigned budgetary fund balance at June 30, 2018 was \$1,966,152 which represents an increase of \$10,072 when compared to the ending unassigned budgetary fund balance at June 30, 2017 of \$1,956,080.
- The District's governmental activities investment in capital assets increased \$589,357 during the current fiscal year.
- The District's long-term liabilities decreased \$4,931,763 during the current fiscal year.

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

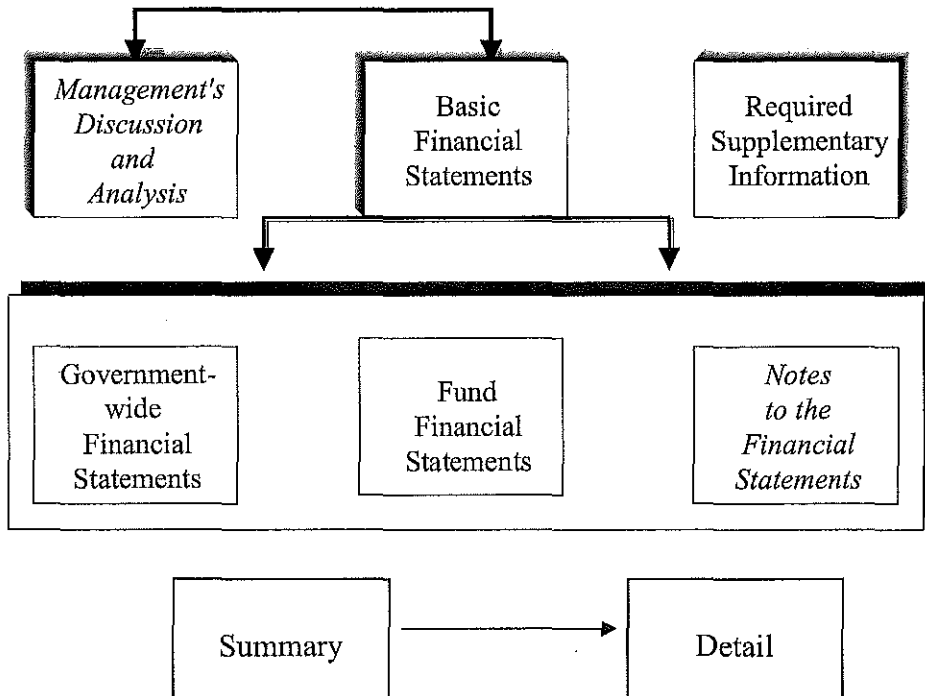
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

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, 2018**

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, 2018**

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, 2018**

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, pension plans and other postemployment benefits. 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 as well as postemployment paid health benefits 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, pension, and other postemployment benefits 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 \$21,781,815 and \$22,048,546 as of June 30, 2018 and 2017, 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, 2018 and 2017**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Assets						
Current Assets	\$ 13,364,878	\$ 13,550,903	\$ 642,857	\$ 658,977	\$ 14,007,735	\$ 14,209,880
Capital Assets	28,611,872	28,022,515	46,715	8,250	28,658,587	28,030,765
Total Assets	<u>41,976,750</u>	<u>41,573,418</u>	<u>689,572</u>	<u>667,227</u>	<u>42,666,322</u>	<u>42,240,645</u>
Deferred Outflows of Resources	<u>4,826,470</u>	<u>6,903,309</u>	<u>-</u>	<u>-</u>	<u>4,826,470</u>	<u>6,903,309</u>
Total Assets and Deferred Outflow of Resources	<u>46,803,220</u>	<u>48,476,727</u>	<u>689,572</u>	<u>667,227</u>	<u>47,492,792</u>	<u>49,143,954</u>
Liabilities						
Long-Term Liabilities	19,649,019	24,580,782			19,649,019	24,580,782
Other Liabilities	2,205,666	2,243,359	74,495	61,743	2,280,161	2,305,102
Total Liabilities	<u>21,854,685</u>	<u>26,824,141</u>	<u>74,495</u>	<u>61,743</u>	<u>21,929,180</u>	<u>26,885,884</u>
Deferred Inflow of Resources	<u>3,781,325</u>	<u>209,524</u>	<u>472</u>	<u>-</u>	<u>3,781,797</u>	<u>209,524</u>
Total Liabilities and Deferred Inflow of Resources	<u>25,636,010</u>	<u>27,033,665</u>	<u>74,967</u>	<u>61,743</u>	<u>25,710,977</u>	<u>27,095,408</u>
Net Position						
Investment in Capital Assets	28,611,872	28,022,515	46,715	8,250	28,658,587	28,030,765
Restricted	5,800,668	6,450,116			5,800,668	6,450,116
Unrestricted	<u>(13,245,330)</u>	<u>(13,029,569)</u>	<u>567,890</u>	<u>597,234</u>	<u>(12,677,440)</u>	<u>(12,432,335)</u>
Total Net Position	<u>\$ 21,167,210</u>	<u>\$ 21,443,062</u>	<u>\$ 614,605</u>	<u>\$ 605,484</u>	<u>\$ 21,781,815</u>	<u>\$ 22,048,546</u>

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

The District's total net position of \$21,781,815 at June 30, 2018 represents a decrease of \$266,731 or 1% from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2018 and 2017.

**Changes in Net Position
For the Fiscal Years Ended June 30, 2018 and 2017**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,642,513	\$ 1,341,391	\$ 673,251	\$ 655,917	\$ 2,315,764	\$ 1,997,308
Operating Grants and Contributions	25,085,249	22,433,036	748,741	718,053	25,833,990	23,151,089
Capital Grants and Contributions	652,889	1,333,717			652,889	1,333,717
General Revenues						
Property Taxes	48,791,976	47,959,500			48,791,976	47,959,500
Unrestricted State Aid	8,933,450	8,516,937			8,933,450	8,516,937
Other	206,220	260,232	-	-	206,220	260,232
Total Revenues	<u>85,312,297</u>	<u>81,844,813</u>	<u>1,421,992</u>	<u>1,373,970</u>	<u>86,734,289</u>	<u>83,218,783</u>
Expenses						
Instruction						
Regular	39,014,007	35,767,134			39,014,007	35,767,134
Special Education	14,915,389	14,058,665			14,915,389	14,058,665
Other Instruction	2,394,147	2,459,193			2,394,147	2,459,193
School Sponsored Activities and Athletics	1,322,493	1,343,105			1,322,493	1,343,105
Support Services						
Student and Instruction Related Services	9,510,697	10,043,184			9,510,697	10,043,184
General Administrative Services	1,509,412	1,430,291			1,509,412	1,430,291
School Administrative Services	5,602,769	5,692,952			5,602,769	5,692,952
Central Administrative Services	909,104	986,636			909,104	986,636
Plant Operations and Maintenance	7,628,841	7,684,744			7,628,841	7,684,744
Student Transportation	2,781,290	2,602,644			2,781,290	2,602,644
Food Services			1,346,318	1,184,300	1,346,318	1,184,300
Summer Enrichment Program	-	-	66,553	50,408	66,553	50,408
Total Expenses	<u>85,588,149</u>	<u>82,068,548</u>	<u>1,412,871</u>	<u>1,234,708</u>	<u>87,001,020</u>	<u>83,303,256</u>
Change in Net Position	(275,852)	(223,735)	9,121	139,262	(266,731)	(84,473)
Net Position, Beginning 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>
Net Position, End of Year	<u>\$ 21,167,210</u>	<u>\$ 21,443,062</u>	<u>\$ 614,605</u>	<u>\$ 605,484</u>	<u>\$ 21,781,815</u>	<u>\$ 22,048,546</u>

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

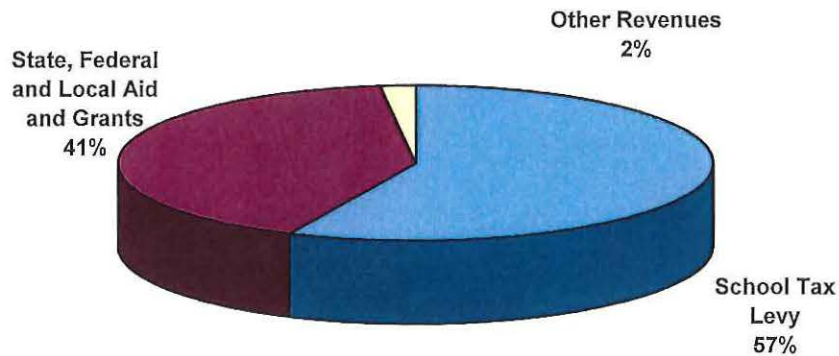
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$85,312,297 and \$81,844,813 for the fiscal years ended June 30, 2018 and 2017. Property taxes of \$48,791,976 and \$47,959,500 represented 57% and 59% of revenues for the fiscal years ended June 30, 2018 and 2017. Another significant portion of revenues came from State and Federal aid; total State, Federal and Local aid and grants of \$34,671,588 and \$32,283,690 represented 41% and 39% of revenues for the fiscal years ended June 30, 2018 and 2017. 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.

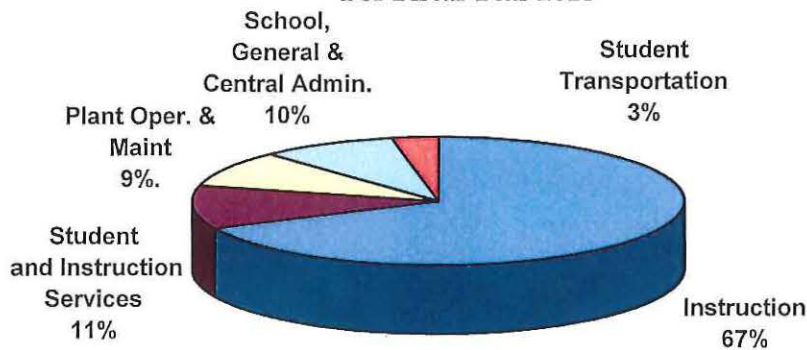
The total cost of all governmental activities programs and services were \$85,588,149 and \$82,068,548 for the fiscal years ended June 30, 2018 and 2017. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$57,646,036 (67%) and \$53,628,097 (65%) of total expenses for the fiscal years ended June 30, 2018 and 2017. Support services, totaled \$27,942,113 (33%) and \$28,440,451 (35%) of total expenses for the fiscal years ended June 30, 2018 and 2017.

Total governmental activities expenses exceeded revenues decreasing net position at June 30, 2018 and 2017 by \$275,852 and by \$223,785, respectively from the previous year.

**Revenues by Source- Governmental Activities
For Fiscal Year 2018**



**Expenses by Type- Governmental Activities
For Fiscal Year 2018**



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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

Total and Net Cost of Governmental Activities. The District's total cost of services were \$85,588,149 and \$82,068,548 for fiscal years 2018 and 2017. After applying program revenues, derived from charges for services of \$1,642,513 and \$1,341,391, operating grants and contributions of \$25,085,249 and \$22,433,036 and capital grants and contributions of \$652,889 and \$1,333,717, the net cost of services of the District is \$58,207,498 and \$56,960,404 for fiscal years 2018 and 2017, respectively.

Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Instruction				
Regular	39,014,007	\$ 35,767,134	\$ 25,821,536	\$ 23,808,482
Special Education	14,915,389	14,058,665	7,548,934	7,222,272
Other Instruction	2,394,147	2,459,193	1,308,019	1,356,884
School Sponsored Activities and Athletics	1,322,493	1,343,105	1,239,864	1,343,105
Support Services				
Student and Instruction Related Services	9,510,697	10,043,184	7,227,731	8,130,263
General Administrative Services	1,509,412	1,430,291	1,440,530	1,430,291
School Administrative Services	5,602,769	5,692,952	3,928,547	4,083,642
Central Administrative Services	909,104	986,636	847,599	986,636
Plant Operations and Maintenance	7,628,841	7,684,744	6,392,032	6,176,024
Pupil Transportation	2,781,290	2,602,644	2,452,706	2,422,805
Total	<u>\$ 85,588,149</u>	<u>\$ 82,068,548</u>	<u>\$ 58,207,498</u>	<u>\$ 56,960,404</u>

Business-Type Activities – The District's total business-type activities revenues were \$1,421,992 and \$1,373,970 for the years ended June 30, 2018 and 2017. Charges for services accounted for \$673,251 (47%) and \$655,917 (48%) of total revenues for fiscal years 2018 and 2017. Operating grants and contributions accounted for \$748,741 (53%) and \$718,053 (52%) of total revenue for fiscal years 2018 and 2017.

The total cost of all business-type activities programs and services were \$1,412,871 and \$1,234,708 for the fiscal years ended June 30, 2018 and 2017. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District of \$1,346,318 (95%) and \$1,184,300 (96%) and the Summer Enrichment Programs offered to students of \$66,553 (5%) and \$50,408 (4%) for fiscal years 2018 and 2017, respectively.

For business-type activities revenues exceeded expenses, increasing net position by \$9,121 and \$139,262 at June 30, 2018 and 2017, respectively, 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, 2018**

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 \$11,159,212 a decrease of \$148,332 compared to the previous years combined fund balance of \$11,307,544

Revenues for the District's governmental funds for fiscal years 2018 and 2017 were \$73,094,566 and \$71,166,911, while total expenditures were \$73,242,898 and \$72,742,117, 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, 2018 and 2017.

	Fiscal Year Ended <u>June 30, 2018</u>	Fiscal Year Ended <u>June 30, 2017</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Local Sources:				
Property Tax Levy	\$ 48,791,976	\$ 47,959,500	\$ 832,476	2%
Tuition and Fees	1,642,513	1,341,391	301,122	22%
Miscellaneous	206,220	260,232	(54,012)	-21%
State Sources	19,823,380	18,404,780	1,418,600	8%
Federal Sources	<u>55,749</u>	<u>45,155</u>	<u>10,594</u>	23%
Total General Fund Revenues	<u>\$ 70,519,838</u>	<u>\$ 68,011,058</u>	<u>\$ 2,508,780</u>	4%

Total General Fund Revenues increased by \$2,508,780 from the previous year. Property tax levy increased \$832,476 or 2% from the previous year to fund increases in budgeted operating costs. Tuition and fees increased \$301,122 or 22% due entirely to increases in special education tuition revenue earned in the current year. State aid revenues increased \$1,418,600 or 8% as a result of increases in equalization aid and on-behalf teachers' pension contributions paid by the State for the District's teaching professionals. Federal revenues increased \$10,594 predominantly attributable to increased Medicaid reimbursements for special education related costs.

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2018 and 2017.

	Fiscal Year Ended <u>June 30, 2018</u>	Fiscal Year Ended <u>June 30, 2017</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Instruction	\$ 45,040,914	\$ 42,147,489	\$ 2,893,425	7%
Support Services	23,822,794	24,554,036	(731,242)	-3%
Capital Outlay	<u>763,819</u>	<u>890,251</u>	<u>(126,432)</u>	-14%
Total Expenditures	<u>\$ 69,627,527</u>	<u>\$ 67,591,776</u>	<u>\$ 2,035,751</u>	3%

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

General Fund (Continued)

Total General Fund expenditures increased \$2,035,751 or 3% from the previous year. This increase can primarily be attributable to an increase in regular education instructional costs which were offset by decreases in student and instruction related support services cost.

In addition, during the current fiscal year the General Fund transferred \$760,955 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 2018 General Fund revenues were more than expenditures and other financing uses by \$131,356. As a result, total fund balance increased to \$8,471,899 at June 30, 2018 compared to \$8,340,543 at June 30, 2017.

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 \$1,944,167 for the year ended June 30, 2018. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented \$1,813,840 or 93% of the total revenue for the year. State sources accounted for \$103,140 or 5% and local sources accounted for \$27,187 or 2%, of the total revenue for the year.

Total Special Revenue Fund revenues increased \$117,973 or 6% from the previous year. State sources increased \$7,968 or 8%, local sources decreased \$346 or 1% and Federal sources increased \$110,351 or 6%.

Expenditures of the Special Revenue Fund were \$1,944,167. Instructional expenditures were \$1,616,617 or 83% and expenditures for the support services were \$305,222 or 16% and expenditures for capital outlay were \$22,328 or 1% of total expenditures for the fiscal year ended June 30, 2018.

