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**BERGENFIELD BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Bergenfield, New Jersey**

**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**  
**of the**  
**Bergenfield Board of Education**  
**Bergenfield, New Jersey**  
**For The Fiscal Year Ended June 30, 2019**

**Prepared by**  
**Business Office**

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## **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

December 5, 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, 2019 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 2018-2019 fiscal year with an enrollment of 3,593 students, which is 3 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 2018 opening day K-12 enrollment was 3,769. This represents an increase of 298 pupils as compared to the opening enrollment in September of 2017. 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 2018-2019 School Year include Uni-vent replacements at Franklin School; Tri Valley Academy for Autism continues to grow thus reducing out of district tuition cost and increasing revenue. Initial implementation of 18-21 year old program in newly constructed "Bear Den".

**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.

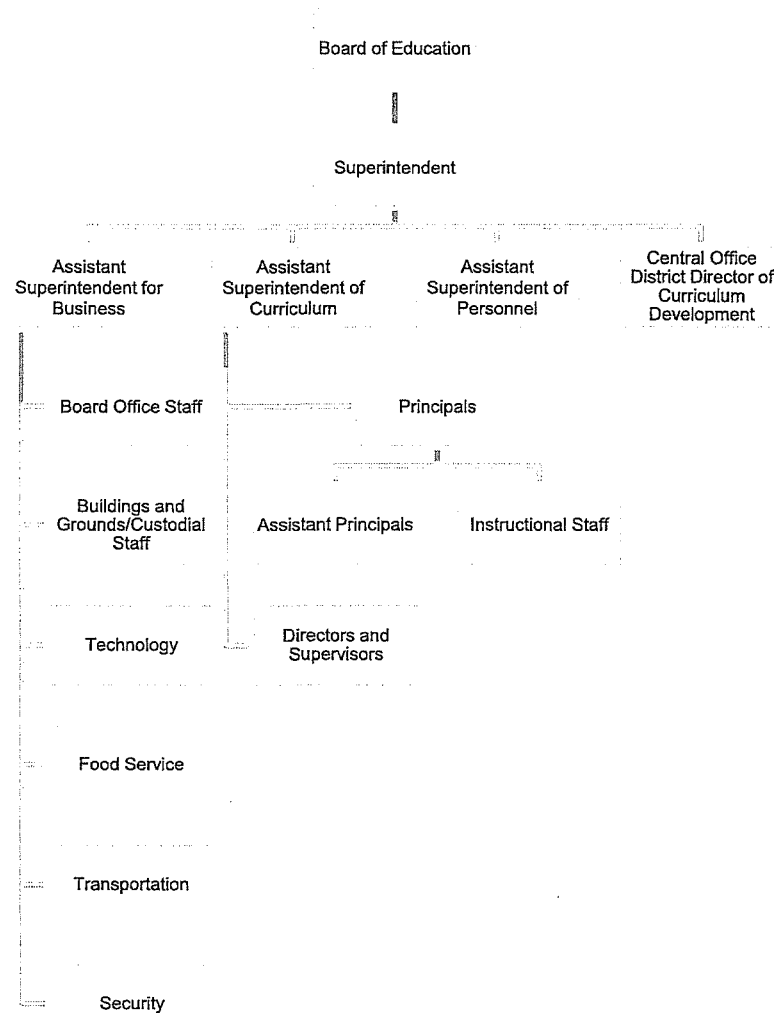
Respectfully submitted,

  
\_\_\_\_\_  
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, 2019**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dr. Joseph Amara, President	2019
Eileen Ryder, Vice President	2020
Guadalupe Ruiz Catala	2021
Dr. Nelson Reynoso	2021
William Jaeger	2019

Other Officials

Christopher M. Tully, EDD, Superintendent of Schools  
Darlene Joseph-Markman, Assistant Superintendent of Curriculum  
Frank Auriemma, EDD, Interim Director of Personnel  
David DiPisa, School Business Administrator/Board Secretary  
Sean Gately, Treasurer of School Monies



**BERGENFIELD BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**Architect**

Solutions Architecture  
96 Pompton Avenue  
2<sup>nd</sup> Floor, Suite 200  
Verona, NJ 07044

**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  
MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
ROBERT LERCH, CPA  
CHRIS SOHN, 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, 2019 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, 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 December 5, 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

A handwritten signature in blue ink, appearing to read 'Jeffrey C. Bliss', with a long horizontal flourish extending to the right.

Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
December 5, 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, 2019**

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, 2019. 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 2018-2019 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 \$18,961,188 (net position).
- The District's overall net position decreased \$2,820,627 or 13%.
- Overall district revenues were \$83,045,722 General revenues accounted for \$58,816,468 or 71% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$24,229,254 or 29% of total revenues.
- The school district had \$84,425,108 in expenses for governmental activities; only \$22,809,055 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$58,816,468 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 \$8,467,698 a decrease of \$2,691,514 from the previous year.
- The General Fund unassigned fund balance at June 30, 2019 was \$331,975 compared to the ending unassigned fund balance at June 30, 2018 of \$224,297.
- The General Fund unassigned budgetary fund balance at June 30, 2019 was \$2,288,118 which represents an increase of \$321,966 when compared to the ending unassigned budgetary fund balance at June 30, 2018 of \$1,966,152.
- The District's investment in capital assets increased \$179,232 during the current fiscal year.
- The District's long-term liabilities decreased \$2,510,590 during the current fiscal year.

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

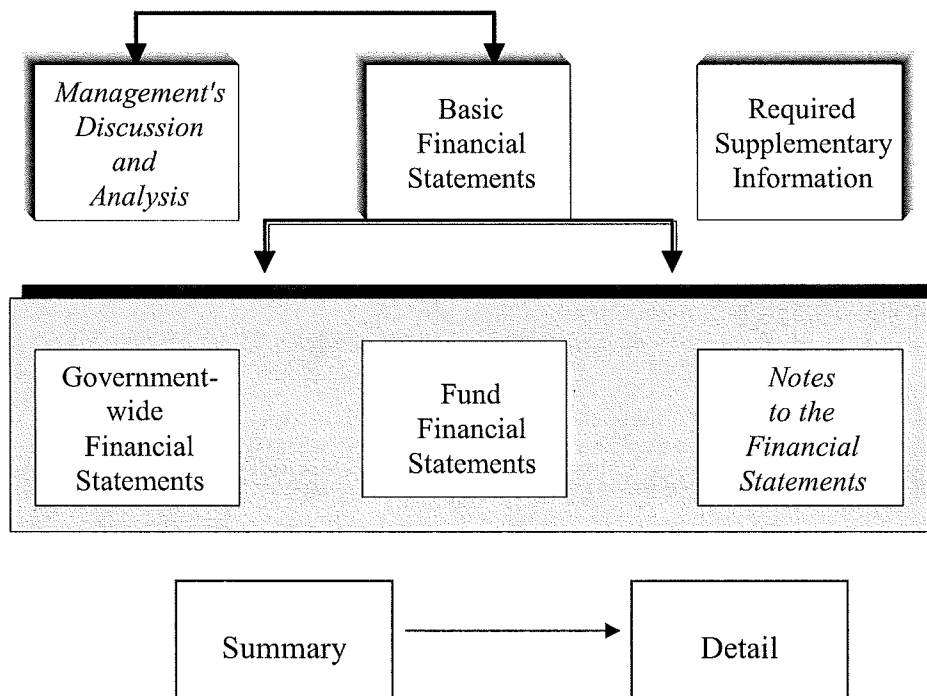
**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**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, 2019**

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 deductions during the year, regardless of when cash is received or paid.

**District-Wide Financial Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net 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, 2019**

**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, 2019**

**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 \$18,961,188 and \$21,781,815 as of June 30, 2019 and 2018, 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.

<b>Net Position As of June 30, 2019 and 2018</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Assets</b>						
Current Assets	\$ 10,742,508	\$ 13,364,878	\$ 566,676	\$ 642,857	\$ 11,309,184	\$ 14,007,735
Capital Assets	<u>28,727,102</u>	<u>28,611,872</u>	<u>110,717</u>	<u>46,715</u>	<u>28,837,819</u>	<u>28,658,587</u>
<b>Total Assets</b>	<u>39,469,610</u>	<u>41,976,750</u>	<u>677,393</u>	<u>689,572</u>	<u>40,147,003</u>	<u>42,666,322</u>
<b>Deferred Outflows of Resources</b>	<u>3,602,992</u>	<u>4,826,470</u>	<u>-</u>	<u>-</u>	<u>3,602,992</u>	<u>4,826,470</u>
<b>Total Assets and Deferred Outflow of Resources</b>	<u>43,072,602</u>	<u>46,803,220</u>	<u>677,393</u>	<u>689,572</u>	<u>43,749,995</u>	<u>47,492,792</u>
<b>Liabilities</b>						
Long-Term Liabilities	17,138,429	19,649,019			17,138,429	19,649,019
Other Liabilities	<u>2,274,810</u>	<u>2,205,666</u>	<u>83,830</u>	<u>74,495</u>	<u>2,358,640</u>	<u>2,280,161</u>
<b>Total Liabilities</b>	<u>19,413,239</u>	<u>21,854,685</u>	<u>83,830</u>	<u>74,495</u>	<u>19,497,069</u>	<u>21,929,180</u>
<b>Deferred Inflow of Resources</b>	<u>5,291,738</u>	<u>3,781,325</u>	<u>-</u>	<u>472</u>	<u>5,291,738</u>	<u>3,781,797</u>
<b>Total Liabilities and Deferred Inflow of Resources</b>	<u>24,704,977</u>	<u>25,636,010</u>	<u>83,830</u>	<u>74,967</u>	<u>24,788,807</u>	<u>25,710,977</u>
<b>Net Position</b>						
Investment in Capital Assets	28,727,102	28,611,872	110,717	46,715	28,837,819	28,658,587
Restricted	4,389,690	5,800,668			4,389,690	5,800,668
Unrestricted	<u>(14,749,167)</u>	<u>(13,245,330)</u>	<u>482,846</u>	<u>567,890</u>	<u>(14,266,321)</u>	<u>(12,677,440)</u>
<b>Total Net Position</b>	<u>\$ 18,367,625</u>	<u>\$ 21,167,210</u>	<u>\$ 593,563</u>	<u>\$ 614,605</u>	<u>\$ 18,961,188</u>	<u>\$ 21,781,815</u>

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

The District's total net position of \$18,961,188 at June 30, 2019 represents a decrease of \$2,802,627 or 13% from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2019 and 2018.

**Changes in Net Position  
For the Fiscal Years Ended June 30, 2019 and 2018**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 1,615,709	\$ 1,642,513	\$ 700,132	\$ 673,251	\$ 2,315,841	\$ 2,315,764
Operating Grants and Contributions	21,146,614	25,085,249	720,067	748,741	21,866,681	25,833,990
Capital Grants and Contributions	46,732	652,889			46,732	652,889
General Revenues						
Property Taxes	49,523,856	48,791,976			49,523,856	48,791,976
Unrestricted State Aid	8,951,490	8,933,450			8,951,490	8,933,450
Other	341,122	206,220	-	-	341,122	206,220
<b>Total Revenues</b>	<b><u>81,625,523</u></b>	<b><u>85,312,297</u></b>	<b><u>1,420,199</u></b>	<b><u>1,421,992</u></b>	<b><u>83,045,722</u></b>	<b><u>86,734,289</u></b>
<b>Expenses</b>						
Instruction						
Regular	36,929,584	39,014,007			36,929,584	39,014,007
Special Education	15,661,228	14,915,389			15,661,228	14,915,389
Other Instruction	2,344,901	2,394,147			2,344,901	2,394,147
School Sponsored Activities and Athletics	1,462,542	1,322,493			1,462,542	1,322,493
Support Services						
Student and Instruction Related Services	9,106,779	9,510,697			9,106,779	9,510,697
General Administrative Services	1,724,881	1,509,412			1,724,881	1,509,412
School Administrative Services	5,140,698	5,602,769			5,140,698	5,602,769
Central Administrative Services	913,184	909,104			913,184	909,104
Plant Operations and Maintenance	8,308,017	7,628,841			8,308,017	7,628,841
Student Transportation	2,833,294	2,781,290			2,833,294	2,781,290
SDA Grants Cancelled					-	
Food Services			1,360,546	1,346,318	1,360,546	1,346,318
Summer Enrichment Program	-	-	80,695	66,553	80,695	66,553
<b>Total Expenses</b>	<b><u>84,425,108</u></b>	<b><u>85,588,149</u></b>	<b><u>1,441,241</u></b>	<b><u>1,412,871</u></b>	<b><u>85,866,349</u></b>	<b><u>87,001,020</u></b>
<b>Change in Net Position</b>	<b>(2,799,585)</b>	<b>(275,852)</b>	<b>(21,042)</b>	<b>9,121</b>	<b>(2,820,627)</b>	<b>(266,731)</b>
<b>Net Position, Beginning of Year</b>	<b><u>21,167,210</u></b>	<b><u>21,443,062</u></b>	<b><u>614,605</u></b>	<b><u>605,484</u></b>	<b><u>21,781,815</u></b>	<b><u>22,048,546</u></b>
<b>Net Position, End of Year</b>	<b><u>\$ 18,367,625</u></b>	<b><u>\$ 21,167,210</u></b>	<b><u>\$ 593,563</u></b>	<b><u>\$ 614,605</u></b>	<b><u>\$ 18,961,188</u></b>	<b><u>\$ 21,781,815</u></b>

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

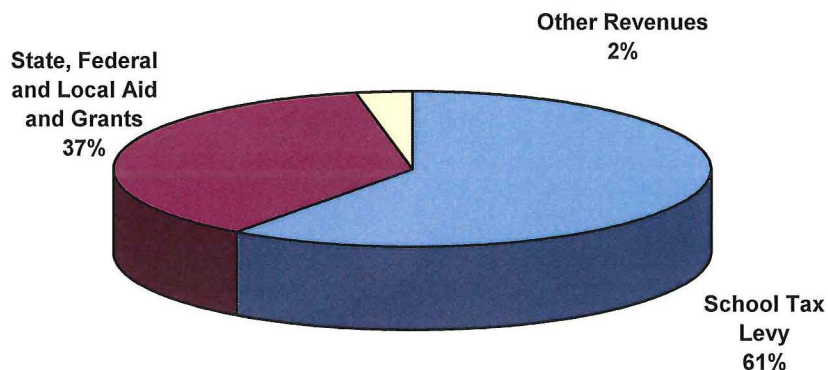
**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$81,625,523 and \$85,312,297 for the fiscal years ended June 30, 2019 and 2018. Property taxes of \$49,523,856 and \$48,791,976 represented 61% and 57% of revenues for the fiscal years ended June 30, 2019 and 2018. Another significant portion of revenues came from State and Federal aid; total State, Federal and Local aid and grants of \$30,144,836 and \$34,671,588 represented 37% and 41% of revenues for the fiscal years ended June 30, 2019 and 2018. 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.

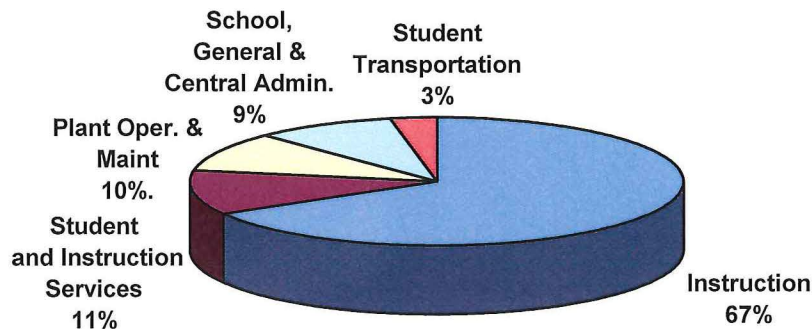
The total cost of all governmental activities programs and services were \$84,425,108 and \$85,588,149 for the fiscal years ended June 30, 2019 and 2018. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$56,398,255 (67%) and \$57,646,036 (67%) of total expenses for the fiscal years ended June 30, 2019 and 2018. Support services, totaled \$28,026,853 (33%) and \$27,942,113 (33%) of total expenses for the fiscal years ended June 30, 2019 and 2018.

Total governmental activities expenses exceeded revenues decreasing net position at June 30, 2019 and 2018 by \$2,799,585 and by \$275,852, respectively from the previous year.

**Revenues by Source- Governmental Activities  
For Fiscal Year 2019**



**Expenses by Type- Governmental Activities  
For Fiscal Year 2019**



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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**Total and Net Cost of Governmental Activities.** The District's total cost of services were \$84,425,108 and \$85,588,149 for fiscal years 2019 and 2018. After applying program revenues, derived from charges for services of \$1,615,709 and \$1,642,513, operating grants and contributions of \$21,146,614 and \$25,085,249 and capital grants and contributions of \$46,732 and \$652,889, the net cost of services of the District is \$61,616,053 and \$58,207,498 for fiscal years 2019 and 2018, respectively.

