

NORTH BERGEN BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

North Bergen, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

North Bergen Board of Education

North Bergen, New Jersey

For The Fiscal Year Ended June 30, 2022

Prepared by

Business Office

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INTRODUCTORY SECTION



NORTH BERGEN BOARD OF EDUCATION

7317 Kennedy Boulevard, North Bergen, New Jersey 07047 • (201) 868-1000

KANAIYALAL PATEL
PRESIDENT

HAISSAM JAAFAR
VICE PRESIDENT

HUGO D. CABRERA
BOARD SECRETARY

GEORGE J. SOLTER JR., Ed.D
SUPERINTENDENT

STEVEN P. SOMICK
ASST. SUPERINTENDENT

February 21, 2023

Honorable President and Members
of the Board of Education
7317 Kennedy Boulevard
North Bergen, New Jersey

The New Jersey Department of Education statutes require that all school districts publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (the "ACFR") of the North Bergen Board of Education for the fiscal year ended June 30, 2022.

The report consists of management's representations concerning the finances of the North Bergen Board of Education. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the North Bergen Board of Education has established a comprehensive internal control framework that is designed both to protect the Board's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the North Bergen Board of Education's financials statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the North Bergen Board of Education's comprehensive framework or internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The North Bergen Board of Education's financial statements have been audited by Lerch, Vinci & Bliss, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Board for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the North Bergen Board of Education's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the North Bergen Board of Education as part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grant agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the Board’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance.

GAAP 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. North Bergen Board of Education’s MD&A can be found immediately following the report of the independent auditors.

The North Bergen Board of Education and all its schools constitute the District’s reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and vocational, Early Childhood Development, as well as special education for handicapped students. The District completed the 2021/2022 school year with an enrollment of 7,212 students, which is 102 students less than the previous year’s enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021-2022	7,212	-1.40%
2020-2021	7,314	-2.33%
2019-2020	7,488	-.41%
2018-2019	7,519	-1.92%
2017-2018	7,666	-2.96%
2016-2017	7,900	-1.31%
2015-2016	8,005	3.14%
2014-2015	7,761	-3.57%
2013-2014	8,048	-.01%
2012-2013	8,068	-.01%

ECONOMIC CONDITION AND OUTLOOK

North Bergen’s economy is greatly affected by the New York metropolitan area. New development projects along the Hudson River and two areas, which are dedicated redevelopment zones, will continue to attract new business, industry and residents into the Township. These projects could also increase enrollment in a District. The Board of Trustees, School administrative staff and Township officials are currently analyzing the need for more classroom space. The District’s five-year facility plan has received State Department of Education approval and we continue to try to fund building projects. The District is progressing with its plan for a new high school, the conversion of the existing high school to a middle school for grades 7-9 and the conversion of all elementary schools from K-8 to Pre-K-6. The voters have passed a referendum approving the projects and the District is pursuing potential funding sources including the School Construction Financing Program and other State and Federal funding sources.

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 generally accepted accounting principles (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 management.

INTERNAL ACCOUNTING CONTROLS (Continued)

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.

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 Board of Trustees. Annual appropriated budgets are adopted for the general, special revenue and the debt service funds. 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 reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as either committed or assigned fund balance at June 30, 2022.

ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, 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 the "Notes to the Financial Statements".

CASH MANAGEMENT

The investment policy of North Bergen 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 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.

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.

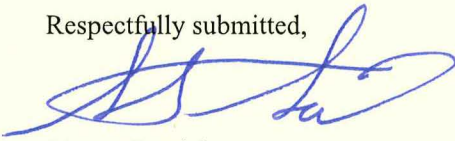
OTHER INFORMATION

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Bliss, 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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

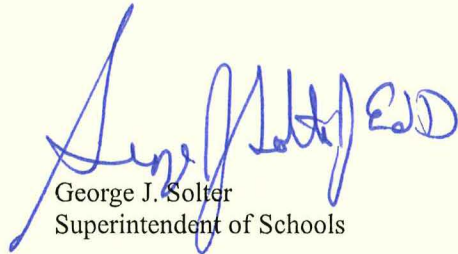
ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the North Bergen 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 the financial and accounting staff.

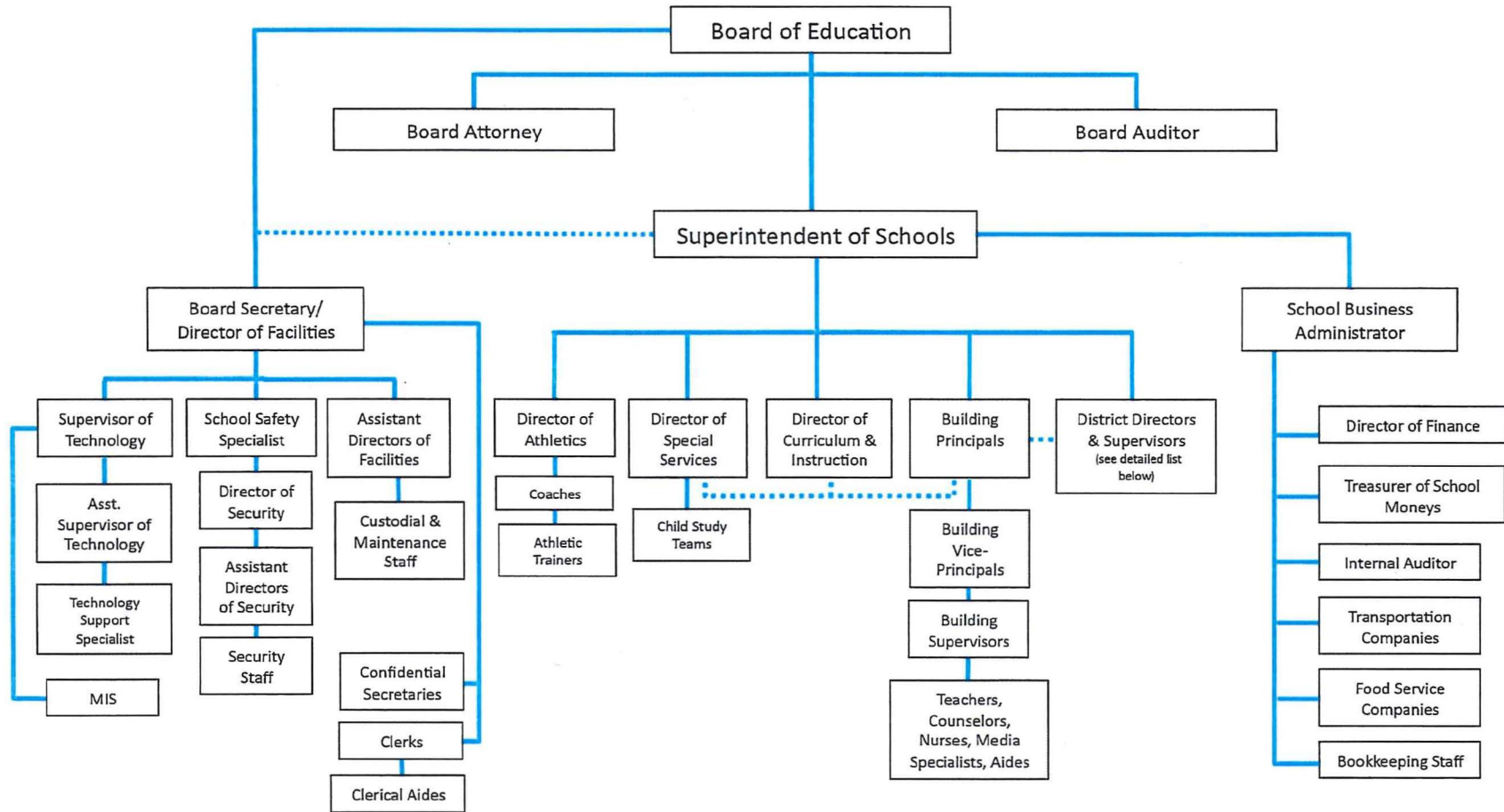
Respectfully submitted,



Steven Somick
School Business Administrator



George J. Solter
Superintendent of Schools



Director of Early Childhood
 Director of Mathematics
 Director of Title I
 Director of Bilingual and ESL
 Supervisor of Elementary Language Arts
 Supervisor of High School Language Arts
 Supervisor of Elementary Mathematics
 Supervisor of Science
 Supervisor of Social Studies

Supervisor of Art
 Supervisor of Music
 Supervisor Physical Ed. And Health
 Supervisor of World Languages
 Supervisor of SARP
 Supervisors of Special Services
 Supervisor of Absentee Prevention/Residency Program

**NORTH BERGEN BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Kanaiyalal Patel, Board President	2023
Haissam Jaafar, Vice President	2024
Patricia Bartoli	2025
Sai Rao	2025
Claudia Baselice	2023
Luis Diaz	2023
Luis Rabelo	2025
Claudia Rodriguez	2024
Ruth Shaw	2024
Mark Rogers (Guttenberg)	2023

Other Officials

George J. Solter, Jr. Ed. D., Superintendent of Schools
Steven Somick, School Business Administrator
Hugo Cabrera, Board Secretary
Carrie Brady, Director of Finance
Thomas Tango, Treasurer of School Moneys

**NORTH BERGEN BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

ARCHITECT

Mayo Lynch Associates, Inc.
1 Marine Plaza, Suite 205 North
North Bergen, New Jersey 07047

AUDIT FIRM

Lerch, Vinci & Bliss, LLP
17-17 Route 208N
Fair Lawn, New Jersey 07410

ATTORNEY

Ryglicki & Gillman, P.C.
9060 Palisades Avenue, Suite C6
North Bergen, New Jersey 07047

OFFICIAL DEPOSITORIES

Valley National Bank
TD Bank

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
North Bergen Board of Education
7317 Kennedy Boulevard
North Bergen, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the North Bergen Board of Education, as of and for the fiscal year ended June 30, 2022 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.

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 and each major fund of the North Bergen Board of Education as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the North Bergen Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Bergen Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 North Bergen Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Bergen Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Bergen Board of Education's basic financial statements. The 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 North Bergen Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

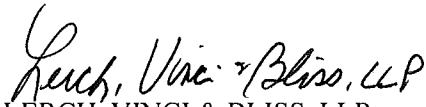
Other Information


Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 21, 2023 on our consideration of the North Bergen 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 solely 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 North Bergen 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 North Bergen Board of Education's internal control over financial reporting and compliance.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 21, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

This section of North Bergen Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-2022 fiscal year include the following:

- The assets and deferred outflows of resources of the North Bergen Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$90,713,624 (net position).
- Overall District revenues were \$186,152,535. General revenues accounted for \$111,909,255 or 60% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$74,243,280 or 40% of total revenues.
- The School District had \$147,277,231 in expenses for governmental activities; only \$69,123,709 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$111,908,419 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 \$68,149,428 an increase of \$16,671,700 when compared to the ending fund balance at June 30, 2021 of \$51,477,728.
- The General Fund unassigned fund balance at June 30, 2022 was in a deficit position of \$2,690,369, a decrease of \$308,956 when compared with the ending fund balance deficit of \$2,381,413 at June 30, 2021.
- The General Fund unassigned budgetary fund balance at June 30, 2022 was \$4,422,532 which represents an increase of \$40,985 when compared to the ending unassigned fund balance at June 30, 2021 of \$4,381,547.

NORTH BERGEN BOARD OF EDUCATION

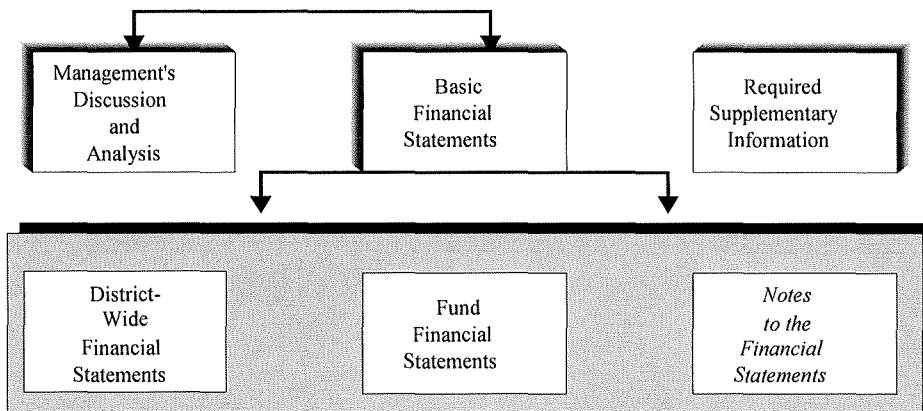
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's 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.
 - The 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.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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 are summarized below. 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
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds
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 Revenues, Expenses, and Changes in Net Position Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows, liabilities, deferred inflows, 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, deferred outflows, liabilities, deferred inflows, both financial and capital, and short-term and long-term
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.