Capital Projects Fund - The Capital Projects Fund revenues and other financing sources were less than expenditures by \$279,688 resulting in a fund balance of \$2,687,313 at June 30, 2018. The District transferred \$760,955 from the General Fund to provide the local share of funding for the state ROD grant awards.

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, 2018 General Fund budgetary basis revenues exceeded expenditures and other financing uses by \$170,933. Therefore, total fund balance increased to \$10,213,754 at June 30, 2018 from \$10,042,821 at June 30, 2017. After deducting restricted, committed and assigned fund balances, the unassigned budgetary fund balance increased from \$1,956,080 at June 30, 2017 to \$1,966,152 at June 30, 2018. The District's reserved excess surplus resulting from the current year budgetary operations was \$1,144,579 compared to \$1,144,579 from the previous year.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2018 amounts to \$28,658,587 (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 2017-2018 amounted to \$1,867,994 for governmental activities and \$6,106 for business-type activities. During fiscal year 2017-2018 the District increased its governmental activities capital assets by \$589,357 and increased its business-type activities capital assets by \$38,465.

**Capital Assets at June 30, 2018 and 2017
(Net of Accumulated Depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 1,780,323	\$ 1,780,323			\$ 1,780,323	\$ 1,780,323
Construction in Progress	2,339,428	664,681			2,339,428	664,681
Buildings	21,088,971	22,251,914			21,088,971	22,251,914
Land Improvements	2,042,403	2,049,425			2,042,403	2,049,425
Machinery and Equipment	<u>1,360,747</u>	<u>1,276,172</u>	\$ 46,715	\$ 8,250	<u>1,407,462</u>	<u>1,284,422</u>
Total Capital Assets, Net	<u>\$ 28,611,872</u>	<u>\$ 28,022,515</u>	<u>\$ 46,715</u>	<u>\$ 8,250</u>	<u>\$ 28,658,587</u>	<u>\$ 28,030,765</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 \$19,649,019 and consisted of \$1,676,524 of compensated absences payable compared to \$1,672,576 at the end of the previous year as well as net pension liability of \$17,972,495 compared to \$22,908,206 at the end of the previous year. Total long-term liabilities decreased \$4,931,763 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 2018-2019 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 2018-2019. Budgeted expenditures in the General Fund increased 3.5 percent to \$66,696,128 in fiscal year 2018-2019.

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

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.

FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BERGENFIELD BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 8,018,791	\$ 591,721	\$ 8,610,512
Receivables, Net			
Receivables From Other Governments	5,346,087	39,276	5,385,363
Inventory		11,860	11,860
Capital Assets, Not Being Depreciated	4,119,751		4,119,751
Capital Assets, Being Depreciated, Net	<u>24,492,121</u>	<u>46,715</u>	<u>24,538,836</u>
Total Assets	<u>41,976,750</u>	<u>689,572</u>	<u>42,666,322</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>4,826,470</u>	-	<u>4,826,470</u>
Total Assets and Deferred Outflow of Resources	<u>46,803,220</u>	<u>689,572</u>	<u>47,492,792</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	947,422		947,422
Payable to Other Governments	112,726		112,726
Unearned Revenue	1,145,518	74,495	1,220,013
Noncurrent Liabilities			
Due within one year	30,000		30,000
Due beyond one year	<u>19,619,019</u>	-	<u>19,619,019</u>
Total Liabilities	<u>21,854,685</u>	<u>74,495</u>	<u>21,929,180</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	3,781,325	-	3,781,325
Deferred Commodities Revenue	-	<u>472</u>	<u>472</u>
Total Deferred Inflows of Resources	<u>3,781,325</u>	<u>472</u>	<u>3,781,797</u>
Total Liabilities and Deferred Inflows of Resources	<u>25,636,010</u>	<u>74,967</u>	<u>25,710,977</u>
NET POSITION			
Investment in Capital Assets	28,611,872	46,715	28,658,587
Restricted for:			
Capital Projects	4,319,668		4,319,668
Plant Maintenance	800,000		800,000
Tuition Adjustments	681,000		681,000
Unrestricted	<u>(13,245,330)</u>	<u>567,890</u>	<u>(12,677,440)</u>
Total Net Position	<u>\$ 21,167,210</u>	<u>\$ 614,605</u>	<u>\$ 21,781,815</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, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
Instruction:							
Regular	\$ 39,014,007	\$ 71,461	\$ 13,098,682	\$ 22,328	\$ (25,821,536)		\$ (25,821,536)
Special Education	14,915,389	1,499,531	5,866,924		(7,548,934)		(7,548,934)
Other Instruction	2,394,147		1,086,128		(1,308,019)		(1,308,019)
School Sponsored Activities and Athletics	1,322,493		82,629		(1,239,864)		(1,239,864)
Support Services:							
Student & Instruction Related Services	9,510,697		2,282,966		(7,227,731)		(7,227,731)
General Administrative Services	1,509,412		68,882		(1,440,530)		(1,440,530)
School Administrative Services	5,602,769		1,674,222		(3,928,547)		(3,928,547)
Central Administrative Services	909,104		61,505		(847,599)		(847,599)
Plant Operations and Maintenance	7,628,841		606,248	630,561	(6,392,032)		(6,392,032)
Student Transportation	2,781,290	71,521	257,063	-	(2,452,706)	-	(2,452,706)
Total Governmental Activities	85,588,149	1,642,513	25,085,249	652,889	(58,207,498)	-	(58,207,498)
Business-Type Activities:							
Food Services	1,346,318	609,273	748,741			\$ 11,696	11,696
Summer Enrichment Program	66,553	63,978	-	-		(2,575)	(2,575)
Total Business-Type Activities	1,412,871	673,251	748,741	-	-	9,121	9,121
Total Primary Government	\$ 87,001,020	\$ 2,315,764	\$ 25,833,990	\$ 652,889	(58,207,498)	9,121	(58,198,377)

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, 2018**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, levied for general purposes	\$ 48,791,976		\$ 48,791,976
State Aid - Unrestricted	8,933,450		8,933,450
Miscellaneous Income	206,220	-	206,220
Total General Revenues	57,931,646	-	57,931,646
Change in Net Position	(275,852)	\$ 9,121	(266,731)
Net Position, Beginning of Year	21,443,062	605,484	22,048,546
Net Position, End of Year	\$ 21,167,210	\$ 614,605	\$ 21,781,815

FUND FINANCIAL STATEMENTS

**BERGENFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 8,018,791			\$ 8,018,791
Intergovernmental Receivables	157,244	\$ 582,932	\$ 4,605,911	5,346,087
Due from Other Funds	<u>1,050,999</u>	<u>-</u>	<u>-</u>	<u>1,050,999</u>
Total Assets	<u>\$ 9,227,034</u>	<u>\$ 582,932</u>	<u>\$ 4,605,911</u>	<u>\$ 14,415,877</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 624,692	\$ 125,867		\$ 750,559
Compensated Absences	88,573			88,573
Payable to State Government		112,726		112,726
Due to Other Funds	800	96,412	\$ 954,587	1,051,799
Other Liabilities		107,490		107,490
Unearned Revenue	<u>41,070</u>	<u>140,437</u>	<u>964,011</u>	<u>1,145,518</u>
Total Liabilities	<u>755,135</u>	<u>582,932</u>	<u>1,918,598</u>	<u>3,256,665</u>
Fund Balances:				
Restricted				
Capital Reserve	667,355			667,355
Capital Reserve - Designated for Subsequent Year's Expenditures	965,000			965,000
Maintenance Reserve	400,000			400,000
Maintenance Reserve - Designated for Subsequent Year's Expenditures	400,000			400,000
Emergency Reserve	594,000			594,000
Tuition Adjustments	343,000			343,000
Tuition Adjustments - Designated for Subsequent Year's Expenditures	338,000			338,000
Excess Surplus	1,144,579			1,144,579
Excess Surplus - Designated for Subsequent Year's Expenditures	1,144,579			1,144,579
Capital Projects			2,687,313	2,687,313
Committed				
Year End Encumbrances	979,060			979,060
Assigned				
Year End Encumbrances	819,276			819,276
Designated for Subsequent Year's Expenditures	452,753			452,753
Unassigned	<u>224,297</u>	<u>-</u>	<u>-</u>	<u>224,297</u>
Total Fund Balances	<u>8,471,899</u>	<u>-</u>	<u>2,687,313</u>	<u>11,159,212</u>
Total Liabilities and Fund Balances	<u>\$ 9,227,034</u>	<u>\$ 582,932</u>	<u>\$ 4,605,911</u>	<u>\$ 14,415,877</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, 2018

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

Total Fund Balances - Governmental Funds (B-1) \$ 11,159,212

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$50,461,599 and the accumulated depreciation is \$21,849,727.

28,611,872

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.

Deferred Outflows of Resources	\$	4,826,470
Deferred Inflows of Resources		<u>(3,781,325)</u>

1,045,145

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

Net Pension Liability		(17,972,495)
Compensated Absences		<u>(1,676,524)</u>

(19,649,019)

Net Position of Governmental Activities (Exhibit A-1) \$ 21,167,210

**BERGENFIELD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<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	\$ 48,791,976			\$ 48,791,976
Tuition	1,570,992			1,570,992
Transportation Fees	71,521			71,521
Miscellaneous	206,220	\$ 27,187	-	233,407
Total - Local Sources	50,640,709	27,187	-	50,667,896
State Sources	19,823,380	103,140	\$ 630,561	20,557,081
Federal Sources	55,749	1,813,840	-	1,869,589
Total Revenues	70,519,838	1,944,167	630,561	73,094,566
EXPENDITURES				
Current				
Instruction				
Regular	30,372,702	75,100		30,447,802
Special Education	11,914,869	1,094,773		13,009,642
Other Instruction	1,565,470	446,744		2,012,214
School Sponsored Activities and Athletics	1,187,873			1,187,873
Support Services				
Student and Instruction Related Services	7,723,296	305,222		8,028,518
General Administrative Services	1,395,929			1,395,929
School Administrative Services	4,472,887			4,472,887
Central Administrative Services	815,269			815,269
Plant Operations and Maintenance	6,938,470			6,938,470
Student Transportation	2,476,943			2,476,943
Capital Outlay	763,819	22,328	1,671,204	2,457,351
Total Expenditures	69,627,527	1,944,167	1,671,204	73,242,898
Excess (Deficiency) of Revenues Over (Under) Expenditures	892,311	-	(1,040,643)	(148,332)
OTHER FINANCING SOURCES (USES)				
Transfers In	-		760,955	760,955
Transfers Out	(760,955)	-	-	(760,955)
Total Other Financing Sources (Uses)	(760,955)	-	760,955	-
Net Change in Fund Balance	131,356	-	(279,688)	(148,332)
Fund Balance, Beginning of Year	8,340,543	-	2,967,001	11,307,544
Fund Balance, End of Year	\$ 8,471,899	\$ -	\$ 2,687,313	\$ 11,159,212

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, 2018**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (148,332)

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	\$	2,457,351	
Depreciation expense		<u>(1,867,994)</u>	
			589,357

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		(712,929)	
Increase in Compensated Absences		<u>(3,948)</u>	
			<u>(716,877)</u>

Change in Net Position of Governmental Activities (Exhibit A-2) \$ (275,852)

**BERGENFIELD BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2018**

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>Summer Enrichment Program</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 367,725	\$ 223,996	\$ 591,721
Intergovernmental Receivable	39,276		39,276
Inventories	11,860	-	11,860
Total Current Assets	<u>418,861</u>	<u>223,996</u>	<u>642,857</u>
Capital Assets			
Equipment	191,417		191,417
Accumulated Depreciation	<u>(144,702)</u>	<u>-</u>	<u>(144,702)</u>
Total Capital Assets, Net	<u>46,715</u>	<u>-</u>	<u>46,715</u>
Total Assets	<u>465,576</u>	<u>223,996</u>	<u>689,572</u>
LIABILITIES			
Current Liabilities			
Unearned Revenue	<u>8,354</u>	<u>66,141</u>	<u>74,495</u>
Total Current Liabilities	<u>8,354</u>	<u>66,141</u>	<u>74,495</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenues	<u>472</u>	<u>-</u>	<u>472</u>
Total Current Liabilities and Deferred Inflows of Resources	<u>8,826</u>	<u>66,141</u>	<u>74,967</u>
NET POSITION			
Investment in Capital Assets	46,715		46,715
Unrestricted	<u>410,035</u>	<u>157,855</u>	<u>567,890</u>
Total Net Position	<u>\$ 456,750</u>	<u>\$ 157,855</u>	<u>\$ 614,605</u>

**BERGENFIELD BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	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	\$ 291,934		\$ 291,934
School Breakfast Program	20,842		20,842
Daily Sales Non-Reimbursable Programs	296,497		296,497
Program Fees	-	\$ 63,978	63,978
Total Operating Revenues	<u>609,273</u>	<u>63,978</u>	<u>673,251</u>
OPERATING EXPENSES			
Salaries and Benefits	628,833	56,436	685,269
Cost of Sales - Reimbursable Programs	388,064		388,064
Cost of Sales - Non-Reimbursable Programs	60,876		60,876
Supplies and Materials	29,898	2,363	32,261
Other Purchased Services	141,667	7,754	149,421
Purchased Management Services	90,532		90,532
Miscellaneous Expense	342		342
Depreciation	6,106	-	6,106
Total Operating Expenses	<u>1,346,318</u>	<u>66,553</u>	<u>1,412,871</u>
Operating Loss	<u>(737,045)</u>	<u>(2,575)</u>	<u>(739,620)</u>
NONOPERATING REVENUES			
State Sources			
State School Lunch Program	13,388		13,388
Federal Sources			
School Breakfast Program	104,866		104,866
National School Lunch Program	540,306		540,306
Food Distribution Program	90,181	-	90,181
Total Nonoperating Revenues	<u>748,741</u>	<u>-</u>	<u>748,741</u>
Changes in Net Position	11,696	(2,575)	9,121
Total Net Position, Beginning of Year	<u>445,054</u>	<u>160,430</u>	<u>605,484</u>
Total Net Position, End of Year	<u>\$ 456,750</u>	<u>\$ 157,855</u>	<u>\$ 614,605</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, 2018**

**Business-Type Activities
Enterprise Funds**

	Food Service	Summer Enrichment Program	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 617,627	\$ 68,376	\$ 686,003
Cash Payments for Employees			
Salaries & Benefits	(628,833)	(56,436)	(685,269)
Cash Payments to Suppliers for Goods and Services	(623,240)	(10,117)	(633,357)
Net Cash Provided by (Used for) Operating Activities	(634,446)	1,823	(632,623)
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements	651,208	-	651,208
Net Cash Provided by Noncapital Financing Activities	651,208	-	651,208
Cash Flows from Capital Financing Activities			
Acquisition of Capital Assets	(44,571)	-	(44,571)
Net Cash (Used for) Capital Financing Activities	(44,571)	-	(44,571)
Net Increase (Decrease) in Cash and Cash Equivalents	(27,809)	1,823	(25,986)
Cash and Cash Equivalents, Beginning of Year	395,534	222,173	617,707
Cash and Cash Equivalents, End of Year	\$ 367,725	\$ 223,996	\$ 591,721
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities			
Operating Loss	\$ (737,045)	\$ (2,575)	\$ (739,620)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	6,106		6,106
Non-Cash Federal Assistance-Food Distribution Program	90,181		90,181
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Inventory	(2,514)		(2,514)
Increase/(Decrease) in Unearned Revenue	8,354	4,398	12,752
Increase/(Decrease) in Deferred Commodities Revenue	472	-	472
Total Adjustments	102,599	4,398	106,997
Net Cash Provided by (Used for) Operating Activities	\$ (634,446)	\$ 1,823	\$ (632,623)
Non-Cash Investing, Capital and Financing Activities:			
Value Received - Food Distribution Program	\$ 90,653		

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, 2018**

	Unemployment Compensation <u>Trust Fund</u>	Scholarship <u>Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 264,899	\$ 77,459	\$ 167,163
Due from Other Funds	<u>-</u>	<u>800</u>	<u>9,447</u>
 Total Assets	 <u>264,899</u>	 <u>78,259</u>	 <u>\$ 176,610</u>
LIABILITIES			
Intergovernmental Accounts Payable	13,134		
Payroll Deductions and Withholdings			82,071
Accrued Salaries and Wages			39,619
Due to Student Groups			54,920
Due to Other Funds	<u>9,447</u>	<u>-</u>	<u>-</u>
 Total Liabilities	 <u>22,581</u>	 <u>-</u>	 <u>\$ 176,610</u>
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 242,318</u>	<u>\$ 78,259</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, 2018**

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship Trust Fund</u>
ADDITIONS		
Contributions		
Donations		\$ 13,257
District	\$ 2,760	
Employees	<u>57,073</u>	<u>-</u>
Total Contributions	<u>59,833</u>	<u>13,257</u>
DEDUCTIONS		
Scholarship Awards		26,373
Unemployment Claims	<u>44,721</u>	<u>-</u>
Total Deductions	<u>44,721</u>	<u>26,373</u>
Change in Net Position	15,112	(13,116)
Net Position, Beginning of year	<u>227,206</u>	<u>91,375</u>
Net Position, End of Year	<u>\$ 242,318</u>	<u>\$ 78,259</u>

NOTES TO THE FINANCIAL STATEMENTS

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 2018, the District adopted the following GASB statements as required:

- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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. 85, *Omnibus 2017*. 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*. 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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 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. 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.
- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, will be effective beginning with the year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

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, 2018**

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, 2018**

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 student during the summer recess.