**Total and Net Cost of Governmental Activities**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Instruction				
Regular	36,929,584	39,014,007	\$ 26,564,145	\$ 25,821,536
Special Education	15,661,228	14,915,389	8,556,195	7,548,934
Other Instruction	2,344,901	2,394,147	1,271,022	1,308,019
School Sponsored Activities and Athletics	1,462,542	1,322,493	1,417,845	1,239,864
Support Services				
Student and Instruction Related Services	9,106,779	9,510,697	7,380,572	7,227,731
General Administrative Services	1,724,881	1,509,412	1,693,754	1,440,530
School Administrative Services	5,140,698	5,602,769	3,908,372	3,928,547
Central Administrative Services	913,184	909,104	885,160	847,599
Plant Operations and Maintenance	8,308,017	7,628,841	7,770,663	6,392,032
Pupil Transportation	<u>2,833,294</u>	<u>2,781,290</u>	<u>2,168,325</u>	<u>2,452,706</u>
<b>Total</b>	<b><u>\$ 84,425,108</u></b>	<b><u>\$ 85,588,149</u></b>	<b><u>\$ 61,616,053</u></b>	<b><u>\$ 58,207,498</u></b>

**Business-Type Activities** – The District's total business-type activities revenues were \$1,420,199 and \$1,421,992 for the years ended June 30, 2019 and 2018. Charges for services accounted for \$700,132 (49%) and \$673,251 (47%) of total revenues for fiscal years 2019 and 2018. Operating grants and contributions accounted for \$720,067 (51%) and \$748,741 (53%) of total revenue for fiscal years 2019 and 2018.

The total cost of all business-type activities programs and services were \$1,441,241 and \$1,412,871 for the fiscal years ended June 30, 2019 and 2018. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District of \$1,360,546 (94%) and \$1,346,318 (95%) and the Summer Enrichment Programs offered to students of \$80,695 (6%) and \$66,553 (5%) for fiscal years 2019 and 2018, respectively.

For business-type activities expenses exceeded revenues, decreasing net position by \$21,042 at June 30, 2019 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, 2019**

**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 \$8,467,698 a decrease of \$2,691,514 compared to the previous years combined fund balance of \$11,159,212.

Revenues for the District's governmental funds for fiscal years 2019 and 2018 were \$75,488,702 and \$73,094,566, while total expenditures were \$78,180,216 and \$73,242,898, 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, 2019 and 2018.

	<b>Fiscal Year Ended June 30, 2019</b>	<b>Fiscal Year Ended June 30, 2018</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Local Sources:				
Property Tax Levy	\$ 49,523,856	\$ 48,791,976	\$ 731,880	2%
Tuition and Fees	1,615,709	1,642,513	(26,804)	-2%
Miscellaneous	341,122	206,220	134,902	65%
State Sources	21,515,344	19,823,380	1,691,964	9%
Federal Sources	63,319	55,749	7,570	14%
Total General Fund Revenues	<u>\$ 73,059,350</u>	<u>\$ 70,519,838</u>	<u>\$ 2,539,512</u>	4%

Total General Fund Revenues increased by \$2,539,512 from the previous year. Property tax levy increased \$731,880 or 2% from the previous year to fund increases in budgeted operating costs. Tuition and fees decreased \$26,804 or 2% due to decreases in special education tuition revenue earned in the current year. State aid revenues increased \$1,691,964 or 9% as a result of increases in security and transportation aid and on-behalf teachers' pension contributions paid by the State for the District's teaching professionals. Federal revenues increased \$7,570 entirely 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, 2019 and 2018.

	<b>Fiscal Year Ended June 30, 2019</b>	<b>Fiscal Year Ended June 30, 2018</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Instruction	\$ 47,937,704	\$ 45,040,914	\$ 2,896,790	6%
Support Services	25,631,391	23,822,794	1,808,597	8%
Capital Outlay	<u>1,148,791</u>	<u>763,819</u>	<u>384,972</u>	50%
Total Expenditures	<u>\$ 74,717,886</u>	<u>\$ 69,627,527</u>	<u>\$ 5,090,359</u>	7%

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**General Fund (Continued)**

Total General Fund expenditures increased \$5,090,359 or 7% from the previous year. This increase can primarily be attributable to an increase in regular and special education instructional costs as well as increases in costs associated with student and instruction related support services and plant operation and maintenance support services.

In addition, during the current fiscal year the General Fund transferred \$290,524 to the Capital Projects Fund to provide the funding towards certain District capital projects.

For fiscal year 2019 General Fund revenues and other financing sources were less than expenditures and other financing uses by \$871,788. As a result, total fund balance decreased to \$7,600,111 at June 30, 2019 compared to \$8,471,899 at June 30, 2018.

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

Revenues of the Special Revenue Fund were \$2,429,352 for the year ended June 30, 2019. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented \$2,058,176 or 85% of the total revenue for the year. State sources accounted for \$345,576 or 14% and local sources accounted for \$25,600 or 1%, of the total revenue for the year.

Total Special Revenue Fund revenues increased \$485,185 or 25% from the previous year. State sources increased \$242,436 or 235%, local sources decreased \$1,587 or 6% and Federal sources increased \$244,336 or 13%.

Expenditures of the Special Revenue Fund were \$2,429,352. Instructional expenditures were \$2,055,649 or 85% and expenditures for the support services were \$326,971 or 13% and expenditures for capital outlay were \$46,732 or 2% 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 and other financing uses by \$1,819,726 resulting in a fund balance of \$867,587 at June 30, 2019. The District transferred \$290,524 from the General Fund to provide the funding for certain capital projects.

**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, 2019 General Fund budgetary basis revenues and other financing sources were less than expenditures and other financing uses by \$657,500. Therefore, total fund balance decreased to \$9,556,254 at June 30, 2019 from \$10,213,754 at June 30, 2018. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance increased from \$1,966,152 at June 30, 2018 to \$2,288,118 at June 30, 2019. The District's reserved excess surplus resulting from the current year budgetary operations was \$1,100,486 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, 2019**

**CAPITAL ASSETS**

The District's investment in capital assets for its governmental and business type activities as of June 30, 2019 amounts to \$28,837,819 (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 2018-2019 amounted to \$1,889,878 for governmental activities and \$6,721 for business-type activities. During fiscal year 2018-2019 the District increased its governmental activities capital assets, net by \$115,230 and increased its business-type activities capital assets, net by \$64,002.

**Capital Assets at June 30, 2019 and 2018  
(Net of Accumulated Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 1,780,323	\$ 1,780,323			\$ 1,780,323	\$ 1,780,323
Construction in Progress	1,452,322	2,339,428			1,452,322	2,339,428
Buildings	22,118,150	21,088,971			22,118,150	21,088,971
Land Improvements	1,897,663	2,042,403			1,897,663	2,042,403
Machinery and Equipment	1,478,644	1,360,747	\$ 110,717	\$ 46,715	1,589,361	1,407,462
<b>Total Capital Assets, Net</b>	<b>\$ 28,727,102</b>	<b>\$ 28,611,872</b>	<b>\$ 110,717</b>	<b>\$ 46,715</b>	<b>\$ 28,837,819</b>	<b>\$ 28,658,587</b>

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 \$17,138,429 and consisted of \$1,629,128 of compensated absences payable compared to \$1,676,524 at the end of the previous year as well as net pension liability of \$15,509,301 compared to \$17,972,495 at the end of the previous year. Total long-term liabilities decreased \$2,410,590 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 2019-2020 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 2019-2020. Total budgeted expenditures increased 2.1 percent to \$69,781,933 in fiscal year 2019-2020.

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**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, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,583,401	\$ 535,392	\$ 8,118,793
Receivables, Net			
Receivables From Other Governments	3,150,661	30,419	3,181,080
Accounts Receivable	8,446		8,446
Inventory		865	865
Capital Assets, Not Being Depreciated	3,232,645		3,232,645
Capital Assets, Being Depreciated, Net	<u>25,494,457</u>	<u>110,717</u>	<u>25,605,174</u>
Total Assets	<u>39,469,610</u>	<u>677,393</u>	<u>40,147,003</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>3,602,992</u>	<u>-</u>	<u>3,602,992</u>
Total Assets and Deferred Outflow of Resources	<u>43,072,602</u>	<u>677,393</u>	<u>43,749,995</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	1,930,144		1,930,144
Payable to Other Governments	21,941		21,941
Unearned Revenue	322,725	83,830	406,555
Noncurrent Liabilities			
Due within one year	30,000		30,000
Due beyond one year	<u>17,108,429</u>	<u>-</u>	<u>17,108,429</u>
Total Liabilities	<u>19,413,239</u>	<u>83,830</u>	<u>19,497,069</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>5,291,738</u>	<u>-</u>	<u>5,291,738</u>
Total Deferred Inflows of Resources	<u>5,291,738</u>	<u>-</u>	<u>5,291,738</u>
Total Liabilities and Deferred Inflows of Resources	<u>24,704,977</u>	<u>83,830</u>	<u>24,788,807</u>
<b>NET POSITION</b>			
Investment in Capital Assets	28,727,102	110,717	28,837,819
Restricted for:			
Capital Projects	3,286,690		3,286,690
Plant Maintenance	400,000		400,000
Tuition Adjustments	703,000		703,000
Unrestricted	<u>(14,749,167)</u>	<u>482,846</u>	<u>(14,266,321)</u>
Total Net Position	<u>\$ 18,367,625</u>	<u>\$ 593,563</u>	<u>\$ 18,961,188</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, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 36,929,584	\$ 85,514	\$ 10,233,193	\$ 46,732	\$ (26,564,145)		\$ (26,564,145)
Special Education	15,661,228	1,481,959	5,623,074		(8,556,195)		(8,556,195)
Other Instruction	2,344,901		1,073,879		(1,271,022)		(1,271,022)
School Sponsored Activities and Athletics	1,462,542		44,697		(1,417,845)		(1,417,845)
Support Services:							
Student & Instruction Related Services	9,106,779		1,726,207		(7,380,572)		(7,380,572)
General Administrative Services	1,724,881		31,127		(1,693,754)		(1,693,754)
School Administrative Services	5,140,698		1,232,326		(3,908,372)		(3,908,372)
Central Administrative Services	913,184		28,024		(885,160)		(885,160)
Plant Operations and Maintenance	8,308,017		537,354		(7,770,663)		(7,770,663)
Student Transportation	2,833,294	48,236	616,733	-	(2,168,325)	-	(2,168,325)
Total Governmental Activities	84,425,108	1,615,709	21,146,614	46,732	(61,616,053)	-	(61,616,053)
Business-Type Activities:							
Food Services	1,360,546	633,555	720,067			\$ (6,924)	(6,924)
Summer Enrichment Program	80,695	66,577	-	-	-	(14,118)	(14,118)
Total Business-Type Activities	1,441,241	700,132	720,067	-	-	(21,042)	(21,042)
Total Primary Government	\$ 85,866,349	\$ 2,315,841	\$ 21,866,681	\$ 46,732	(61,616,053)	(21,042)	(61,637,095)

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, 2019**

		Net (Expense) Revenue and Changes in Net Position		
		<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General Revenues:				
Taxes:				
Property Taxes, levied for general purposes		\$ 49,523,856		\$ 49,523,856
State Aid - Unrestricted		8,951,490		8,951,490
Miscellaneous Income		<u>341,122</u>	<u>-</u>	<u>341,122</u>
Total General Revenues		<u>58,816,468</u>	<u>-</u>	<u>58,816,468</u>
Change in Net Position		(2,799,585)	\$ (21,042)	(2,820,627)
Net Position, Beginning of Year		<u>21,167,210</u>	<u>614,605</u>	<u>21,781,815</u>
Net Position, End of Year		<u>\$ 18,367,625</u>	<u>\$ 593,563</u>	<u>\$ 18,961,188</u>

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

## **FUND FINANCIAL STATEMENTS**



**BERGENFIELD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 7,583,401			\$ 7,583,401
Intergovernmental Receivables	412,023	\$ 610,579	\$ 2,128,059	3,150,661
Accounts Receivable	8,446			8,446
Due from Other Funds	<u>1,320,389</u>	<u>-</u>	<u>-</u>	<u>1,320,389</u>
Total Assets	<u>\$ 9,324,259</u>	<u>\$ 610,579</u>	<u>\$ 2,128,059</u>	<u>\$ 12,062,897</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 651,405	\$ 138,489		\$ 789,894
Accrued Salaries and Wages	879,443			879,443
Payable to State Government		21,941		21,941
Due to Other Funds	153,317	182,828	\$ 1,137,561	1,473,706
Other Liabilities		107,490		107,490
Unearned Revenue	<u>39,983</u>	<u>159,831</u>	<u>122,911</u>	<u>322,725</u>
Total Liabilities	<u>1,724,148</u>	<u>610,579</u>	<u>1,260,472</u>	<u>3,595,199</u>
Fund Balances:				
Restricted				
Capital Reserve	1,751,748			1,751,748
Capital Reserve - Designated for Subsequent Year's Expenditures	667,355			667,355
Maintenance Reserve - Designated for Subsequent Year's Expenditures	400,000			400,000
Emergency Reserve	394,000			394,000
Emergency Reserve - Designated for Subsequent Year's Expenditures	200,000			200,000
Tuition Adjustments	360,000			360,000
Tuition Adjustments - Designated for Subsequent Year's Expenditures	343,000			343,000
Excess Surplus	1,100,486			1,100,486
Excess Surplus - Designated for Subsequent Year's Expenditures	1,144,579			1,144,579
Capital Projects			867,587	867,587
Assigned				
Year End Encumbrances	354,215			354,215
Designated for Subsequent Year's Expenditures	552,753			552,753
Unassigned	<u>331,975</u>	<u>-</u>	<u>-</u>	<u>331,975</u>
Total Fund Balances	<u>7,600,111</u>	<u>-</u>	<u>867,587</u>	<u>8,467,698</u>
Total Liabilities and Fund Balances	<u>\$ 9,324,259</u>	<u>\$ 610,579</u>	<u>\$ 2,128,059</u>	<u>\$ 12,062,897</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, 2019**

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

<b>Total Fund Balances - Governmental Funds (B-1)</b>	<b>\$</b>	<b>8,467,698</b>
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$52,455,157 and the accumulated depreciation is \$23,728,055.

28,727,102

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	\$	3,602,992	
Deferred Inflows of Resources		<u>(5,291,738)</u>	
			(1,688,746)

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		(15,509,301)	
Compensated Absences		<u>(1,629,128)</u>	
			<u>(17,138,429)</u>

<b>Net Position of Governmental Activities (Exhibit A-1)</b>	<b>\$</b>	<b><u>18,367,625</u></b>
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**BERGENFIELD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local sources:				
Property Tax Levy	\$ 49,523,856			\$ 49,523,856
Tuition	1,567,473			1,567,473
Transportation Fees	48,236			48,236
Miscellaneous	341,122	\$ 25,600	-	366,722
Total - Local Sources	51,480,687	25,600	-	51,506,287
State Sources	21,515,344	345,576	\$ -	21,860,920
Federal Sources	63,319	2,058,176	-	2,121,495
Total Revenues	73,059,350	2,429,352	-	75,488,702
<b>EXPENDITURES</b>				
Current				
Instruction				
Regular	31,883,909	217,056		32,100,965
Special Education	13,050,654	1,307,608		14,358,262
Other Instruction	1,604,925	530,985		2,135,910
School Sponsored Activities and Athletics	1,398,216			1,398,216
Support Services				
Student and Instruction Related Services	8,059,964	326,971		8,386,935
General Administrative Services	1,452,008		\$ 223,393	1,675,401
School Administrative Services	4,601,304			4,601,304
Central Administrative Services	873,516			873,516
Plant Operations and Maintenance	8,003,591			8,003,591
Student Transportation	2,641,008			2,641,008
Capital Outlay	1,148,791	46,732	809,585	2,005,108
Total Expenditures	74,717,886	2,429,352	1,032,978	78,180,216
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,658,536)	-	(1,032,978)	(2,691,514)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,077,272		290,524	1,367,796
Transfers Out	(290,524)	-	(1,077,272)	(1,367,796)
Total Other Financing Sources (Uses)	786,748	-	(786,748)	-
Net Change in Fund Balance	(871,788)	-	(1,819,726)	(2,691,514)
Fund Balance, Beginning of Year	8,471,899	-	2,687,313	11,159,212
Fund Balance, End of Year	\$ 7,600,111	\$ -	\$ 867,587	\$ 8,467,698

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, 2019**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** **\$ (2,691,514)**

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	\$	2,005,108	
Depreciation expense		<u>(1,889,878)</u>	
			115,230

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		(270,697)	
Decrease in Compensated Absences		<u>47,396</u>	
			<u>(223,301)</u>

**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ (2,799,585)**

**BERGENFIELD BOARD OF EDUCATION  
PROPRIETARY FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2019**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b><u>Food Service</u></b>	<b><u>Summer Enrichment Program</u></b>	<b><u>Total</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 317,410	\$ 217,982	\$ 535,392
Intergovernmental Receivable	30,419		30,419
Inventories	<u>865</u>	<u>-</u>	<u>865</u>
Total Current Assets	<u>348,694</u>	<u>217,982</u>	<u>566,676</u>
Capital Assets			
Equipment	262,140		262,140
Accumulated Depreciation	<u>(151,423)</u>	<u>-</u>	<u>(151,423)</u>
Total Capital Assets, Net	<u>110,717</u>	<u>-</u>	<u>110,717</u>
Total Assets	<u>459,411</u>	<u>217,982</u>	<u>677,393</u>
<b>LIABILITIES</b>			
Current Liabilities			
Unearned Revenue	<u>9,585</u>	<u>74,245</u>	<u>83,830</u>
Total Current Liabilities	<u>9,585</u>	<u>74,245</u>	<u>83,830</u>
<b>NET POSITION</b>			
Investment in Capital Assets	110,717		110,717
Unrestricted	<u>339,109</u>	<u>143,737</u>	<u>482,846</u>
Total Net Position	<u>\$ 449,826</u>	<u>\$ 143,737</u>	<u>\$ 593,563</u>