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial Statements

The district-wide statements report information about the North Bergen Board of Education 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, deferred outflows of resources, liabilities and deferred 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 it has 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 position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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 instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts 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.

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).

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has two 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 an enterprise fund for the food service 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 fund financial statements.

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. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons if required.

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

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 outflows of resources exceeded liabilities and deferred inflows of resources by \$90,713,624 and \$56,856,221 as of June 30, 2022 and 2021 (restated), respectively, as shown below.

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 are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position as of June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021 (Restated)	2022	2021	2022	2021 (Restated)
Assets						
Current and Other Assets	\$ 81,068,508	\$ 62,277,332	\$ 2,896,090	\$ 1,716,240	\$ 83,964,598	\$ 63,993,572
Capital Assets	80,147,912	69,760,193	124,190	48,143	80,272,102	69,808,336
Total Assets	<u>161,216,420</u>	<u>132,037,525</u>	<u>3,020,280</u>	<u>1,764,383</u>	<u>164,236,700</u>	<u>133,801,908</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	515,516	2,400,056			515,516	2,400,056
Deferred Amounts on Refunding of Debt	26,084	90,964	-	-	26,084	90,964
Total Deferred Outflows	<u>541,600</u>	<u>2,491,020</u>	<u>-</u>	<u>-</u>	<u>541,600</u>	<u>2,491,020</u>
Total Assets and Deferred Outflows	<u>161,758,020</u>	<u>134,528,545</u>	<u>3,020,280</u>	<u>1,764,383</u>	<u>164,778,300</u>	<u>136,292,928</u>
Liabilities						
Long-Term Liabilities	49,197,293	58,672,287			49,197,293	58,672,287
Other Liabilities	13,144,518	11,035,298	343,624	242,994	13,488,142	11,278,292
Total Liabilities	<u>62,341,811</u>	<u>69,707,585</u>	<u>343,624</u>	<u>242,994</u>	<u>62,685,435</u>	<u>69,950,579</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	11,371,284	10,530,932			11,371,284	10,530,932
Deferred Commodities Revenue	-	-	7,957	28,885	7,957	28,885
Total Deferred Inflows	<u>11,371,284</u>	<u>10,530,932</u>	<u>7,957</u>	<u>28,885</u>	<u>11,379,241</u>	<u>10,559,817</u>
Total Liabilities and Deferred Inflows	<u>73,713,095</u>	<u>80,238,517</u>	<u>351,581</u>	<u>271,879</u>	<u>74,064,676</u>	<u>80,510,396</u>
Net Position						
Net Investment in Capital Assets	70,511,164	56,151,791	124,190	48,143	70,635,354	56,199,934
Restricted	48,719,095	35,274,312			48,719,095	35,274,312
Unrestricted	(31,185,334)	(37,136,075)	2,544,509	1,444,361	(28,640,825)	(35,691,714)
Total Net Position	<u>\$ 88,044,925</u>	<u>\$ 54,290,028</u>	<u>\$ 2,668,699</u>	<u>\$ 1,492,504</u>	<u>\$ 90,713,624</u>	<u>\$ 55,782,532</u>

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years 2022 and 2021 are as follows:

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenues						
Charges for Services	\$ 4,961,300	\$ 4,846,840	\$ 183,186	\$ 20,440	\$ 5,144,486	\$ 4,867,280
Operating Grants and Contributions	50,457,881	63,045,313	4,936,385	3,015,851	55,394,266	66,061,164
Capital Grants and Contributions	13,704,528	414,607			13,704,528	414,607
General Revenues						
Property Taxes	54,195,158	52,796,670			54,195,158	52,796,670
State Aid	56,995,496	53,786,894			56,995,496	53,786,894
Investment Earnings	133,606	114,381	836	547	134,442	114,928
Miscellaneous	584,159	599,650	-	-	584,159	599,650
<u>Total Revenues</u>	<u>181,032,128</u>	<u>175,604,355</u>	<u>5,120,407</u>	<u>3,036,838</u>	<u>186,152,535</u>	<u>178,641,193</u>
Expenses						
Instruction						
Regular	58,345,692	67,067,620			58,345,692	67,067,620
Special Education	20,762,689	23,369,643			20,762,689	23,369,643
Other Instruction	12,114,883	13,126,698			12,114,883	13,126,698
School Sponsored Activities and Athletics	3,062,203	2,595,356			3,062,203	2,595,356
Support Services						
Student and Instruction Related Services	17,714,424	18,225,920			17,714,424	18,225,920
General Administration Services	1,941,563	2,406,952			1,941,563	2,406,952
School Administration Services	9,782,371	11,897,156			9,782,371	11,897,156
Plant Operation and Maintenance	15,209,641	16,128,843			15,209,641	16,128,843
Pupil Transportation	3,927,105	2,648,568			3,927,105	2,648,568
Business Services	3,630,192	3,908,527			3,630,192	3,908,527
Interest and Other Chgs on Long-Term Debt	786,468	808,102			786,468	808,102
Food Service	-	-	3,944,212	2,567,242	3,944,212	2,567,242
<u>Total Expenses</u>	<u>147,277,231</u>	<u>162,183,385</u>	<u>3,944,212</u>	<u>2,567,242</u>	<u>151,221,443</u>	<u>164,750,627</u>
Change in Net Position	33,754,897	13,420,970	1,176,195	469,596	34,931,092	13,890,566
Prior Period Restatement		(169,237)				(169,237)
Net Position, Beginning of Year	<u>54,290,028</u>	<u>41,038,295</u>	<u>1,492,504</u>	<u>1,022,908</u>	<u>55,782,532</u>	<u>42,061,203</u>
Net Position, End of Year	<u>\$ 88,044,925</u>	<u>\$ 54,290,028</u>	<u>\$ 2,668,699</u>	<u>\$ 1,492,504</u>	<u>\$ 90,713,624</u>	<u>\$ 55,782,532</u>

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities. The District's total governmental activities revenues were \$181,032,128 for the fiscal year ended June 30, 2022. Tuition and other charges for services accounted for \$4,961,300 representing 3% of total revenues. Local property taxes were \$54,195,158 representing 30% of total revenues.

State and federal aid revenues were \$121,157,905 representing 67% of total revenue for the year. Investment earnings and the miscellaneous revenues accounted for less than 1% of the District's revenues.

The total cost of all governmental activities programs and services were \$147,277,231. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$94,285,467 (64%) of total expenditures. Support services totaled \$52,205,296 (35%) of total expenditures and the remainder of expenditures were for interest and other charges on long-term debt totaling \$786,468 which were less than 1% of the District's expenses.

Total governmental activities revenues surpassed expenses, increasing net position by \$33,754,897 over the previous year.

Total and Net Cost of Governmental Activities. The District's total cost of services was \$147,277,231 for the fiscal year ended June 30, 2022. After applying program revenues, derived from charges for services of \$4,961,300; operating grants and contributions of \$50,457,881 and capital grants and contributions of \$13,704,528 the net cost of services of the District is \$78,153,522. The following is a comparative analysis of the net cost of governmental activities for the fiscal years ended June 30, 2022 and 2021.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Instruction				
Regular	58,345,692	67,067,620	\$ 35,479,885	\$ 35,499,692
Special Education	20,762,689	23,369,643	7,957,581	8,596,717
Other Instruction	12,114,883	13,126,698	6,592,761	6,531,098
School Sponsored Activities and Athletics	3,062,203	2,595,356	2,159,237	1,828,583
Support Services				
Student and Instruction Related Services	17,714,424	18,225,920	11,809,108	12,498,665
General Administration	1,941,563	2,406,952	1,762,878	1,856,415
School Administration Services	9,782,371	11,897,156	7,917,639	9,010,013
Plant Operation and Maintenance	15,209,641	16,128,843	(2,615,168)	11,866,873
Pupil Transportation	3,927,105	2,648,568	3,093,161	1,816,934
Business Services	3,630,192	3,908,527	3,209,972	3,563,533
Interest and Other Charges on Long-Term Debt	<u>786,468</u>	<u>808,102</u>	<u>786,468</u>	<u>808,102</u>
Total	<u>\$ 147,277,231</u>	<u>\$ 162,183,385</u>	<u>\$ 78,153,522</u>	<u>\$ 93,876,625</u>

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

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 \$68,149,428, an increase of \$16,671,700 from last year's fund balance of \$51,477,728.

Revenues for the District's governmental funds were \$185,007,896; total expenditures were \$168,967,289.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

The following schedule presents a comparison of General Fund Revenues.

	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>	Amount of Increase (Decrease)	<u>Percent</u>
Local Sources:				
Property Taxes	\$ 52,119,867	\$ 51,250,000	\$ 869,867	1.70%
Tuition	4,585,621	4,792,514	(206,893)	-4.32%
Miscellaneous	706,410	691,575	14,835	2.15%
State/Federal Sources	<u>97,344,601</u>	<u>88,855,578</u>	<u>8,489,023</u>	9.55%
 Total General Fund Revenues	 <u>\$ 154,756,499</u>	 <u>\$ 145,589,667</u>	 <u>\$ 9,166,832</u>	 <u>6.30%</u>

Total General Fund Revenues increased by \$9,166,832 or approximately 6% over the previous year.

Local property taxes increased \$869,867 over the previous year. State and federal aid increased \$8,489,023 or 10%, primarily due to the State of New Jersey providing additional State aid and increases in on-behalf TPAF pension funding to the District. Tuition charges from Guttenberg Board of Education decreased \$206,893. Miscellaneous revenues increased \$14,835 from 2020-21 to 2021-22.

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

The following schedule presents a summary of General Fund Expenditures.

	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>	Amount of Increase (Decrease)	<u>Percent</u>
Instruction	\$ 90,748,117	\$ 84,256,087	\$ 6,492,030	7.71%
Support Services	48,206,681	46,145,143	2,061,538	4.47%
Debt Service	529,678	92,716	436,962	471.29%
Capital Outlay	<u>1,444,300</u>	<u>1,537,441</u>	<u>(93,141)</u>	-6.06%
 Total Expenditures	 <u>\$ 140,928,776</u>	 <u>\$ 132,031,387</u>	 <u>\$ 8,897,389</u>	 <u>6.74%</u>

Total General Fund expenditures increased \$8,897,389 or almost 7% from the previous year. The On-Behalf TPAF funding increased in 2021/22, as did the District's contractual obligations and operating costs.

For the fiscal year ended June 30, 2022 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$14,470,166, resulting in a year-end fund balance of \$53,645,954. After deducting statutory reserves and designations in the amount of \$58,194,345, the unassigned fund balance at June 30, 2022 was in a deficit position of \$2,690,369. This deficit occurs because the State has delayed the District's final state aid payments until July 2022. Had these payments been received prior to June 30, 2022, the District would have ended the year with an unassigned fund balance (Budgetary Basis) of \$4,422,532.

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

Revenues of the Special Revenue Fund were \$17,144,492 for the fiscal year ended June 30, 2022. State sources in the amount of \$2,254,816 accounted for 13% of the total revenue and federal sources in the amount of \$14,465,653 accounted for 84% of the total revenue in the special revenue fund. Local sources of \$424,023 accounted for the remaining 3%.

Total Special Revenue Fund revenues increased \$6,433,133 from the previous year. State sources decreased \$856,532, Federal sources increased by \$6,966,318, and local sources increased by \$323,347.

Expenditures of the Special Revenue Fund were \$17,132,019. Instructional expenditures were \$9,930,361 or 58%, expenditures for support services were \$3,497,130 or 20% and capital expenditures totaled \$3,704,528 or 22% for the fiscal year ended June 30, 2022.

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

Capital Projects - The capital projects revenues exceeded expenditures and other financing uses by \$2,189,161 increasing the fund balance from \$12,013,742 at June 30, 2021 to \$14,202,903 at June 30, 2022. The district's high schools projects are in progress and are expected to be completed in 2023.