Additionally, the government reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims and for private donations for scholarship awards. All resources of the funds, 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.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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, 2018**

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 inventory 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, 2018**

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>
Buildings	40
Building Improvements	5-40
Land Improvements	15-30
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 arise only under the accrual basis of accounting that qualify 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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Deferred Outflows/Inflows of Resources (Continued)

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 two types of items which arise only under the accrual basis of accounting that qualify for reporting in this category. The first 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; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item that qualifies for reporting in this category is the deferred commodities revenue. The deferred commodities revenue is reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

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

7. Pensions

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

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

8. Long-Term Obligations

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

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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.

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 2018/2019 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 2018/2019 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 2017/2018 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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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 2016/2017 contract year that is appropriated in the 2018/2019 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that is required to be appropriated in the 2019/2020 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year’s Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that was appropriated in the 2018/2019 original budget certified for taxes.

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

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

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

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

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

Designated for Subsequent Year’s Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2018/2019 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.

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District’s policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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 2016-2017 and 2017-2018 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, 2018**

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 and special revenue funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. 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 2017/2018. Also, during 2017/2018 the Board increased the original budget by \$2,704,585. The increase was funded by additional state aid and grant awards and the reappropriation of prior year general fund encumbrances.

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

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018 is as follows:

Balance, July 1, 2017		\$ 1,453,115
Increased by:		
Unexpended Balance of Budget Appropriation	\$ 55,565	
Deposits Approved by Board Resolution	<u>609,390</u>	
		<u>664,955</u>
		2,118,070
Withdrawals		
Approved in District Budget		<u>485,715</u>
Balance, June 30, 2018		<u>\$ 1,632,355</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$965,000 of the capital reserve balance at June 30, 2018 was designated and appropriated for use in the 2018/2019 original budget certified for taxes.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018 is as follows:

Balance, July 1, 2017	\$ 1,385,000
Increased by	
Deposits Approved by Board Resolution	<u>100,000</u>
	1,485,000
Withdrawals	
Approved in District Budget	<u>685,000</u>
Balance, June 30, 2018	<u><u>\$ 800,000</u></u>

The June 30, 2018 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,983,079. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$400,000 of the maintenance reserve balance at June 30, 2018 was designated and appropriated for use in the 2018/2019 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.

The activity of the emergency reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2017	<u>\$ 594,000</u>
Balance, June 30, 2018	<u>\$ 594,000</u>

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Transfers to Capital Outlay

During the 2017/2018 school year, the district transferred \$518,048 to the non-equipment capital outlay accounts. The transfer was approved by the County Superintendent.

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2018 is \$2,289,158. Of this amount, \$1,144,579 was designated and appropriated in the 2018/2019 original budget certified for taxes and the remaining amount of \$1,144,579 will be appropriated in the 2019/2020 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 and NCUSIF.

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, 2018, the book value of the Board's deposits were \$9,120,033 and bank and brokerage firm balances of the Board's deposits amounted to \$12,552,455. 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>12,552,455</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, 2018 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, 2018**

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; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; 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; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2018, 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, 2018 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	\$ 33,210				\$ 33,210
State	124,034		\$ 4,605,911	\$ 766	4,730,711
Federal	-	\$ 582,932	-	38,510	621,442
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Gross Receivables	157,244	582,932	4,605,911	39,276	5,385,363
Less: Allowance for Uncollectibles	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Total Receivables	<u>\$ 157,244</u>	<u>\$ 582,932</u>	<u>\$ 4,605,911</u>	<u>\$ 39,276</u>	<u>\$ 5,385,363</u>

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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	\$ 41,070
Special Revenue Fund	
Unencumbered Grant Draw Downs	98,593
Grant Draw Downs Reserved for Encumbrances	41,844
Capital Projects Fund	
Unrealized School Facilities Grants	<u>964,011</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 1,145,518</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Balance, <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2018</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,780,323			\$ 1,780,323
Construction in Progress	<u>664,681</u>	<u>\$ 1,674,747</u>	<u>\$ -</u>	<u>2,339,428</u>
Total Capital Assets, Not Being Depreciated	<u>2,445,004</u>	<u>1,674,747</u>	<u>-</u>	<u>4,119,751</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	34,793,808	103,193		34,897,001
Land Improvements	4,074,135	149,541		4,223,676
Machinery and Equipment	<u>6,691,301</u>	<u>529,870</u>	<u>-</u>	<u>7,221,171</u>
Total Capital Assets Being Depreciated	<u>45,559,244</u>	<u>782,604</u>	<u>-</u>	<u>46,341,848</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(12,541,894)	(1,266,136)		(13,808,030)
Land Improvements	(2,024,710)	(156,563)		(2,181,273)
Machinery and Equipment	<u>(5,415,129)</u>	<u>(445,295)</u>	<u>-</u>	<u>(5,860,424)</u>
Total Accumulated Depreciation	<u>(19,981,733)</u>	<u>(1,867,994)</u>	<u>-</u>	<u>(21,849,727)</u>
Total Capital Assets, Being Depreciated, Net	<u>25,577,511</u>	<u>(1,085,390)</u>	<u>-</u>	<u>24,492,121</u>
Governmental Activities Capital Assets, Net	<u>\$ 28,022,515</u>	<u>\$ 589,357</u>	<u>\$ -</u>	<u>\$ 28,611,872</u>

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2018</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 146,846	\$ 44,571	-	\$ 191,417
Total Capital Assets Being Depreciated	<u>146,846</u>	<u>44,571</u>	<u>-</u>	<u>191,417</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(138,596)	(6,106)	-	(144,702)
Total Accumulated Depreciation	<u>(138,596)</u>	<u>(6,106)</u>	<u>-</u>	<u>(144,702)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,250</u>	<u>38,465</u>	<u>-</u>	<u>46,715</u>
Business-Type Activities Capital Assets, Net	<u>\$ 8,250</u>	<u>\$ 38,465</u>	<u>\$ -</u>	<u>\$ 46,715</u>

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

Governmental Activities:

Instruction

Regular	\$ 899,669
Special Education	711,824
Total Instruction	<u>1,611,493</u>

Support Services

Student and Instruction Related Services	58,981
General Administrative Services	8,393
School Administrative Services	79,750
Plant Operations and Maintenance	51,569
Student Transportation	57,808
Total Support Services	<u>256,501</u>

Total Depreciation Expense - Governmental Activities \$ 1,867,994

Business-Type Activities:

Food Service Fund	<u>\$ 6,106</u>
-------------------	-----------------

Total Depreciation Expense-Business Type Activities \$ 6,106

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018:

<u>Project</u>	<u>Remaining Commitment</u>
Modular Special Education Facility	\$ 609,360
Mechanical and Controls Upgrades at Franklin School	509,835
Window Replacement Project at Franklin School	38,822
Unit Ventilator & Mechanical/Electrical Upgrades at Jefferson School	21,042
School Buses	161,061
Various Equipment Purchases - General	194,032
Various Equipment Purchases - Food Service	<u>70,723</u>
	<u>\$ 1,604,875</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2018, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 96,412
General Fund	Capital Projects Fund	954,587
Scholarship Trust Fund	General Fund	800
Payroll Agency Fund	Unemployment Compensation Trust Fund	<u>9,447</u>
Total		<u>\$ 1,061,246</u>

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

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

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund transfers

	<u>Transfer In:</u>
	Capital <u>Projects Fund</u>
Transfer Out:	
General Fund	\$ <u>760,955</u>

The above transfers are 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, 2018 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 110,377,814
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 110,377,814</u>

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2018, 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	\$ 1,672,576	\$ 13,948	\$ 10,000	\$ 1,676,524	\$ 30,000
Net Pension Liability	<u>22,908,206</u>	<u>-</u>	<u>4,935,711</u>	<u>17,972,495</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 24,580,782</u>	<u>\$ 13,948</u>	<u>\$ 4,945,711</u>	<u>\$ 19,649,019</u>	<u>\$ 30,000</u>

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

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ 2,760	\$ 57,073	\$ 44,721	\$ 242,318
2017	2,760	71,414	41,698	227,206
2016	2,779	53,833	10,671	194,730

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities

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

Pending Litigation –

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, 2018, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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. PERS is a cost sharing multiple employer defined benefit pension plan.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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. TPAF is a cost sharing multiple employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represent the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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 (“Division”), 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.

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Investments are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

Funding Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 33 percent with an unfunded actuarial accrued liability of \$90.90 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 25.41 percent and \$67.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 48.10 percent and \$23.3 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, 2016 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 7.00 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.

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 7.34% for PERS, 7.34% for TPAF and 5.50% for DCRP of the employer's annual compensation for fiscal year 2018.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC)

For the fiscal year ended June 30, 2018 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multiple 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, 2018, 2017 and 2016 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, 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 June 30,	PERS	On-behalf TPAF	DCRP
2018	\$ 715,238	\$ 3,609,895	\$ 53,739
2017	687,147	2,713,450	39,586
2016	630,796	1,813,942	29,221

In addition for fiscal years 2017/2018 and 2016/2017 the District contributed \$9,699 and \$4,031, respectively for PERS and the State contributed \$3,676 and \$4,519, respectively 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 Statement No. 85, *Omnibus 2017* (GASB No. 85). 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 \$1,838,145 during the fiscal year ended June 30, 2018 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. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the fiscal year ended June 30, 2017. Employer allocation percentages have been rounded for presentation purposes.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2017 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2017.

At June 30, 2018, the District reported in the statement of net position (accrual basis) a liability of \$17,972,495 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017 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, 2017, the District’s proportionate share was 0.07721 percent, which was a decrease of 0.00014 percent from its proportionate share measured as of June 30, 2016 of 0.07735 percent.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,428,167 for PERS. The pension contribution made by the District during the current 2017/2018 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2018 with a measurement date of the prior fiscal year end of June 30, 2017. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2018 for contributions made subsequent to the current fiscal year end. At June 30, 2018, 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	\$ 423,190	
Changes of Assumptions	3,620,838	\$ 3,607,564
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	122,381	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>660,061</u>	<u>173,761</u>
Total	<u>\$ 4,826,470</u>	<u>\$ 3,781,325</u>

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

At June 30, 2018, 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:

Year Ending June 30,	<u>Total</u>
2019	\$ 547,945
2020	547,945
2021	591,044
2022	(255,153)
2023	<u>(386,636)</u>
	 <u>\$ 1,045,145</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	2.25 %
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
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, 2016 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, 2018**

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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
US Equities	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	5.00%
2017	June 30, 2016	3.98%

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.00%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 22,296,100</u>	<u>\$ 17,972,495</u>	<u>\$ 14,370,396</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2017. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as a non-employer toward the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2017. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2017, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, 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, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$11,267,652 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 the State's proportionate share of the net pension liability attributable to the District is \$162,651,204. 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, 2017. At June 30, 2017, the state's share of the net pension liability attributable to the District was 0.24124 percent, which was an increase of 0.01468 percent from its proportionate share measured as of June 30, 2016 of 0.22656 percent.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

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, 2016 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, 2018**

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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	4.25%
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, 2036
Municipal Bond Rate *	From July 1, 2036 and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.25%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current rate:

	1% Decrease <u>(3.25%)</u>	Current Discount Rate <u>(4.25%)</u>	1% Increase <u>(5.25%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 193,234,732</u>	<u>\$ 162,651,204</u>	<u>\$ 137,456,360</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2017. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2017 was not provided by the pension system.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report effective for the fiscal year ended June 30, 2017. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage and prescription drug benefits to qualified retired education participants. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2016:

Active Plan Members	\$223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>-</u>
Total	<u>\$366,078</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the State had a \$69.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.5 billion for state active and retired members and \$43.8 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.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Funded Status and Funding Progress (Continued)

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, 2016, 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.

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, 2017, there were 112,966, retirees receiving post-retirement medical benefits and the State contributed \$1.39 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 \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

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, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2018, 2017 and 2016 were \$2,331,554, \$2,260,921 and \$2,159,904, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal year ended June 30, 2017. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District’s proportionate share percentage determined under Statement No. 75 is zero percent and the State’s proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$6,891,528. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 the State’s proportionate share of the OPEB liability attributable to the District is \$120,167,576. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2017 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2017. At June 30, 2017, the state’s share of the OPEB liability attributable to the District was 0.22403 percent, which was a decrease of 0.00050 percent from its proportionate share measured as of June 30, 2016 of 0.22453 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% 5.45%
Mortality	RP-2014 Headcount-Weighted Healthy Employee, Health Annuitant and Disabled Male/Female Mortality Table with Fully Generational Mortality Improvement Projections from the Central Year Using Scale MP-2017
Long-Term Rate of Return	1.00%

*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF and his or her age for PERS.

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5 percent and decreases to a 5.0 percent long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in future years.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2017.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	3.58%
2017	June 30, 2016	2.85%

The discount rate represents the municipal bond return rate as chosen by the Division. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2016 Measurement Date	\$ <u>129,849,664</u>
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 4,739,911
Interest on the Total OPEB Liability	3,815,755
Changes of Assumptions	(15,875,875)
Gross Benefit Payments	(2,452,174)
Contributions from the Member	90,295
Net Changes	<u>\$ (9,682,088)</u>
Balance, June 30, 2017 Measurement Date	\$ <u>120,167,576</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2017 was not provided by the pension system.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.58%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>142,647,582</u>	\$ <u>120,167,576</u>	\$ <u>102,336,221</u>

**BERGENFIELD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1%</u> <u>Decrease</u>	<u>Healthcare</u> <u>Cost Trend</u> <u>Rates</u>	<u>1%</u> <u>Increase</u>
Total OPEB Liability (School Retirees)	\$ 98,826,215	\$ 120,167,576	\$ 148,508,653

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2017. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2017 were not provided by the pension system.

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 county or 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 county or 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 year ended December 31, 2017, the Borough provided property tax abatements through certain programs authorized under State statutes. These programs include the Long Term Tax Exemption Law (the “LTTE Law”), the Five-Year Exemption and Abatement Law (the “FYEA”) and the New Jersey Housing and Mortgage Financing Act (NJHMFA).