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

**BERGENFIELD BOARD OF EDUCATION  
PROPRIETARY FUND  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b><u>Food Service</u></b>	<b><u>Summer Enrichment Program</u></b>	<b><u>Total</u></b>
<b>OPERATING REVENUES</b>			
Local Sources			
Daily Sales-Reimbursable Programs	\$ 323,902		\$ 323,902
Daily Sales Non-Reimbursable Programs	309,653		309,653
Program Fees	-	\$ 66,577	66,577
Total Operating Revenues	633,555	66,577	700,132
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	679,721	69,751	749,472
Cost of Sales - Reimbursable Programs	395,342		395,342
Cost of Sales - Non-Reimbursable Programs	62,283		62,283
Supplies and Materials	31,492	2,522	34,014
Other Purchased Services	79,278	2,750	82,028
Purchased Management Services	91,665		91,665
Miscellaneous Expense	14,044	5,672	19,716
Depreciation	6,721	-	6,721
Total Operating Expenses	1,360,546	80,695	1,441,241
Operating Loss	(726,991)	(14,118)	(741,109)
<b>NONOPERATING REVENUES</b>			
State Sources			
State School Lunch Program	12,901		12,901
Federal Sources			
School Breakfast Program	98,212		98,212
National School Lunch Program	518,637		518,637
Food Distribution Program	90,317	-	90,317
Total Nonoperating Revenues	720,067	-	720,067
Changes in Net Position	(6,924)	(14,118)	(21,042)
Total Net Position, Beginning of Year	456,750	157,855	614,605
Total Net Position, End of Year	\$ 449,826	\$ 143,737	\$ 593,563

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, 2019**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b><u>Food Service</u></b>	<b><u>Summer Enrichment Program</u></b>	<b><u>Total</u></b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 634,786	\$ 74,681	\$ 709,467
Cash Payments for Employees Salaries & Benefits	(679,721)	(69,751)	(749,472)
Cash Payments to Suppliers for Goods and Services	<u>(573,264)</u>	<u>(10,944)</u>	<u>(584,208)</u>
Net Cash (Used for) Operating Activities	<u>(618,199)</u>	<u>(6,014)</u>	<u>(624,213)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal Subsidy Reimbursements	<u>638,607</u>	<u>-</u>	<u>638,607</u>
Net Cash Provided by Noncapital Financing Activities	<u>638,607</u>	<u>-</u>	<u>638,607</u>
<b>Cash Flows from Capital Financing Activities</b>			
Acquisition of Capital Assets	<u>(70,723)</u>	<u>-</u>	<u>(70,723)</u>
Net Cash (Used for) Capital Financing Activities	<u>(70,723)</u>	<u>-</u>	<u>(70,723)</u>
Net (Decrease) in Cash and Cash Equivalents	(50,315)	(6,014)	(56,329)
Cash and Cash Equivalents, Beginning of Year	<u>367,725</u>	<u>223,996</u>	<u>591,721</u>
Cash and Cash Equivalents, End of Year	<u>\$ 317,410</u>	<u>\$ 217,982</u>	<u>\$ 535,392</u>
<b>Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities</b>			
Operating (Loss)	\$ (726,991)	\$ (14,118)	\$ (741,109)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities			
Depreciation	6,721		6,721
Non-Cash Federal Assistance-Food Distribution Program	90,317		90,317
Change in Assets, Liabilities and Deferred Inflows (Increase)/Decrease in Inventory	10,995		10,995
Increase/(Decrease) in Unearned Revenue	1,231	8,104	9,335
Increase/(Decrease) in Deferred Commodities Revenue	<u>(472)</u>	<u>-</u>	<u>(472)</u>
Total Adjustments	<u>108,792</u>	<u>8,104</u>	<u>116,896</u>
Net Cash (Used for) Operating Activities	<u>\$ (618,199)</u>	<u>\$ (6,014)</u>	<u>\$ (624,213)</u>
Non-Cash Investing, Capital and Financing Activities: Value Received - Food Distribution Program	\$ 89,845		

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, 2019**

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b>Scholarship <u>Trust Fund</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 283,778	\$ 71,904	\$ 209,978
Due from Other Funds	<u>8,992</u>	<u>-</u>	<u>153,317</u>
Total Assets	<u>292,770</u>	<u>71,904</u>	<u>\$ 363,295</u>
<b>LIABILITIES</b>			
Intergovernmental Accounts Payable	1,835		
Payroll Deductions and Withholdings			229,104
Accrued Salaries and Wages			37,652
Due to Student Groups			87,547
Due to Other Funds	<u>-</u>	<u>-</u>	<u>8,992</u>
Total Liabilities	<u>1,835</u>	<u>-</u>	<u>\$ 363,295</u>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 290,935</u>	<u>\$ 71,904</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, 2019**

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b>Scholarship <u>Trust Fund</u></b>
<b>ADDITIONS</b>		
Contributions		
Donations		\$ 13,750
District	\$ 2,760	
Employees	<u>75,620</u>	<u>-</u>
Total Contributions	<u>78,380</u>	<u>13,750</u>
<b>DEDUCTIONS</b>		
Scholarship Awards		20,105
Unemployment Claims	<u>29,763</u>	<u>-</u>
Total Deductions	<u>29,763</u>	<u>20,105</u>
Change in Net Position	48,617	(6,355)
Net Position, Beginning of year	<u>242,318</u>	<u>78,259</u>
Net Position, End of Year	<u>\$ 290,935</u>	<u>\$ 71,904</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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 2019, the District adopted the following GASB statement as required:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. 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 consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed.

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.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

- 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. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal 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.

**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.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**District-Wide Financial Statements (Continued)**

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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

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

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

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

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

**Reclassifications**

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

**D. Measurement Focus and Basis of Accounting**

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

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

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

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.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

***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

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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***

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

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

**6. *Compensated Absences***

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

**7. *Pensions***

In the district-wide financial statements and proprietary fund types in the fund 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.



**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***7. Pensions (Continued)***

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

***8. Long-Term Obligations***

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

***9. Net Position/Fund Balance***

**District-Wide Statements**

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

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

**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.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

**Governmental Fund Statements (Continued)**

**Restricted Fund Balance (Continued)**

Capital 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 2019/2020 District budget certified for taxes.

Maintenance Reserve - Designated for Subsequent Year's Expenditures – 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 and was designated to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2019/2020 District budget certified for taxes (see Note 2C).

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).

Emergency Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of emergency reserve fund balance appropriated in the adopted 2019/2020 District budget certified for taxes

Tuition Adjustments – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2018/2019 contract year and is required to be liquidated in the second year following the contract year with any remaining balance related to that contract year to be reserved and budgeted for property tax relief.

Tuition Adjustment – Designated for Subsequent Year's Expenditures – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2017/2018 contract year that is appropriated in the 2019/2020 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that is required to be appropriated in the 2020/2021 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, 2018 audited excess surplus that was appropriated in the 2019/2020 original budget certified for taxes.

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

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

**Governmental Fund Statements (Continued)**

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

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

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2019/2020 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.

**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. The District had no committed fund balances at year end.

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.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 1<sup>st</sup> 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 2017-2018 and 2018-2019 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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 2018/2019. Also, during 2018/2019 the Board increased the original budget by \$2,848,436. The increase was funded by additional grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**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, 2019 is as follows:

Balance, July 1, 2018		\$ 1,632,355
Increased by:		
Unexpended Balance of Budget Appropriation	\$ 674,476	
Transferred from Capital Projects Fund	<u>1,077,272</u>	
		<u>1,751,748</u>
		3,384,103
Decreased by:		
Withdrawals Approved in District Budget		<u>965,000</u>
Balance, June 30, 2019		<u>\$ 2,419,103</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. \$667,355 of the capital reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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, 2019 is as follows:

Balance, July 1, 2018	\$ 800,000
Decreased by:	
Withdrawals Approved in District Budget	<u>400,000</u>
Balance, June 30, 2019	<u>\$ 400,000</u>

The June 30, 2019 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,893,079. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. The maintenance reserve balance at June 30, 2019 of \$400,000 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

**D. Emergency Reserve**

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

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. Emergency Reserve (Continued)**

The activity of the emergency reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018	<u>\$ 594,000</u>
Balance, June 30, 2019	<u><u>\$ 594,000</u></u>

\$200,000 of the emergency reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

**E. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2019 is \$2,245,065. Of this amount, \$1,144,579 was designated and appropriated in the 2019/2020 original budget certified for taxes and the remaining amount of \$1,100,486 will be appropriated in the 2020/2021 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.



**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Cash Deposits (Continued)**

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, 2019, the book value of the Board's deposits were \$8,684,453 and bank and brokerage firm balances of the Board's deposits amounted to \$12,096,774. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>
Insured	\$ <u>12,096,774</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, 2019 none of the Board's bank balances were exposed to custodial credit risk.

**Investments**

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; 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, 2019, 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.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of June 30, 2019 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	\$ 307,355				\$ 307,355
State	104,668		\$ 2,128,059	\$ 571	2,233,298
Federal	-	\$ 610,579	-	29,848	640,427
Accounts Receivable	<u>8,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gross Receivables	420,469	610,579	2,128,059	30,419	3,181,080
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 420,469</u>	<u>\$ 610,579</u>	<u>\$ 2,128,059</u>	<u>\$ 30,419</u>	<u>\$ 3,181,080</u>

**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	\$ 39,983
Special Revenue Fund	
Unencumbered Grant Draw Downs	125,511
Grant Draw Downs Reserved for Encumbrances	34,320
Capital Projects Fund	
Unrealized School Facilities Grants	<u>122,911</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 322,725</u>

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Balance, <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2019</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,780,323			\$ 1,780,323
Construction in Progress	<u>2,339,428</u>	<u>\$ 477,373</u>	<u>(1,364,479)</u>	<u>1,452,322</u>
Total Capital Assets, Not Being Depreciated	<u>4,119,751</u>	<u>477,373</u>	<u>(1,364,479)</u>	<u>3,232,645</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	34,897,001	2,301,235		37,198,236
Land Improvements	4,223,676	11,900		4,235,576
Machinery and Equipment	<u>7,221,171</u>	<u>579,079</u>	<u>\$ (11,550)</u>	<u>7,788,700</u>
Total Capital Assets Being Depreciated	<u>46,341,848</u>	<u>2,892,214</u>	<u>(11,550)</u>	<u>49,222,512</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(13,808,030)	(1,272,056)		(15,080,086)
Land Improvements	(2,181,273)	(156,640)		(2,337,913)
Machinery and Equipment	<u>(5,860,424)</u>	<u>(461,182)</u>	<u>11,550</u>	<u>(6,310,056)</u>
Total Accumulated Depreciation	<u>(21,849,727)</u>	<u>(1,889,878)</u>	<u>11,550</u>	<u>(23,728,055)</u>
Total Capital Assets, Being Depreciated, Net	<u>24,492,121</u>	<u>1,002,336</u>	<u>-</u>	<u>25,494,457</u>
Governmental Activities Capital Assets, Net	<u>\$ 28,611,872</u>	<u>\$ 1,479,709</u>	<u>\$ (1,364,479)</u>	<u>\$ 28,727,102</u>

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 191,417	\$ 70,723	-	\$ 262,140
Total Capital Assets Being Depreciated	<u>191,417</u>	<u>70,723</u>	<u>-</u>	<u>262,140</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(144,702)	(6,721)	-	(151,423)
Total Accumulated Depreciation	<u>(144,702)</u>	<u>(6,721)</u>	<u>-</u>	<u>(151,423)</u>
Total Capital Assets, Being Depreciated, Net	<u>46,715</u>	<u>64,002</u>	<u>-</u>	<u>110,717</u>
Business-Type Activities Capital Assets, Net	<u>\$ 46,715</u>	<u>\$ 64,002</u>	<u>\$ -</u>	<u>\$ 110,717</u>

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

**Governmental Activities:**

Instruction

Regular	\$ 952,708
Special Education	<u>715,287</u>
Total Instruction	<u>1,667,995</u>

Support Services

Student and Instruction Related Services	52,298
General Administrative Services	5,419
School Administrative Services	29,209
Plant Operations and Maintenance	53,080
Student Transportation	<u>81,877</u>
Total Support Services	<u>221,883</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 1,889,878</u>
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**Business-Type Activities:**

Food Service Fund	<u>\$ 6,721</u>
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Total Depreciation Expense-Business Type Activities	<u>\$ 6,721</u>
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**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2019:

<u>Project</u>	<u>Remaining Commitment</u>
Door Replacement Project at Middle School	<u>\$ 95,951</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2019, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 182,828
General Fund	Capital Projects Fund	1,137,561
Unemployment Compensation Trust Fund	Payroll Agency Fund	8,992
Payroll Agency Fund	General Fund	<u>153,317</u>
Total		<u>\$ 1,482,698</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.

**Interfund transfers**

	<u>Transfer In:</u>		<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	
Transfer Out:			
Capital Projects Fund	\$ 1,077,272		\$ 1,077,272
General Fund	<u>-</u>	<u>\$ 290,524</u>	<u>290,524</u>
Total Transfers	<u>\$ 1,077,272</u>	<u>\$ 290,524</u>	<u>\$ 1,367,796</u>

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund or to return unspent amounts funded by another fund's resources.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**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, 2019 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 114,945,740
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 114,945,740</u>

**G. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2019, was as follows:

	<u>Balance, July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2018</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Compensated absences	\$ 1,676,524	\$ 4,915	\$ 52,311	\$ 1,629,128	\$ 30,000
Net Pension Liability	<u>17,972,495</u>	<u>-</u>	<u>2,463,194</u>	<u>15,509,301</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 19,649,019</u>	<u>\$ 4,915</u>	<u>\$ 2,515,505</u>	<u>\$ 17,138,429</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.

**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.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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 respective 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</u> <u>Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2019	\$ 2,760	\$ 75,620	\$ 29,763	\$ 290,935
2018	2,760	57,073	44,721	242,318
2017	2,760	71,414	41,698	227,206

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2019, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**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 Board employees who are eligible for pension coverage:

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, 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. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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:

<b>Tier</b>	<b>Definition</b>
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  $1/55^{\text{th}}$  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  $1/60^{\text{th}}$  of final average salary for each year of service credit is available to tier 4 members upon reaching 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 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, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).



**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

**Teachers' Pension and Annuity Fund (TPAF) (Continued)**

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:

<b>Tier</b>	<b>Definition</b>
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  $1/55^{\text{th}}$  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  $1/60^{\text{th}}$  of final average salary for each year of service credit is available to tier 4 members upon reaching 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.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

**Other Pension Funds**

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

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits ("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](http://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, 2019**

**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. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

**Actuarial Methods and Assumptions**

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**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 members 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 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2019.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions (Continued)**

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer 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. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Fiscal Year Ended June 30,</u>	<u>PERS</u>	<u>On-behalf TPAF</u>	<u>DCRP</u>
2019	\$ 783,501	\$ 4,825,641	\$ 56,896
2018	715,238	3,609,895	53,739
2017	687,147	2,713,450	39,586

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$3,489, \$9,699 and \$4,031, respectively for PERS and the State contributed \$3,590, \$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 \$1,811,534 during the fiscal year ended June 30, 2019 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.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS)**

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. 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 measurement period July 1, 2017 through June 30, 2018. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) 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, 2018 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$15,509,301 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 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 the District’s share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District’s proportionate share was 0.07877 percent, which was an increase of 0.00156 percent from its proportionate share measured as of June 30, 2017 of 0.07721 percent.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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)**

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,054,198 for PERS. The pension contribution made by the District during the current 2018/2019 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, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. 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, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 295,765	\$ 79,971
Changes of Assumptions	2,555,676	4,959,050
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		145,478
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>751,551</u>	<u>107,239</u>
Total	<u>\$ 3,602,992</u>	<u>\$ 5,291,738</u>

At June 30, 2019, 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 <u>June 30,</u>	<u>Total</u>
2020	\$ 68,901
2021	112,000
2022	(734,197)
2023	(865,678)
2024	<u>(269,772)</u>
	<u>\$ (1,688,746)</u>

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Actuarial Assumptions***

The District's total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b><u>PERS</u></b>
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, 2017 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, 2019**

**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***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	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%
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>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%



**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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, 2046

Municipal Bond Rate \*    From July 1, 2046  
and Thereafter

\* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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 5.66%, 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 (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

	1% Decrease <u>4.66%</u>	Current Discount Rate <u>5.66%</u>	1% Increase <u>6.66%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>19,501,159</u>	\$ <u>15,509,301</u>	\$ <u>12,160,387</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2018. A sensitivity analysis specific to the District's net pension liability at June 30, 2018 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](http://www.state.nj.us/treasury/pensions).