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 Enterprise Funds to report activities related to the Food Services program. 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

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following categories

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2021 encumbrances.
- Appropriation of Capital Reserve

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2022 and 2021 amounts to \$80,272,102 and \$69,808,335 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2021-2022 amounted to \$2,571,948 for governmental activities and \$11,584 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2022 and 2021.

	Governmental		Business- Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Land	\$ 14,685,925	\$ 14,685,925			\$ 14,685,925	\$ 14,685,925
Construction in Progress	16,266,860	4,772,092			16,266,860	4,772,092
Site Improvements	1,430,993	1,260,837			1,430,993	1,260,837
Buildings	46,259,430	47,638,907			46,259,430	47,638,907
Right-To-Use Buildings	536,849	805,272			536,849	805,272
Machinery and Equipment	967,855	597,160	\$ 124,190	\$ 48,142	1,092,045	645,302
Total	\$ 80,147,912	\$ 69,760,193	\$ 124,190	\$ 48,142	\$ 80,272,102	\$ 69,808,335

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

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

LONG TERM LIABILITIES

At June 30, 2022, the District's long-term liabilities consisted of compensated absences payable of \$7,948,468, serial bonds of \$20,635,000, capital financing agreements of \$2,312,917 (including unamortized premium), leases of \$667,672 and net pension liability of \$17,633,236 totaling \$49,197,293. This is in comparison to long-term liabilities at June 30, 2021 of \$58,672,287 or a decrease of \$9,474,994.

Additional information on the District's long-term liabilities are 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 2021-2022 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were also considered when adopting the budget for fiscal year 2022-2023. Budgeted expenditures in the General Fund increased in this year's school year to fund contractual salary increases and increases in the premiums for employee benefits.

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 Business Office, North Bergen Board of Education, 7317 Kennedy Boulevard, North Bergen, NJ 07047.

FINANCIAL STATEMENTS

NORTH BERGEN BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 74,225,092	\$ 717,595	\$ 74,942,687
Cash and Cash Equivalents - Fiscal Agent	9,162		9,162
Receivables, Net	8,341,170	477,027	8,818,197
Internal Balances	(1,570,527)	1,570,527	
Other Receivables	38,611		38,611
Prepaid Items	5,000		5,000
Other Assets	20,000		20,000
Inventory		130,941	130,941
Capital Assets			
Not Being Depreciated	30,952,785		30,952,785
Being Depreciated, Net	<u>49,195,127</u>	<u>124,190</u>	<u>49,319,317</u>
Total Assets	<u>161,216,420</u>	<u>3,020,280</u>	<u>164,236,700</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	515,516		515,516
Deferred Amounts on Refunding of Debt	<u>26,084</u>	<u>-</u>	<u>26,084</u>
Total Deferred Outflows of Resources	<u>541,600</u>	<u>-</u>	<u>541,600</u>
Total Assets and Deferred Outflows of Resources	<u>161,758,020</u>	<u>3,020,280</u>	<u>164,778,300</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	11,063,482	343,624	11,407,106
Accrued Interest Payable	225,438		225,438
Payable to Other Governments	777,482		777,482
Unearned Revenue	1,078,116		1,078,116
Noncurrent Liabilities			
Due Within One Year	3,553,156		3,553,156
Due Beyond One Year	<u>45,644,137</u>	<u>-</u>	<u>45,644,137</u>
Total Liabilities	<u>62,341,811</u>	<u>343,624</u>	<u>62,685,435</u>

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

**NORTH BERGEN BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	\$ 11,371,284		\$ 11,371,284
Deferred Commodities Revenue	<u>-</u>	<u>\$ 7,957</u>	<u>7,957</u>
Total Deferred Inflows of Resources	<u>11,371,284</u>	<u>7,957</u>	<u>11,379,241</u>
Total Liabilities and Deferred Inflows of Resources	<u>73,713,095</u>	<u>351,581</u>	<u>74,064,676</u>
NET POSITION			
Net Investment in Capital Assets	70,511,164	124,190	70,635,354
Restricted for:			
Capital Projects	42,283,523		42,283,523
Other Purposes	6,435,572		6,435,572
Unrestricted	<u>(31,185,334)</u>	<u>2,544,509</u>	<u>(28,640,825)</u>
Total Net Position	<u>\$ 88,044,925</u>	<u>\$ 2,668,699</u>	<u>\$ 90,713,624</u>

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

NORTH BERGEN BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	\$ 58,345,692	\$ 4,585,621	\$ 18,280,186		\$ (35,479,885)		\$ (35,479,885)
Special Education	20,762,689		12,805,108		(7,957,581)		(7,957,581)
Other Instruction	12,114,883		5,522,122		(6,592,761)		(6,592,761)
School Sponsored Activities and Athletics	3,062,203	375,679	527,287		(2,159,237)		(2,159,237)
Support Services:							
Student and Instruction Related Services	17,714,424		5,905,316		(11,809,108)		(11,809,108)
General Administrative Services	1,941,563		178,685		(1,762,878)		(1,762,878)
School Administrative Services	9,782,371		1,864,732		(7,917,639)		(7,917,639)
Plant Operations and Maintenance	15,209,641		4,120,281	\$ 13,704,528	2,615,168		2,615,168
Pupil Transportation	3,927,105		833,944		(3,093,161)		(3,093,161)
Business Services	3,630,192		420,220		(3,209,972)		(3,209,972)
Interest on Long-Term Debt	786,468	-	-	-	(786,468)	-	(786,468)
Total Governmental Activities	147,277,231	4,961,300	50,457,881	13,704,528	(78,153,522)	-	(78,153,522)
Business-Type Activities:							
Food Service	3,944,212	183,186	4,936,385	-	-	\$ 1,175,359	1,175,359
Total Business-Type Activities	3,944,212	183,186	4,936,385	-	-	1,175,359	1,175,359
Total Primary Government	\$ 151,221,443	\$ 5,144,486	\$ 55,394,266	\$ 13,704,528	(78,153,522)	1,175,359	(76,978,163)
General Revenues							
Property Taxes							
General Purposes					52,119,867		52,119,867
Debt Service					2,075,291		2,075,291
State Aid - Unrestricted					55,975,237		55,975,237
State Aid - Restricted for Debt Service					1,020,259		1,020,259
Investment Earnings					133,606	836	134,442
Miscellaneous Income					584,159	-	584,159
Total General Revenues and Other Items					111,908,419	836	111,909,255
Change in Net Position					33,754,897	1,176,195	34,931,092
Net Position, Beginning of Year (Restated)					54,290,028	1,492,504	55,782,532
Net Position, End of Year					\$ 88,044,925	\$ 2,668,699	\$ 90,713,624

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

FUND FINANCIAL STATEMENTS

**NORTH BERGEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 57,577,944	\$ 318,668	\$ 16,328,480		\$ 74,225,092
Cash and Cash Equivalents with Fiscal Agent	-	-	-	\$ 9,162	9,162
Receivables From Other Governments	2,166,260	6,174,910			8,341,170
Other Receivables	38,611				38,611
Prepaid Items	5,000				5,000
Other Assets	20,000				20,000
Due From Other Funds	3,522,781				3,522,781
Total Assets	<u>\$ 63,330,596</u>	<u>\$ 6,493,578</u>	<u>\$ 16,328,480</u>	<u>\$ 9,162</u>	<u>\$ 86,161,816</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 3,755,043	\$ 1,587,411	\$ 2,049,772		\$ 7,392,226
Accrued Salaries and Wages	3,537,219				3,537,219
Unearned Revenue		1,078,116			1,078,116
Payables to Other Governments	687,816	89,666			777,482
Other Payables	134,037				134,037
Due To Other Funds	<u>1,570,527</u>	<u>3,437,820</u>	<u>75,805</u>	<u>\$ 9,156</u>	<u>5,093,308</u>
Total Liabilities	<u>9,684,642</u>	<u>6,193,013</u>	<u>2,125,577</u>	<u>9,156</u>	<u>18,012,388</u>
Fund Balances:					
Restricted					
Capital Reserve	35,717,538				35,717,538
Capital Reserve-Designated for Subsequent Year's Budget	5,280,000				5,280,000
Maintenance Reserve	2,914,517				2,914,517
Maintenance Reserve -Designated for Subsequent Year's Budget	1,500,000				1,500,000
Emergency Reserve	600,000				600,000
Unemployment Compensation Reserve	958,118				958,118
Student Activities		300,565			300,565
Capital Projects Fund			14,040,537		14,040,537
Debt Service			162,366	6	162,372
Committed					
Encumbrances	996,000				996,000
Assigned					
Designated for Subsequent Year's Budget	5,499,533				5,499,533
Encumbrances	2,870,617				2,870,617
Unassigned	<u>(2,690,369)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,690,369)</u>
Total Fund Balances	<u>53,645,954</u>	<u>300,565</u>	<u>14,202,903</u>	<u>6</u>	<u>68,149,428</u>
Total Liabilities and Fund Balances	<u>\$ 63,330,596</u>	<u>\$ 6,493,578</u>	<u>\$ 16,328,480</u>	<u>\$ 9,162</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$128,104,226 and the accumulated depreciation is \$47,956,314.	80,147,912
The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:	(225,438)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 2)	(49,197,293)
Deferred Inflows and Outflows related to debt refundings and not pension liability are net reported in the funds (See Note 2).	(10,829,684)
Net Position of Governmental Activities	<u>\$ 88,044,925</u>

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

**NORTH BERGEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Property Taxes	\$ 52,119,867			\$ 2,075,291	\$ 54,195,158
Tuition	4,585,621				4,585,621
Interest	122,256		\$ 11,350		133,606
Miscellaneous	584,154	\$ 424,023	-	5	1,008,182
Total - Local Sources	<u>57,411,898</u>	<u>424,023</u>	<u>11,350</u>	<u>2,075,296</u>	<u>59,922,567</u>
State Sources	96,980,963	2,254,816	10,000,000	1,020,259	110,256,038
Federal Sources	363,638	14,465,653	-	-	14,829,291
Total Revenues	<u>154,756,499</u>	<u>17,144,492</u>	<u>10,011,350</u>	<u>3,095,555</u>	<u>185,007,896</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	58,162,674	4,478,662			62,641,336
Special Education Instruction	20,096,953	1,903,296			22,000,249
Other Instruction	9,631,175	3,185,197			12,816,372
School Sponsored Activities and Athletics	2,857,315	363,206			3,220,521
Support Services					
Student and Instruction Related Services	15,215,251	3,196,355			18,411,606
General Administrative Services	1,996,588				1,996,588
School Administrative Services	10,290,025				10,290,025
Plant Operations and Maintenance	13,019,778	291,275			13,311,053
Pupil Transportation	3,925,248	9,500			3,934,748
Business Services	3,759,791				3,759,791
Debt Service					
Principal	396,473			2,415,000	2,811,473
Interest and Other Charges	133,205			680,655	813,860
Capital Outlay	1,444,300	3,704,528	7,810,839	-	12,959,667
Total Expenditures	<u>140,928,776</u>	<u>17,132,019</u>	<u>7,810,839</u>	<u>3,095,655</u>	<u>168,967,289</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>13,827,723</u>	<u>12,473</u>	<u>2,200,511</u>	<u>(100)</u>	<u>16,040,607</u>
Other Financing Sources (Uses)					
Proceeds from Capital Financing Agreements	631,093				631,093
Transfers In	11,350				11,350
Transfers Out	-	-	(11,350)	-	(11,350)
Total Other Financing Sources (Uses)	<u>642,443</u>	<u>-</u>	<u>(11,350)</u>	<u>-</u>	<u>631,093</u>
Net Change in Fund Balances	14,470,166	12,473	2,189,161	(100)	16,671,700
Fund Balance, Beginning of Year	<u>39,175,788</u>	<u>288,092</u>	<u>12,013,742</u>	<u>106</u>	<u>51,477,728</u>
Fund Balance, End of Year	<u>\$ 53,645,954</u>	<u>\$ 300,565</u>	<u>\$ 14,202,903</u>	<u>\$ 6</u>	<u>\$ 68,149,428</u>

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

**NORTH BERGEN 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, 2022**

Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 16,671,700

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.