Prior to the enactment of the Long Term Tax Exempt Law (NJSA 40A:20 et.seq.) and under the provisions of the Senior Citizens Nonprofit Rental Housing Tax Law (NJSA 55:141-1), which has since been repealed, allows for the clearance, re-planning, development or redevelopment of blighted areas by means of a non-profit rental housing project for the elderly, developed, erected and owed by a non-profit corporations under the Federal Senior Citizens Housing Loan Program, and pursuant to section 202 of the Federal Housing Act of 1959, as amended; authorizing and providing for the exemption in part of such non-profit rental housing projects from taxation under the law. A qualified municipality could abate for up to 50 years the property taxes on newly construction senior housing. The process begins when the municipality passes by ordinance or resolution, as appropriate, that such residential rental senior housing project shall be exempt from property tax provided that an agreement is entered into with the housing sponsor to make a PILOT payment to the municipality in an amount equal to a percentage of the annual gross revenue from each senior housing project. For the year ended December 31, 2017 the Borough abated property taxes totaling \$434,970, under this law of which \$246,510 represents the District’s share.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 48,791,976		\$ 48,791,976	\$ 48,791,976	
Tuition	1,500,000		1,500,000	1,570,992	\$ 70,992
Transportation Fees	100,000		100,000	71,521	(28,479)
Miscellaneous	80,438	-	80,438	206,220	125,782
Total Local Revenues	50,472,414	-	50,472,414	50,640,709	168,295
State Sources					
Equalization Aid	8,168,853	450,427	8,619,280	8,619,280	-
School Choice Aid	238,431		238,431	238,431	-
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	-		-	714,048	714,048
Lead Testing for Schools Aid				6,326	6,326
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				3,524,367	3,524,367
Pension - NCGI Premium				85,528	85,528
LTDI - Premium				3,676	3,676
Post Retirement Medical Benefit Contribution				2,331,554	2,331,554
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	1,838,145	1,838,145
Total State Revenues	10,908,886	450,427	11,359,313	19,862,957	8,503,644
Federal Sources					
Medicaid Reimbursement	24,719	-	24,719	55,749	31,030
Total Federal Sources	24,719	-	24,719	55,749	31,030
Total Revenues	61,406,019	450,427	61,856,446	70,559,415	8,702,969
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Preschool	\$ 19,653	\$ (19,653)	-	-	-
Kindergarten	911,084	(7,047)	\$ 904,037	\$ 904,037	-
Grades 1-5	5,875,813	60,569	5,936,382	5,929,451	6,931
Grades 6-8	4,259,404	(102,035)	4,157,369	4,157,370	(1)
Grades 9-12	6,371,181	289,322	6,660,503	6,656,516	3,987
Regular Programs - Home Instruction					
Salaries of Teachers	115,825	(74,517)	41,308	41,308	-
Other Salaries for Instruction	6,650	(6,650)	-	-	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	19,123	630,362	649,485	649,485	-
Purchased Professional/Educational Services	227,698	(11,563)	216,135	216,135	-
Purchased Technical Services	19,225	5,676	24,901	24,901	-
Other Purchased Services	68,781	(2,076)	66,705	65,146	\$ 1,559
General Supplies	1,187,894	284,029	1,471,923	1,307,269	164,654
Textbooks	415,044	(126,542)	288,502	286,887	1,615
Other Objects	59,269	(36,927)	22,342	21,956	386
Total Regular Programs	19,556,644	882,948	20,439,592	20,260,461	179,131

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	\$ 338,746	\$ (62,458)	\$ 276,288	\$ 276,288	\$ -
Other Salaries for Instruction	244,118	(109,399)	134,719	134,719	-
Purchased Professional/Educational Services	10,000	(4,925)	5,075	5,075	-
General Supplies	3,600	-	3,600	3,527	73
Textbooks	4,500	(2,893)	1,607	1,607	-
Total Learning / Language Disabilities	600,964	(179,675)	421,289	421,216	73
Behavioral Disabilities					
Salaries of Teachers	120,935	7,563	128,498	128,498	-
Other Salaries for Instruction	-	94,002	94,002	93,569	433
Total Behavioral Disabilities	120,935	101,565	222,500	222,067	433
Multiple Disabilities					
Salaries of Teachers	355,220	(145,147)	210,073	209,957	116
Other Salaries for Instruction	92,602	(10,000)	82,602	67,874	14,728
Purchased Professional/Educational Services	10,000	(2,828)	7,172	7,172	-
General Supplies	17,000	(3,000)	14,000	7,174	6,826
Textbooks	4,500	(1,000)	3,500	2,306	1,194
Other Objects	9,750	-	9,750	4,820	4,930
Total Multiple Disabilities	489,072	(161,975)	327,097	299,303	27,794
Resource Room / Resource Center					
Salaries of Teachers	1,895,876	(174,905)	1,720,971	1,659,130	61,841
Other Salaries for Instruction	445,214	(198,250)	246,964	144,029	102,935
Purchased Professional/Educational Services	12,000	-	12,000	11,033	967
General Supplies	15,000	-	15,000	14,892	108
Textbooks	14,000	(3,000)	11,000	9,045	1,955
Other Objects	553	(553)	-	-	-
Total Resource Room / Resource Center	2,382,643	(376,708)	2,005,935	1,838,129	167,806
Autism					
Salaries of Teachers	18,611	(18,311)	300	200	100
Other Salaries for Instruction	19,123	172,249	191,372	190,672	700
Purchased Professional-Educational Services	4,000,000	(27,270)	3,972,730	3,972,730	-
Other Purchased Services	6,696	-	6,696	6,074	622
General Supplies	33,584	(6,787)	26,797	10,732	16,065
Other Objects	144	(144)	-	-	-
Total Autism	4,078,158	119,737	4,197,895	4,180,408	17,487
Preschool Disabilities - Part - Time					
Salaries of Teachers	202,425	(1,438)	200,987	182,535	18,452
Other Salaries for Instruction	47,501	91,200	138,701	138,701	-
General Supplies	2,000	(1,087)	913	913	-
Other Objects	300	(300)	-	-	-
Total Preschool Disabilities - Part - Time	252,226	88,375	340,601	322,149	18,452
Total Special Education	7,923,998	(408,681)	7,515,317	7,283,272	232,045

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Basic Skills/Remedial					
Salaries of Teachers	\$ 608,872	\$ (43,945)	\$ 564,927	\$ 323,024	\$ 241,903
General Supplies	7,700	(4,057)	3,643	1,389	2,254
Textbooks	6,440	(272)	6,168	6,168	-
Total Basic Skills/Remedial	<u>623,012</u>	<u>(48,274)</u>	<u>574,738</u>	<u>330,581</u>	<u>244,157</u>
Bilingual Education					
Salaries of Teachers	529,319	(1,228)	528,091	520,693	7,398
Other Salaries for Instruction	-	34,558	34,558	34,558	-
General Supplies	19,500	(5,000)	14,500	9,303	5,197
Textbooks	20,500	(5,000)	15,500	10,560	4,940
Total Bilingual Education	<u>569,319</u>	<u>23,330</u>	<u>592,649</u>	<u>575,114</u>	<u>17,535</u>
School Sponsored Co-Curricular Activities					
Salaries of Teachers	246,000	2,432	248,432	248,432	-
Purchased Services	23,500	(16,050)	7,450	7,450	-
Supplies and Materials	51,730	15,520	67,250	67,250	-
Other Objects	6,003	1,517	7,520	7,520	-
Total School Sponsored Co-Curricular Activities	<u>327,233</u>	<u>3,419</u>	<u>330,652</u>	<u>330,652</u>	<u>-</u>
School Sponsored Athletics - Instruction					
Salaries	375,000	75,735	450,735	409,663	41,072
Purchased Services	67,204	755	67,959	67,959	-
Supplies and Materials	79,446	25,925	105,371	105,371	-
Other Objects	10,200	15,240	25,440	25,440	-
Total School Sponsored Athletics - Instruction	<u>531,850</u>	<u>117,655</u>	<u>649,505</u>	<u>608,433</u>	<u>41,072</u>
Summer School - Instruction					
Salaries of Teachers	69,765	59,876	129,641	129,641	-
Other Salaries for Instruction	72,919	(72,919)	-	-	-
Total Summer School - Instruction	<u>142,684</u>	<u>(13,043)</u>	<u>129,641</u>	<u>129,641</u>	<u>-</u>
Community Services Program					
Supplies and Materials	6,155	-	6,155	-	6,155
Total Community Services Program	<u>6,155</u>	<u>-</u>	<u>6,155</u>	<u>-</u>	<u>6,155</u>
Total - Instruction	<u>29,680,895</u>	<u>557,354</u>	<u>30,238,249</u>	<u>29,518,154</u>	<u>720,095</u>
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Special	56,776	80,506	137,282	137,282	-
Tuition to County Vocational School District-Reg.	600,000	(193,837)	406,163	406,163	-
Tuition to County Vocational School/Dist.-Spec.	87,840	407,783	495,623	495,623	-
Tuition to County Special Services - School Districts & Regional Day Schools	1,268,200	(16,606)	1,251,594	1,251,594	-
Tuition to Private Schools - Disabled Within State	675,575	297,046	972,621	972,621	-
Tuition - State Facilities	24,775	-	24,775	24,775	-
Tuition - Other	-	194,163	194,163	147,021	47,142
Total Undistributed Expenditures - Instruction	<u>2,713,166</u>	<u>769,055</u>	<u>3,482,221</u>	<u>3,435,079</u>	<u>47,142</u>

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Health Services					
Salaries	\$ 617,816	\$ (14,169)	\$ 603,647	\$ 603,355	\$ 292
Purchased Professional and Technical Services	109,600	(39,624)	69,976	69,976	-
Other Purchased Services	1,500	7,030	8,530	8,530	-
Supplies and Materials	15,643	(1,834)	13,809	13,335	474
Total Health Services	744,559	(48,597)	695,962	695,196	766
Speech, OT, PT and Related Services					
Salaries	334,855	73,378	408,233	408,233	-
Purchased Professional-Educational Services	146,300	(10,260)	136,040	117,610	18,430
Supplies and Materials	5,700	-	5,700	5,136	564
Other Objects	-	-	-	-	-
Total Speech, OT, PT and Related Services	486,855	63,118	549,973	530,979	18,994
Other Support Services-Students-Extra Services					
Salaries	952,003	(630,055)	321,948	319,431	2,517
Purchased Professional-Educational Services	706,950	(47,009)	659,941	649,699	10,242
Travel	-	-	-	-	-
Total Other Support Services-Extra	1,658,953	(677,064)	981,889	969,130	12,759
Guidance					
Salaries of Other Professional Staff	1,022,247	(44,349)	977,898	977,898	-
Salaries of Secretarial and Clerical Assistants	146,421	(54,992)	91,429	91,429	-
Purchased Professional-Educational Services	-	5,111	5,111	5,111	-
Other Purchased Services	500	741	1,241	1,241	-
Supplies and Materials	19,442	(11,600)	7,842	7,842	-
Other Objects	15,163	(13,542)	1,621	1,621	-
Total Guidance	1,203,773	(118,631)	1,085,142	1,085,142	-
Child Study Team					
Salaries of Other Professional Staff	1,135,732	199,968	1,335,700	1,334,248	1,452
Salaries of Secretarial and Clerical Assistants	105,334	52,308	157,642	156,800	842
Other Purchased Professional/Technical Services	9,000	-	9,000	7,451	1,549
Other Purchased Services	-	-	-	-	-
Supplies and Materials	35,822	(27,795)	8,027	7,587	440
Total Child Study Team	1,285,888	224,481	1,510,369	1,506,086	4,283
Improvement of Instruction Services					
Other Salaries	-	9,073	9,073	9,073	-
Purchased Professional-Educational Services	8,450	(2,650)	5,800	5,800	-
Other Purchased Services	373	141	514	514	-
Supplies and Materials	425	(425)	-	-	-
Other Objects	-	105	105	105	-
Total Improvement of Instruction Services	9,248	6,244	15,492	15,492	-
Educational Media Services/School Library					
Salaries	143,950	2,737	146,687	146,687	-
Salaries of Technology Coordinators	568,148	(14,872)	553,276	552,712	564
Purchased Professional and Technical Services	83,490	629	84,119	84,119	-
Other Purchased Services	299	(299)	-	-	-
Supplies and Materials	31,066	(779)	30,287	27,342	2,945
Other Objects	130	190	320	65	255
Total Educational Media Services/School Library	827,083	(12,394)	814,689	810,925	3,764

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	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	\$ (2,125)	\$ 10,875	10,875	\$ -
Other Purchased Services	189	(65)	124	-	124
Total Instructional Staff Training Services	13,189	(2,190)	10,999	10,875	124
Support Services General Administration					
Salaries	625,336	(40,653)	584,683	\$ 548,606	\$ 36,077
Legal Services	48,335	29,300	77,635	77,635	-
Audit Fees	38,000	5,030	43,030	43,030	-
Architectural/Engineering Services	-	-	-	-	-
Other Purchased Professional Services	95,642	(34,326)	61,316	47,114	14,202
Purchased Technical Services	109,938	(4,267)	105,671	67,067	38,604
Communications/Telephone	206,131	26,897	233,028	227,785	5,243
BOE Other Purchased Services	2,006	(799)	1,207	1,207	-
Other Purchased Services	169,196	(37,257)	131,939	117,836	14,103
General Supplies	15,848	(12,005)	3,843	3,843	-
BOE in House Training/Meeting Supplies	-	-	-	-	-
Judgments Against the School District	20,000	(20,000)	-	-	-
Miscellaneous Expenditures	10,228	3,283	13,511	13,511	-
BOE Membership Dues & Fees	41,533	(11,121)	30,412	30,412	-
Total Support Services General Administration	1,382,193	(95,918)	1,286,275	1,178,046	108,229
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	1,147,615	13,267	1,160,882	1,160,749	133
Salaries of Other Professional Staff	1,305,525	(183,109)	1,122,416	1,020,855	101,561
Salaries of Secretarial and Clerical Assistants	406,411	53,952	460,363	455,457	4,906
Other Salaries	235,211	(529)	234,682	175,033	59,649
Purchased Professional and Technical Services	5,886	(5,436)	450	450	-
Other Purchased Services	68,571	(14,046)	54,525	45,592	8,933
Supplies and Materials	108,401	302,092	410,493	189,291	221,202
Other Objects	20,324	3,251	23,575	22,199	1,376
Total Support Services School Administration	3,297,944	169,442	3,467,386	3,069,626	397,760
Central Services					
Salaries	567,412	(77,559)	489,853	489,853	-
Purchased Professional Services	1,350	(1,110)	240	240	-
Purchased Technical Services	29,577	21,488	51,065	51,065	-
Misc. Purchased Services	20,408	726	21,134	20,179	955
Supplies and Materials	5,878	15,204	21,082	19,707	1,375
Other Objects	12,164	(5,099)	7,065	6,481	584
Total Central Services	636,789	(46,350)	590,439	587,525	2,914
Administrative Info Technology					
Purchased Technical Services	32,717	21,978	54,695	34,435	20,260
Supplies and Materials	5,629	2,495	8,124	8,124	-
Total Administrative Info Technology	38,346	24,473	62,819	42,559	20,260