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. 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, 2018, 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, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$8,875,729 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, 2019 the State's proportionate share of the net pension liability attributable to the District is \$152,251,485. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the State's share of the net pension liability attributable to the District was 0.23932 percent, which was a decrease of 0.00192 percent from its proportionate share measured as of June 30, 2017 of 0.24124 percent.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<b><u>TPAF</u></b>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

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, 2017 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  
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**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**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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  
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**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:

<b>Fiscal Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

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, 2040

Municipal Bond Rate \*                                      From July 1, 2040  
and Thereafter

\* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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 4.86%, 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 (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	<b>1% Decrease <u>(3.86%)</u></b>	<b>Current Discount Rate <u>(4.86%)</u></b>	<b>1% Increase <u>(5.86%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 179,958,364</u>	<u>\$ 152,251,485</u>	<u>\$ 129,283,157</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.



**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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](http://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 for the fiscal year ended June 30, 2018. 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 Employees Plan** (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. 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.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Post-Retirement Medical Benefits (Continued)**

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of 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](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>-</u>
Total	<u>362,181</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.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Post-Retirement Medical Benefits (Continued)**

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

**Actuarial Methods and Assumptions**

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$2,188,903, \$2,331,554 and \$2,260,921, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan 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, 2019**

**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 Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. 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 measurement period July 1, 2017 through June 30, 2018. 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, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$4,275,636. 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, 2019 the State's proportionate share of the OPEB liability attributable to the District is \$103,387,729. 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, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state's share of the OPEB liability attributable to the District was 0.22422 percent, which was an increase of 0.00019 percent from its proportionate share measured as of June 30, 2017 of 0.22403 percent.

**Actuarial Assumptions**

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
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**Salary Increases \***

Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%

Mortality	Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.
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Long-Term Rate of Return	1.00%
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\*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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)**

The actuarial assumptions used in the June 30, 2017 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.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight 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 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven 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 all future years.

**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, 2018.

**Discount Rate**

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

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

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, 2019**

**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, 2019 (measurement date June 30, 2018) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2017 Measurement Date	\$ 120,167,576
Changes Recognized for the Fiscal Year:	
Service Cost	3,965,490
Interest on the Total OPEB Liability	4,396,609
Differences Between Expected and Actual Experience	(10,608,683)
Changes of Assumptions	(11,864,259)
Gross Benefit Payments	(2,764,551)
Contributions from the Member	95,547
<b>Net Changes</b>	<b>\$ (16,779,847)</b>
Balance, June 30, 2018 Measurement Date	\$ 103,387,729

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

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, 2018. 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, 2018 was not provided by the pension system.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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**

*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 3.87%, 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 (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	<b>1% Decrease <u>(2.87%)</u></b>	<b>Current Discount Rate <u>(3.87%)</u></b>	<b>1% Increase <u>(4.87%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 122,225,342</u>	<u>\$ 103,387,729</u>	<u>\$ 88,413,772</u>

*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:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	<u>\$ 85,455,980</u>	<u>\$ 103,387,729</u>	<u>\$ 127,103,154</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 4 OTHER INFORMATION (Continued)**

**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, 2018, 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 beings 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, 2018 the Borough abated property taxes totaling \$437,130 under this law of which \$248,670 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, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 49,523,856		\$ 49,523,856	\$ 49,523,856	
Tuition	1,548,557		1,548,557	1,567,473	\$ 18,916
Transportation Fees	106,618		106,618	48,236	(58,382)
Miscellaneous	256,822	-	256,822	341,122	84,300
Total Local Revenues	51,435,853	-	51,435,853	51,480,687	44,834
State Sources					
Equalization Aid	8,619,280	-	8,619,280	8,619,280	-
School Choice Aid	258,495		258,495	258,495	-
Special Education Aid	2,104,440		2,104,440	2,104,440	-
Security Aid	374,729		374,729	374,729	-
Transportation Aid	578,477		578,477	578,477	-
Extraordinary Aid - Prior Year				2,775	2,775
Extraordinary Aid	-	-	-	961,768	961,768
On Behalf TPAF Contributions (Non Budgeted)					
Pension Benefit Contribution				4,726,699	4,726,699
Pension - NCGI Premium				98,942	98,942
LTDI - Premium				3,590	3,590
Post Retirement Medical Benefit Contribution				2,188,903	2,188,903
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	1,811,534	1,811,534
Total State Revenues	11,935,421	-	11,935,421	21,729,632	9,794,211
Federal Sources					
Medicaid Reimbursement	24,719	-	24,719	63,319	38,600
Total Federal Sources	24,719	-	24,719	63,319	38,600
Total Revenues	63,395,993	-	63,395,993	73,273,638	9,877,645
<b>CURRENT EXPENDITURES</b>					
Regular Programs - Instruction					
Salaries of Teachers					
Preschool	-	\$ 9,575	9,575	9,575	-
Kindergarten	956,741	3,185	959,926	958,169	1,757
Grades 1-5	6,298,797	(208,371)	6,090,426	6,083,586	6,840
Grades 6-8	4,402,111	(279,440)	4,122,671	4,065,172	57,499
Grades 9-12	6,730,198	69,504	6,799,702	6,799,702	-
Regular Programs - Home Instruction					
Salaries of Teachers	-	26,678	26,678	26,678	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	591,130	201,550	792,680	792,628	52
Purchased Professional/Educational Services	205,153	(16,827)	188,326	188,326	-
Purchased Technical Services	35,150	12,648	47,798	47,798	-
Other Purchased Services	68,400	28,979	97,379	97,379	-
General Supplies	1,150,300	104,766	1,255,066	1,130,728	124,338
Textbooks	393,183	62,882	456,065	456,065	-
Other Objects	61,069	(45,644)	15,425	15,425	-
Total Regular Programs	20,892,232	(30,515)	20,861,717	20,671,231	190,486

**BERGENFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	\$ 284,220	\$ (154,898)	\$ 129,322	\$ 129,322	-
Other Salaries for Instruction	132,858	30,031	162,889	162,889	-
Purchased Professional/Educational Services	10,000	(3,531)	6,469	6,469	-
General Supplies	3,600	(2,382)	1,218	1,218	-
Textbooks	3,500	(3,188)	312	312	-
Total Learning / Language Disabilities	434,178	(133,968)	300,210	300,210	-
Behavioral Disabilities					
Salaries of Teachers	131,105	(722)	130,383	130,383	-
Other Salaries for Instruction	102,076	(40,183)	61,893	59,983	\$ 1,910
Total Behavioral Disabilities	233,181	(40,905)	192,276	190,366	1,910
Multiple Disabilities					
Salaries of Teachers	207,260	61,924	269,184	269,014	170
Other Salaries for Instruction	61,549	228	61,777	45,922	15,855
Purchased Professional/Educational Services	10,000	(3,955)	6,045	6,045	-
General Supplies	14,000	(6,912)	7,088	7,088	-
Textbooks	3,500	(3,406)	94	94	-
Other Objects	9,750	3,616	13,366	13,366	-
Total Multiple Disabilities	306,059	51,495	357,554	341,529	16,025
Resource Room / Resource Center					
Salaries of Teachers	1,655,987	48,826	1,704,813	1,704,813	-
Other Salaries for Instruction	120,982	24,764	145,746	145,746	-
Purchased Professional/Educational Services	12,000	(3,218)	8,782	7,956	826
General Supplies	15,000	(11,538)	3,462	3,462	-
Textbooks	11,000	(8,451)	2,549	2,549	-
Other Objects	553	-	553	-	553
Total Resource Room / Resource Center	1,815,522	50,383	1,865,905	1,864,526	1,379
Autism					
Salaries of Teachers	18,611	(18,611)	-	-	-
Other Salaries for Instruction	223,350	14,582	237,932	237,014	918
Purchased Professional-Educational Services	4,200,000	(95,258)	4,104,742	4,098,405	6,337
Other Purchased Services	6,696	(100)	6,596	6,477	119
General Supplies	33,584	(22,062)	11,522	10,043	1,479
Other Objects	144	(144)	-	-	-
Total Autism	4,482,385	(121,593)	4,360,792	4,351,939	8,853
Preschool Disabilities - Part - Time					
Salaries of Teachers	207,595	27,485	235,080	235,080	-
Other Salaries for Instruction	140,684	(4,583)	136,101	133,287	2,814
General Supplies	2,000	(1,179)	821	821	-
Other Objects	300	(300)	-	-	-
Total Preschool Disabilities - Part - Time	350,579	21,423	372,002	369,188	2,814
Total Special Education	7,621,904	(173,165)	7,448,739	7,417,758	30,981



**BERGENFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Basic Skills/Remedial					
Salaries of Teachers	\$ 329,411	\$ 7,664	\$ 337,075	\$ 336,560	\$ 515
General Supplies	7,400	(5,077)	2,323	2,323	-
Textbooks	6,440	(6,440)	-	-	-
Total Basic Skills/Remedial	343,251	(3,853)	339,398	338,883	515
Bilingual Education					
Salaries of Teachers	626,048	9,990	636,038	636,038	-
Other Salaries for Instruction	44,052	(1,417)	42,635	42,377	258
General Supplies	19,500	(15,882)	3,618	3,466	152
Textbooks	20,500	(20,500)	-	-	-
Total Bilingual Education	710,100	(27,809)	682,291	681,881	410
School Sponsored Co-Curricular Activities					
Salaries of Teachers	270,000	(18,365)	251,635	251,635	-
Purchased Services	7,000	4,093	11,093	11,093	-
Supplies and Materials	66,180	3,014	69,194	69,194	-
Other Objects	12,089	2,344	14,433	14,433	-
Total School Sponsored Co-Curricular Activities	355,269	(8,914)	346,355	346,355	-
School Sponsored Athletics - Instruction					
Salaries	415,000	(5,127)	409,873	409,873	-
Purchased Services	68,000	4,601	72,601	72,601	-
Supplies and Materials	108,000	(406)	107,594	107,594	-
Other Objects	21,000	(1,206)	19,794	19,794	-
Total School Sponsored Athletics - Instruction	612,000	(2,138)	609,862	609,862	-
Summer School - Instruction					
Salaries of Teachers	-	124,115	124,115	124,115	-
Total Summer School - Instruction	-	124,115	124,115	124,115	-
Community Services Program					
Supplies and Materials	6,155	-	6,155	-	6,155
Total Community Services Program	6,155	-	6,155	-	6,155
Total - Instruction	30,540,911	(122,279)	30,418,632	30,190,085	228,547
<b>Undistributed Expenditures</b>					
Instruction (Tuition)					
Tuition - Other LEA's Within State - Special	-	90,092	90,092	90,092	-
Tuition to County Vocational School District-Reg.	406,750	(110,075)	296,675	296,675	-
Tuition to County Vocational School/Dist.-Spec.	489,414	(98,811)	390,603	390,603	-
Tuition to County Special Services - School Districts & Regional Day Schools	1,341,501	299,665	1,641,166	1,641,166	-
Tuition to Private Schools - Disabled Within State	1,714,070	38,456	1,752,526	1,752,526	-
Total Undistributed Expenditures - Instruction (Tuition)	3,951,735	219,327	4,171,062	4,171,062	-

**BERGENFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Health Services					
Salaries	\$ 617,668	\$ 4,602	\$ 622,270	\$ 622,270	-
Purchased Professional and Technical Services	122,000	13,712	135,712	135,712	-
Other Purchased Services	9,095	(1,585)	7,510	7,510	-
Supplies and Materials	15,610	311	15,921	15,921	-
Total Health Services	764,373	17,040	781,413	781,413	-
Speech, OT, PT and Related Services					
Salaries	413,489	(41,482)	372,007	371,786	\$ 221
Purchased Professional-Educational Services	157,000	(11,044)	145,956	145,956	-
Supplies and Materials	5,700	837	6,537	6,537	-
Total Speech, OT, PT and Related Services	576,189	(51,689)	524,500	524,279	221
Other Support Services-Students-Extra Services					
Salaries	284,160	3,028	287,188	267,529	19,659
Purchased Professional-Educational Services	706,950	87,939	794,889	794,889	-
Total Other Support Services-Extra	991,110	90,967	1,082,077	1,062,418	19,659
Guidance					
Salaries of Other Professional Staff	960,539	7,934	968,473	968,473	-
Salaries of Secretarial and Clerical Assistants	91,557	5,383	96,940	96,940	-
Purchased Professional-Educational Services	-	5,110	5,110	5,110	-
Other Purchased Services	500	2,600	3,100	3,100	-
Supplies and Materials	23,744	(16,392)	7,352	7,252	100
Other Objects	10,745	(9,404)	1,341	1,341	-
Total Guidance	1,087,085	(4,769)	1,082,316	1,082,216	100
Child Study Team					
Salaries of Other Professional Staff	1,332,718	(14,207)	1,318,511	1,318,511	-
Salaries of Secretarial and Clerical Assistants	141,809	7,987	149,796	149,796	-
Other Purchased Professional/Technical Services	9,000	5,673	14,673	14,673	-
Other Purchased Services	1,000	227	1,227	1,227	-
Supplies and Materials	12,000	(481)	11,519	11,519	-
Total Child Study Team	1,496,527	(801)	1,495,726	1,495,726	-
Improvement of Instruction Services					
Purchased Professional-Educational Services	8,450	(2,650)	5,800	5,800	-
Other Purchased Services	373	805	1,178	1,178	-
Supplies and Materials	425	(425)	-	-	-
Total Improvement of Instruction Services	9,248	(2,270)	6,978	6,978	-
Educational Media Services/School Library					
Salaries	152,120	784	152,904	152,904	-
Salaries of Technology Coordinators	575,849	18,636	594,485	594,485	-
Purchased Professional and Technical Services	83,490	12,612	96,102	96,102	-
Other Purchased Services	-	240	240	240	-
Supplies and Materials	40,714	(28,891)	11,823	10,182	1,641
Other Objects	80	181	261	261	-
Total Educational Media Services/School Library	852,253	3,562	855,815	854,174	1,641

**BERGENFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Instructional Staff Training Services					
Purchased Professional-Educational Services		\$ 500	\$ 500	\$ 500	-
Other Purchased Professional/Technical Services	\$ 13,000	(304)	12,696	626	\$ 12,070
Other Purchased Services	189	-	189	-	189
Total Instructional Staff Training Services	13,189	196	13,385	1,126	12,259
Support Services General Administration					
Salaries	682,331	(104,540)	577,791	547,099	30,692
Legal Services	125,000	(22,373)	102,627	73,871	28,756
Audit Fees	38,000	4,715	42,715	42,715	-
Architectural/Engineering Services	578	52,897	53,475	53,475	-
Other Purchased Professional Services	95,064	20,383	115,447	86,008	29,439
Purchased Technical Services	100,193	(1,589)	98,604	76,890	21,714
Communications/Telephone	205,935	(12,665)	193,270	175,609	17,661
BOE Other Purchased Services	2,006	(1,361)	645	350	295
Other Purchased Services	183,058	12,696	195,754	115,173	80,581
General Supplies	15,849	(2,931)	12,918	3,668	9,250
BOE in House Training/Meeting Supplies	-	54	54	54	-
Judgments Against the School District	20,000	-	20,000	-	20,000
Miscellaneous Expenditures	10,228	3,170	13,398	13,398	-
BOE Membership Dues & Fees	41,533	(5,871)	35,662	30,413	5,249
Total Support Services General Administration	1,519,775	(57,415)	1,462,360	1,218,723	243,637
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	1,194,007	479	1,194,486	1,194,486	-
Salaries of Other Professional Staff	1,132,088	(33,101)	1,098,987	955,074	143,913
Salaries of Secretarial and Clerical Assistants	466,010	44,666	510,676	510,676	-
Other Salaries	181,061	(12,045)	169,016	153,600	15,416
Purchased Professional and Technical Services	3,800	13,305	17,105	17,105	-
Other Purchased Services	88,873	70,497	159,370	158,999	371
Supplies and Materials	102,810	118,073	220,883	72,826	148,057
Other Objects	25,419	778	26,197	17,805	8,392
Total Support Services School Administration	3,194,068	202,652	3,396,720	3,080,571	316,149
Central Services					
Salaries	527,788	6,894	534,682	492,582	42,100
Purchased Technical Services	51,608	(4,820)	46,788	46,788	-
Misc. Purchased Services	42,954	(18,966)	23,988	23,988	-
Supplies and Materials	11,600	25,026	36,626	36,626	-
Other Objects	16,600	(14,490)	2,110	2,110	-
Total Central Services	650,550	(6,356)	644,194	602,094	42,100
Administrative Info Technology					
Purchased Technical Services	32,717	19,739	52,456	52,456	-
Other Purchased Services	-	99	99	99	-
Supplies and Materials	5,695	12,574	18,269	18,269	-
Total Administrative Info Technology	38,412	32,412	70,824	70,824	-

**BERGENFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Required Maintenance for School Facilities					
Salaries	\$ 586,798	\$ (23,946)	\$ 562,852	\$ 562,852	-
Cleaning, Repair & Maintenance Services	837,347	1,038,110	1,875,457	1,765,697	\$ 109,760
Travel		503	503	503	-
General Supplies	77,388	15,140	92,528	90,170	2,358
Other Objects	4,656	8,465	13,121	13,121	-
Total Required Maintenance for School Facilities	1,506,189	1,038,272	2,544,461	2,432,343	112,118
Custodial Services					
Salaries	1,941,079	(66,883)	1,874,196	1,874,196	-
Salaries of Non-Instructional Aides	130,731	80,778	211,509	211,509	-
Purchased Professional & Technical Services	42,640	(36,944)	5,696	5,696	-
Cleaning, Repair and Maintenance Services	39,750	(38,900)	850	850	-
Rental of Land & Building	222,500	35,000	257,500	240,000	17,500
Other Purchased Property Services	57,903	(529)	57,374	57,374	-
Insurance	297,205	4,143	301,348	301,348	-
Other Objects	61,629	(61,533)	96	96	-
General Supplies	218,445	13,042	231,487	231,428	59
Energy (Natural Gas)	282,000	(12,536)	269,464	269,464	-
Energy (Electricity)	549,961	(101,266)	448,695	446,350	2,345
Total Custodial Services	3,843,843	(185,628)	3,658,215	3,638,311	19,904
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	-	20,793	20,793	20,793	-
General Supplies	-	117	117	117	-
Total Care and Upkeep of Grounds	-	20,910	20,910	20,910	-
Security					
Salaries	690,769	(218,359)	472,410	472,410	-
Purchased Professional & Technical Services	13,500	77,956	91,456	90,556	900
Cleaning, Repair and Maintenance Services	2,700	(2,700)	-	-	-
General Supplies	45,009	62,492	107,501	104,001	3,500
Other Objects	3,240	273	3,513	3,513	-
Total Security Services	755,218	(80,338)	674,880	670,480	4,400
Undistributed Expenditures					
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Special Ed	1,379,457	(8,504)	1,370,953	1,370,953	-
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	(4,127)	4,373	4,373	-
Cleaning, Repair and Maintenance Services	99,000	68,588	167,588	167,588	-
Lease Purchase Payments-School Buses	35,000	(10,572)	24,428	24,428	-
Contracted Services (Other Than Between Home and School) - Vendors	71,850	(71,540)	310	310	-
Contracted Services (Spec Ed) - ESC's & CTSA's	285,000	96,934	381,934	381,934	-
Miscellaneous Purchased Services - Transportation	30,705	(30,555)	150	150	-
General Supplies	75,000	(26,756)	48,244	48,244	-
Transportation Supplies	61,876	20,577	82,453	82,453	-
Other Objects	6,120	(3,847)	2,273	2,273	-
Total Student Transportation Services	2,092,627	(9,921)	2,082,706	2,082,706	-

**BERGENFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Unallocated Benefits					
Social Security Contributions	\$ 830,000	\$ 1,641	\$ 831,641	\$ 831,641	-
Other Retirement Contributions - Regular	764,514	80,161	844,675	844,675	-
TPAF Retirement Contributions - ERIP	300	2,660	2,960	2,960	-
Unemployment Compensation	1,380	1,380	2,760	2,760	-
Workmen's Compensation	317,637	(77,147)	240,490	240,490	-
Health Benefits	9,316,064	(454,613)	8,861,451	8,540,598	\$ 320,853
Tuition Reimbursement	30,000	(29,450)	550	550	-
Other Employee Benefits	30,000	150,723	180,723	126,501	54,222
Unused Sick Pay to Terminated/Retired Staff	-	85,476	85,476	52,311	33,165
Total Unallocated Benefits	<u>11,289,895</u>	<u>(239,169)</u>	<u>11,050,726</u>	<u>10,642,486</u>	<u>408,240</u>
On Behalf TPAF Contributions (Non Budgeted)					
Pension Benefit Contribution				4,726,699	(4,726,699)
Pension -NCGI Premium				98,942	(98,942)
LTDI Premium				3,590	(3,590)
Post Retirement Medical Benefit Contribution				2,188,903	(2,188,903)
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	1,811,534	(1,811,534)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,829,668</u>	<u>(8,829,668)</u>
Total Undistributed Expenditures	<u>34,632,286</u>	<u>986,982</u>	<u>35,619,268</u>	<u>43,268,508</u>	<u>(7,649,240)</u>
Total Expenditures - Current Expenditures	<u>65,173,197</u>	<u>864,703</u>	<u>66,037,900</u>	<u>73,458,593</u>	<u>(7,420,693)</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Instruction					
Grades 1-5	17,751	(17,751)	-	-	-
Grades 6-8	10,917	(3,114)	7,803	7,803	-
Grades 9-12	34,619	(8,100)	26,519	26,519	-
Autism	10,050	(10,050)	-	-	-
School Sponsored & Other Instr. Programs	13,269	(13,269)	-	-	-
Support Services					
Instruction	101,280	141,833	243,113	163,133	79,980
School Administration	5,066	(2,741)	2,325	2,325	-
Central Services	3,119	(3,119)	-	-	-
Admin Info Tech	10,042	33,581	43,623	43,623	-
Required School Maintenance	38,077	52,006	90,083	39,091	50,992
Security	3,595	(968)	2,627	2,627	-
School Buses - Special	67,738	184,004	251,742	251,742	-
Total Equipment	<u>315,523</u>	<u>352,312</u>	<u>667,835</u>	<u>536,863</u>	<u>130,972</u>
Facilities Acquisition and Construction Services					
Other Purchased Professional/Technical Svcs.	-	21,606	21,606	18,530	3,076
Construction Services	-	602,361	602,361	556,714	45,647
SDA - Debt Service Assessment	10,486	-	10,486	10,486	-
Total Facilities Acquis. and Const. Services	<u>10,486</u>	<u>623,967</u>	<u>634,453</u>	<u>585,730</u>	<u>48,723</u>
Total Capital Outlay	<u>326,009</u>	<u>976,279</u>	<u>1,302,288</u>	<u>1,122,593</u>	<u>179,695</u>

**BERGENFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>SPECIAL SCHOOLS</b>					
Summer School - Instruction					
Salaries of Teachers	\$ 10,000	-	\$ 10,000		\$ 10,000
General Supplies	900	-	900	-	900
Total Summer School - Instruction	10,900	-	10,900	-	10,900
Total Summer School	10,900	-	10,900	-	10,900
Other Special Schools - Instruction					
Salaries of Teachers	26,650	\$ (5,000)	21,650		21,650
Other Salaries for Instruction	19,123	-	19,123	-	19,123
General Supplies	900	-	900	-	900
Total Other Special Schools - Instruction	46,673	(5,000)	41,673	-	41,673
Total Other Special Schools	46,673	(5,000)	41,673	-	41,673
Total Special Schools	57,573	(5,000)	52,573	-	52,573
Charter Schools					
Transfer To Charter Schools	174,346	(37,646)	136,700	\$ 136,700	-
Total Transfer to Charter Schools	174,346	(37,646)	136,700	136,700	-
Total Expenditures	65,731,125	1,798,336	67,529,461	74,717,886	(7,188,425)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,335,132)	(1,798,336)	(4,133,468)	(1,444,248)	2,689,220
Other Financing Sources (Uses)					
Transfers In - Capital Proj. Fund to Capital Reserve	-	-	-	1,077,272	(1,077,272)
Transfers Out - Capital Reserve to Cap. Proj. Fund	(965,000)	-	(965,000)	(290,524)	(674,476)
Total Other Financing Sources (Uses)	(965,000)	-	(965,000)	786,748	(1,751,748)
Net Changes in Fund Balance	(3,300,132)	(1,798,336)	(5,098,468)	(657,500)	4,440,968
Fund Balances, Beginning of Year	10,213,754	-	10,213,754	10,213,754	-
Fund Balances, End of Year	\$ 6,913,622	\$ (1,798,336)	\$ 5,115,286	\$ 9,556,254	\$ 4,440,968

**BERGENFIELD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>Recapitulation</b>					
<b>Restricted</b>					
Capital Reserve				\$ 1,751,748	
Capital Reserve - Designated for Subsequent Year's Expenditures				667,355	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				400,000	
Emergency Reserve				394,000	
Emergency Reserve - Designated for Subsequent Year's Expenditures				200,000	
Tuition Adjustments - 2018/2019				360,000	
Tuition Adjustments - 2017/2018 - Designated for Subsequent Year's Expenditures				343,000	
Excess Surplus				1,100,486	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,144,579	
<b>Assigned</b>					
Year End Encumbrances				354,215	
Designated for Subsequent Year's Expenditures				552,753	
<b>Unassigned</b>				<u>2,288,118</u>	
 Fund Balance - Budgetary Basis				 9,556,254	
 <b>Reconciliation to Governmental Funds Statements (GAAP)</b>					
Less State Aid Revenue Not Recognized on GAAP Basis				<u>(1,956,143)</u>	
 Fund Balance Per Governmental Funds (GAAP)				 <u>\$ 7,600,111</u>	

**BERGENFIELD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 119,790	\$ 376,818	\$ 496,608	\$ 359,126	\$ (137,482)
Federal	1,543,049	564,393	2,107,442	2,042,552	(64,890)
Local Sources					
Miscellaneous	-	108,889	108,889	20,150	(88,739)
Total Revenues	<u>1,662,839</u>	<u>1,050,100</u>	<u>2,712,939</u>	<u>2,421,828</u>	<u>(291,111)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries	555,418	258,118	813,536	627,970	185,566
Purchased Professional / Technical Services	-	54,197	54,197	37,019	17,178
Other Purchased Services	891,039	81,006	972,045	972,045	-
General Supplies	20,437	230,316	250,753	195,000	55,753
Textbooks	16,819	(653)	16,166	12,832	3,334
Miscellaneous Expenditures	-	32,446	32,446	4,464	27,982
Total Instruction	<u>1,483,713</u>	<u>655,430</u>	<u>2,139,143</u>	<u>1,849,330</u>	<u>289,813</u>
Support Services - Instruction					
Salaries	73,655	(21,626)	52,029	47,758	4,271
Personnel Services - Employee Benefits		221,824	221,824	199,690	22,134
Purchased Professional / Technical Services	-	145,688	145,688	124,436	21,252
Other Purchased Services	102,971	25,680	128,651	149,316	(20,665)
Travel		1,210	1,210	410	800
Supplies and Materials	2,500	4,975	7,475	9,606	(2,131)
Miscellaneous Expenditures	-	4,660	4,660	-	4,660
Total Support Services	<u>179,126</u>	<u>382,411</u>	<u>561,537</u>	<u>531,216</u>	<u>30,321</u>
Capital Outlay					
Instructional Equipment	-	12,259	12,259	41,282	(29,023)
Total Capital Outlay	<u>-</u>	<u>12,259</u>	<u>12,259</u>	<u>41,282</u>	<u>(29,023)</u>
Total Expenditures	<u>1,662,839</u>	<u>1,050,100</u>	<u>2,712,939</u>	<u>2,421,828</u>	<u>291,111</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, 2019**

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.

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 73,273,638	\$ 2,421,828
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2018-2019)	(1,956,143)	
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2017-2018)	1,741,855	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2019		(34,320)
Encumbrances, June 30, 2018	<u>-</u>	<u>41,844</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 73,059,350</u>	<u>\$ 2,429,352</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 74,717,886	\$ 2,421,828
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, 2019		(34,320)
Encumbrances , June 30, 2018	<u>-</u>	<u>41,844</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 74,717,886</u>	<u>\$ 2,429,352</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 Six Fiscal Years\***

	<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
District's Proportion of the Net Position Liability (Asset)	0.07877	%	0.07721	%	0.07735	%	0.07337	%	0.07169	%	0.07374	%
District's Proportionate Share of the Net Pension Liability (Asset)	\$15,509,301		\$17,972,495		\$22,908,206		\$16,470,376		\$13,422,487		\$14,093,792	
District's Covered Payroll	\$ 5,451,417		\$ 5,451,417		\$ 5,215,348		\$ 5,264,179		\$ 4,816,801		\$ 4,760,180	
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	284.50%	%	329.68%	%	439.25%	%	312.88%	%	278.66%	%	296.08%	%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60	%	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 Six Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 783,501	\$ 715,238	\$ 687,147	\$ 630,796	\$ 591,009	\$ 555,640
Contributions in Relation to the Contractually Required Contribution	<u>783,501</u>	<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>	<u>\$ -</u>
District's Covered Payroll	\$5,451,417	\$5,451,417	\$5,215,348	\$5,264,179	\$4,816,801	\$4,760,180
Contributions as a Percentage of Covered Payroll	14.37%	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 Six Fiscal Years\***

	<u>2019</u>	<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%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 152,251,485</u>	<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>\$ 152,251,485</u>	<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 Payroll	\$ 25,501,771	\$ 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 Payroll	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	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, 2019**

**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 Two Fiscal Years\***

	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 3,965,490	\$ 4,739,911
Interest on Total OPEB Liability	4,396,609	3,815,755
Differences Between Expected and Actual Experiences	(10,608,683)	-
Changes of Assumptions	(11,864,259)	(15,875,875)
Gross Benefit Payments	(2,764,551)	(2,452,174)
Contribution from the Member	95,547	90,295
<b>Net Change in Total OPEB Liability</b>	(16,779,847)	(9,682,088)
<b>Total OPEB Liability - Beginning</b>	<u>120,167,576</u>	<u>129,849,664</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 103,387,729</u>	<u>\$ 120,167,576</u>
 District's Proportionate Share of OPEB Liability	 \$ -	 \$ -
State's Proportionate Share of OPEB Liability	<u>103,387,729</u>	<u>120,167,576</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 103,387,729</u>	<u>\$ 120,167,576</u>
 District's Covered Payroll	 <u>\$ 30,953,188</u>	 <u>\$ 30,953,188</u>
 District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	  0%	  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, 2019**

**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, 2019**

	<u>Nonpublic Nursing Services</u>	<u>Nonpublic Technology Aid</u>	<u>Nonpublic Textbook Aid</u>	<u>Nonpublic Security Aid</u>	<u>Other Local Programs</u>	<u>Other (Exhibit) E-1a)</u>	<u>Other (Exhibit) E-1b)</u>	<u>Total 2019</u>
<b>REVENUES</b>								
Intergovernmental								
State	\$ 15,035	\$ 5,572	\$ 8,274	\$ 23,213		\$ 307,032	-	\$ 359,126
Federal						-	\$ 2,042,552	2,042,552
Other Sources	-	-	-	-	\$ 20,150	-	-	20,150
Total Revenues	<u>\$ 15,035</u>	<u>\$ 5,572</u>	<u>\$ 8,274</u>	<u>\$ 23,213</u>	<u>\$ 20,150</u>	<u>\$ 307,032</u>	<u>\$ 2,042,552</u>	<u>\$ 2,421,828</u>
<b>EXPENDITURES</b>								
Instruction								
Salaries						\$ 89,971	\$ 537,999	\$ 627,970
Purchased Professional / Technical Services					\$ 970	-	36,049	37,019
Other Purchased Services	\$ 15,035					-	957,010	972,045
General Supplies		\$ 5,572		\$ 23,213	11,346	26,127	128,742	195,000
Textbooks			\$ 8,274		3,370	1,188	-	12,832
Miscellaneous Expenditures	-	-	-	-	4,464	-	-	4,464
Total Instruction	<u>15,035</u>	<u>5,572</u>	<u>8,274</u>	<u>23,213</u>	<u>20,150</u>	<u>117,286</u>	<u>1,659,800</u>	<u>1,849,330</u>
Support Services								
Salaries			-			30,000	17,758	47,758
Personal Services Employee-Benefits						9,178	190,512	199,690
Purchased Professional / Technical Services				-	-	11,500	112,936	124,436
Other Purchased Services					-	101,636	47,680	149,316
Travel					-	-	410	410
Supplies and Materials	-	-	-	-	-	2,358	7,248	9,606
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,672</u>	<u>376,544</u>	<u>531,216</u>
Capital Outlay								
Instructional Equipment	-	-	-	-	-	35,074	6,208	41,282
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,074</u>	<u>6,208</u>	<u>41,282</u>
Total Expenditures	<u>\$ 15,035</u>	<u>\$ 5,572</u>	<u>\$ 8,274</u>	<u>\$ 23,213</u>	<u>\$ 20,150</u>	<u>\$ 307,032</u>	<u>\$ 2,042,552</u>	<u>\$ 2,421,828</u>

(Continued)

**BERGENFIELD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Preschool Expansion Aid	Chapter 192/193 Services					Total Exhibit E-1a
		Nonpublic Exam & Classification	Nonpublic Corrective Speech	Nonpublic Supplemental Instruction	Nonpublic Compensatory Aid	Nonpublic ESL	
<b>REVENUES</b>							
Intergovernmental							
State	\$ 264,283	\$ 8,740	\$ 6,517	\$ 9,357	\$ 16,582	\$ 1,553	\$ 307,032
Federal							-
Other Sources	-	-	-	-	-	-	-
Total Revenues	<u>\$ 264,283</u>	<u>\$ 8,740</u>	<u>\$ 6,517</u>	<u>\$ 9,357</u>	<u>\$ 16,582</u>	<u>\$ 1,553</u>	<u>\$ 307,032</u>
<b>EXPENDITURES</b>							
Instruction							
Salaries	\$ 89,971						\$ 89,971
Purchased Professional / Technical Services							-
Other Purchased Services							-
General Supplies	26,127						26,127
Textbooks	1,188						1,188
Miscellaneous Expenditures	-	-	-	-	-	-	-
Total Instruction	<u>117,286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,286</u>
Support Services							
Salaries	30,000						30,000
Personal Services Employee-Benefits	9,178						9,178
Purchased Professional / Technical Services	11,500						11,500
Other Purchased Services	58,887	\$ 8,740	\$ 6,517	\$ 9,357	\$ 16,582	\$ 1,553	101,636
Tuition							-
Supplies and Materials	2,358	-	-	-	-	-	2,358
Total Support Services	<u>111,923</u>	<u>8,740</u>	<u>6,517</u>	<u>9,357</u>	<u>16,582</u>	<u>1,553</u>	<u>154,672</u>
Capital Outlay							
Instructional Equipment	35,074	-	-	-	-	-	35,074
Total Capital Outlay	<u>35,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,074</u>
Total Expenditures	<u>\$ 264,283</u>	<u>\$ 8,740</u>	<u>\$ 6,517</u>	<u>\$ 9,357</u>	<u>\$ 16,582</u>	<u>\$ 1,553</u>	<u>\$ 307,032</u>