Capital Outlay	\$ 12,959,667	
Depreciation Expense	<u>(2,571,948)</u>	
		10,387,719

The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Additionally, governmental funds report the effect of issuance costs, premiums, discounts and similar items when the debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount represents the net effect of these activities:

Capital Financing Agreement	(631,093)	
Principal Repayments		
General Obligation Bonds	765,000	
Capital Financing Agreements - Certificates of Participation	1,650,000	
Capital Financing Agreements - Other	89,636	
Leases	306,837	
Amortization		
Premium	82,016	
Deferred Amount on Refunding of Debt	<u>(64,880)</u>	
		2,197,516

In the statement of activities, pension expenses are measured by the liability accrued during the year. In the governmental funds, however, expenditures are reported in the amount of financial resources used (paid)

Decrease in Pension Expense - Public Employees' Retirement System	4,105,896
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In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. 10,256

In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).

Compensated Absences	<u>381,810</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) \$ 33,754,897

**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2022**

ASSETS

Cash	\$ 717,595
Intergovernmental Receivable	
State	5,742
Federal	471,285
Inventories	130,941
Due from Other Funds	<u>1,570,527</u>
Total Current Assets	<u>2,896,090</u>
Capital Assets	
Equipment	263,300
Accumulated Depreciation	<u>(139,110)</u>
Total Capital Assets, Net	<u>124,190</u>
Total Assets	<u>3,020,280</u>

LIABILITIES

Current Liabilities	
Accounts Payable	<u>343,624</u>
Total Current Liabilities	<u>343,624</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Commodities Revenue	<u>7,957</u>
Total Deferred Inflows of Resources	<u>7,957</u>
Total Liabilities and Deferred Inflows of Resources	<u>351,581</u>

NET POSITION

Investment in Capital Assets	124,190
Unrestricted	<u>2,544,509</u>
Total Net Position	<u>\$ 2,668,699</u>

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

**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

OPERATING REVENUES

Local Sources	
Daily Sales	
Non-Reimbursable Programs	\$ 162,183
Special Functions	21,003
	<hr/>
Total Operating Revenues	183,186

OPERATING EXPENSES

Salaries and Wages	1,740,144
Employee Benefits	28,417
Cost of Sales	
Reimbursable Programs	1,299,986
Non-Reimbursable Programs	46,337
Other Purchased Services	730,748
Supplies and Materials	86,996
Depreciation	11,584
	<hr/>
Total Operating Expenses	3,944,212

Operating Income (Loss)	<hr/> <u>(3,761,026)</u>
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NONOPERATING REVENUES

State Sources	
State School Lunch Program	74,761
Federal Sources	
School Breakfast Program	1,038,879
National School Lunch Program	3,175,361
Food Distribution Program (USDA Commodities)	247,067
Covid Supply Chain Assistance	142,371
Pandemic EBT Administrative Costs	6,198
Covid EMOP	251,748
Interest Income	836
	<hr/>
Total Nonoperating Revenues	4,937,221

Change in Net Position	1,176,195
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Net Position, Beginning of Year	<hr/> <u>1,492,504</u>
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Net Position, End of Year	<hr/> <u>\$ 2,668,699</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 183,186
Cash Payments for Salaries & Benefits	(1,768,561)
Cash Payments to Suppliers for Goods and Services	<u>(1,858,968)</u>
Net Cash (Used) by Operating Activities	<u>(3,444,343)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Received (Paid) for Interfund Transactions	(928,943)
Cash Received from State and Federal Subsidy Reimbursements	<u>4,660,748</u>
Net Cash Provided by Noncapital Financing Activities	<u>3,731,805</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Acquisition of Capital Assets	<u>(87,631)</u>
Net Cash (Used) by Noncapital Financing Activities	<u>(87,631)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Deposits	<u>836</u>
Net Cash Provided by Investing Activities	<u>836</u>
Net Change in Cash and Cash Equivalents	200,667
Cash and Cash Equivalents, Beginning of Year	<u>516,928</u>
Cash and Cash Equivalents, End of Year	<u>\$ 717,595</u>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities	
Operating Income (Loss)	<u>\$ (3,761,026)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities	
Depreciation	11,584
Non-Cash Federal Assistance-Food Distribution Program	247,067
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	100,630
(Increase)/Decrease in Inventory	(21,670)
Increase/(Decrease) in Deferred Commodities Revenue	<u>(20,928)</u>
Total Adjustments	<u>316,683</u>
Net Cash (Used) by Operating Activities	<u>\$ (3,444,343)</u>
Non-Cash Investing, Capital and Financing Activities	
Value Received - Food Distribution Program	<u>\$ 226,139</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The North Bergen 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 nine elected officials from the Township of North Bergen and one appointed representative from the Guttenberg Board of Education. The Board is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator is also appointed by the Board and oversees the business functions 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 currently operates a Pre-Kindergarten through grade twelve (12) school district.

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 Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board

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 North Bergen Board of Education this includes general operations, food service 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 2022, the District adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB Statement No. 92, *Omnibus 2020*. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

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

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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. Currently the District has no fiduciary funds.

District-Wide Financial Statements

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

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

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

Separate fund financial statements are provided for governmental and proprietary 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. 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, student activity funds derived from athletic events or other activities of pupil organizations.

The *capital projects fund* accounts for the proceeds from the sale of bonds, financing agreements 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 *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

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

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

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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations 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, acquisitions under financing agreements and leases payable for intangible right-to-use leased assets are reported as other financing sources.

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

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

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. *Restricted Assets*

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and/or their use is limited by state or county regulations for capital projects and/or Capital Financing Agreements for projects and/or repayment of certificates of participation, principal and interest.

6. *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 except for intangible right-to-use leased assets the measurement of which is discussed in Note 1.E.10. 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.

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>
Site Improvements	20
Buildings	40
Right-to-use Leased Buildings	10
Office Equipment and Furniture	5-15
Computer Equipment	5

7. *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 two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the difference on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items, which arise only under the accrual basis of accounting, that qualify for reporting in this category. 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. The other item is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

8. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation, personal, and sick leave benefits. A long-term liability of accumulated vacation, personal and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. The District does not have accumulated vacation, personal and sick leave in its Proprietary Fund. 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.

9. 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.

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.

10. Leases

Non-cancellable leases for the use of buildings and equipment are recognized as a lease liability and an intangible right-to-use lease asset in the district-wide and proprietary fund type financial statements. The District recognizes lease liabilities with an initial, individual value of \$2,000 or more. The lease liability is subsequently reduced by the principal portion of lease payments made each year. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the asset's useful life. Leases are monitored for changes in circumstances that would require a remeasurement of the lease and the lease assets and liabilities are remeasured if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

In the fund financial statements leases payable are recognized as other financing sources at the initial amount of the lease liability. Intangible right-to-use leased assets are reported as capital outlay expenditures.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Financing Agreements

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

12. 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. Differences resulting from debt refundings are classified as deferred inflows of resources or as deferred outflows of resources (delete as applicable). Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

13. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 3C).

NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

13. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

Capital Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 3D).

Maintenance Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2022/2023 District budget certified for taxes

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 3E).

Unemployment Compensation Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 5A).

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

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

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

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

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

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

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 Budget – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

13. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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 (special revenue, 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.

14. 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 Board of Education 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 District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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 2020-2021 and 2021-2022 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 are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the district-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details are as follows:

Bonds Payable	\$ 20,635,000
Capital Financing Agreements (Certificates of Participation)	1,715,000
Unamortized Issuance Premium on Certificate of Participation	56,460
Capital Financing Agreements (Other)	541,457
Leases Payable	667,672
Compensated Absences	7,948,468
Net Pension Liability	<u>17,633,236</u>

Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 49,197,293</u>
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Another element of that reconciliation states that “deferred inflows and outflows related to debt refundings and net pension liability are not reported in the fund”. The details are as follows:

Deferred Inflows of Resources	
Deferred Amount on Net Pension Liability	\$ 11,371,284
Deferred Outflows of Resources	
Deferred Amount on Net Pension Liability	(515,516)
Deferred Amount on Refunding	<u>(26,084)</u>
	<u>\$10,829,684</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 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. Lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. The annual budget is voted upon at the annual school election on the third Tuesday in April.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2021/2022. Also, during 2021/2022 the Board increased the original General Fund budget by \$3,092,586 and the original Special Revenue budget by \$35,076,348. The increase was funded by the additional appropriation capital reserve, grant awards, student activity revenues, and the reappropriation of prior year general fund encumbrances.

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

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

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$2,690,369 in the General Fund as of June 30, 2022 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, “Accounting and Financial Reporting for Nonexchange Transactions”, requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2021/2022 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of the General Fund is less than the delayed state aid payments at June 30, 2022.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. 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, 2022 is as follows:

Balance, July 1, 2021		\$ 27,712,753
Increased by		
Deposit Approved by Board Resolution	\$ 14,908,585	
Interest Earnings	<u>5,000</u>	
		<u>14,913,585</u>
		42,626,338
Decreased by		
Withdrawal Approved by Board Resolution	996,000	
Budgeted Withdrawal	<u>632,800</u>	
		<u>1,628,800</u>
Balance, June 30, 2022		<u>\$ 40,997,538</u>

The June 30, 2022 LRFP balance costs of uncompleted capital projects is \$73,794,350. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$5,280,000 of the capital reserve balance at June 30, 2022 was designated and appropriated for use in the 2022/2023 original budget certified for taxes.

D. 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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	\$ 4,412,517
Increased by Interest Earnings	<u>2,000</u>
Balance, June 30, 2022	<u>\$ 4,414,517</u>

\$1,500,000 of the maintenance reserve balance at June 30, 2022 was designated and appropriated for use in the 2022/2023 original budget certified for taxes.

E. Emergency Reserve

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

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

The activity of the emergency reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	<u>\$ 598,500</u>
Increased by Interest Earnings	<u>1,500</u>
Balance, June 30, 2022	<u>\$ 600,000</u>

F. Transfers to Capital Outlay

During the 2021/2022 school year, the district appropriated an additional \$996,000 to the non-equipment capital outlay accounts. The District withdrew this amount from the capital reserve account for the acquisition and installation of a new generator.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2022, the book value of the Board's deposits were \$74,951,849 and bank and brokerage firm balances of the Board's deposits amounted to \$77,833,853. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 73,588,341
Uninsured and Collateralized	<u>4,245,512</u>
	<u>\$ 77,833,853</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, 2022 the Board's bank balance of \$4,245,512 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized	
Collateral held by the pledging financial institution's trust department but not in the Board's name	<u>\$ 4,245,512</u>

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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2022, the Board had no outstanding investments.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

B. Receivables

Receivables as of June 30, 2022 for the district’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 38,611			\$ 38,611
Intergovernmental-				
Federal	98,867	\$ 6,149,054	\$ 471,285	6,719,206
State	1,086,793	5,171	5,742	1,097,706
Local	<u>980,600</u>	<u>20,685</u>	<u>-</u>	<u>1,001,285</u>
Gross Receivables	2,204,871	6,174,910	477,027	8,856,808
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 2,204,871</u>	<u>\$ 6,174,910</u>	<u>\$ 477,027</u>	<u>\$ 8,856,808</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>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 927,067
Grant Draw Downs for Year End Encumbrances	<u>151,049</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 1,078,116</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Increases</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2022</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 14,685,925			\$ 14,685,925
Construction in Progress	<u>4,772,092</u>	\$ 11,727,895	\$ (233,127)	<u>16,266,860</u>
Total Capital Assets, Not Being Depreciated	<u>19,458,017</u>	<u>11,727,895</u>	<u>(233,127)</u>	<u>30,952,785</u>
Capital Assets, Being Depreciated:				
Buildings	87,853,456	320,614	233,127	88,407,197
Right-To-Use Leased Buildings	2,684,233			2,684,233
Site Improvements	1,558,348	259,375		1,817,723
Machinery and Equipment	<u>3,590,505</u>	<u>651,783</u>	<u>-</u>	<u>4,242,288</u>
Total Capital Assets Being Depreciated	<u>95,686,542</u>	<u>1,231,772</u>	<u>233,127</u>	<u>97,151,441</u>
Less Accumulated Depreciation for:				
Buildings	(40,214,549)	(1,933,218)		(42,147,767)
Right-To-Use Leased Buildings	(1,878,961)	(268,423)		(2,147,384)
Site Improvements	(297,511)	(89,219)		(386,730)
Machinery and Equipment	<u>(2,993,345)</u>	<u>(281,088)</u>	<u>-</u>	<u>(3,274,433)</u>
Total Accumulated Depreciation	<u>(45,384,366)</u>	<u>(2,571,948)</u>	<u>-</u>	<u>(47,956,314)</u>
Total Capital Assets, Being Depreciated, net	<u>50,302,176</u>	<u>(1,340,176)</u>	<u>233,127</u>	<u>49,195,127</u>
Governmental Activities Capital Assets, net	<u>\$ 69,760,193</u>	<u>\$ 10,387,719</u>	<u>\$ -</u>	<u>\$ 80,147,912</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2022</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 175,669	\$ 87,631	-	\$ 263,300
Total Capital Assets Being Depreciated	<u>175,669</u>	<u>87,631</u>	<u>-</u>	<u>263,300</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(127,526)	(11,584)	-	(139,110)
Total Accumulated Depreciation	<u>(127,526)</u>	<u>(11,584)</u>	<u>-</u>	<u>(139,110)</u>
Total Capital Assets, Being Depreciated, net	<u>48,143</u>	<u>76,047</u>	<u>-</u>	<u>124,190</u>
Business-Type Activities Capital Assets, net	<u>\$ 48,143</u>	<u>\$ 76,047</u>	<u>\$ -</u>	<u>\$ 124,190</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 136,755
Support Services	
Support Services-Students and Instruction Related	99,416
School Administration	20,031
Operations and Maintenance of Plant	<u>2,315,746</u>
Total Support Services	<u>2,435,193</u>
Total Governmental Funds	<u>\$ 2,571,948</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 11,584</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 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, 2022:

<u>Project</u>	<u>Remaining Commitment</u>
North Bergen High School (West)	<u>\$ 45,035,308</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 3,437,820
General Fund	Capital Projects Fund	75,805
General Fund	Debt Service Fund	9,156
Food Service Enterprise Fund	General Fund	<u>1,570,527</u>
Total		<u>\$ 5,093,308</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/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 Out</u>	<u>Transfer In</u>
	<u>General Fund</u>
Capital Projects Fund	<u>\$ 11,350</u>

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

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases Payable

On July 1, 2014, the District entered into a ten year lease agreement as lessee for the use of a school building. An initial lease liability was recorded in the amount of \$2,684,233. The lease has an interest rate of 3.5%. The District is required to make monthly payments in accordance with the lease agreement. In addition, the District has the option to purchase the building. As of June 30, 2022 the value of the lease liability was \$667,672. The building has a ten year estimated useful life. The value of the right -to-use asset as of June 30, 2022 is \$2,684,233 and had accumulated depreciation of \$1,073,695.

The future principal and interest lease payments as of June 30, 2022 were as follows:

Governmental Activities:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 324,581	\$ 18,201	\$ 342,782
2024	343,091	6,546	349,637
Total	<u>\$ 667,672</u>	<u>\$ 24,747</u>	<u>\$ 692,419</u>

G. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance the construction of major capital facilities and other capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District’s approved budget.

Capital financing agreements at June 30, 2022 are comprised of the following:

\$631,063, fiscal year 2021 Agreement for the acquisition of copiers for a term of 5 years due in monthly installments of \$10,065 to \$11,188 through August 2026 interest at 2.54%	\$ 541,457
\$7,575,000, fiscal year 2016 Agreement issued as refunding certificates of participation (COP's) for improvements to various schools for a term of 7 years due in annual principal installments of \$1,715,000 through December 15, 2022 interest at 4.00%	<u>1,715,000</u>
Total	<u>\$ 2,256,457</u>

The unexpended proceeds of \$9,162 from the capital financing agreements (COP’s), including interest earned on balances which remain on deposit are held with the respective fiscal agents.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements (Continued)

Other Financing Agreements

The maturity schedule of the remaining capital financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	<u>Capital Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 1,837,200	\$ 46,636	\$ 1,883,836
2024	125,340	9,196	134,536
2025	128,561	5,975	134,536
2026	131,864	2,672	134,536
2028-2032	<u>33,492</u>	<u>142</u>	<u>33,634</u>
Total	<u>\$ 2,256,457</u>	<u>\$ 64,621</u>	<u>\$ 2,321,078</u>

H. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2022 are comprised of the following issues:

\$3,225,000, Pension Obligation Refunding Bonds, due in annual installments of \$275,000 to \$300,000 through April 1, 2026, interest at 4.504% to 5.054%	\$1,135,000
\$20,000,000, 2020 Bonds, due in annual installments of \$500,000 to \$990,000 through June 30, 2050, interest at 2.375 to 2.750%	<u>19,500,000</u>
Total	<u>\$ 20,635,000</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2023	\$ 775,000	\$ 556,531	\$ 1,331,531
2024	785,000	532,270	1,317,270
2025	805,000	505,366	1,310,366
2026	790,000	477,580	1,267,580
2027	530,000	450,806	980,806
2028-2032	2,845,000	2,049,030	4,894,030
2033-2037	3,230,000	1,675,030	4,905,030
2038-2042	3,705,000	1,248,405	4,953,405
2043-2047	4,280,000	750,331	5,030,331
2048-2050	<u>2,890,000</u>	<u>160,463</u>	<u>3,050,463</u>
	<u>\$ 20,635,000</u>	<u>\$ 8,405,812</u>	<u>\$ 29,040,812</u>

In addition to the debt issued and outstanding, the District currently has \$40 million of debt authorized but not issued.

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2022 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 282,335,660
Less: Net Debt	<u>59,500,000</u>
Remaining Borrowing Power	<u>\$ 222,835,660</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2022</u>	<u>One Year</u>
Governmental Activities:					
Capital Financing Agreements	\$ 3,365,000	\$ 631,093	\$ 1,739,636	\$ 2,256,457	\$ 1,837,200
Add: Unamortized Premium	138,476	-	82,016	56,460	-
	3,503,476	631,093	1,821,652	2,312,917	1,837,200
Bonds Payable	21,400,000		765,000	20,635,000	775,000
Leases Payable	974,509		306,837	667,672	324,581
Compensated Absences Payable	8,330,278	211,342	593,152	7,948,468	616,375
Net Pension Liability	24,464,024	-	6,830,788	17,633,236	-
	<u>\$ 58,672,287</u>	<u>\$ 842,435</u>	<u>\$ 10,317,429</u>	<u>\$ 49,197,293</u>	<u>\$ 3,553,156</u>

The liabilities for compensated absences, capital financing agreements other than certificates of participation, leases payable and net pension liability are generally liquidated by the general fund.

NOTE 5 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 is a member of the New Jersey School Insurance Group North Jersey Educational Insurance Fund (the "Fund"). The Fund provides 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 Annual Comprehensive Financial Report.

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

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

<u>Year Ended June 30,</u>	<u>Board Contribution</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022		\$ 123,872	\$ 144,028	\$ 958,118
2021	\$ 184,275	107,534	629,941	976,465
2020		115,414	112,586	1,312,999

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, 2022, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2022, the District has not estimated its arbitrage earnings due to the IRS, if any.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

D. 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) Annual Comprehensive Financial Report (ACFR) which can be found at 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:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the 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) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

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 or TPAF 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 or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments 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.

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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with 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.

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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2021 is \$12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is \$48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 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 2022.

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, 2022 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 the actuarial determined amount. For local 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 2022, 2021 and 2020 were equal to the required contributions.

During the fiscal years ended June 30, 2022, 2021 and 2020 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 unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2022	\$ 1,743,179	\$ 21,617,620	\$ 7,677
2021	1,641,123	15,574,928	6,580
2020	1,453,565	11,913,380	5,411

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$6,420, respectively for PERS and the State contributed \$7,963, \$8,702 and \$9,746, 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 \$4,341,284 during the fiscal year ended June 30, 2022 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 both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. 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, 2020 through June 30, 2021. 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, 2021 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$17,633,236 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2021. At June 30, 2021, the District's proportionate share was .14885 percent, which was a decrease of .00117 percent from its proportionate share measured as of June 30, 2020 of .15002 percent.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 OTHER INFORMATION (Continued)

D. 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, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$2,362,717 for PERS. The pension contribution made by the District during the current 2021/2022 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, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. 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, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 278,099	\$ 126,233
Changes of Assumptions	91,834	6,277,546
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		4,645,058
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>145,583</u>	<u>322,447</u>
Total	<u>\$ 515,516</u>	<u>\$ 11,371,284</u>

At June 30, 2022, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (4,225,639)
2024	(3,017,078)
2025	(2,051,006)
2026	(1,557,827)
2027	(4,218)
Thereafter	<u>-</u>
	<u>\$ (10,855,768)</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

D. 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, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

D. 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, 2021) 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 rates 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 PERS's target asset allocation as of June 30, 2021 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	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

D. 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

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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 7.00, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 24,012,892</u>	<u>\$ 17,633,236</u>	<u>\$ 12,219,194</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2021. A sensitivity analysis specific to the District's net pension liability at June 30, 2021 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 OTHER INFORMATION (Continued)

D. 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 measurement period July 1, 2020 through June 30, 2021. 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, 2021, 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, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$5,947,915 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, 2022 the State's proportionate share of the net pension liability attributable to the District is \$252,775,340. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the District was .52579 percent, which was a decrease of .0078 percent from its proportionate share measured as of June 30, 2020 of .53359 percent.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

D. 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, 2021 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55%
	Based on Years of Service
Thereafter	2.75%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 OTHER INFORMATION (Continued)

D. 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, 2021) 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 TPAF's target asset allocation as of June 30, 2021 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	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

D. 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)

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 7.00%, 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 (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 299,075,450</u>	<u>\$ 252,775,340</u>	<u>\$ 213,886,157</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2021. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2021 was not provided by the pension system.

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.

E. 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 a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified 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 multiple-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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plan is 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 plan. 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

E. 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, 2021 is \$60.0 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, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the June 30, 2020 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 2021.

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, 2022, 2021 and 2020 were \$5,050,750, \$4,880,940 and \$4,419,646, 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.

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, 2020 through June 30, 2021. 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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$16,744,687. 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, 2022 the State’s proportionate share of the OPEB liability attributable to the District is \$256,491,320. 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, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state’s share of the OPEB liability attributable to the District was .42743 percent, which was an increase of .00682 percent from its proportionate share measured as of June 30, 2020 of .42061 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
Salary Increases*	<u>PERS</u>	<u>TPAF</u>
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.55% to 4.45%
Rate Thereafter	3.00% to 7.00%	2.75% to 5.65%

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disables retirees. Future disabled retirees was based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This 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.

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, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2020 Measurement Date	\$ <u>285,213,376</u>
Changes Recognized for the Fiscal Year:	
Service Cost	14,213,484
Interest on the Total OPEB Liability	6,653,655
Changes in Benefit Terms	(273,004)
Differences Between Expected and Actual Experience	(44,498,124)
Changes of Assumptions	253,048
Gross Benefit Payments	(5,241,216)
Contributions from the Member	<u>170,101</u>
Net Changes	<u>(28,722,056)</u>
Balance, June 30, 2021 Measurement Date	\$ <u>256,491,320</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

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, 2021.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

E. 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 2.16%; 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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 307,236,336	\$ 256,491,320	\$ 216,532,666

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 207,630,557	\$ 256,491,320	\$ 322,107,714

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

F. Subsequent Events

Serial Bonds

On July 28, 2022 the District issued \$40,000,000 in School District Bonds. These Bonds were issued to permanently finance expenditures of the 2018 referendum. The capital projects included the acquisition of and improvements to the Hudson County Technical School and renovations to the existing North Bergen High School. The District awarded the said sale of bonds to Roosevelt and Cross, Inc. and Associates at an interest rate of 3.125% to 4.00%. These Bonds dated July 15, 2022 will mature over 30 years with the first maturity due July 15, 2024.

Appropriation of Fund Balance

On October 19, 2022, the Board approved the withdrawal of \$270,083 from its General Fund Capital Reserve account to fund unforeseen 2022/23 capital projects.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 OTHER INFORMATION (Continued)

G. 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. The District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

NOTE 6 RESTATEMENT

On July 1, 2021, the North Bergen Board of Education implemented GASB Statement No. 87 "Leases". The North Bergen Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2021 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2021 have been restated to reflect certain activities related to leases payable for the intangible right-to-use capital assets. The effect of this restatement is to decrease net position of governmental activities by \$169,237 from \$54,459,265 as previously reported to \$54,290,028 as of June 30, 2021.