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 581,572	\$ 21,089	\$ 602,661	\$ 602,661	\$ -
Cleaning, Repair & Maintenance Services	836,748	570,399	1,407,147	886,045	521,102
General Supplies	78,029	36,694	114,723	112,238	2,485
Other Objects	4,656	15,324	19,980	19,980	-
Total Required Maintenance for School Facilities	1,501,005	643,506	2,144,511	1,620,924	523,587
Custodial Services					
Salaries	2,077,054	157,675	2,234,729	2,084,729	150,000
Purchased Professional & Technical Services	51,701	(49,671)	2,030	2,030	-
Cleaning, Repair and Maintenance Services	39,750	(39,750)	-	-	-
Rental of Land & Building	220,000	20,000	240,000	205,000	35,000
Other Purchased Property Services	57,903	(1,058)	56,845	56,845	-
Insurance	296,205	(93)	296,112	296,112	-
Other Objects	31,629	(31,629)	-	-	-
General Supplies	220,940	(21,658)	199,282	199,248	34
Energy (Natural Gas)	282,000	(37,130)	244,870	238,806	6,064
Energy (Electricity)	549,961	(95,343)	454,618	405,539	49,079
Total Custodial Services	3,827,143	(98,657)	3,728,486	3,488,309	240,177
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	6,060	967	7,027	7,027	-
General Supplies	1,538	664	2,202	2,202	-
Total Care and Upkeep of Grounds	7,598	1,631	9,229	9,229	-
Security					
Salaries	463,169	(65,795)	397,374	397,374	-
Purchased Professional & Technical Services	28,500	(17,212)	11,288	11,288	-
Cleaning, Repair and Maintenance Services	-	160	160	160	-
General Supplies	104,975	57,189	162,164	135,972	26,192
Other Objects	1,263	(29)	1,234	1,234	-
Total Security Services	597,907	(25,687)	572,220	546,028	26,192
Undistributed Expenditures					
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Special Ed	1,333,675	(46,655)	1,287,020	1,287,020	-
Salaries for Pupil Transportation (Other Than Between Home & School)	15,119	(15,119)	-	-	-
Management Fee-ESC & CTSA Trans. Prog.	25,000	(25,000)	-	-	-
Other Purchased Professional and Technical Svcs	8,500	(1,429)	7,071	7,071	-
Cleaning, Repair and Maintenance Services	95,000	51,867	146,867	146,867	-
Lease Purchase Payments-School Buses	35,000	(26,734)	8,266	8,266	-
Contracted Services (Other Than Between Home and School) - Vendors	71,850	(68,120)	3,730	3,730	-
Contracted Services (Spec Ed) - ESC's & CTSA's	285,000	122,900	407,900	407,900	-
Miscellaneous Purchased Services - Transportation	30,705	(30,555)	150	150	-
General Supplies	135,000	(60,888)	74,112	64,312	9,800
Transportation Supplies	61,876	-	61,876	61,876	-
Other Objects	3,620	(418)	3,202	3,202	-
Total Student Transportation Services	2,100,345	(100,151)	2,000,194	1,990,394	9,800

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Unallocated Benefits					
Social Security Contributions	\$ 830,000	\$ 7,007	\$ 837,007	\$ 837,007	\$ -
Other Retirement Contributions - Regular	707,200	71,480	778,680	778,676	4
Other Retirement Contributions - Other	300	-	300	-	300
Unemployment Compensation	1,380	1,380	2,760	2,760	-
Workmen's Compensation	317,637	(97,955)	219,682	212,580	7,102
Health Benefits	8,790,184	(665,769)	8,124,415	8,058,409	66,006
Tuition Reimbursement	30,000	(18,846)	11,154	7,283	3,871
Other Employee Benefits	30,000	2,302	32,302	32,302	-
Unused Sick Pay to Terminated/Retired Staff	-	51,231	51,231	400	50,831
Total Unallocated Benefits	10,706,701	(649,170)	10,057,531	9,929,417	128,114
On Behalf TPAF Contributions (Non Budgeted)					
Pension Benefit Contribution				3,524,367	(3,524,367)
Pension -NCGI Premium				85,528	(85,528)
LTDI Premium				3,676	(3,676)
Post Retirement Medical Benefit Contribution				2,331,554	(2,331,554)
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	1,838,145	(1,838,145)
Total On-Behalf Contributions	-	-	-	7,783,270	(7,783,270)
Total Undistributed Expenditures	33,038,685	27,141	33,065,826	39,304,231	(6,238,405)
Total Expenditures - Current Expenditures	62,719,580	584,495	63,304,075	68,822,385	(5,518,310)
CAPITAL OUTLAY					
Equipment					
Instruction					
Grades 1-5	17,751	(17,751)	-	-	-
Grades 6-8	10,917	(5,531)	5,386	5,386	-
Grades 9-12	34,619	(34,619)	-	-	-
Autism	10,050	(1,984)	8,066	-	8,066
School Sponsored & Other Instr. Programs	12,662	21,298	33,960	33,960	-
Support Services					
Instruction	100,000	363,471	463,471	193,260	270,211
General Administration	-	12,269	12,269	12,269	-
School Administration	5,009	3,635	8,644	8,644	-
Central Services	3,119	(747)	2,372	2,372	-
Admin Info Tech	11,986	264	12,250	-	12,250
Required School Maintenance	41,672	177,438	219,110	186,664	32,446
Security	-	199,400	199,400	199,400	-
School Buses - Special	67,738	173,266	241,004	58,363	182,641
Total Equipment	315,523	890,409	1,205,932	700,318	505,614
Facilities Acquisition and Construction Services					
Other Purchased Professional/Technical Svcs.	5,200	44,300	49,500	34,894	14,606
Construction Services	177,515	473,748	651,263	41,903	609,360
SDA - Debt Service Assessment	10,486	-	10,486	10,486	-
Total Facilities Acquis. and Const. Services	193,201	518,048	711,249	87,283	623,966
Total Capital Outlay	508,724	1,408,457	1,917,181	787,601	1,129,580

**BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	\$ 10,000	-	\$ 10,000		\$ 10,000
General Supplies	900	-	900	-	900
Total Summer School - Instruction	<u>10,900</u>	<u>-</u>	<u>10,900</u>	<u>-</u>	<u>10,900</u>
Total Summer School	<u>10,900</u>	<u>-</u>	<u>10,900</u>	<u>-</u>	<u>10,900</u>
Other Special Schools - Instruction					
Salaries of Teachers	26,650	(1,566)	25,084		25,084
Other Salaries for Instruction	19,123	-	19,123	\$ 15,075	4,048
General Supplies	900	1,566	2,466	2,466	-
Total Other Special Schools - Instruction	<u>46,673</u>	<u>-</u>	<u>46,673</u>	<u>17,541</u>	<u>29,132</u>
Total Other Special Schools	<u>46,673</u>	<u>-</u>	<u>46,673</u>	<u>17,541</u>	<u>29,132</u>
Total Special Schools	<u>57,573</u>	<u>-</u>	<u>57,573</u>	<u>17,541</u>	<u>40,032</u>
Charter Schools					
Transfer To Charter Schools	183,986	(183,986)	-	-	-
Total Transfer to Charter Schools	<u>183,986</u>	<u>(183,986)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>63,469,863</u>	<u>1,808,966</u>	<u>65,278,829</u>	<u>\$ 69,627,527</u>	<u>(4,348,698)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,063,844)</u>	<u>(1,358,539)</u>	<u>(3,422,383)</u>	<u>931,888</u>	<u>4,354,271</u>
Other Financing Sources (Uses)					
Transfers Out - Capital Outlay to Cap. Proj. Fund	(539,800)	67,621	(472,179)	(368,320)	(103,859)
Transfers Out - Capital Reserve to Cap. Proj. Fund	(448,200)	-	(448,200)	(392,635)	(55,565)
Total Other Financing Sources (Uses)	<u>(988,000)</u>	<u>67,621</u>	<u>(920,379)</u>	<u>(760,955)</u>	<u>(159,424)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(3,051,844)</u>	<u>(1,290,918)</u>	<u>(4,342,762)</u>	<u>170,933</u>	<u>4,513,695</u>
Fund Balances, Beginning of Year	<u>10,042,821</u>	<u>-</u>	<u>10,042,821</u>	<u>10,042,821</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 6,990,977</u>	<u>\$ (1,290,918)</u>	<u>\$ 5,700,059</u>	<u>\$ 10,213,754</u>	<u>\$ 4,513,695</u>

BERGENFIELD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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				\$ 667,355	
Capital Reserve - Designated for Subsequent Year's Expenditures				965,000	
Maintenance Reserve				400,000	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				400,000	
Emergency Reserve				594,000	
Tuition Adjustments - 2017/2018				343,000	
Tuition Adjustments - 2016/2017 - Designated for Subsequent Year's Expenditures				338,000	
Excess Surplus				1,144,579	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,144,579	
Committed					
Year End Encumbrances				979,060	
Assigned					
Year End Encumbrances				819,276	
Designated for Subsequent Year's Expenditures				452,753	
Unassigned				<u>1,966,152</u>	
Fund Balance - Budgetary Basis				10,213,754	
Reconciliation to Governmental Funds Statements (GAAP)					
Less State Aid Revenue Not Recognized on GAAP Basis				<u>(1,741,855)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 8,471,899</u>	

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<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	\$ 97,626	\$ 217,416	\$ 103,140	\$ (114,276)
Federal	1,251,758	737,910	1,989,668	1,836,181	(153,487)
Local Sources					
Miscellaneous	-	127,704	127,704	30,661	(97,043)
Total Revenues	<u>1,371,548</u>	<u>963,240</u>	<u>2,334,788</u>	<u>1,969,982</u>	<u>(364,806)</u>
EXPENDITURES					
Instruction					
Salaries	341,038	193,787	534,825	466,462	68,363
Purchased Professional / Technical Services	-	38,238	38,238	38,238	-
Other Purchased Services	848,510	42,730	891,240	857,523	33,717
General Supplies	40,437	215,650	256,087	155,699	100,388
Textbooks	119,790	(110,204)	9,586	9,586	-
Miscellaneous Expenditures	-	1,924	1,924	1,924	-
Total Instruction	<u>1,349,775</u>	<u>382,125</u>	<u>1,731,900</u>	<u>1,529,432</u>	<u>202,468</u>
Support Services - Instruction					
Salaries	17,200	86,147	103,347	93,773	9,574
Personnel Services - Employee Benefits	-	118,130	118,130	113,735	4,395
Purchased Professional / Technical Services	-	93,475	93,475	75,813	17,662
Other Purchased Services	-	249,067	249,067	128,832	120,235
Travel	-	183	183	183	-
Supplies and Materials	4,573	16,910	21,483	11,011	10,472
Total Support Services	<u>21,773</u>	<u>563,912</u>	<u>585,685</u>	<u>423,347</u>	<u>162,338</u>
Capital Outlay					
Instructional Equipment	-	17,203	17,203	17,203	-
Total Capital Outlay	<u>-</u>	<u>17,203</u>	<u>17,203</u>	<u>17,203</u>	<u>-</u>
Total Expenditures	<u>1,371,548</u>	<u>963,240</u>	<u>2,334,788</u>	<u>1,969,982</u>	<u>364,806</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, 2018**

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	\$ 70,559,415	\$ 1,969,982
Differences - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2017-2018)	(1,741,855)	
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2016-2017)	1,702,278	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2018		(41,844)
Encumbrances, June 30, 2017	-	16,029
	<hr/>	<hr/>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 70,519,838</u>	<u>\$ 1,944,167</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 69,627,527	\$ 1,969,982
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, 2018		(41,844)
Encumbrances , June 30, 2017	-	16,029
	<hr/>	<hr/>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 69,627,527</u>	<u>\$ 1,944,167</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III
PENSION INFORMATION
AND
OTHER POST-EMPLOYMENT BENEFITS 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 Five Fiscal Years*

	<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
District's Proportion of the Net Position Liability (Asset)	0.07721	%	0.07735	%	0.07337	%	0.07169	%	0.07374	%
District's Proportionate Share of the Net Pension Liability (Asset)	\$17,972,495		\$22,908,206		\$16,470,376		\$13,422,487		\$14,093,792	
District's Covered-Employee Payroll	\$ 5,451,417		\$ 5,215,348		\$ 5,264,179		\$ 4,816,801		\$ 4,760,180	
⁰⁰ ⁰¹ District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	329.68%	%	439.25%	%	312.88%	%	278.66%	%	296.08%	%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10	%	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 Five Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 715,238	\$ 687,147	\$ 630,796	\$ 591,009	\$ 555,640
Contributions in Relation to the Contractually Required Contribution	<u>715,238</u>	<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>	<u>\$ -</u>
District's Covered-Employee Payroll	\$5,451,417	\$5,215,348	\$5,264,179	\$4,816,801	\$4,760,180
Contributions as a Percentage of Covered-Employee Payroll	13.12%	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 Five Fiscal Years*

	<u>2018</u>	<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%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>162,651,204</u>	<u>178,227,969</u>	<u>148,367,767</u>	<u>133,555,508</u>	<u>125,618,626</u>
Total	<u>\$ 162,651,204</u>	<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	\$ 25,501,771	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	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, 2018**

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.

**BERGENFIELD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last One Fiscal Year*

	2018
Total OPEB Liability	
Service Cost	\$ 4,739,911
Interest on Total OPEB Liability	3,815,755
Changes of Assumptions	(15,875,875)
Gross Benefit Payments	(2,452,174)
Contribution from the Member	90,295
Net Change in Total OPEB Liability	(9,682,088)
Total OPEB Liability - Beginning	129,849,664
Total OPEB Liability - Ending	\$ 120,167,576
District's Proportionate Share of OPEB Liability	\$ -
State's Proportionate Share of OPEB Liability	120,167,576
Total OPEB Liability - Ending	\$ 120,167,576
District's Covered-Employee Payroll	\$ 30,953,188
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*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. 75. 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 CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4D.

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, 2018

	Nonpublic Nursing Services	Nonpublic Technology Aid	Nonpublic Textbook Aid	Nonpublic Security Aid	Other Local Programs	Other (Exhibit E-1a)	Other (Exhibit E-1b)	Total 2017
REVENUES								
Intergovernmental								
State	\$ 16,975	\$ 6,463	\$ 9,586	\$ 13,052		\$ 57,064	-	\$ 103,140
Federal						-	\$ 1,836,181	1,836,181
Other Sources	-	-	-	-	\$ 30,661	-	-	30,661
Total Revenues	\$ 16,975	\$ 6,463	\$ 9,586	\$ 13,052	\$ 30,661	\$ 57,064	\$ 1,836,181	\$ 1,969,982
EXPENDITURES								
Instruction								
Salaries						\$ -	\$ 466,462	\$ 466,462
Purchased Professional / Technical Services					\$ 6,850	-	31,388	38,238
Other Purchased Services	\$ 16,975					-	840,548	857,523
General Supplies		6,463		\$ 13,052	21,887	-	114,297	155,699
Textbooks			9,586			-	-	9,586
Miscellaneous Expenditures	-	-	-	-	1,924	-	-	1,924
Total Instruction	16,975	6,463	9,586	13,052	30,661	-	1,452,695	1,529,432
Support Services								
Salaries							93,773	93,773
Personal Services Employee-Benefits							113,735	113,735
Purchased Professional / Technical Services							75,813	75,813
Other Purchased Services						57,064	71,768	128,832
Travel							183	183
Supplies and Materials			\$ -				11,011	11,011
Total Support Services	-	-	-	-	-	57,064	366,283	423,347
Capital Outlay								
Instructional Equipment							17,203	17,203
Total Capital Outlay	-	-	-	-	-	-	17,203	17,203
Total Expenditures	\$ 16,975	\$ 6,463	\$ 9,586	\$ 13,052	\$ 30,661	\$ 57,064	\$ 1,836,181	\$ 1,969,982

BERGENFIELD BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Chapter 192/193 Services					Total Exhibit E-1a
	Nonpublic Exam & Classification	Nonpublic Corrective Speech	Nonpublic Supplemental Instruction	Nonpublic Compensatory Aid	Nonpublic ESL	
REVENUES						
Intergovernmental						
State	\$ 11,101	\$ 9,374	\$ 7,137	\$ 27,284	\$ 2,168	\$ 57,064
Federal						-
Other Sources	-	-	-	-	-	-
Total Revenues	<u>\$ 11,101</u>	<u>\$ 9,374</u>	<u>\$ 7,137</u>	<u>\$ 27,284</u>	<u>\$ 2,168</u>	<u>\$ 57,064</u>
EXPENDITURES						
Instruction						
Salaries						\$ -
Purchased Professional / Technical Services						-
Other Purchased Services						-
General Supplies						-
Textbooks						-
Miscellaneous Expenditures	-	-	-	-	-	-
Total Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support Services						
Salaries						-
Personal Services Employee-Benefits						-
Purchased Professional / Technical Services	\$ 11,101	\$ 9,374	\$ 7,137	\$ 27,284	\$ 2,168	57,064
Other Purchased Services						-
Tuition						-
Supplies and Materials	-	-	-	-	-	-
Total Support Services	<u>11,101</u>	<u>9,374</u>	<u>7,137</u>	<u>27,284</u>	<u>2,168</u>	<u>57,064</u>
Total Expenditures	<u>\$ 11,101</u>	<u>\$ 9,374</u>	<u>\$ 7,137</u>	<u>\$ 27,284</u>	<u>\$ 2,168</u>	<u>\$ 57,064</u>