(Continued)

BERGENFIELD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<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>
<b>REVENUES</b>										
Intergovernmental										
State										
Federal	\$ 901,033	\$ 68,230	\$ 517,288	\$ 97,032	\$ 46,634	\$ 4,264	\$ 30,676	\$ 352,429	\$ 24,966	\$ 2,042,552
Other Sources	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 901,033</u>	<u>\$ 68,230</u>	<u>\$ 517,288</u>	<u>\$ 97,032</u>	<u>\$ 46,634</u>	<u>\$ 4,264</u>	<u>\$ 30,676</u>	<u>\$ 352,429</u>	<u>\$ 24,966</u>	<u>\$ 2,042,552</u>
<b>EXPENDITURES</b>										
Instruction										
Salaries			\$ 277,300	-	\$ 12,900	\$ 1,125	\$ 2,430	\$ 244,244		\$ 537,999
Purchased Professional / Technical Services			35,184				865		-	36,049
Other Purchased Services	\$ 877,329	\$ 59,987						19,694		957,010
General Supplies	-	8,243	57,563		16,161	3,139	3,107	22,181	\$ 18,348	128,742
Textbooks										-
Miscellaneous Expenditures	-	-	-	-	-	-	-	-	-	-
Total Instruction	<u>877,329</u>	<u>68,230</u>	<u>370,047</u>	<u>-</u>	<u>29,061</u>	<u>4,264</u>	<u>6,402</u>	<u>286,119</u>	<u>18,348</u>	<u>1,659,800</u>
Support Services										
Salaries			-	\$ 17,758	-		-		-	17,758
Personal Services Employee-Benefits			125,674				-	64,838	-	190,512
Purchased Professional / Technical Services			19,425	59,160	10,875	-	23,476	-	-	112,936
Other Purchased Services	23,704	-	1,194	20,114	398		798	1,472	-	47,680
Travel									410	410
Supplies and Materials	-	-	948	-	6,300	-	-	-	-	7,248
Total Support Services	<u>23,704</u>	<u>-</u>	<u>147,241</u>	<u>97,032</u>	<u>17,573</u>	<u>-</u>	<u>24,274</u>	<u>66,310</u>	<u>410</u>	<u>376,544</u>
Capital Outlay										
Instructional Equipment	-	-	-	-	-	-	-	-	6,208	6,208
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,208</u>	<u>6,208</u>
Total Expenditures	<u>\$ 901,033</u>	<u>\$ 68,230</u>	<u>\$ 517,288</u>	<u>\$ 97,032</u>	<u>\$ 46,634</u>	<u>\$ 4,264</u>	<u>\$ 30,676</u>	<u>\$ 352,429</u>	<u>\$ 24,966</u>	<u>\$ 2,042,552</u>

**BERGENFIELD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES</b>			
<b>Instruction:</b>			
Salaries	\$ 267,719	\$ 89,971	\$ 177,748
General Supplies	33,024	26,127	6,897
Textbooks	<u>1,267</u>	<u>1,188</u>	<u>79</u>
Total Instruction	<u>302,010</u>	<u>117,286</u>	<u>184,724</u>
<b>Support Services:</b>			
Salaries	30,000	30,000	-
Purchased Services - Employee Benefits	31,312	9,178	22,134
Purchased Professional / Technical Services	11,500	11,500	-
Other Purchased Services	15,788	58,887	(43,099)
Travel	800	-	800
Supplies and Materials	<u>-</u>	<u>2,358</u>	<u>(2,358)</u>
Total Support Services	<u>89,400</u>	<u>111,923</u>	<u>(22,523)</u>
<b>Facilities Acquisition and Construction</b>			
Instructional Equipment	<u>-</u>	<u>35,074</u>	<u>(35,074)</u>
Total Facilities Acq. & Construction	<u>-</u>	<u>35,074</u>	<u>(35,074)</u>
Total Expenditures	<u>\$ 391,410</u>	<u>\$ 264,283</u>	<u>\$ 127,127</u>
Total 2018-2019 Preschool Education Aid Allocation			\$ 391,410
Add: Actual Preschool Aid Carryover (June 30, 2018)			
Add: Budgeted Transfer from the General Fund 2018-2019			<u>-</u>
Total Preschool Education Aid Funds Available for 2018-2019 Budget			391,410
Less: Budgeted Preschool Education Aid			<u>391,410</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2019			-
Add: June 30, 2019 Unexpended Preschool Education Aid			<u>127,127</u>
2018-2019 Carryover - Preschool Education Aid			<u>\$ 127,127</u>
2018-2019 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2019-2020			<u>\$ 202,607</u>

**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, 2019**

<u>Issue/ Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date Prior Years</u>	<u>Current Year</u>	<u>Cancelled Current Year</u>	<u>Balance June 30, 2019</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	1,758,625	\$ 85,529	297,176	-
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	1,170,761	19,165		\$ 140,974
Lincoln Elementary School - HVAC, Exterior Closure	1,836,376	1,680,009	30,707		125,660
Washington Elementary School - HVAC, UV Replacements, Hazardous Material Abatement, Electrical Service Upgrade, Branch Panel Upgrades and Window Replacements	1,056,004	928,503	-		127,501
Franklin Elementary School - HVAC, UV Replacements, Hazardous Material Abatement, 3 Stop Elevator	2,336,627	1,328,397	507,861		500,369
Roy W. Brown Middle School - Roof Replacement	164,300		164,257		43
Roy W. Brown Middle School - Door Replacement	98,017	-	2,066	-	95,951
	<u>\$ 16,522,024</u>	<u>\$ 12,580,176</u>	<u>\$ 809,585</u>	<u>\$ 2,141,765</u>	<u>\$ 990,498</u>

**Reconciliation to Fund Balance - GAAP**

Project Balance, June 30, 2019	\$ 990,498
Less: SDA Grant Revenue Not Realized Under GAAP	(122,911)
Fund Balance, June 30, 2019 - GAAP	<u>\$ 867,587</u>

**Recapitulation of Fund Balance - GAAP**

Restricted for Capital Projects Year End Encumbrances	\$ 457,280
Available for Capital Projects	<u>410,307</u>
Total Restricted for Capital Projects	<u>\$ 867,587</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, 2019**

**Revenues and Other Financing Sources**

Transfer from General Fund - Capital Reserve	\$ 290,524
--	------------

Total Revenues and Other Financing Sources	290,524
--	---------

**Expenditures and Other Financing Uses**

Purchased Professional and Technical Services	56,466
---	--------

Construction Services	753,119
-----------------------	---------

SDA Grant Receivable Cancelled - Gen. Admin. Services - Bad Debt Expense	223,393
--	---------

SDA Grant Receivable Cancelled - Unearned Revenue	841,100
---	---------

Transfer to General Fund - Capital Reserve	1,077,272
--	-----------

Total Expenditures and Other Financing Uses	2,951,350
---	-----------

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,660,826)
--	-------------

Fund Balance- Beginning of Year - Budgetary Basis	3,651,324
---	-----------

Fund Balance- End of Year - Budgetary Basis	\$ 990,498
---	------------

**Reconciliation to GAAP:**

Fund Balance - End of Year - Budgetary Basis	\$ 990,498
--	------------

Less: SDA Grant Revenue not Realized Under GAAP	(122,911)
---	-----------

Fund Balance- End of Year - GAAP Basis	\$ 867,587
--	------------

**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, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Lease Proceeds	\$ 975,262	\$ (28,989)	\$ 946,273	\$ 946,273
Interest	47		47	47
Transfer to Other Projects	(11,690)	-	(11,690)	(11,690)
Total Revenues and Other Financing Sources	963,619	(28,989)	934,630	934,630
<b>Expenditures and Other Financing Uses</b>				
Equipment	934,630	-	934,630	934,630
Total Expenditures and Other Financing Uses	934,630	-	934,630	934,630
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 28,989	\$ (28,989)	\$ -	\$ -
<b>Additional Project Information:</b>				
Original Authorized Cost	\$ 975,262			
Additional (Reduced) Costs	(40,632)			
Revised Authorized Cost	934,630			
Percentage Decrease Over Original Authorized Cost	-4.17%			
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, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfers from Capital Reserve	\$ 2,007,044	\$ (79,004)	\$ 1,928,040	\$ 1,928,040
Transfers from Capital Outlay	517,956	-	517,956	517,956
Total Revenues and Other Financing Sources	2,525,000	(79,004)	2,445,996	2,445,996
<b>Expenditures and Other Financing Uses</b>				
Construction Services	2,445,996	-	2,445,996	2,445,996
Total Expenditures and Other Financing Uses	2,445,996	-	2,445,996	2,445,996
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 79,004	\$ (79,004)	\$ -	\$ -
<b>Additional Project Information:</b>				
Original Authorized Cost	\$ 2,525,000			
Additional (Reduced) Costs	(79,004)			
Revised Authorized Cost	2,445,996			
Percentage Decrease Over Original Authorized Cost	-3.13%			
Percentage Completed	100%			
Original Target Date	N/A			
Revised Target Date	N/A			

**SCHEDULE F-2C**

**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, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 856,532	\$ (214,397)	\$ 642,135	\$ 642,135
Transfer from Capital Reserve	<u>1,284,798</u>	<u>(82,779)</u>	<u>1,202,019</u>	<u>1,202,019</u>
Total Revenues	<u>2,141,330</u>	<u>(297,176)</u>	<u>1,844,154</u>	<u>1,844,154</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	192,237	-	192,237	192,237
Construction Services	<u>1,566,388</u>	<u>85,529</u>	<u>1,651,917</u>	<u>1,651,917</u>
Total Expenditures	<u>1,758,625</u>	<u>85,529</u>	<u>1,844,154</u>	<u>1,844,154</u>
Excess of Revenues Over Expenditures	<u>\$ 382,705</u>	<u>\$ (382,705)</u>	<u>\$ -</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	\$ (297,176)
Revised Authorized Cost	\$ 1,844,154

**Percentage Decrease Over Original**

Authorized Cost	-13.88%
Percentage Completion	100%
Original Target Completion Date	June 30, 2016
Revised Target Completion Date	June 30, 2019

SCHEDULE F-2D

**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, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 1,296,240	\$ (642,582)	\$ 653,658	\$ 653,658
Transfer from Capital Reserve	<u>1,960,911</u>	<u>(634,135)</u>	<u>1,326,776</u>	<u>1,326,776</u>
Total Revenues	<u>3,257,151</u>	<u>(1,276,717)</u>	<u>1,980,434</u>	<u>1,980,434</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	237,128	-	237,128	237,128
Construction Services	<u>1,743,306</u>	<u>-</u>	<u>1,743,306</u>	<u>1,743,306</u>
Total Expenditures	<u>1,980,434</u>	<u>-</u>	<u>1,980,434</u>	<u>1,980,434</u>
Excess of Revenues Over Expenditures	<u>\$ 1,276,717</u>	<u>\$ (1,276,717)</u>	<u>\$ -</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	\$ (1,260,166)
Revised Authorized Cost	\$ 1,980,434

Percentage Increase Over Original Authorized Cost	-38.89%
Percentage Completion	100%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**SCHEDULE F-2E**

**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, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 325,080	\$ (207,514)	\$ 117,566	\$ 117,566
Transfer from Capital Reserve	487,620	(252,365)	235,255	235,255
 Total Revenues	 812,700	 (459,879)	 352,821	 352,821
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	70,820	-	70,820	70,820
Construction Services	282,001	-	282,001	282,001
 Total Expenditures	 352,821	 -	 352,821	 352,821
 Excess of Revenues Over Expenditures	 \$ 459,879	 \$ (459,879)	 \$ -	 \$ -

**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	\$ (459,879)
Revised Authorized Cost	\$ 352,821

Percentage Decrease Over Original Authorized Cost	-56.59%
Percentage Completion	100%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**SCHEDULE F-2F**

**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, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 431,160	-	\$ 431,160	\$ 431,160
Transfer from Capital Outlay /Reserve	899,740	-	899,740	899,740
 Total Revenues	 1,330,900	 -	 1,330,900	 1,330,900
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	69,964	-	69,964	167,900
Construction Services	1,100,797	\$ 19,165	1,119,962	1,163,000
 Total Expenditures	 1,170,761	 19,165	 1,189,926	 1,330,900
 Excess of Revenues Over Expenditures	 \$ 160,139	 \$ (19,165)	 \$ 140,974	 \$ -

**Additional Project Information:**

DOE Project Number	0300-060-14-1004
SDAProject 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	89%
Original Target Completion Date	June 30, 2017
Revised Target Completion Date	June 30, 2020



**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, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 671,228	-	\$ 671,228	\$ 671,228
Transfer from Capital Outlay /Reserve	<u>1,156,441</u>	<u>\$ 8,707</u>	<u>1,165,148</u>	<u>1,165,148</u>
Total Revenues	<u>1,827,669</u>	<u>8,707</u>	<u>1,836,376</u>	<u>1,836,376</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	151,410	8,707	160,117	257,776
Construction Services	<u>1,528,599</u>	<u>22,000</u>	<u>1,550,599</u>	<u>1,578,600</u>
Total Expenditures	<u>1,680,009</u>	<u>30,707</u>	<u>1,710,716</u>	<u>1,836,376</u>
Excess of Revenues Over Expenditures	<u>\$ 147,660</u>	<u>\$ (22,000)</u>	<u>\$ 125,660</u>	<u>\$ -</u>

## Additional Project Information:

DOE Project Number	0300-070-14-1005
SDAProject 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	\$ 158,307
Revised Authorized Cost	\$ 1,836,376

## Percentage Increase Over Original

Authorized Cost	9.43%
Percentage Completion	93%
Original Target Completion Date	June 30, 2017
Revised Target Completion Date	June 30, 2020

SCHEDULE F-2H

**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, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 403,202	-	\$ 403,202	\$ 403,202
Transfer from Capital Outlay /Reserve	652,802	-	652,802	652,802
Total Revenues	1,056,004	-	1,056,004	1,056,004
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	81,561	-	81,561	142,004
Construction Services	846,942	-	846,942	914,000
Total Expenditures	928,503	-	928,503	1,056,004
Excess of Revenues Over Expenditures	\$ 127,501	\$ -	\$ 127,501	\$ -

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, 2020

SCHEDULE F-2I

**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, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 622,469	-	\$ 622,469	\$ 622,469
Transfer from Capital Outlay /Reserve	1,694,658	19,500	1,714,158	1,714,158
Total Revenues	2,317,127	19,500	2,336,627	2,336,627
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	125,272	37,559	162,831	380,677
Construction Services	1,203,125	470,302	1,673,427	1,955,950
Total Expenditures	1,328,397	507,861	1,836,258	2,336,627
Excess of Revenues Over Expenditures	\$ 988,730	\$ (488,361)	\$ 500,369	\$ -

Additional Project Information:

DOE Project Number	0300-040-14-1002
SDA Project Number	0300-040-14-G04
Grant Number	G5-6161
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	\$ 780,455
Revised Authorized Cost	\$ 2,336,627

Percentage Increase Over Original Authorized Cost	50.15%
Percentage Completion	79%
Original Target Completion Date	August 30, 2017
Revised Target Completion Date	June 30, 2020

SCHEDULE F-2J

**BERGENFIELD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
ROY BROWN MIDDLE SCHOOL - ROOF REPLACEMENT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	-	\$ 164,300	\$ 164,300	\$ 164,300
Total Revenues	-	164,300	164,300	164,300
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	-	10,200	10,200	10,200
Construction Services	-	154,057	154,057	154,100
Total Expenditures	-	164,257	164,257	164,300
Excess of Revenues Over Expenditures	\$ -	\$ 43	\$ 43	\$ -
<b>Additional Project Information:</b>				
Original Authorized Cost	\$ 164,300			
Additional (Reduced) Costs	-			
Revised Authorized Cost	164,300			
Percentage Increase Over Original				
Authorized Cost		0.00%		
Percentage Complete		100.00%		
Original Target Date	6/30/19			
Revised Target Date	6/30/19			

SCHEDULE F-2K

**BERGENFIELD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
ROY BROWN MIDDLE SCHOOL - DOOR REPLACEMENT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	-	\$ 98,017	\$ 98,017	\$ 98,017
Total Revenues	-	98,017	98,017	98,017
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	-	-	-	-
Construction Services	-	2,066	2,066	98,017
Total Expenditures	-	2,066	2,066	98,017
Excess of Revenues Over Expenditures	\$ -	\$ 95,951	\$ 95,951	\$ -
<b>Additional Project Information:</b>				
Original Authorized Cost	\$ 98,017			
Additional (Reduced) Costs	-			
Revised Authorized Cost	98,017			
Percentage Increase Over Original				
Authorized Cost		0.00%		
Percentage Complete		2.00%		
Original Target Date	6/30/20			
Revised Target Date	6/30/20			