92

BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>ESEA Title I</u>	<u>ESEA Title IIA</u>	<u>ESEA Title III</u>	<u>ESEA Title III Immigrant</u>	<u>ESEA Title IV</u>	<u>IEP for Life</u>	<u>Perkins</u>	<u>Total Exhibit E-1b</u>
REVENUES										
Intergovernmental										
State										
Federal	\$ 845,770	\$ 1,407	\$ 488,041	\$ 89,125	\$ 41,604	\$ 17,759	\$ 8,863	\$ 318,063	\$ 25,549	\$ 1,836,181
Other Sources	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 845,770	\$ 1,407	\$ 488,041	\$ 89,125	\$ 41,604	\$ 17,759	\$ 8,863	\$ 318,063	\$ 25,549	\$ 1,836,181
EXPENDITURES										
Instruction										
Salaries			\$ 257,248	\$ -	\$ 10,140	\$ 5,376	\$ 3,698	\$ 190,000		\$ 466,462
Purchased Professional / Technical Services			30,888						500	31,388
Other Purchased Services	\$ 806,638	\$ -						33,910		840,548
General Supplies	746	-	70,693		12,021	2,963	-	26,646	1,228	114,297
Textbooks										-
Miscellaneous Expenditures	-	-	-	-	-	-	-	-	-	-
Total Instruction	807,384	-	358,829	-	22,161	8,339	3,698	250,556	1,728	1,452,695
Support Services										
Salaries			54,848	35,145	2,880				900	93,773
Personal Services Employee-Benefits			64,584				1,165	47,925	61	113,735
Purchased Professional / Technical Services			6,000	26,450	8,163	9,000	4,000	17,800	4,400	75,813
Other Purchased Services	38,386	1,407	2,287	26,832				1,782	1,074	71,768
Travel									183	183
Supplies and Materials	-	-	1,493	698	8,400	420	-	-	-	11,011
Total Support Services	38,386	1,407	129,212	89,125	19,443	9,420	5,165	67,507	6,618	366,283
Capital Outlay										
Instructional Equipment	-	-	-	-	-	-	-	-	17,203	17,203
Total Capital Outlay	-	-	-	-	-	-	-	-	17,203	17,203
Total Expenditures	\$ 845,770	\$ 1,407	\$ 488,041	\$ 89,125	\$ 41,604	\$ 17,759	\$ 8,863	\$ 318,063	\$ 25,549	\$ 1,836,181

**BERGENFIELD BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018**

<u>Issue/ Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2018</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	1,748,850	\$ 9,775	382,705
Roy W. Brown Middle School - HVAC Upgrades, Electrical System Upgrades, Window Replacement, Emergency Generator, and Roof Replacement	3,257,151	1,980,434	-	1,276,717
Hoover Elementary School - HVAC Upgrades, Electrical System Upgrades, and Asbestos Abatement	812,700	352,821	-	459,879
Jefferson Elementary School - HVAC Upgrades, Electrical System Upgrades, and Asbestos Abatement	1,330,900	775,311	395,450	160,139
Lincoln Elementary School - HVAC, Exterior Closure	1,827,669	1,668,817	11,192	147,660
Washington Elementary School - HVAC, UV Replacements, Hazardous Material Abatement, Electrical Service Upgrade, Branch Panel Upgrades and Window Replacements	1,056,004	918,119	10,384	127,501
Franklin Elementary School - HVAC, UV Replacements, Hazardous Material Abatement, 3 Stop Elevator	<u>2,317,127</u>	<u>83,994</u>	<u>1,244,403</u>	<u>988,730</u>
	<u>\$ 16,231,500</u>	<u>\$ 10,908,972</u>	<u>\$ 1,671,204</u>	<u>\$ 3,651,324</u>

Reconciliation to Fund Balance - GAAP

Project Balance, June 30, 2017	\$ 3,651,324
Less: SDA Grant Revenue Not Realized Under GAAP	\$ (964,011)
Fund Balance, June 30, 2017 - GAAP	<u>\$ 2,687,313</u>

Recapitulation of Fund Balance - GAAP

Restricted for Capital Projects Year End Encumbrances	\$ 941,185
Available for Capital Projects	<u>1,746,128</u>
Total Restricted for Capital Projects	<u>\$ 2,687,313</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, 2018**

Revenues and Other Financing Sources	
Transfer from General Fund - Capital Outlay	\$ 368,320
Transfer from General Fund - Capital Reserve	<u>392,635</u>
Total Revenues and Other Financing Sources	<u>760,955</u>
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	\$ 58,199
Construction Services	<u>1,613,005</u>
Total Expenditures and Other Financing Uses	<u>1,671,204</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(910,249)
Fund Balance- Beginning of Year - Budgetary Basis	<u>4,561,573</u>
Fund Balance- End of Year - Budgetary Basis	<u>\$ 3,651,324</u>
<u>Reconciliation to GAAP:</u>	
Fund Balance - End of Year - Budgetary Basis	\$ 3,651,324
Less: SDA Grant Revenue not Realized Under GAAP	<u>(964,011)</u>
Fund Balance- End of Year - GAAP Basis	<u>\$ 2,687,313</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, 2018

	<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, 2018**

	<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, 2018**

	<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
	<u>2,141,330</u>	<u>-</u>	<u>2,141,330</u>	<u>2,141,330</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	182,462	9,775	192,237	318,330
Construction Services	1,566,388	-	1,566,388	1,823,000
	<u>1,748,850</u>	<u>9,775</u>	<u>1,758,625</u>	<u>2,141,330</u>
Excess of Revenues Over Expenditures	<u>\$ 392,480</u>	<u>\$ (9,775)</u>	<u>\$ 382,705</u>	<u>\$ -</u>

Additional Project Information:

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

Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100%
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, 2018**

	<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	237,128	-	237,128	454,600
Construction Services	<u>1,743,306</u>	<u>-</u>	<u>1,743,306</u>	<u>2,802,551</u>
 Total Expenditures	 <u>1,980,434</u>	 <u>-</u>	 <u>1,980,434</u>	 <u>3,257,151</u>
 Excess of Revenues Over Expenditures	 <u>\$ 1,276,717</u>	 <u>\$ -</u>	 <u>\$ 1,276,717</u>	 <u>\$ -</u>

Additional Project Information:

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

Percentage Increase Over Original Authorized Cost	0.51%
Percentage Completion	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, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 325,080	\$ -	\$ 325,080	\$ 325,080
Transfer from Capital Reserve	487,620	-	487,620	487,620
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	282,001	-	282,001	687,000
Total Expenditures	<u>352,821</u>	<u>-</u>	<u>352,821</u>	<u>812,700</u>
Excess of Revenues Over Expenditures	<u>\$ 459,879</u>	<u>\$ -</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	100%
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, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 431,160	\$ -	\$ 431,160	\$ 431,160
Transfer from Capital Outlay /Reserve	899,740	-	899,740	899,740
Total Revenues	<u>1,330,900</u>	<u>-</u>	<u>1,330,900</u>	<u>1,330,900</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	62,818	7,146	69,964	167,900
Construction Services	712,493	388,304	1,100,797	1,163,000
Total Expenditures	<u>775,311</u>	<u>395,450</u>	<u>1,170,761</u>	<u>1,330,900</u>
Excess of Revenues Over Expenditures	<u>\$ 555,589</u>	<u>\$ (395,450)</u>	<u>\$ 160,139</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	August 30, 2018

**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, 2018**

	<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>1,156,441</u>	<u>-</u>	<u>1,156,441</u>	<u>1,156,441</u>
 Total Revenues	 <u>1,827,669</u>	 <u>-</u>	 <u>1,827,669</u>	 <u>1,827,669</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	151,410	-	151,410	249,069
Construction Services	<u>1,517,407</u>	<u>11,192</u>	<u>1,528,599</u>	<u>1,578,600</u>
 Total Expenditures	 <u>1,668,817</u>	 <u>11,192</u>	 <u>1,680,009</u>	 <u>1,827,669</u>
 Excess of Revenues Over Expenditures	 <u>\$ 158,852</u>	 <u>\$ (11,192)</u>	 <u>\$ 147,660</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	92%
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, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 403,202	\$ -	\$ 403,202	\$ 403,202
Transfer from Capital Outlay /Reserve	652,802	-	652,802	652,802
Total Revenues	<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	81,561	-	81,561	142,004
Construction Services	836,558	10,384	846,942	914,000
Total Expenditures	<u>918,119</u>	<u>10,384</u>	<u>928,503</u>	<u>1,056,004</u>
Excess of Revenues Over Expenditures	<u>\$ 137,885</u>	<u>\$ (10,384)</u>	<u>\$ 127,501</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	88%
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, 2018**

	<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	760,955	1,694,658	1,694,658
Total Revenues	<u>1,556,172</u>	<u>760,955</u>	<u>2,317,127</u>	<u>2,317,127</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	83,994	41,278	125,272	361,177
Construction Services	-	1,203,125	1,203,125	1,955,950
Total Expenditures	<u>83,994</u>	<u>1,244,403</u>	<u>1,328,397</u>	<u>2,317,127</u>
Excess of Revenues Over Expenditures	<u>\$ 1,472,178</u>	<u>\$ (483,448)</u>	<u>\$ 988,730</u>	<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	\$ 760,955
Revised Authorized Cost	\$ 2,317,127

Percentage Increase Over Original Authorized Cost	48.90%
Percentage Completion	57%
Original Target Completion Date	August 30, 2017
Revised Target Completion Date	August 30, 2018

PROPRIETARY FUNDS

EXHIBIT G-1

**BERGENFIELD BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018**

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, 2018**

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, 2018**

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, 2018**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 54,920	\$ 112,243	\$ 167,163
Due from Other Funds	<u>-</u>	<u>9,447</u>	<u>9,447</u>
Total Assets	<u>\$ 54,920</u>	<u>\$ 121,690</u>	<u>\$ 176,610</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 82,071	\$ 82,071
Accrued Salaries and Wages		39,619	39,619
Due to Student Groups	<u>\$ 54,920</u>	<u>-</u>	<u>54,920</u>
Total Liabilities	<u>\$ 54,920</u>	<u>\$ 121,690</u>	<u>\$ 176,610</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, 2018**

NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Balance, July 1, <u>2017</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2018</u>
ROY W. BROWN MIDDLE SCHOOL	\$ 12,782	\$ 45,120	\$ 50,930	\$ 6,972
BERGENFIELD HIGH SCHOOL	<u>44,614</u>	<u>135,309</u>	<u>131,975</u>	<u>47,948</u>
	<u>\$ 57,396</u>	<u>\$ 180,429</u>	<u>\$ 182,905</u>	<u>\$ 54,920</u>

**BERGENFIELD BOARD OF EDUCATION
AGENCY FUNDS
PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Balance, July 1, <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, <u>2017</u>
ASSETS				
Cash	\$ 96,954	\$ 40,435,121	\$ 40,419,832	\$ 112,243
Due from Other Funds	<u>9,225</u>	<u>17,217</u>	<u>16,995</u>	<u>9,447</u>
Total Assets	<u>\$ 106,179</u>	<u>\$ 40,452,338</u>	<u>\$ 40,436,827</u>	<u>\$ 121,690</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 61,551	\$ 18,380,848	\$ 18,360,328	\$ 82,071
Accrued Salaries and Wages	<u>44,628</u>	<u>22,054,273</u>	<u>22,059,282</u>	<u>39,619</u>
Total Liabilities	<u>\$ 106,179</u>	<u>\$ 40,435,121</u>	<u>\$ 40,419,610</u>	<u>\$ 121,690</u>

LONG-TERM DEBT

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,									
	2009	2010	2011	2012	2013	2014 (1)	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 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	\$ 28,611,872
Restricted	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	5,800,668
Unrestricted	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)	(13,245,330)
Total governmental activities net position	<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>	<u>\$ 21,167,210</u>
Business-type activities										
Net investment in capital assets	\$ 42,664	\$ 38,679	\$ 22,986		\$ 4,823	\$ 13,200	\$ 11,550	\$ 9,900	\$ 8,250	\$ 46,715
Restricted										
Unrestricted	69,650	82,917	110,167	85,493	191,348	305,951	208,678	456,322	597,234	567,890
Total business-type activities net position	<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>	<u>\$ 614,605</u>
District-wide										
Net investment in capital assets	\$ 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	\$ 28,658,587
Restricted	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	5,800,668
Unrestricted	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)	(12,677,440)
Total district net position	<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>	<u>\$ 21,781,815</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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction										
Regular	\$ 23,681,898	\$ 22,727,317	\$ 23,530,605	\$ 24,256,926	\$ 25,822,685	\$ 26,071,825	\$ 31,677,273	\$ 32,261,746	\$ 35,767,134	\$ 39,014,007
Special Education	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	14,915,389
Other Instruction	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	2,394,147
School Sponsored Activities and Athletics	717,885	816,236	805,495	735,888	856,417	1,043,178	1,099,250	1,147,973	1,343,105	1,322,493
Other Services	20,171	15,335	1,911	3,917	32,215	28,980				
Support Services:										
Student & Instruction Related Services	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	9,510,697
General Administration	1,253,860	1,796,415	1,613,183	1,336,817	1,565,370	1,394,165	1,412,876	1,364,735	1,430,291	1,509,412
School Administrative Services	4,032,511	4,180,216	3,598,663	3,688,898	3,807,670	3,741,186	4,549,105	4,955,690	5,692,932	5,602,769
Central Administrative Services	569,981	594,199	688,315	611,371	660,550	731,002	787,507	869,321	986,636	909,104
Plant Operations and Maintenance	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	7,628,841
Student Transportation	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	2,781,290
Interest on long-term debt	15,859	63,706								
Total governmental activities expenses	<u>\$ 58,558,640</u>	<u>\$ 58,384,976</u>	<u>\$ 58,335,985</u>	<u>\$ 58,245,059</u>	<u>\$ 61,228,488</u>	<u>\$ 61,279,974</u>	<u>\$ 71,638,458</u>	<u>\$ 74,121,812</u>	<u>\$ 82,068,548</u>	<u>\$ 85,588,149</u>
Business-type activities:										
Food service	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	1,346,318
Summer Enrichment Program	55,093	59,834	57,125	69,311	69,759	40,709	46,792	6,465	50,408	66,553
Total business-type activities expense	<u>1,266,676</u>	<u>1,332,503</u>	<u>1,267,381</u>	<u>1,385,809</u>	<u>1,154,859</u>	<u>1,135,774</u>	<u>1,320,533</u>	<u>1,110,276</u>	<u>1,234,708</u>	<u>1,412,871</u>
Total district expenses	<u>\$ 59,825,316</u>	<u>\$ 59,717,479</u>	<u>\$ 59,603,366</u>	<u>\$ 59,630,868</u>	<u>\$ 62,383,347</u>	<u>\$ 62,415,748</u>	<u>\$ 72,958,991</u>	<u>\$ 75,242,088</u>	<u>\$ 83,303,256</u>	<u>\$ 87,001,020</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	\$ 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	\$ 1,570,992
Support Services			45,002	50,755	113,956	147,527	74,377	96,691	85,678	71,521
Operating grants and contributions	8,665,339	11,506,298	9,273,979	10,091,784	10,580,633	9,555,009	16,368,958	17,818,879	22,433,036	25,085,249
Capital grants and contributions	18,036	320,379	42,973	42,551	27,860		450,227	1,322,518	1,333,717	652,889
Total governmental activities program revenues	<u>10,186,740</u>	<u>13,425,001</u>	<u>10,646,639</u>	<u>11,496,190</u>	<u>12,248,888</u>	<u>11,299,602</u>	<u>18,342,364</u>	<u>20,664,417</u>	<u>25,108,144</u>	<u>27,380,651</u>
Business-type activities:										
Charges for services:										
Food service	\$ 857,993	\$ 769,012	\$ 724,441	\$ 697,285	\$ 577,217	\$ 591,610	\$ 544,341	\$ 566,895	\$ 606,659	\$ 609,273
Summer Enrichment Program	50,237	64,318	61,157	69,386	59,545	54,475	51,351	80,380	49,258	63,978
Operating grants and contributions	410,613	508,455	506,849	594,464	628,775	612,669	625,918	708,935	718,053	748,741
Total business type activities program revenues	<u>1,318,843</u>	<u>1,341,785</u>	<u>1,292,447</u>	<u>1,361,135</u>	<u>1,265,537</u>	<u>1,258,754</u>	<u>1,221,610</u>	<u>1,356,270</u>	<u>1,373,970</u>	<u>1,421,992</u>
Total district program revenues	<u>\$ 11,505,583</u>	<u>\$ 14,766,786</u>	<u>\$ 11,939,086</u>	<u>\$ 12,857,325</u>	<u>\$ 13,514,425</u>	<u>\$ 12,558,356</u>	<u>\$ 19,563,974</u>	<u>\$ 22,020,687</u>	<u>\$ 26,482,114</u>	<u>\$ 28,802,643</u>
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (58,207,498)
Business-type activities	52,167	2,282	25,066	(24,674)	110,678	122,980	(98,923)	245,994	139,262	9,121
Total district-wide net expense	<u>\$ (48,319,733)</u>	<u>\$ (44,957,693)</u>	<u>\$ (47,664,280)</u>	<u>\$ (46,773,543)</u>	<u>\$ (48,868,922)</u>	<u>\$ (49,857,392)</u>	<u>\$ (53,395,017)</u>	<u>\$ (53,221,401)</u>	<u>\$ (56,821,142)</u>	<u>\$ (58,198,377)</u>