## **PROPRIETARY FUNDS**

**EXHIBIT G-1**

**BERGENFIELD BOARD OF EDUCATION  
PROPRIETARY FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2019**

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, 2019**

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, 2019**

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, 2019**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 87,547	\$ 122,431	\$ 209,978
Due from Other Funds	<u>-</u>	<u>153,317</u>	<u>153,317</u>
Total Assets	<u>\$ 87,547</u>	<u>\$ 275,748</u>	<u>\$ 363,295</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 229,104	\$ 229,104
Accrued Salaries and Wages		37,652	37,652
Due to Student Groups	\$ 87,547	-	87,547
Due to Other Funds	<u>-</u>	<u>8,992</u>	<u>8,992</u>
Total Liabilities	<u>\$ 87,547</u>	<u>\$ 275,748</u>	<u>\$ 363,295</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, 2019**

NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Balance, July 1, <u>2018</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2019</u>
ROY W. BROWN MIDDLE SCHOOL	\$ 6,972	\$ 46,173	\$ 41,354	\$ 11,791
BERGENFIELD HIGH SCHOOL	<u>47,948</u>	<u>131,497</u>	<u>103,689</u>	<u>75,756</u>
	<u>\$ 54,920</u>	<u>\$ 177,670</u>	<u>\$ 145,043</u>	<u>\$ 87,547</u>

**BERGENFIELD BOARD OF EDUCATION**  
**AGENCY FUNDS**  
**PAYROLL AGENCY FUND**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Balance, July 1, <u>2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, <u>2018</u>
<b>ASSETS</b>				
Cash	\$ 112,243	\$ 40,413,453	\$ 40,403,265	\$ 122,431
Due from Other Funds	<u>9,447</u>	<u>153,317</u>	<u>9,447</u>	<u>153,317</u>
Total Assets	<u>\$ 121,690</u>	<u>\$ 40,566,770</u>	<u>\$ 40,412,712</u>	<u>\$ 275,748</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 82,071	\$ 18,234,804	\$ 18,087,771	\$ 229,104
Accrued Salaries and Wages	39,619	22,322,974	22,324,941	37,652
Due to Other Funds	<u>-</u>	<u>8,992</u>	<u>-</u>	<u>8,992</u>
Total Liabilities	<u>\$ 121,690</u>	<u>\$ 40,566,770</u>	<u>\$ 40,412,712</u>	<u>\$ 275,748</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,									
	2010	2011	2012	2013	2014 (1)	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 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	\$ 28,727,102
Restricted	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	4,389,690
Unrestricted	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)	(14,749,167)
Total governmental activities net position	<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>	<u>\$ 18,367,625</u>
Business-type activities										
Net investment in capital assets	\$ 38,679	\$ 22,986		\$ 4,823	\$ 13,200	\$ 11,550	\$ 9,900	\$ 8,250	\$ 46,715	\$ 110,717
Restricted										
Unrestricted	82,917	110,167	85,493	191,348	305,951	208,678	456,322	597,234	567,890	482,846
Total business-type activities net position	<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>	<u>\$ 593,563</u>
District-wide										
Net investment in capital assets	\$ 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	\$ 28,837,819
Restricted	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	4,389,690
Unrestricted	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)	(14,266,321)
Total district net position	<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>	<u>\$ 18,961,188</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,

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 36,929,584
Special Education	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	15,661,228
Other Instruction	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	2,344,901
School Sponsored Activities and Athletics	816,236	805,495	735,888	856,417	1,043,178	1,099,250	1,147,973	1,343,105	1,322,493	1,462,542
Other Services	15,335	1,911	3,917	32,215	28,980					
Support Services:										
Student & instruction Related Services	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	9,106,779
General Administration	1,796,415	1,613,183	1,356,817	1,565,370	1,394,165	1,412,876	1,364,735	1,430,291	1,509,412	1,724,881
School Administrative Services	4,180,216	3,598,663	3,688,898	3,807,670	3,741,186	4,549,105	4,955,690	5,692,952	5,602,769	5,140,698
Central Administrative Services	594,199	688,315	611,371	660,550	731,002	787,507	869,321	986,636	909,104	913,184
Plant Operations and Maintenance	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	8,308,017
Student Transportation	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	2,833,294
Interest on long-term debt	63,706									
Total governmental activities expenses	<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>74,131,812</u>	<u>82,068,548</u>	<u>85,588,149</u>	<u>84,425,108</u>
Business-type activities:										
Food service	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	1,360,546
Summer Enrichment Program	59,834	57,125	69,311	69,759	40,709	46,792	6,465	50,408	66,553	80,695
Total business-type activities expense	<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>	<u>1,441,241</u>
Total district expenses	<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>	<u>\$ 85,866,349</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction	\$ 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	\$ 1,567,473
Support Services		45,002	50,755	113,956	147,527	74,377	96,691	85,678	71,521	48,236
Operating grants and contributions	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	21,146,614
Capital grants and contributions	320,379	42,973	42,551	27,860		430,227	1,322,518	1,333,717	652,889	46,732
Total governmental activities program revenues	<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>	<u>22,809,055</u>
Business-type activities:										
Charges for services										
Food service	\$ 769,012	\$ 724,441	\$ 697,285	\$ 577,217	\$ 591,610	\$ 544,341	\$ 566,895	\$ 606,659	\$ 609,273	\$ 633,555
Summer Enrichment Program	64,318	61,157	69,386	59,545	54,475	51,351	80,380	49,258	63,978	66,577
Operating grants and contributions	508,455	506,849	594,464	628,775	612,669	625,918	708,995	718,053	748,741	720,067
Total business type activities program revenues	<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>	<u>1,420,199</u>
Total district program revenues	<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>	<u>\$ 24,229,254</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (44,959,975)	#####	\$ (46,748,869)	\$ (48,979,600)	\$ (49,980,372)	\$ (53,296,094)	\$ (53,467,395)	\$ (56,960,404)	\$ (58,207,498)	\$ (61,616,053)
Business-type activities	9,282	25,066	(24,674)	110,678	122,980	(98,923)	245,994	139,262	9,121	(21,042)
Total district-wide net expense	<u>\$ (44,950,693)</u>	<u>#####</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>	<u>\$ (61,637,095)</u>

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

		Fiscal Year Ended June 30,									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position											
Governmental activities:											
Property taxes levied for general purposes, net	\$	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	\$ 49,523,856
Unrestricted Aid and contributions		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	8,951,490
Investment earnings											
Miscellaneous income		73,554	534,154	83,266	88,761	304,709	1,344,956	263,893	260,232	206,220	341,122
Total governmental activities		48,975,972	52,148,802	52,565,376	53,606,018	54,801,440	55,935,617	55,818,239	56,736,669	57,931,646	58,816,468
Business-type activities:											
Investment earnings											
Transfers											
Total business-type activities		-	-	-	-	-	-	-	-	-	-
Total district-wide	\$	48,975,972	\$52,148,802	\$ 52,565,376	\$ 53,606,018	\$ 54,801,440	\$ 55,935,617	\$ 55,818,239	\$ 56,736,669	\$ 57,931,646	\$ 58,816,468
Change in Net Position											
Governmental activities	\$	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)	\$ (2,799,585)
Business-type activities		9,282	25,066	(24,674)	110,678	122,980	(98,923)	245,994	139,262	9,121	(21,042)
Total district	\$	4,025,279	\$ 4,484,522	\$ 5,791,833	\$ 4,737,096	\$ 4,944,048	\$ 2,540,600	\$ 2,596,838	\$ (84,473)	\$ (266,731)	\$ (2,820,627)



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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 4,549,424									
Unreserved	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	\$ 6,361,168
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	906,968
Unassigned	-	287,131	172,236	168,473	227,376	312,471	246,438	253,802	224,297	331,975
Total general fund	<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>	<u>\$ 7,600,111</u>
All Other Governmental Funds										
Reserved										
Unreserved	\$ 71,397									
Restricted	-	\$ 71,397	\$ 71,397	\$ 59,707	\$ 1,601,081	\$ 3,179,431	\$ 3,958,186	\$ 2,967,001	\$ 2,687,313	\$ 867,587
Unassigned										
Total all other governmental funds	<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>	<u>\$ 867,587</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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Property Tax levy	\$ 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	\$ 49,523,856
Tuition and Fees	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	1,567,473
Interest Earnings							96,691	85,678	56,806	48,236
Miscellaneous	149,079	582,702	160,664	158,961	368,549	1,465,414	291,781	287,765	176,601	366,722
State Sources	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	21,860,920
Federal Sources	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	2,121,495
Total revenue	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	75,488,702
<b>Expenditures</b>										
Instruction										
Regular Instruction	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	32,100,965
Special Education Instruction	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	14,358,262
Other Instruction	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	2,135,910
School Sponsored Activities and Athletics	818,141	803,567	737,335	848,357	1,042,604	1,097,656	1,117,500	1,231,523	1,187,873	1,398,216
Other Services	15,335	1,911	3,917	32,215	28,980					
Support Services:										
Student & Inst. Related Services	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	8,386,935
General Administrative Services	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	1,675,401
School Administrative Services	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	4,601,304
Central Administrative Services	595,830	686,324	607,240	647,316	730,460	786,066	844,392	901,882	815,269	873,516
Plant Operations and Maintenance	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	8,003,591
Student Transportation	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	2,641,008
Capital Outlay	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	2,005,108
Debt Service:										
Principal	1,234,998									
Interest and Other Charges	68,210									
Total expenditures	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	78,180,216
Excess (Deficiency) of revenues over (under) expenditures	478,302	4,379,905	2,667,037	2,007,192	(36,639)	(1,290,596)	480,767	(1,575,206)	(148,332)	(2,691,514)
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	345,000									
Transfers in	435,360				2,525,000	3,747,496	2,655,934	1,003,303	760,955	1,367,796
Transfers out	(435,360)				(2,525,000)	(3,747,496)	(2,655,934)	(1,003,303)	(760,955)	(1,367,796)
Total other financing sources (uses)	345,000	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 823,302	\$ 4,379,905	\$ 2,667,037	\$ 2,007,192	\$ (36,639)	\$ (1,290,596)	\$ 480,767	\$ (1,575,206)	\$ (148,332)	\$ (2,691,514)
Debt service as a percentage of noncapital expenditures	2.20%	0.00%	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)**

<b>Fiscal Year Ended June 30,</b>	<b><u>Tuition</u></b>	<b><u>Transportation Fees</u></b>	<b><u>Adult Education Program Fees</u></b>	<b><u>Interest on Investments</u></b>	<b><u>Rents</u></b>	<b><u>Cancelled Prior Year Orders</u></b>	<b><u>Prior Year Refunds</u></b>	<b><u>Miscellaneous</u></b>	<b><u>Total</u></b>
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
2019	1,567,473	48,236		101,866	5,220	84,679		149,357	1,956,831

**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 <sup>a</sup>
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	\$ 2
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
2019	7,244,000	2,250,590,900	264,397,200	42,302,100	115,243,800	2,679,778,000	87,730	2,679,865,730	3,062,156,607	1.848

Source: County Abstract of Ratables

<sup>a</sup> 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		
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
2019	1.848	1.136	0.278		3.262

Source: County Abstract of Ratables

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

Taxpayer	2019		2011	
	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%	\$ 21,777,200	0.81%
Tower Ivy Lane, LLC	18,850,000	0.70%	20,580,400	0.77%
Knickerbocker Country Club	17,000,000	0.63%	17,000,000	0.63%
Olster Bergenfield Properties	16,500,000	0.62%	17,129,500	0.64%
Tower Management Financing Partnership			14,456,600	0.54%
Tower Omni 2015 LLC	13,350,000	0.50%		
St. James Apts, VAP International	10,900,000	0.41%	11,526,700	0.43%
Lidl U.S. Operations, LLC	10,215,400	0.38%		
Pathmark Stores, LLC			10,215,400	0.38%
Legion Manor Assoc., LLC	10,000,000	0.37%		
New Woodbine, LLC			7,443,200	0.28%
New Bridge Shopping Center LLC	7,100,000	0.26%		
Bergenfield Skating c/o Sears			6,068,000	0.23%
Keepers Bergenfield LLC	5,496,700	0.21%		
	<u>\$ 128,412,100</u>	<u>4.79%</u>	<u>\$ 126,197,000</u>	<u>4.71%</u>

Source: Municipal Tax Assessor

Note: Information for 2010 (nine years ago) is required to be presented; however, it was not available. The District chose to present information for 2011 (eight years ago) in the absence of the 2010 information.

**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	
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%	
2019	49,523,856	49,523,856	100.00%	

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	Project Loan Payable	Capital Leases			
2010			-	-	26,850	0
2011			-	-	27,019	0
2012			-	-	27,180	0
2013			-	-	27,255	0
2014			-	-	27,290	0
2015			-	-	27,336	0
2016			-	-	27,327	0
2017			-	-	27,469	0
2018			-	-	27,479	0
2019			-	-	27,479 (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			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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
2019	-	-	-	0.00%	0

Source: District records

**BERGENFIELD BOARD OF EDUCATION**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF DECEMBER 31, 2018**  
**(Unaudited)**

	<u><b>Total Debt</b></u>
Municipal Debt: (1)	
Bergenfield School District	-
Borough of Bergenfield	\$ 26,496,210
	<hr/>
Total Direct Debt	26,496,210
	<hr/>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	23,125,203
Bergen County Utilities Authority - Water Pollution (B)	6,795,698
	<hr/>
Total Overlapping Debt	29,920,901
	<hr/>
Total Direct and Overlapping Debt	\$ 56,417,111
	<hr/>

## Source:

(1) Borough's 2018 Annual Debt Statement

(A) The debt for this entity was apportioned to the municipality by dividing the municipality's 2018 equalized value by the total 2018 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 2019**

Equalized valuation basis

2018	\$	3,042,980,394
2017		2,829,613,602
2016		2,748,336,526
	\$	<u>8,620,930,522</u>
	\$	<u>2,873,643,507</u>
		114,945,740
		-
	\$	<u>114,945,740</u>

Fiscal Year Ending June 30,

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 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	\$ 114,945,740
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 114,945,740</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>
2010	26,850	\$ 65,992	7.90%
2011	27,019	68,865	7.50%
2012	27,180	71,789	7.70%
2013	27,255	71,100	7.00%
2014	27,290	73,637	4.90%
2015	27,336	76,821	4.20%
2016	27,327	77,901	3.90%
2017	27,469	81,203	3.70%
2018	27,479	N/A	3.10%
2019	27,479 (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>2019</u>		<u>2010</u>	
		Percentage of Total Municipal Employment		Percentage of Total Municipal Employment
<u>Employer</u>	<u>Employees</u>		<u>Employees</u>	

INFORMATION IS NOT AVAILABLE

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

<u>Function/Program</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>	<u>2019</u>
Instruction	327	328	318	329	329	330	332	346	347	-
Support Services:										
Student & instruction related services	65	65	72	66	65	66	66	73	82	-
General administration	6	5	7	5	4	5	6	7	7	-
School administrative services	24	24	34	24	23	24	24	32	32	-
Central services	7	7	6	7	7	6	6	6	6	-
Plant operations and maintenance	42	40	40	41	41	41	40	63	63	-
Pupil transportation	15	16	24	16	17	16	16	17	17	-
Other support services										-
Total	<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)**

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
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%
2019	3,560	76,175,108	21,398	0.1160	350	1:13	1:12	1:12	3,562	3,404	0.03%	95.56%

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>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>	<u>2019</u>
<b>School Facilities</b>										
Bergenfield High School	\$ 1,267,962	\$ 1,206,434	\$ 1,213,577	\$ 1,278,931	\$ 1,348,560	\$ 1,400,192	\$ 613,716	\$ 738,005	\$ 686,461	\$ 1,030,096
Roy W. Brown Middle School	608,982	579,432	582,863	614,252	647,693	672,492	294,758	354,453	329,697	494,740
Franklin Elementary School	304,490	289,715	291,430	307,124	323,845	336,244	147,378	177,226	164,847	247,368
Hoover Elementary School	119,462	113,665	114,338	120,495	127,056	131,920	57,821	69,532	64,675	97,051
Jefferson Elementary School	167,365	159,244	160,187	168,814	178,004	184,820	81,008	97,414	90,610	135,969
Lincoln Elementary School	334,431	318,203	320,076	337,313	355,677	369,295	161,865	194,646	181,051	271,684
Washington Elementary Sch.	191,316	182,033	183,121	192,983	203,489	211,281	92,606	111,361	103,583	155,435
Grand Total	<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>	<u>\$ 2,432,343</u>

Source: District Records

**BERGENFIELD BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2019  
(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
Cyber Liability		
Third Party Liability Coverage	2,000,000	15,000
First Party Coverage	1,000,000	
Data Breach Response and Crisis Management Coverage	1,000,000	25,000
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
Computer Fraud	100,000	1,000
Funds Transfer Fraud	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  
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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, 2019 and the related notes to the financial statements, which collectively comprise the Bergenfield Board of Education's basic financial statements and have issued our report thereon dated December 5, 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 December 5, 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  
December 5, 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  
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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, 2019. 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, 2019.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 and which is described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major federal and state program is not modified with respect to these matters.