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 48,791,976
Unrestricted Aid and contributions	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	8,933,450
Investment earnings	86,924									
Miscellaneous income		73,554	534,154	83,266	88,761	304,709	1,344,956	263,893	260,232	206,220
Transfers										
Loss on Disposal of Capital Assets										
Total governmental activities	<u>50,238,699</u>	<u>48,975,972</u>	<u>52,148,802</u>	<u>52,565,376</u>	<u>53,606,018</u>	<u>54,801,440</u>	<u>55,935,617</u>	<u>55,818,239</u>	<u>56,736,669</u>	<u>57,931,646</u>
Business-type activities:										
Investment earnings										
Transfers										
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 50,238,699</u>	<u>\$ 48,975,972</u>	<u>\$ 52,148,802</u>	<u>\$ 52,565,376</u>	<u>\$ 53,606,018</u>	<u>\$ 54,801,440</u>	<u>\$ 55,935,617</u>	<u>\$ 55,818,239</u>	<u>\$ 56,736,669</u>	<u>\$ 57,931,646</u>
Change in Net Position										
Governmental activities	\$ 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)	\$ (275,852)
Business-type activities	\$2,167	9,282	25,066	(24,674)	110,678	122,980	(98,923)	245,994	139,262	9,121
Total district	<u>\$ 1,918,966</u>	<u>\$ 4,025,279</u>	<u>\$ 4,484,522</u>	<u>\$ 5,791,833</u>	<u>\$ 4,737,096</u>	<u>\$ 4,944,048</u>	<u>\$ 2,540,600</u>	<u>\$ 2,596,838</u>	<u>\$ (84,473)</u>	<u>\$ (266,731)</u>

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 1,798,237	\$ 4,549,424								
Unreserved	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	\$ 5,996,513
Committed			2,577,784	3,571,574	3,661,427	1,226,800	689,234	813,202	545,225	979,060
Assigned			2,103,906	1,425,385	602,282	963,478	845,783	1,240,499	1,173,305	1,272,029
Unassigned	-	-	287,131	172,236	168,473	227,376	312,471	246,438	253,802	224,297
Total general fund	<u>\$ 3,780,393</u>	<u>\$ 4,603,687</u>	<u>\$ 8,983,592</u>	<u>\$ 11,650,629</u>	<u>\$ 13,669,511</u>	<u>\$ 12,091,498</u>	<u>\$ 9,222,552</u>	<u>\$ 8,924,564</u>	<u>\$ 8,340,543</u>	<u>\$ 8,471,899</u>
All Other Governmental Funds										
Reserved	\$ 40,632									
Unreserved	30,757	\$ 71,397								
Restricted	-	-	\$ 71,397	\$ 71,397	\$ 59,707	\$ 1,601,081	\$ 3,179,431	\$ 3,958,186	\$ 2,967,001	\$ 2,687,313
Total all other governmental funds	<u>\$ 71,389</u>	<u>\$ 71,397</u>	<u>\$ 71,397</u>	<u>\$ 71,397</u>	<u>\$ 59,707</u>	<u>\$ 1,601,081</u>	<u>\$ 3,179,431</u>	<u>\$ 3,958,186</u>	<u>\$ 2,967,001</u>	<u>\$ 2,687,313</u>

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Property Tax levy	\$ 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	\$ 48,791,976
Tuition and Fees	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	1,642,513
Interest Earnings								96,691	85,678	56,806
Miscellaneous	140,296	149,079	582,702	160,664	158,961	368,549	1,465,414	291,781	287,765	176,601
State Sources	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	20,557,081
Federal Sources	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	1,869,589
Total revenue	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	73,094,566
Expenditures										
Instruction										
Regular Instruction	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	30,447,802
Special Education Instruction	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	13,009,642
Other Instruction	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	2,012,214
School Sponsored Activities and Athletics	716,732	818,141	803,567	737,335	848,357	1,042,604	1,097,656	1,117,500	1,231,523	1,187,873
Other Services	20,171	15,335	1,911	3,917	32,215	28,980				
Support Services:										
Student & Inst. Related Services	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	8,028,518
General Administrative Services	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	1,395,929
School Administrative Services	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	4,472,887
Central Administrative Services	568,867	595,830	686,324	607,240	647,316	730,460	786,066	844,392	901,882	815,269
Plant Operations and Maintenance	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	6,938,470
Student Transportation	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	2,476,943
Capital Outlay	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	2,457,351
Debt Service:										
Principal	147,486	1,234,998								
Interest and Other Charges	13,730	68,210								
Total expenditures	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	73,242,898
Excess (Deficiency) of revenues over (under) expenditures	(521,836)	478,302	4,379,905	2,667,037	2,007,192	(36,639)	(1,290,596)	480,767	(1,575,206)	(148,332)
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	760,955
Transfers out		(435,360)				(2,525,000)	(3,747,496)	(2,655,934)	(1,003,303)	(760,955)
Total other financing sources (uses)	975,262	345,000	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 453,426	\$ 823,302	\$ 4,379,905	\$ 2,667,037	\$ 2,007,192	\$ (36,639)	\$ (1,290,596)	\$ 480,767	\$ (1,575,206)	\$ (148,332)
Debt service as a percentage of noncapital expenditures	0.28%	2.20%	0.00%	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)

Fiscal Year Ended <u>June 30,</u>	<u>Tuition</u>	Transportation <u>Fees</u>	Adult Education <u>Program Fees</u>	Interest on <u>Investments</u>	<u>Rents</u>	Cancelled Prior Year <u>Orders</u>	Prior Year <u>Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2018	1,570,992	71,521		56,806	4,620		1,218	143,576	1,848,733

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
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	\$ 2
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
2018	6,917,400	2,240,220,200	264,923,200	42,302,100	115,243,800	2,669,606,700	96,840	2,669,703,540	2,857,758,807	1.842

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	
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
2018	1.842	1.135	0.261	3.238

Source: County Abstract of Ratables

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

Taxpayer	2018		2009	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Rabinowitz, Charles (Trustee)	\$ 19,000,000	0.71%		
Tower Ivy Lane, LLC	18,850,000	0.71%	\$ 20,580,400	0.85%
Knickerbocker Country Club	17,000,000	0.64%	20,000,000	0.83%
Olster Bergenfield Properties	16,500,000	0.62%		
Tower Omni 2015 LLC	13,500,000	0.51%		
St. James Apts, VAP International	10,900,000	0.41%	11,526,700	0.48%
Pathmark Stores, LLC	10,215,400	0.38%	10,215,400	0.42%
Legion Manor Assoc., LLC	10,000,000	0.37%		
New Bridge Shopping Center LLC	7,100,000	0.27%		
Keepers Bergenfield LLC	5,496,700	0.21%	5,496,700	0.23%
Glance, Rabinowitz & Point Prop			21,777,200	0.90%
ABA Realty Corp.			17,129,500	0.71%
Tower Management Financing Partnership			14,456,600	0.60%
New Woodbine, LLC			7,443,200	0.31%
120 Woodbine Inc.			4,966,800	0.21%
	<u>\$ 128,562,100</u>	<u>4.82%</u>	<u>\$ 133,592,500</u>	<u>5.52%</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	
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%	
2018	48,791,976	48,791,976	100.00%	

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Project Loan Payable</u>	<u>Capital Leases</u>			
2009			\$ 889,998	\$ 889,998	25,582	35
2010			-	-	26,810	0
2011			-	-	27,101	0
2012			-	-	27,335	0
2013			-	-	27,481	0
2014			-	-	27,592	0
2015			-	-	27,687	0
2016			-	-	27,742	0
2017			-	-	27,927	0
2018			-	-	27,927 (E)	0

(E) - Estimate

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita
	General Obligation Bonds	Deductions				
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
2018	-	-		-	0.00%	0

Source: District records

**BERGENFIELD BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2017
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Bergenfield School District	\$ -
Borough of Bergenfield	<u>14,523,579</u>
Total Direct Debt	<u>14,523,579</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	20,330,740
Bergen County Utilities Authority - Water Pollution (B)	<u>5,941,655</u>
Total Overlapping Debt	<u>26,272,395</u>
Total Direct and Overlapping Debt	<u><u>\$ 40,795,974</u></u>

Source:

(1) Borough's 2017 Annual Debt Statement

(A) The debt for this entity was apportioned to the municipality by dividing the municipality's 2017 equalized value by the total 2017 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 2018

Equalized valuation basis

2017	\$	2,829,613,602
2016		2,748,336,526
2015		2,700,385,886
	\$	<u>8,278,336,014</u>
	\$	<u>2,759,445,338</u>
		110,377,814
	\$	<u>110,377,814</u>

Fiscal Year Ending June 30,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 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	\$ 110,377,814
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 110,377,814</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>
2009	25,582	\$ 65,097	7.60%
2010	26,810	66,080	7.90%
2011	27,101	69,044	7.50%
2012	27,335	71,953	7.70%
2013	27,481	71,449	7.00%
2014	27,592	73,293	4.90%
2015	27,687	76,388	4.20%
2016	27,742	77,187	3.90%
2017	27,927	N/A	3.70%
2018	27,927 (E)	N/A	N/A

Source: New Jersey State Department of Education

(E) - Estimate

N/A - Not Available

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

<u>Employer</u>	<u>2018</u>		<u>2009</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION IS NOT AVAILABLE

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

<u>Function/Program</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>	<u>2018</u>
Instruction	324	327	328	318	329	329	330	332	346	347
Support Services:										
Student & instruction related services	71	65	65	72	66	65	66	66	73	82
General administration	6	6	5	7	5	4	5	6	7	7
School administrative services	25	24	24	34	24	23	24	24	32	32
Central services	7	7	7	6	7	7	6	6	6	6
Plant operations and maintenance	43	42	40	40	41	41	41	40	63	63
Pupil transportation	15	15	16	24	16	17	16	16	17	17
Other support services	-									
Total	<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>	<u>554</u>

Source: District Personnel Records

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

Teacher/Pupil Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff			Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Elementary	Middle School						
2009	3,754	\$ 57,984,225	\$ 15,446	-6.94%	351	1:15	1:13	1:14	3,684	3,567	3.95%	96.82%
2010	3,474	57,994,862	16,694	8.08%	349	1:15	1:13	1:14	3,432	3,308	-6.84%	96.39%
2011	3,529	57,488,277	16,290	-2.42%	350	1:15	1:13	1:14	3,529	3,405	2.83%	96.49%
2012	3,643	57,633,033	15,820	-2.89%	349	1:15	1:13	1:14	3,530	3,409	0.03%	96.57%
2013	3,643	59,758,925	16,404	3.69%	347	1:15	1:13	1:14	3,575	3,460	1.27%	96.78%
2014	3,633	60,725,637	16,715	1.90%	351	1:15	1:13	1:14	3,532	3,358	-1.20%	95.07%
2015	3,518	64,669,822	18,383	9.98%	345	1:15	1:13	1:14	3,475	3,338	-1.61%	96.06%
2016	3,567	65,074,079	18,243	-0.76%	346	1:13	1:14	1:15	3,532	3,411	1.64%	96.57%
2017	3,590	68,523,661	19,087	4.63%	346	1:13	1:12	1:12	3,559	3,403	0.76%	95.62%
2018	3,692	70,785,547	19,173	0.45%	346	1:13	1:12	1:12	3,561	3,408	0.06%	95.70%

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>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>	<u>2018</u>
School Facilities										
Bergenfield High School	\$ 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	\$ 686,461
Roy W. Brown Middle School	644,061	608,982	579,432	582,863	614,252	647,693	672,492	294,758	354,453	329,697
Franklin Elementary School	322,030	304,490	289,715	291,430	307,124	323,845	336,244	147,378	177,226	164,847
Hoover Elementary School	126,343	119,462	113,665	114,338	120,495	127,056	131,920	57,821	69,532	64,675
Jefferson Elementary School	177,006	167,365	159,244	160,187	168,814	178,004	184,820	81,008	97,414	90,610
Lincoln Elementary School	353,695	334,431	318,203	320,076	337,313	355,677	369,295	161,865	194,646	181,051
Washington Elementary Sch.	202,336	191,316	182,033	183,121	192,983	203,489	211,281	92,606	111,361	103,583
Grand Total	<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>	<u>\$ 1,620,924</u>

Source: District Records

**BERGENFIELD BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2018
(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	4,000,000	15,000
Commercial Umbrella - Excess	50,000,000	
School Board Legal Liability	1,000,000	
Excess 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)	500,000	100,000
Forgery or Alteration Coverage	100,000	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
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of 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, 2018 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 January 29, 2019.

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 January 29, 2019.

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
January 29, 2019



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
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
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND 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**

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 Bergenfield Board of Education's major federal and state programs for the fiscal year ended June 30, 2018. 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, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002. Our opinion on each major federal and state program is not modified with respect to these matters.

The Bergenfield Board of Education's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Bergenfield Board of Education's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency.