The Bergenfield Board of Education's response to the noncompliance 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.

### **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 did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-001 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 Bergenfield Board of Education as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated December 5, 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  
December 5, 2019



**BERGENFIELD BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2018		Carryover/ (Walkover)/ Adjustment Def. Rev.	Carryover/ (Walkover)/ Adjustment Amount A/R	Cash Received	Budgetary Expenditures	Refund of Prior Years Balances	Prior Year Payables Cancelled / Adjustments	Balance, June 30, 2019			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	191NJ304N1099	N/A	7/1/18-6/30/19	\$ 98,212					\$ 92,182	\$ 98,212			\$ (6,030)			\$ (6,030)
School Breakfast Program	10.553	181NJ304N1099	N/A	7/1/17-6/30/18	104,866	\$ (7,497)				7,497				-			-
National School Lunch Program	10.555		N/A														
Cash Assistance		191NJ304N1099		7/1/18-6/30/19	518,637					494,819	518,637			(23,818)			(23,818)
Cash Assistance		181NJ304N1099		7/1/17-6/30/18	540,306	(31,013)				31,013				-			-
Non-Cash Assistance (Food Distribution)		191NJ304N1099		7/1/18-6/30/19	89,845	-	\$ 472	-	-	89,845	90,317	-	-	-	-	-	-
Total Child Nutrition Program Cluster/Enterprise Fund						(38,510)	472	-	-	715,356	707,166	-	-	(29,848)	-	-	(29,848)
U.S. Department of Health and Human Services																	
General Fund																	
Medicaid Assistance Program	93.778	1905NJ5MAP	N/A	7/1/18-6/30/19	63,319	-	-	-	-	63,319	63,319	-	-	-	-	-	-
Total General Fund						-	-	-	-	63,319	63,319	-	-	-	-	-	-
Special Revenue Fund																	
I.D.E.A. Part B, Basic Regular	84.027	H027A180100	FT-090002	7/1/18-6/30/19	862,547			\$ 40,760	\$ (40,760)	760,538	901,033			(142,769)	\$ 2,274		(140,495)
I.D.E.A. Part B, Basic Regular	84.027	H027A170100	FT-090002	7/1/17-6/30/18	862,015	(259,948)	31,307	(40,760)	40,760	219,188		\$ 9,453		-	-		-
I.D.E.A. Part B, Preschool	84.173	H173A180114	PS-090000	7/1/18-6/30/19	34,476			33,754	(33,754)	68,230	68,230			-	-		-
I.D.E.A. Part B, Preschool	84.173	H173A170114	PS-090000	7/1/17-6/30/18	33,754	(37,842)	36,435	(33,754)	33,754	1,407	-	-	-	-	-	-	-
IDEA Cluster						(297,790)	67,742	-	-	1,049,363	969,263	-	9,453	(142,769)	2,274	-	(140,495)
ESEA																	
Title I	84.010	S010A180030	ESEA-090300	7/1/18-6/30/19	502,462			45,393	(45,393)	254,286	517,288			(293,569)	30,567		(263,002)
Title I	84.010	S010A17003	ESEA-090300	7/1/17-6/30/18	499,048	(155,264)	45,393	(45,393)	45,393	109,871							-
Title II, Part A	84.367A	S367A180029	ESEA-090300	7/1/18-6/30/19	94,752			14,796	(14,796)	37,977	97,032			(71,571)	12,516		(59,055)
Title II, Part A	84.367A	S367A170029	ESEA-090300	7/1/17-6/30/18	99,046	(52,852)	14,756	(14,796)	14,796	38,056			40				-
Title III	84.365	S365A180030	ESEA-090300	7/1/18-6/30/19	43,783			7,474	(7,474)	24,602	46,634			(26,655)	4,623		(22,032)
Title III	84.365	S365A170030	ESEA-090300	7/1/17-6/30/18	44,853	(21,938)	\$ 7,339	(7,474)	7,474	14,464			135				-
Title III - Immigrant	84.365	S365A180030	ESEA-090300	7/1/18-6/30/19	16,117			2,183	(2,183)	900	4,264			(17,400)	14,036		(3,364)
Title III - Immigrant	84.365	S365A170030	ESEA-090300	7/1/17-6/30/18	13,567	(9,352)	2,183	(2,183)	2,183	7,169							-
Title IV	84.424	S424A180031	ESEA-090300	7/1/18-6/30/19	30,187			1,137	(1,137)	5,952	30,676			(25,372)	648		(24,724)
Title IV	84.424	S424A170031	ESEA-090300	7/1/17-6/30/18	10,000	(7,226)	1,137	(1,137)	1,137	6,089							-
Perkins Grant	84.048	V048A170030	N/A	7/1/17-6/30/18	25,549	(4,601)	-			4,601							-
Perkins Grant	84.048	V048A180030	N/A	7/1/18-6/30/19	25,190					17,757	24,966			(7,433)	224		(7,209)
IEP for Life	84.324b	N/A	N/A	9/1/17-8/31/18	333,333	(187,396)	14,937	333	(333)	187,729	19,096		3,826	-	-		-
IEP for Life	84.324b	N/A	N/A	9/1/18-8/31/19	333,333	-	-	-	-	242,635	333,333	-	-	(90,698)	-	-	(90,698)
Total Special Revenue Fund						(736,419)	153,487	333	(333)	2,001,451	2,042,552	-	13,454	(675,467)	64,888	-	(610,579)
Total Federal Awards						\$ (774,929)	\$ 153,959	\$ 333	\$ (333)	\$ 2,780,126	\$ 2,813,037	\$ -	\$ 13,454	\$ (705,315)	\$ 64,888	\$ -	\$ (640,427)

**BERGENFIELD BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018	Cash Received	Budgetary Expenditures	Cancelled	Refund of Prior Years' Balances	Balance, June 30, 2019			Memo	
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education													
Current Expense:													
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	\$ 8,619,280	\$ (779,884)	\$ 779,884								-
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	8,619,280		7,902,264	\$ 8,619,280			\$ (717,016)				\$ 8,619,280
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	2,104,440	(190,413)	190,413								-
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	2,104,440		1,928,426	2,104,440			(176,014)				2,104,440
Security Aid	18-498-034-5120-084	7/1/17-6/30/18	181,274	(16,402)	16,402								-
Security Aid	19-498-034-5120-084	7/1/18-6/30/19	374,729		343,388	374,729			(31,341)				374,729
School Choice Aid	18-495-034-5120-068	7/1/17-6/30/18	238,431	(21,574)	21,574								-
School Choice Aid	19-495-034-5120-068	7/1/18-6/30/19	258,495	-	236,875	258,495			(21,620)				258,495
Host District Aid	18-495-034-5120-102	7/1/17-6/30/18	2,721	(246)	246				-				-
Additional Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	12,549	(1,135)	1,135				-				-
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	35,060	(3,172)	3,172				-				-
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	35,030	(3,170)	3,170				-				-
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	35,030	(3,170)	3,170	-	-	-	-	-	-	-	-
State Aid Public Cluster				(1,019,166)	11,430,119	11,356,944	-	-	(945,991)	-	-	-	11,356,944
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	95,498	(8,641)	8,641								-
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	578,477	-	530,093	578,477			(48,384)				578,477
Extraordinary Aid	18-495-034-5120-473	7/1/17-6/30/18	714,048	(714,048)	716,823	2,775							2,775
Extraordinary Aid	19-495-034-5120-473	7/1/18-6/30/19	961,768	-		961,768			(961,768)				961,768
On Behalf Payments													
TPAF Social Security	18-495-034-5095-003	7/1/17-6/30/18	1,838,145	(89,472)	89,472								-
TPAF Social Security	19-495-034-5094-003	7/1/18-6/30/19	1,811,534	-	1,721,325	1,811,534			(90,209)			\$ (90,209)	1,811,534
TPAF On-Behalf Contributions													
Pension Benefit Contribution	19-495-034-5094-002	7/1/18-6/30/19	4,726,699		4,726,699	4,726,699							4,726,699
Pension-NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	98,942		98,942	98,942							98,942
LTDI Premium	19-495-034-5094-004	7/1/18-6/30/19	3,590		3,590	3,590							3,590
Post Retirement Medical Benefit Contribution	19-495-034-5094-001	7/1/18-6/30/19	2,188,903	-	2,188,903	2,188,903	-	-	-	-	-	-	2,188,903
Total General Fund				(1,831,327)	21,514,607	21,729,632	-	-	(2,046,352)	-	-	(90,209)	21,729,632
Special Revenue:													
Preschool Expansion Aid	19-495-034-5120-086	7/1/18-6/30/19	391,410		293,468	264,283			(97,942)	\$ 127,127			264,283
New Jersey Nonpublic Aid:													
Textbook Aid	18-100-034-5120-064	7/1/17-6/30/18	9,587	1				\$ 1			-		-
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	8,277		8,277	8,274					\$ 3		8,274.00
Nursing Services	19-100-034-5120-070	7/1/18-6/30/19	15,035	-	15,035	15,035					-		15,035
Security Aid	18-100-034-5120-509	7/1/17-6/30/18	13,125	73				73			-		-
Security Aid	19-100-034-5120-509	7/1/18-6/30/19	23,250	-	23,250	23,213					37		23,213
Technology Aid	18-100-034-5120-373	7/1/17-6/30/18	6,475	12				12			-		-
Technology Aid	19-100-034-5120-373	7/1/18-6/30/19	5,580	-	5,580	5,572					8		5,572
Auxiliary Services:													
Compensatory Education	19-100-034-5120-067	7/1/17-6/30/18	61,123	33,839				33,839			-		-
Compensatory Education	17-100-034-5120-067	7/1/18-6/30/19	21,828	-	21,828	16,582					5,246		16,582
English as a Second Language	19-100-034-5120-067	7/1/17-6/30/18	6,323	4,155				4,155					-
English as a Second Language	17-100-034-5120-067	7/1/18-6/30/19	4,660	-	4,660	1,553	-	-	-	-	3,107	-	1,553
Auxiliary Services Cluster				37,994	26,488	18,135	-	37,994	-	-	8,353	-	18,135
Handicapped Services:													
Examination and Classification	18-100-034-5120-066	7/1/17-6/30/18	27,480	16,379				16,379			-		-
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	12,016	-	12,016	8,740					3,276		8,740
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	51,782	42,408				42,408			-		-
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	12,499	-	12,499	6,517					5,982		6,517
Supplemental Instruction	18-100-034-5120-066	7/1/17-6/30/18	22,996	15,859				15,859			-		-
Supplemental Instruction	19-100-034-5120-066	7/1/18-6/30/19	13,639	-	13,639	9,357	-	-	-	-	4,282	-	9,357
Handicapped Services Cluster				74,646	38,154	24,614	-	74,646	-	-	13,540	-	24,614
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				114,276	410,252	359,126	-	112,726	(97,942)	128,677	21,941	-	359,126

**BERGENFIELD BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2018	Cash Received	Budgetary Expenditures	Cancelled	Refund of Prior Years' Balances	Balance, June 30, 2019			GAAP Receivable	Memo Cumulative Total Expenditures
									(Accounts Receivable)	Unearned Revenue	Due to Grantor		
State Department of Agriculture													
Food Service:													
National School Lunch Program (State Share)	18-100-010-3350-023	7/1/17-6/30/18	13,388	\$ (766)	\$ 766								
	19-100-010-3350-023	7/1/18-6/30/19	12,901	-	12,330	\$ 12,901	-	-	\$ (571)	-	-	\$ (571)	\$ 12,901
Total Food Service Fund				(766)	13,096	12,901	-	-	(571)	-	-	(571)	12,901
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)	653,658		\$ 138,516		-			-	792,174
Hoover Elementary School - Various Improvements	0300-050-14-G1CR	N/A	325,080	(141,128)	117,566		23,562		-			-	141,128
Bergenfield High School - HVAC, Vertical Movement	0300-020-14-G3CK	N/A	856,532	(703,450)	642,135		61,315	-	-		-	-	703,450
Jefferson Elementary School - Various Improvements	0300-060-14-G1CS	N/A	431,160	(431,160)					(431,160)			(431,160)	431,160
Lincoln Elementary School - Various Improvements	0300-070-14-G3CM	N/A	671,228	(671,228)					(671,228)			(671,228)	671,228
Washington Elementary School - Various Improvements	0300-080-14-G3CN	N/A	403,202	(371,401)	-		-	-	(403,202)	\$ 31,801	-	(403,202)	371,401
Franklin Elementary School - Various Improvements	0300-040-14-G04	N/A	622,469	(531,359)	-	-	-	-	(622,469)	91,110	-	(622,469)	531,359
Total Capital Projects Fund				(3,641,900)	1,413,359	-	223,393	-	(2,128,059)	122,911	-	(2,128,059)	3,641,900
Total State Financial Assistance Subject to Single Audit Determination				(5,359,717)	23,351,314	22,101,659	223,393	\$ 112,726	(4,272,924)	\$ 251,588	\$ 21,941	(2,218,839)	25,743,559
State Financial Assistance													
Not Subject to Single Audit Determination													
General Fund													
On-Behalf TPAF Pension Benefit Contributions	19-100-034-5094-002	7/1/18-6/30/19	4,726,699		(4,726,699)	(4,726,699)							(4,726,699)
On-Behalf TPAF Pension Contributions-NCGI Premium	19-100-034-5094-004	7/1/18-6/30/19	98,942	-	(98,942)	(98,942)	-	-	-	-	-	-	(98,942)
On-Behalf TPAF Contributions-LTDI Premium	19-100-034-5094-004	7/1/18-6/30/19	3,590		(3,590)	(3,590)							(3,590)
On-Behalf TPAF Post-Retirement Medical Contribution	19-100-034-5094-001	7/1/18-6/30/19	2,188,903	-	(2,188,903)	(2,188,903)	-	-	-	-	-	-	(2,188,903)
Total State Financial Assistance Subject to Single Audit				\$ (5,359,717)	\$ 16,333,180	\$ 15,083,525	\$ 223,393	\$ 112,726	\$ (4,272,924)	\$ 251,588	\$ 21,941	\$ (2,218,839)	\$ 18,725,425

**BERGENFIELD BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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 \$214,288 for the general fund and an increase of \$7,524 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	\$ 63,319	\$ 21,515,344	\$ 21,578,663
Special Revenue Fund	2,058,176	345,576	2,403,752
Food Service Fund	<u>707,166</u>	<u>12,901</u>	<u>720,067</u>
Total Financial Assistance	<u>\$ 2,828,661</u>	<u>\$ 21,873,821</u>	<u>\$ 24,702,482</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, 2019**

**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 \$1,811,534 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, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$4,825,641 , TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,188,903 and TPAF Long-Term Disability Insurance in the amount of \$3,590 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

**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, 2019**

*Part I – Summary of Auditor's Results*

**Financial Statement Section**

Type of auditors' report issued on financial statements

Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?

\_\_\_\_\_ yes      X no

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

\_\_\_\_\_ yes      X none reported

Noncompliance material to basic financial statements noted?

\_\_\_\_\_ yes      X no

**Federal Awards Section**

Internal Control over major programs:

(1) Material weakness(es) identified?

\_\_\_\_\_ yes      X no

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

\_\_\_\_\_ yes      X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance?

\_\_\_\_\_ yes      X no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A160100</u>	<u>IDEA Part B, Basic</u>
<u>84.173</u>	<u>H173A160114</u>	<u>IDEA Part B, Preschool</u>
_____	_____	_____

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, 2019**

*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:

GMIS Number(s)
495-034-5120-078
495-034-5120-089
495-034-5120-084
495-034-5120-068
495-034-5120-473
495-034-5095-003

Name of State Program
Equalization Aid
Special Education Aid
Security Aid
School Choice Aid
Extraordinary Aid
TPAF Social Security Reimbursements

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, 2019**

***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, 2019**

*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, 2019**

*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 2019-001**

Our audit noted the following with regards to compliance with the Public School Contracts Law:

- The District does not retain supporting documentation to support the amounts purchased through the use of State and/or Cooperative Purchasing Agreement contracts which exceeded the bid threshold.
- There was one (1) instance where the District could not locate the bid documents for bus repairs.

**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

**Criteria or Specific Requirement**

State Grant Compliance Supplements  
N.J.S.A. 18A:18A-1 et seq. Public School Contracts Law

**Condition**

See Finding 2019-001.

**Questioned Cost**

Undeterminable.

**BERGENFIELD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

*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 2019-001 (Continued)**

**Context**

- Supporting documentation (i.e. contract award notices, price lists, hourly rates, etc...) was not retained for amounts purchased through the use of State and/or Cooperative Purchasing Agreement contracts that exceed the \$40,000 bid threshold for a bus purchase, floor refinishing services, custodial supplies, furniture and various school supplies.
- Supporting documentation for the bid awarded for bus repairs was not available for audit - \$128,306.

**Effect**

The District may not be in compliance with Public School Contracts Law.

**Recommendation**

Internal control procedures be reviewed and enhanced to ensure supporting documentation is on file and made available for audit for all purchases made in accordance with the Public School Contracts Law.

**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  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

This section identifies the status of prior-year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 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.

**Current Status**

Corrective action was taken.

**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.

**Current Status**

Corrective action was taken.