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

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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedules 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, 2018 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 January 29, 2019, 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
January 29, 2019

BERGENFIELD BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2017		Carryover/ (Walkover) Amount Def. Rev.	Carryover/ (Walkover) Amount A/R	Cash Received	Budgetary Expenditures	Refund of Prior Years Balances	Prior Year Payables Cancelled / Adjustments	Balance, June 30, 2018			Memo GAAP Receivable			
						(Account Receivable)	Unearned Revenue							(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	171NJ304N1099	N/A	7/1/16-6/30/17	92,975	\$ (6,536)				\$ 6,536							\$ (7,497)			
School Breakfast Program	10.553	171NJ304N1099	N/A	7/1/17-6/30/18	104,866					97,369	\$ 104,866									
National School Lunch Program	10.555		N/A																	
Cash Assistance		171NJ304N1099		7/1/16-6/30/17	535,797	(24,814)				24,814										
Cash Assistance		171NJ304N1099		7/1/17-6/30/18	540,306					509,293	540,306						(31,013)			
Non-Cash Assistance (Food Distribution)		171NJ304N1099		7/1/17-6/30/18	90,181					90,653	90,181						472			
Total Child Nutrition Program Cluster/Enterprise Fund						(31,350)				728,665	735,353					(38,510)	472		(38,510)	
U.S. Department of Health and Human Services																				
General Fund																				
Medicaid Assistance Program	93.778	1705NJSMAP	N/A	7/1/17-6/30/18	55,749					55,749	55,749									
Total General Fund										55,749	55,749									
Special Revenue Fund																				
I.D.E.A. Part B, Basic Regular	84.027	H027A160100	FT-090002	7/1/16-6/30/17	871,648	(197,191)	15,062	(15,062)	15,062	182,129										
I.D.E.A. Part B, Basic Regular	84.027	H027A150100	FT-090002	7/1/17-6/30/18	862,015			15,062	(15,062)	617,129	845,770			(259,948)		31,307			(228,641)	
I.D.E.A. Part B, Preschool	84.173	H173A160114	PS-090000	7/1/16-6/30/17	33,934	(33,284)	4,088	(4,088)	4,088	29,196										
I.D.E.A. Part B, Preschool	84.173	H173A150114	PS-090000	7/1/17-6/30/18	33,754			4,088	(4,088)		1,407			(47,842)		36,433			(1,407)	
IDEA Cluster						(230,475)	19,150			828,454	847,177			(297,790)		67,742			(230,048)	
ESEA																				
Title I	84.010	S010A160030	NCLBCV-090300	7/1/16-6/30/17	497,820	(159,502)	34,386	(34,386)	34,386	125,116										
Title I	84.010	S010A15003	NCLBCV-090300	7/1/17-6/30/18	499,048			34,386	(34,386)	378,170	488,041								(109,871)	
Title II, Part A	84.367A	S367A160029	NCLBCV-090300	7/1/16-6/30/17	70,714	(37,495)	4,469	(4,835)	4,835	32,660			\$ 366			(155,264)			45,393	
Title II, Part A	84.367A	S367A50029	NCLBCV-090300	7/1/17-6/30/18	99,046			4,835	(4,835)	51,029	89,125					(52,852)			14,756	
Title III	84.365	S365A160030	NCLBCV-090300	7/1/16-6/30/17	42,819	(13,206)	4,090	(4,090)	4,090	9,116										
Title III	84.365	S365A150030	NCLBCV-090300	7/1/17-6/30/18	44,853			4,090	(4,090)	27,005	41,604					(21,938)			7,339	
Title III - Immigrant	84.365	S365A160030	NCLBCV-090300	7/1/16-6/30/17	12,245	(12,245)	6,375	(6,375)	6,375	5,870										
Title III - Immigrant	84.365	S365A160030	NCLBCV-090300	7/1/17-6/30/18	13,567			6,375	(6,375)	10,590	17,759					(9,352)			2,183	
Title IV	84.424	S424A170031	NCLBCV-090300	7/1/17-6/30/18	10,000				(6,375)	2,774	8,863					(7,226)			1,137	
Perkins Grant	84.048	V048A160030	N/A	7/1/17-6/30/18	25,549					20,948	25,549					(4,601)			(4,601)	
Perkins Grant	84.048	V048A150030	N/A	7/1/16-6/30/17	23,311	(23,374)	1,231			22,143										
IEP for Life	84.324b	N/A	N/A	7/1/17-6/30/18	333,000					145,604	318,063					(187,396)			14,937	
IEP for Life	84.324b	N/A	N/A	7/1/16-6/30/17	330,000	(266,497)	148,224			117,943										
Total Special Revenue Fund						(742,794)	218,255			1,777,422	1,836,181			366		(736,419)		153,487		(582,932)
Total Federal Awards						\$ (774,144)	\$ 218,255	\$ -	\$ -	\$ 2,561,836	\$ 2,627,283	\$ -	\$ 366	\$ (774,929)	\$ 153,959	\$ -	\$ (621,442)			

186

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

State Grantor/Program Title State Department of Education	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2017	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2018			Memo		
								(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
Current Expense:													
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	\$ 8,619,280		\$ 7,839,396	\$ 8,619,280		\$ (779,884)				\$ 8,619,280	
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	8,168,853	\$ (736,482)	736,482								
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	2,104,440		1,914,027	2,104,440		(190,413)				2,104,440	
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	2,104,440	(189,731)	189,731								
Security Aid	18-498-034-5120-084	7/1/17-6/30/18	181,274		164,872	181,274		(16,402)				181,274	
Security Aid	17-498-034-5120-084	7/1/16-6/30/17	181,274	(16,343)	16,343								
School Choice Aid	18-495-034-5120-068	7/1/17-6/30/18	238,431		216,857	238,431		(21,574)				238,431	
School Choice Aid	17-495-034-5120-068	7/1/16-6/30/17	225,882	(20,365)	20,365								
Host District Aid	18-495-034-5120-102	7/1/17-6/30/18	2,721		2,475	2,721		(246)				2,721	
Host District Aid	17-495-034-5120-102	7/1/16-6/30/17	2,721	(245)	245								
Additional Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	12,549		11,414	12,549		(1,135)				12,549	
Additional Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	12,549	(1,131)	1,131								
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	35,060		31,888	35,060		(3,172)				35,060	
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	35,060	(3,161)	3,161								
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	35,030		31,860	35,030		(3,170)				35,030	
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	35,030	(3,158)	3,158								
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	35,030		31,860	35,030		(3,170)				35,030	
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	35,030	(3,158)	3,158								
State Aid Public Cluster				(973,774)	11,218,423	11,263,813		(1,019,166)				11,263,813	
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	95,498		86,857	95,498		(8,641)				95,498	
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	95,498	(8,610)	8,610								
Lead Testing for Schools Aid	18-495-034-5120-104	7/1/17-6/30/18	6,326		6,326	6,326						6,326	
Extraordinary Aid	18-495-034-5120-473	7/1/17-6/30/18	714,048		714,048	714,048		(714,048)				714,048	
Extraordinary Aid	17-495-034-5120-473	7/1/16-6/30/17	719,894	(719,894)	719,894								
On Behalf Payments													
TPAF Social Security	18-495-034-5095-003	7/1/17-6/30/18	1,838,145		1,748,673	1,838,145		(89,472)			\$ (89,472)	1,838,145	
TPAF Social Security	17-495-034-5094-003	7/1/16-6/30/17	1,806,869	(89,789)	89,789								
TPAF On-Behalf Contributions													
Pension Benefit Contribution	18-495-034-5094-002	7/1/17-6/30/18	3,524,367		3,524,367	3,524,367						3,524,367	
Pension-NCGI Premium	18-495-034-5094-004	7/1/17-6/30/18	85,528		85,528	85,528						85,528	
LTDI Premium	18-495-034-5094-004	7/1/17-6/30/18	3,676		3,676	3,676						3,676	
Post Retirement Medical Benefit Contribution	18-495-034-5094-001	7/1/17-6/30/18	2,331,554		2,331,554	2,331,554						2,331,554	
Total General Fund				(1,792,067)	19,823,697	19,862,957		(1,831,327)				(89,472)	19,862,957
Special Revenue:													
New Jersey Nonpublic Aid:													
Textbook Aid	18-100-034-5120-064	7/1/17-6/30/18	\$ 9,587		\$ 9,587	\$ 9,586			\$ 1			\$ 9,586	
Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	11,586	\$ 7			\$ 7						
Nursing Services	18-100-034-5120-070	7/1/17-6/30/18	16,975		16,975	16,975						16,975	
Nursing Services	17-100-034-5120-070	7/1/16-6/30/17	18,090	1,518			1,518						
Security Aid	18-100-034-5120-509	7/1/17-6/30/18	13,125		13,125	13,052			73			13,052	
Security Aid	17-100-034-5120-509	7/1/16-6/30/17	10,050	3,008			3,008						
Technology Aid	18-100-034-5120-373	7/1/17-6/30/18	6,475		6,475	6,463			12			6,463	
Technology Aid	17-100-034-5120-373	7/1/16-6/30/17	5,226	88			88						
Auxiliary Services:													
Compensatory Education	18-100-034-5120-067	7/1/17-6/30/18	61,123		61,123	27,284			33,839			27,284	
Compensatory Education	17-100-034-5120-067	7/1/16-6/30/17	49,269	30,456			30,456						
English as a Second Language	18-100-034-5120-067	7/1/17-6/30/18	6,323		6,323	2,168			4,155			2,168	
English as a Second Language	17-100-034-5120-067	7/1/16-6/30/17	5,481	4,568			4,568						
Auxiliary Services Cluster				35,024	67,446	29,452	35,024		37,994			29,452	
Handicapped Services:													
Examination and Classification	18-100-034-5120-066	7/1/17-6/30/18	27,480		27,480	11,101			16,379			11,101	
Examination and Classification	17-100-034-5120-066	7/1/16-6/30/17	21,432	12,429			12,429						
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	51,782		51,782	9,374			42,408			9,374	
Corrective Speech	17-100-034-5120-066	7/1/16-6/30/17	42,408	29,862			29,862						
Supplemental Instruction	18-100-034-5120-066	7/1/17-6/30/18	22,996		22,996	7,137			15,859			7,137	
Supplemental Instruction	17-100-034-5120-066	7/1/16-6/30/17	13,340	7,769			7,769						
Handicapped Services Cluster				50,060	102,228	27,612	50,060		74,646			27,612	
NJ Achievement Coaches	N/A	2/1/15-12/31/15	70,000	2					\$ 2				
IMPACT Grant	N/A	7/1/11-6/30/12	35,404	1,548					1,548				
Total Special Revenue Fund				91,255	215,866	103,140	89,705		1,550	112,726		103,140	

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2017	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2018			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)	18-100-010-3350-023 17-100-010-3350-023	7/1/17-6/30/18 7/1/16-6/30/17	13,388 12,507	- (574)	\$ 12,622 574	\$ 13,388 -	- -	\$ (766) -	- -	- -	\$ (766) -	\$ 13,388 -
Total Food Service Fund				(574)	13,196	13,388	-	(766)	-	-	(766)	13,388
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	(792,174)	-	-	-	(1,296,240)	504,066	-	(1,296,240)	792,174
Hoover Elementary School - Various Improvements	0300-050-14-G1CR	N/A	325,080	(141,128)	-	-	-	(325,080)	183,952	-	(325,080)	141,128
Bergenfield High School - HVAC, Vertical Movement	0300-020-14-G3CK	N/A	856,532	(699,540)	-	3,910	-	(856,532)	153,082	-	(856,532)	703,450
Jefferson Elementary School - Various Improvements	0300-060-14-G1CS	N/A	431,160	(310,124)	-	121,036	-	(431,160)	-	-	(431,160)	431,160
Lincoln Elementary School - Various Improvements	0300-070-14-G3CM	N/A	671,228	(667,527)	-	3,701	-	(671,228)	-	-	(671,228)	671,228
Washington Elementary School - Various Improvements	0300-080-14-G3CN	N/A	403,202	(367,248)	-	4,153	-	(403,202)	31,801	-	(403,202)	371,401
Franklin Elementary School - Various Improvements	0300-040-14-G04	N/A	622,469	(33,598)	-	497,761	-	(622,469)	91,110	-	(622,469)	531,359
Total Capital Projects Fund				(3,011,339)	-	630,561	-	(4,605,911)	964,011	-	(4,605,911)	3,641,900
Total State Financial Assistance Subject to Single Audit Determination				(4,712,725)	20,052,759	20,610,046	\$ 89,705	(6,438,004)	\$ 965,561	\$ 112,726	(4,696,149)	23,621,385
State Financial Assistance Not Subject to Single Audit Determination												
General Fund												
On-Behalf TPAF Pension System Contributions-Normal	18-100-034-5094-002	7/1/17-6/30/18	3,524,367	-	(3,524,367)	(3,524,367)	-	-	-	-	-	(3,524,367)
On-Behalf TPAF Pension System Contributions-NCGI	18-100-034-5094-004	7/1/17-6/30/18	85,528	-	(85,528)	(85,528)	-	-	-	-	-	(85,528)
On-Behalf TPAF Contributions-LTDI	18-100-034-5094-004	7/1/17-6/30/18	3,676	-	(3,676)	(3,676)	-	-	-	-	-	(3,676)
On-Behalf TPAF Post-Retirement Medical Contribution	18-100-034-5094-001	7/1/17-6/30/18	2,331,554	-	(2,331,554)	(2,331,554)	-	-	-	-	-	(2,331,554)
Total State Financial Assistance Subject to Single Audit				\$ (4,712,725)	\$ 14,107,634	\$ 14,664,921	\$ 89,705	\$ (6,438,004)	\$ 965,561	\$ 112,726	\$ (4,696,149)	\$ 17,676,260

**BERGENFIELD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 a decrease of \$39,577 for the general fund and a decrease of \$25,815 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	\$ 55,749	\$ 19,823,380	\$ 19,879,129
Special Revenue Fund	1,813,840	103,140	1,916,980
Capital Projects Fund		630,561	630,561
Food Service Fund	<u>735,353</u>	<u>13,388</u>	<u>748,741</u>
Total Financial Assistance	<u>\$ 2,604,942</u>	<u>\$ 20,570,469</u>	<u>\$ 23,175,411</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, 2018**

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 \$1,838,145 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, 2018. The amount reported as TPAF Pension System Contributions in the amount of \$3,609,895, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,331,554 and TPAF Long-Term Disability Insurance in the amount of \$3,676 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2018.

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, 2018**

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>10.553</u>	<u>171NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>171NJ304N1099</u>	<u>National School Lunch Program</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, 2018**

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)? X yes _____ 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? X yes _____ no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<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>495-034-5120-473</u>	<u>Extraordinary Aid</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, 2018**

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, 2018**

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, 2018**

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

Finding 2018-001

Our audit noted the following with regards to compliance with the Public School Contracts Law and State procurement guidelines:

- There were three (3) instances where contracts were awarded through the use of a National Cooperative Contract where the District did not comply with all of the necessary requirements.
- There were three (3) instances where the District was unable to provide proof that quotes were obtained
- There was one (1) instance where the District awarded a time and material contract for boiler maintenance and repairs but the invoices did not provide sufficient detail to ensure amounts charged were in accordance with the contract award terms.
- There was one (1) instance where a change order was not approved by a Board resolution.

State Program Information

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084
School Choice Aid	495-034-5120-068
Host District Aid	495-034-5120-102
Adjustment Aid	495-034-5120-085
PARCC Reading Aid	495-034-5120-098
Per Pupil Growth Aid	495-034-5120-067
Professional Learning Community Aid	495-034-5120-101

Criteria or Specific Requirement

State Grant Compliance Supplements
N.J.S.A. 18A:18A-1 et seq. Public School Contracts Law
Local Finance Notice 2012-10

Condition

See Finding 2018-001.

Questioned Cost

Undeterminable.

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 (Continued)

Finding 2018-001 (Continued)

Context

- National Cooperative Contracts were awarded for the following without sufficient documentation for compliance with the Public School Contracts Law:
 - Lockdown Emergency Notification System - \$199,400
 - General Security Supplies - \$10,080
 - Modular Special Education Facility - \$553,964
- Sufficient documentation for quotes were not on file for the following:
 - Maintenance Repairs - \$10,800
 - Vehicle Maintenance - \$15,362
 - Athletic Equipment - \$19,345
- Invoices did not provide sufficient detail to ensure they are in compliance with the time and materials contract awarded for boiler maintenance and repairs. - \$183,984
- A change order was not approved by resolution for a 10% Contingency for Modular Special Education Facility - \$53,396

Effect

It appears that the District is not in compliance with Public School Contracts Law and Local Finance Notice 2012-10.

Recommendation

Internal control procedures be reviewed and enhanced to ensure purchases are made in accordance with the Public School Contracts Law and State procurement guidelines.

Views of Responsible Officials and Planned Corrective Action

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

**BERGENFIELD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 (Continued)

Finding 2018-002

A review of the application for State Extraordinary Aid revealed that certain related services for which costs were claimed for reimbursement were not clearly identified in the Individualized Education Plan (IEP) of the respective student.

Information on the State Program

Extraordinary Aid 495-034-5120-473

Criteria or Specific Requirement

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

Condition

See Finding 2018-002.

Questioned Costs

Unknown.

Context

We noted four (4) instances where the related services claimed for reimbursement were not clearly identified in the respective student's Individualized Education Plan (IEP).

Effect

Costs reported on the Extraordinary Aid Application for related services may not be allowed for reimbursement if the related services are not required by the student's IEP.

Recommendation

Internal control procedures be reviewed and revised to ensure student's Individualized Education Plans (IEP) clearly identify the related services for which costs are claimed for reimbursement on the Application for State Extraordinary Aid.

Views of Responsible Officials and Planned Corrective Action

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

**BERGENFIELD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

Not Applicable.