NOTE 7 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 7 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS (Continued)

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Board expects ongoing actions be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values within the School District.

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The School District cannot predict costs associated with this or any other potential infectious disease outbreak including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 52,119,867		\$ 52,119,867	\$ 52,119,867	
Tuition					
LEA's	5,624,110		5,624,110	4,583,121	\$ (1,040,989)
Individuals	40,000		40,000		(40,000)
Summer School	10,000		10,000	2,500	(7,500)
Interest on Capital Reserve	5,000		5,000	5,000	-
Interest on Emergency Reserve	1,500		1,500	1,500	-
Interest on Maintenance Reserve	2,000		2,000	2,000	-
Interest on Unemployment				1,809	1,809
Interest				111,947	111,947
Unrestricted Miscellaneous Revenues	405,000	-	405,000	584,154	179,154
Total Local Sources	<u>58,207,477</u>	<u>-</u>	<u>58,207,477</u>	<u>57,411,898</u>	<u>(795,579)</u>
State Sources					
Special Education Aid	5,808,963		5,808,963	5,808,963	-
Equalization Aid	56,336,475		56,336,475	56,336,475	-
Security Aid	2,787,698		2,787,698	2,787,698	-
Transportation Aid	747,436		747,436	747,436	-
Extraordinary Aid	600,000		600,000	581,385	(18,615)
Reimbursed NonPublic Transportation				51,330	51,330
TPAF On Behalf					
NCGI Premium				300,751	300,751
Pension Contribution				21,316,869	21,316,869
Long Term Disability Insurance				7,963	7,963
Post Retirement				5,050,750	5,050,750
Social Security Contribution	-	-	-	4,341,284	4,341,284
Total State Source	<u>66,280,572</u>	<u>-</u>	<u>66,280,572</u>	<u>97,330,904</u>	<u>31,050,332</u>
Federal Sources					
Medicaid Administrative (MAC)				57,037	57,037
Medicaid Reimbursement Program	303,296	-	303,296	306,601	3,305
Total Federal Sources	<u>303,296</u>	<u>-</u>	<u>303,296</u>	<u>363,638</u>	<u>60,342</u>
Total Revenues	<u>124,791,345</u>	<u>-</u>	<u>124,791,345</u>	<u>155,106,440</u>	<u>30,315,095</u>
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	2,272,531	\$ 18,990	2,291,521	2,228,164	63,357
Grades 1-5	12,273,828	(59,965)	12,213,863	10,673,425	1,540,438
Grades 6-8	6,985,135	-	6,985,135	6,347,671	637,464
Grades 9-12	11,856,225	-	11,856,225	11,587,088	269,137
Regular Programs - Home Instruction					
Salaries of Teachers	211,943	33,000	244,943	244,093	850
Purchased Professional-Educational Services	33,000	5,000	38,000	24,089	13,911

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	\$ 2,063,905	\$ (33,000)	\$ 2,030,905	\$ 748,511	\$ 1,282,394
Purchased Professional-Educational Services	215,000	26,250	241,250	87,800	153,450
Other Purchased Services	370,854	2,480	373,334	161,794	211,540
General Supplies	1,168,131	255,454	1,423,585	698,739	724,846
Textbooks	234,527	(81,259)	153,268	30,437	122,831
Total Regular Programs - Instruction	<u>37,685,079</u>	<u>166,950</u>	<u>37,852,029</u>	<u>32,831,811</u>	<u>5,020,218</u>
Special Education					
Cognitive - Moderate					
Salaries of Teachers	573,017	(573,017)	-	-	-
Other Salaries for Instruction	151,446	(151,446)	-	-	-
Total Cognitive - Moderate	<u>724,463</u>	<u>(724,463)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Learning and/or Learning Disabilities					
Salaries of Teachers	3,139,411	577,417	3,716,828	2,758,283	958,545
Other Salaries for Instruction	2,265,700	147,046	2,412,746	1,567,305	845,441
Purchased Professional-Educational Services	39,250	4,493	43,743	4,852	38,891
General Supplies	8,000	50	8,050	2,762	5,288
Textbooks	3,375	-	3,375	-	3,375
Total Learning and/or Learning Disabilities	<u>5,455,736</u>	<u>729,006</u>	<u>6,184,742</u>	<u>4,333,202</u>	<u>1,851,540</u>
Resource Room / Resource Center					
Salaries of Teachers	5,387,808	(99,100)	5,288,708	5,273,096	15,612
Total Resource Room / Resource Center	<u>5,387,808</u>	<u>(99,100)</u>	<u>5,288,708</u>	<u>5,273,096</u>	<u>15,612</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	601,151	(1,000)	600,151	489,180	110,971
Other Salaries for Instruction	219,279	-	219,279	213,888	5,391
Total Preschool Disabilities - Part-Time	<u>820,430</u>	<u>(1,000)</u>	<u>819,430</u>	<u>703,068</u>	<u>116,362</u>
Home Instruction					
Salaries of Teachers	346,768	(9,900)	336,868	336,852	16
Purchased Professional-Educational Services	40,510	(29,999)	10,511	7,261	3,250
Total Home Instruction	<u>387,278</u>	<u>(39,899)</u>	<u>347,379</u>	<u>344,113</u>	<u>3,266</u>
Total Special Education - Instruction	<u>12,775,715</u>	<u>(135,456)</u>	<u>12,640,259</u>	<u>10,653,479</u>	<u>1,986,780</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,653,355	307,964	1,961,319	1,739,610	221,709
Other Salaries for Instruction	50,342	(2,500)	47,842	11,178	36,664
Purchased Professional-Educational Services	20,000	-	20,000	-	20,000
Other Purchased Services	18,300	439	18,739	1,756	16,983
General Supplies	57,540	(11,464)	46,076	7,157	38,919
Other Objects	2,000	-	2,000	-	2,000
Total Basic Skills/Remedial - Instruction	<u>1,801,537</u>	<u>294,439</u>	<u>2,095,976</u>	<u>1,759,701</u>	<u>336,275</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Bilingual Education					
Salaries of Teachers	\$ 3,870,107	\$ (144,693)	\$ 3,725,414	\$ 3,594,929	\$ 130,485
Other Salaries for Instruction	81,597	693	82,290	82,283	7
Other Purchased Services	20,331	41	20,372	12,948	7,424
General Supplies	34,346	40	34,386	17,560	16,826
Textbooks	7,732	-	7,732	-	7,732
Total Bilingual Education - Instruction	<u>4,014,113</u>	<u>(143,919)</u>	<u>3,870,194</u>	<u>3,707,720</u>	<u>162,474</u>
School-Sponsored Co/Extra Curricular Activities					
Salaries	346,629	80,469	427,098	422,446	4,652
Purchased Services	97,900	402	98,302	97,673	629
Supplies and Materials	875	(874)	1	1	1
Other Objects	225	(224)	1	-	1
Total School-Sponsored Co/Extra Curricular Activities- Instruction	<u>445,629</u>	<u>79,773</u>	<u>525,402</u>	<u>520,119</u>	<u>5,283</u>
School-Sponsored Athletics - Instruction					
Salaries	831,101	(14,276)	816,825	788,723	28,102
Purchased Services	483,444	33,423	516,867	476,220	40,647
Supplies and Materials	157,528	(2,976)	154,552	133,475	21,077
Total School-Sponsored Athletics - Instruction	<u>1,472,073</u>	<u>16,171</u>	<u>1,488,244</u>	<u>1,398,418</u>	<u>89,826</u>
Total - Instruction	<u>58,194,146</u>	<u>277,958</u>	<u>58,472,104</u>	<u>50,871,248</u>	<u>7,600,856</u>
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Regular	12,780	11,163	23,943	23,943	23,943
Tuition - Other LEA's Within State - Special	255,025	240,000	495,025	343,670	151,355
Tuition to County Vocational School/Dist.-Reg.	828	32,200	33,028	31,865	1,163
Tuition to CSSD & Reg. Day Schools	1,593,248	(57,500)	1,535,748	1,057,722	478,026
Tuition to APSSD W/I State	1,256,131	(270,724)	985,407	361,278	624,129
Tuition - State Facilities	4,500	57,500	62,000	61,944	56
Tuition - Other	601	233,855	234,456	96,267	138,189
Total Undistributed Expenditures - Instruction	<u>3,123,113</u>	<u>246,494</u>	<u>3,369,607</u>	<u>1,952,746</u>	<u>1,416,861</u>
Attendance and Social Work Services					
Salaries	761,555	(8,200)	753,355	655,465	97,890
Unused Vacation Payment to Terminated/Retired Staff	-	8,200	8,200	8,141	59
Other Purchased Services	2,020	14	2,034	881	1,153
Total Attendance and Social Work Services	<u>763,575</u>	<u>14</u>	<u>763,589</u>	<u>664,487</u>	<u>99,102</u>
Health Services					
Salaries	1,178,808	(1,800)	1,177,008	1,042,807	134,201
Purchased Professional and Technical Services	30,780	5,460	36,240	30,772	5,468
Other Purchased Services	12,150	4,798	16,948	16,661	287
Supplies and Materials	30,850	1,008	31,858	18,720	13,138
Total Health Services	<u>1,252,588</u>	<u>9,466</u>	<u>1,262,054</u>	<u>1,108,960</u>	<u>153,094</u>

NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Other Support Services-Speech, OT, PT and Related Svcs.					
Salaries	\$ 163,228	\$ 133,500	\$ 296,728	\$ 268,772	\$ 27,956
Purchased Professional- Educational Services	419,500	124,592	544,092	267,995	276,097
Supplies and Materials	3,432	-	3,432	-	3,432
	<u>586,160</u>	<u>258,092</u>	<u>844,252</u>	<u>536,767</u>	<u>307,485</u>
Total Other Support Services-Speech, OT, PT and Related Svcs.					
Other Support Services - Students - Extra Serv.					
Salaries	1,106,388	147,087	1,253,475	1,252,936	539
Purchased Professional-Educational Services	556,734	(280,587)	276,147	25,331	250,816
	<u>1,663,122</u>	<u>(133,500)</u>	<u>1,529,622</u>	<u>1,278,267</u>	<u>251,355</u>
Total Other Support Services - Students - Extra Serv.					
Guidance					
Salaries of Other Professional Staff	1,852,220	(79,200)	1,773,020	1,555,587	217,433
Salaries of Secretarial and Clerical Assistants	146,062	79,200	225,262	128,910	96,352
Other Purchased Prof. and Tech. Services	25,000	-	25,000	25,000	-
Other Purchased Services	24,150	36	24,186	19,827	4,359
Supplies and Materials	12,050	157	12,207	2,600	9,607
	<u>2,059,482</u>	<u>193</u>	<u>2,059,675</u>	<u>1,731,924</u>	<u>327,751</u>
Total Guidance					
Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	2,840,238	(6,000)	2,834,238	2,475,271	358,967
Salaries of Secretarial and Clerical Assistants	367,080	-	367,080	303,354	63,726
Other Purchased Professional/Technical Services	123,900	33,109	157,009	93,009	64,000
Residential Costs	525	-	525	-	525
Other Purchased Services	45,700	(12,902)	32,798	12,157	20,641
Supplies and Materials	9,500	-	9,500	7,359	2,141
	<u>3,386,943</u>	<u>14,207</u>	<u>3,401,150</u>	<u>2,891,150</u>	<u>510,000</u>
Total Other Support Services - Child Study Teams					
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	145,879	-	145,879	144,716	1,163
Salaries of Other Professional Staff	1,381,420	-	1,381,420	1,262,140	119,280
Purchased Prof.-Educational Services	600	-	600	-	600
Other Purchased Professional and Technical Services	900	-	900	-	900
Other Purchased Services	1,900	-	1,900	-	1,900
Supplies and Materials	1,000	-	1,000	-	1,000
	<u>1,531,699</u>	<u>-</u>	<u>1,531,699</u>	<u>1,406,856</u>	<u>124,843</u>
Total Improvement of Instruction Services					
Educational Media Services/School Library					
Salaries	305,456	-	305,456	215,852	89,604
Other Purchased Services	8,400	146	8,546	563	7,983
Supplies and Materials	41,000	876	41,876	938	40,938
	<u>354,856</u>	<u>1,022</u>	<u>355,878</u>	<u>217,353</u>	<u>138,525</u>
Total Educational Media Services/School Library					

NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 608,312		\$ 608,312	\$ 11,200	\$ 597,112
Salaries of Secretarial and Clerical Assist.	4,157		4,157		4,157
Purchased Professional-Educational Serv.	75,050	\$ 540	75,590	25,409	50,181
Other Purchased Professional and Tech Svcs	4,000	-	4,000		4,000
Other Purchased Services	5,000	-	5,000		5,000
Supplies and Materials	6,000	-	6,000		6,000
Other Objects	3,800	-	3,800	-	3,800
Total Instructional Staff Training Services	706,319	540	706,859	36,609	670,250
Support Services - General Administration					
Salaries	846,476	(15,000)	831,476	709,798	121,678
Unused Vac. Payment to Terminated/Retired Staff	56,832	-	56,832	24,993	31,839
Legal Services	488,000	54,656	542,656	388,512	154,144
Audit Fees	95,000	15,415	110,415	106,576	3,839
Expenditure and Internal Control Audit Fees	5,000	-	5,000		5,000
Architectural/Engineering Services	105,000	81,989	186,989	80,864	106,125
Other Purchased Professional Services	181,500	27,797	209,297	138,530	70,767
Communications/Telephone	151,100	7,333	158,433	71,141	87,292
BOE Other Purchased Services	12,000	525	12,525	5,844	6,681
Miscellaneous Purchased Services	62,690	1,740	64,430	46,616	17,814
General Supplies	123,300	(1,535)	121,765	44,017	77,748
BOE In-House Training/Meeting Supplies	1,500	-	1,500		1,500
Judgments Against The School District	30,610	-	30,610		30,610
Miscellaneous Expenditures	18,350	-	18,350	7,494	10,856
BOE Membership Dues and Fees	32,050	-	32,050	31,987	63
Total Support Services - General Administration	2,209,408	172,920	2,382,328	1,656,372	725,956
Support Services - School Administration					
Salaries of Principals/Asst. Principals/Prog Dir	3,606,267	(14,000)	3,592,267	3,083,804	508,463
Salaries of Other Professional Staff	1,810,823	(7,000)	1,803,823	1,474,009	329,814
Salaries of Secretarial and Clerical Assistants	2,152,279	-	2,152,279	1,889,365	262,914
Purchased Prof. and Tech. Services	60,500	10	60,510	56,314	4,196
Other Purchased Services	142,853	4,960	147,813	124,075	23,738
Supplies and Materials	44,700	16,344	61,044	31,210	29,834
Other Objects	1,000	-	1,000	-	1,000
Total Support Services - School Administration	7,818,422	314	7,818,736	6,658,777	1,159,959
Central Services					
Salaries	1,576,160	(15,870)	1,560,290	1,392,429	167,861
Unused Vac. Payment to Terminated/Retired Staff	68,347	-	68,347	46,861	21,486
Purchased Professional Services	57,200	2,465	59,665	56,647	3,018
Purchased Technical Services	38,500	2,892	41,392	13,430	27,962
Misc. Purchased Services	45,653	10,175	55,828	25,116	30,712
Supplies and Materials	27,800	613	28,413	17,642	10,771
Interest on Current Loans	13,500	-	13,500		13,500
Miscellaneous Expenditures	7,050	355	7,405	1,155	6,250
Total Central Services	1,834,210	630	1,834,840	1,553,280	281,560

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Admin. Info. Technology					
Salaries	\$ 1,007,895	\$ (59,480)	\$ 948,415	\$ 944,531	\$ 3,884
Unused Vac. Payment to Terminated/Retired Staff		11,000	11,000	10,141	859
Purchased Professional Services	120,500	(33,173)	87,327	83,208	4,119
Purchased Technical Services	110,138	82,990	193,128	170,040	23,088
Other Purchased Services	5,500	47,606	53,106	52,507	599
Supplies and Materials	3,000	(450)	2,550	596	1,954
Total Admin. Info. Technology	<u>1,247,033</u>	<u>48,493</u>	<u>1,295,526</u>	<u>1,261,023</u>	<u>34,503</u>
Required Maintenance for School Facilities					
Salaries	1,103,851	(100,213)	1,003,638	839,130	164,508
Unused Vac. Payment to Terminated/Retired Staff		16,000	16,000	15,634	366
Cleaning, Repair and Maintenance Services	891,500	85,105	976,605	788,839	187,766
General Supplies	167,421	32,410	199,831	149,007	50,824
Total Required Maintenance for School Facilities	<u>2,162,772</u>	<u>33,302</u>	<u>2,196,074</u>	<u>1,792,610</u>	<u>403,464</u>
Custodial Services					
Salaries	4,853,831	(366,910)	4,486,921	4,177,290	309,631
Purchased Professional and Technical Services	190,000	32,209	222,209	170,643	51,566
Cleaning, Repair and Maintenance	207,342	65,458	272,800	257,900	14,900
Rental of Land and Buildings Oth. Than Lease Pur Agmt.	362,000	22,602	384,602	373,560	11,042
Other Purchased Property Services	125,140	34,998	160,138	153,207	6,931
Insurance	700,576	(74,000)	626,576	624,000	2,576
Miscellaneous Purchased Services	39,820	(7,291)	32,529	10,606	21,923
General Supplies	226,300	19,390	245,690	213,228	32,462
Energy (Natural Gas)	309,118	252,037	561,155	438,878	122,277
Energy (Electricity)	553,230	158,464	711,694	582,207	129,487
Energy (Gasoline)	20,800	(10,000)	10,800	5,879	4,921
Other Objects	7,000	-	7,000	-	7,000
Total Custodial Services	<u>7,595,157</u>	<u>126,957</u>	<u>7,722,114</u>	<u>7,007,398</u>	<u>714,716</u>
Care and Upkeep of Grounds					
Salaries	65,334	(65,000)	334		334
Purchased Professional and Technical Services	32,000	(190)	31,810	23,404	8,406
Cleaning, Repair and Maintenance Services	40,000	43,376	83,376	62,500	20,876
General Supplies	2,500	86	2,586	1,559	1,027
Total Care and Upkeep of Grounds	<u>139,834</u>	<u>(21,728)</u>	<u>118,106</u>	<u>87,463</u>	<u>30,643</u>
Security					
Salaries	1,687,048	100,634	1,787,682	1,710,297	77,385
Purchased Professional and Technical Services	245,554	171,949	417,503	187,520	229,983
Cleaning, Repair and Maintenance	56,296	5,710	62,006	53,669	8,337
General Supplies	29,500	7,157	36,657	29,180	7,477
Total Security	<u>2,018,398</u>	<u>285,450</u>	<u>2,303,848</u>	<u>1,980,666</u>	<u>323,182</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	\$ 67,919	\$ (44,325)	\$ 23,594	\$ 16,925	\$ 6,669
Salaries for Pupil Transportation (Between Home and School) - Special Ed.	166,003	23,725	189,728	153,741	35,987
Other Purchased Prof. and Tech. Serv.	13,000	-	13,000	13,000	13,000
Cleaning, Repair and Maintenance Services	23,200	-	23,200	11,471	11,729
Contracted Services (Between Home and School) - Vendors	1,156,133	170,050	1,326,183	1,268,397	57,786
Contracted Services (Between Home and School) - Joint Agreements	34,763	-	34,763	-	34,763
Contracted Services (Other Than Between Home and School) - Vendors	202,115	200,000	402,115	132,435	269,680
Contracted Services (Spec Ed Students)-Vendors	1,007,429	(94,050)	913,379	593,017	320,362
Contracted Services (Spec Ed Students)-Joint Agreements	1,518,473	(61,973)	1,456,500	1,370,775	85,725
Misc. Purchased Services - Transportation	1,119	900	2,019	16	2,003
General Supplies	5,000	-	5,000	5,000	5,000
Transportation Supplies	10,000	-	10,000	10,000	10,000
Aid in Lieu of Payments - Nonpublic School	422,656	(76,000)	346,656	289,500	57,156
Aid in Lieu of Payments - Charter Schools	30,683	-	30,683	26,000	4,683
Total Student Transportation Services	4,658,493	118,327	4,776,820	3,862,277	914,543
Unallocated Benefits					
Group Insurance	45,358	40,395	85,753	5,607	80,146
Social Security Contributions	1,643,542	(99,386)	1,544,156	1,471,929	72,227
Other Retirement Contributions					
PERS	1,658,336	99,210	1,757,546	1,744,546	13,000
ERIP	59,179	5,310	64,489	61,232	3,257
Other Retirement Contributions - Deferred PERS					
Regular		5,157	5,157	5,156	1
Unemployment Compensation	282,315	(6,000)	276,315	12,043	264,272
Unemployment Compensation (Non Budget)				20,156	(20,156)
Workmen's Compensation	736,031	-	736,031	663,707	72,324
Health Benefits	20,849,820	(9,490)	20,840,330	14,554,198	6,286,132
Other Employee Benefits		1,203	1,203	1,203	-
Unused Sick Payment to Terminated/Retired Staff	616,375	(1,203)	615,172	487,382	127,790
Total Unallocated Benefits	25,890,956	35,196	25,926,152	19,027,159	6,898,993
TPAF On Behalf (Non-Budget)					
NCGI Premium				300,751	(300,751)
Pension Contribution				21,316,869	(21,316,869)
Long Term Disability Insurance				7,963	(7,963)
Post Retirement				5,050,750	(5,050,750)
Social Security Contribution	-	-	-	4,341,284	(4,341,284)
Total TPAF On-Behalf Contributions	-	-	-	31,017,617	(31,017,617)
Total Undistributed Expenditures	71,002,540	1,196,389	72,198,929	87,729,761	(15,530,832)
Interest Earned on Current Exp. Emergency Reserve	1,500	-	1,500	-	1,500
Interest Earned on Maintenance Reserve	2,000	-	2,000	-	2,000
Total Current Expenditures	129,200,186	1,474,347	130,674,533	138,601,009	(7,926,476)

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CAPITAL OUTLAY					
Equipment					
Grades 1-5	\$ 10,000		\$ 10,000		\$ 10,000
Grades 6-8	10,000		10,000		10,000
Grades 9-12	25,000		25,000		25,000
Undistributed Expenditures					
Capital Assets Acquired through Capital Financing Agreement (Non-Budget)				\$ 631,093	(631,093)
General Administration	10,000		10,000		10,000
School Administration	10,000		10,000		10,000
Central Services	10,000		10,000		10,000
Admin. Info. Tech.	15,000	-	15,000		15,000
Required Maintenance for School Facilities	75,000	\$ 286,423	361,423	26,423	335,000
Care and Upkeep of Grounds	9,000	-	9,000		9,000
Security	15,000	-	15,000	-	15,000
Total Equipment	<u>189,000</u>	<u>286,423</u>	<u>475,423</u>	<u>657,516</u>	<u>(182,093)</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	67,800	303,050	370,850	149,343	221,507
Construction Services	565,000	1,230,807	1,795,807	643,174	1,152,633
Assessment for Debt Service on SDA Funding	92,716	-	92,716	92,716	-
Total Facilities Acquis. and Const. Services	<u>725,516</u>	<u>1,533,857</u>	<u>2,259,373</u>	<u>885,233</u>	<u>1,374,140</u>
Interest Deposit to Capital Reserve	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Capital Outlay	<u>919,516</u>	<u>1,820,280</u>	<u>2,739,796</u>	<u>1,542,749</u>	<u>1,197,047</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	444,409	(131,688)	312,721	312,120	601
Other Salaries for Instruction	7,963	110,711	118,674	118,673	1
Purchased Professional and Technical Services	-	32,203	32,203	32,203	-
Total Summer School - Instruction	<u>452,372</u>	<u>11,226</u>	<u>463,598</u>	<u>462,996</u>	<u>602</u>
Summer School - Support Services					
Salaries of Teachers	<u>58,291</u>	<u>16,149</u>	<u>74,440</u>	<u>74,440</u>	<u>-</u>
Total Summer School - Support Services	<u>58,291</u>	<u>16,149</u>	<u>74,440</u>	<u>74,440</u>	<u>-</u>

NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
Total Special Schools	\$ 510,663	\$ 27,375	\$ 538,038	\$ 537,436	\$ 602
Transfer of Funds To Charter Schools	555,409	(229,416)	325,993	247,582	78,411
Total Expenditures	131,185,774	3,092,586	134,278,360	140,928,776	(6,650,416)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,394,429)	(3,092,586)	(9,487,015)	14,177,664	23,664,679
Other Financing Sources (Uses)					
Proceeds from Capital Financing Agreement				631,093	631,093
Transfer In	-	-	-	11,350	11,350
Total Other Financing Sources (Uses)	-	-	-	642,443	642,443
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(6,394,429)	(3,092,586)	(9,487,015)	14,820,107	24,307,122
Fund Balances, Beginning of Year	45,938,748	-	45,938,748	45,938,748	-
Fund Balances, End of Year	\$ 39,544,319	\$ (3,092,586)	\$ 36,451,733	\$ 60,758,855	\$ 24,307,122
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 35,717,538	
Capital Reserve Designated for Subsequent Year's Budget				5,280,000	
Maintenance Reserve				2,914,517	
Maintenance Reserve Designated for Subsequent Year's Budget				1,500,000	
Emergency Reserve				600,000	
Unemployment Compensation Reserve				958,118	
Committed					
Encumbrances				996,000	
Assigned					
Designated for Subsequent Year's Budget				5,499,533	
Encumbrances				2,870,617	
Unassigned				4,422,532	
Fund Balance (Budgetary Basis)				60,758,855	
Less State Aid Revenue Not Recognized on GAAP Basis				(7,112,901)	
Fund Balance (GAAP Basis)				\$ 53,645,954	

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 2,686,422	\$ 177,514	\$ 2,863,936	\$ 2,434,393	\$ (429,543)
Federal	5,470,752	34,711,138	40,181,890	10,935,729	(29,246,161)
Local Sources					
Miscellaneous	<u>300,000</u>	<u>187,696</u>	<u>487,696</u>	<u>441,851</u>	<u>(45,845)</u>
Total Revenues	<u>8,457,174</u>	<u>35,076,348</u>	<u>43,533,522</u>	<u>13,811,973</u>	<u>(29,721,549)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	2,496,891	1,905,381	4,402,272	3,533,478	868,794
Other Salaries for Instruction		27,172	27,172	27,121	51
Purchased Prof. and Tech. Svcs.		355,120	355,120	220,627	134,493
Other Purchased Services	1,663,670	584,207	2,247,877	1,621,469	626,408
General Supplies	517,032	3,082,955	3,599,987	2,051,785	1,548,202
Co-Curricular Student Activities and Athletics	<u>300,000</u>	<u>76,000</u>	<u>376,000</u>	<u>363,206</u>	<u>12,794</u>
Total Instruction	<u>4,977,593</u>	<u>6,030,835</u>	<u>11,008,428</u>	<u>7,817,686</u>	<u>3,190,742</u>
Support Services					
Salaries of Supervisors	99,230	545	99,775	99,330	445
Salaries of Program Directors	234,557	4,045	238,602	238,355	247
Salaries of Other Professional Staff	164,450	55,019	219,469	99,379	120,090
Salaries of Secretaries and Clerical Assistants	46,395	64,481	110,876	108,101	2,775
Other Salaries		66,904	66,904	55,262	11,642
Salaries of Master Teachers	80,199	134	80,333	80,333	-
Personal Services-Employee Benefits	2,002,308	706	2,003,014	1,660,332	342,682
Purchased Professional and Technical Service	88,881	1,908,921	1,997,802	1,746,179	251,623
Purchased Professional - Educational Services		-	-	-	-
Other Purchased Professional - Education Services	10,000	-	10,000	2,500	7,500
Other Purchased Professional Services	13,000	(1,200)	11,800	1,225	10,575
Cleaning, Repair and Maintenance Services	85,000	(7,108)	77,892	66,908	10,984
Rentals	290,000	(5,592)	284,408	284,408	-
Other Purchased Services	5,843	412,704	418,547	127,039	291,508
Contracted Services - Transportation	10,000	-	10,000	9,500	500
Travel		-	-	-	-
Miscellaneous Purchased Services	10,000	1,700	11,700	8,231	3,469
Supplies and Materials	219,390	292,198	511,588	408,568	103,020
Other Objects	<u>5,000</u>	<u>(2,887)</u>	<u>2,113</u>	<u>1,000</u>	<u>1,113</u>
Total Support Services	<u>3,364,253</u>	<u>2,790,570</u>	<u>6,154,823</u>	<u>4,996,650</u>	<u>1,158,173</u>
Facilities Acquisition and Construction Services					
Construction Services		177,514	177,514	177,514	-
Buildings		21,000,000	21,000,000		21,000,000
Instructional Equipment	65,000	(50,000)	15,000	2,955	12,045
Non-Instructional Equipment	<u>50,328</u>	<u>5,127,429</u>	<u>5,177,757</u>	<u>804,695</u>	<u>4,373,062</u>
Total Facilities Acquisition and Construction Services	<u>115,328</u>	<u>26,254,943</u>	<u>26,370,271</u>	<u>985,164</u>	<u>25,385,107</u>
Total Expenditures	<u>8,457,174</u>	<u>35,076,348</u>	<u>43,533,522</u>	<u>13,799,500</u>	<u>29,734,022</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	12,473	12,473
Fund Balance, Beginning of Year	<u>288,092</u>	-	<u>288,092</u>	<u>288,092</u>	-
Fund Balance, End of Year	<u>\$ 288,092</u>	<u>\$ -</u>	<u>\$ 288,092</u>	<u>\$ 300,565</u>	<u>\$ 12,473</u>

**NORTH BERGEN BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual revenues (budgetary basis) (Exhibits C-1,C-2)	\$ 155,106,440	\$ 13,811,973
Difference - budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2021-2022)	(7,112,901)	
State Aid payment recognized for GAAP statements, not recognized for budgetary purposes (2020-2021)	6,762,960	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2022		(1,306,685)
Encumbrances, June 30, 2021 (net of cancellations)	<u>-</u>	<u>4,639,204</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 154,756,499</u>	<u>\$ 17,144,492</u>
Uses/Outflows of Resources		
Actual expenditures (budgetary basis) (Exhibits C-1, C-2)	\$ 140,928,776	\$ 13,799,500
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2022		(1,306,685)
Encumbrances, June 30, 2021 (net of cancellations)	<u>-</u>	<u>4,639,204</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 140,928,776</u>	<u>\$ 17,132,019</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION
AND
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Last Nine Fiscal Years ***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<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)	0.14885%	0.15002%	0.14943%	0.15045%	0.14945%	0.15046%	0.14486%	0.14330%	0.14066%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 17,633,236	\$ 24,464,024	\$ 26,925,858	\$ 29,623,322	\$ 34,790,686	\$ 44,561,331	\$ 32,518,415	\$ 26,830,553	\$ 26,881,871
District's Covered Payroll	\$ 10,880,624	\$ 11,006,253	\$ 10,844,211	\$ 10,612,226	\$ 10,356,895	\$ 10,323,957	\$ 10,407,670	\$ 10,021,208	\$ 9,888,563
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	162.06%	222.27%	248.30%	279.14%	335.92%	431.63%	312.45%	267.74%	271.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	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.

**NORTH BERGEN BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Last Nine Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,743,179	\$ 1,641,123	\$ 1,453,565	\$ 1,496,515	\$ 1,384,539	\$ 1,336,647	\$ 1,245,417	\$ 1,181,383	\$ 1,051,611
Contributions in Relation to the Contractually Required Contributions	<u>1,743,179</u>	<u>1,641,123</u>	<u>1,453,565</u>	<u>1,496,515</u>	<u>1,384,539</u>	<u>1,336,647</u>	<u>1,245,417</u>	<u>1,181,383</u>	<u>1,051,611</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 11,216,390	\$ 10,880,624	\$ 11,006,253	\$ 10,844,211	\$ 10,612,226	\$ 10,356,895	\$ 10,323,957	\$ 10,407,670	\$ 10,021,208
Contributions as a Percentage of Covered Payroll	15.54%	15.08%	13.21%	13.80%	13.05%	12.91%	12.06%	11.35%	10.49%

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.

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

**TEACHERS' PENSION AND ANNUITY FUND
Last Nine Fiscal Years ***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<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%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated With the District	<u>252,775,340</u>	<u>351,360,608</u>	<u>324,785,108</u>	<u>338,362,968</u>	<u>354,838,049</u>	<u>418,493,907</u>	<u>340,769,186</u>	<u>288,185,424</u>	<u>266,185,254</u>
Total	<u>\$ 252,775,340</u>	<u>\$ 351,360,608</u>	<u>\$ 324,785,108</u>	<u>\$ 338,362,968</u>	<u>\$ 354,838,049</u>	<u>\$ 418,493,907</u>	<u>\$ 340,769,186</u>	<u>\$ 288,185,424</u>	<u>\$ 266,185,254</u>
District's Covered Payroll	\$ 58,755,718	\$ 58,107,175	\$ 57,438,423	\$ 56,584,622	\$ 54,819,749	\$ 54,487,044	\$ 53,199,487	\$ 53,640,498	\$ 52,784,010
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0	0	0	0	0	0	0	0	0
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	26.95%	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.

**NORTH BERGEN 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, 2022**

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 5D.

**NORTH BERGEN BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY**

Postemployment Health Benefit Plan

Last Five Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 14,213,484	\$ 7,996,066	\$ 7,490,941	\$ 8,379,228	\$ 10,146,364
Interest on Total OPEB Liability	6,653,655	6,238,675	7,396,144	7,910,186	6,807,664
Change in Benefit Terms	(273,004)				
Differences Between Expected and Actual Experience	(44,498,124)	51,056,287	(25,850,921)	(18,906,253)	-
Changes of Assumptions	253,048	52,098,683	2,574,054	(21,364,016)	(28,399,011)
Gross Benefit Payments	(5,241,216)	(4,965,330)	(5,299,487)	(4,978,137)	(5,462,469)
Member Contributions	<u>170,101</u>	<u>150,499</u>	<u>157,092</u>	<u>172,052</u>	<u>201,142</u>
Net Change in Total OPEB Liability	(28,722,056)	112,574,880	(13,532,177)	(28,786,940)	(16,706,310)
Total OPEB Liability - Beginning of Year	<u>285,213,376</u>	<u>172,638,496</u>	<u>186,170,673</u>	<u>214,957,613</u>	<u>231,663,923</u>
Total OPEB Liability - End of Year	<u>\$ 256,491,320</u>	<u>\$ 285,213,376</u>	<u>\$ 172,638,496</u>	<u>\$ 186,170,673</u>	<u>\$ 214,957,613</u>
District's Proportionate Share of OPEB Liability	-	-	-	-	-
State's Proportionate Share of OPEB Liability	<u>\$ 256,491,320</u>	<u>\$ 285,213,376</u>	<u>\$ 172,638,496</u>	<u>\$ 186,170,673</u>	<u>\$ 214,957,613</u>
Total OPEB Liability - End of Year	<u>\$ 256,491,320</u>	<u>\$ 285,213,376</u>	<u>\$ 172,638,496</u>	<u>\$ 186,170,673</u>	<u>\$ 214,957,613</u>
District's Covered Payroll	<u>\$ 69,636,342</u>	<u>\$ 69,113,428</u>	<u>\$ 68,282,634</u>	<u>\$ 67,196,848</u>	<u>\$ 65,176,644</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>

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

**NORTH BERGEN 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, 2022**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 5E.

SPECIAL REVENUE FUND

NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Preschool Education	Emergent Capital Needs	Subtotal Page 2	Subtotal Page 3	Subtotal Page 4	Subtotal Page 5	Grand Total
REVENUES							
Intergovernmental							
State	\$ 2,256,879	\$ 177,514					\$ 2,434,393
Federal			\$ 4,629,519	5,400,985	\$ 905,225		10,935,729
Other	-	-	-	-	-	\$ 441,851	441,851
Total Revenues	<u>2,256,879</u>	<u>177,514</u>	<u>4,629,519</u>	<u>5,400,985</u>	<u>905,225</u>	<u>441,851</u>	<u>13,811,973</u>
EXPENDITURES							
Instruction							
Salaries of Teachers	941,371		2,130,971		461,136		3,533,478
Other Salaries for Instruction	27,121						27,121
Purchased Prof. and Tech. Svcs.			95,711	-	119,866	5,050	220,627
Other Purchased Services	2,675		203,550	1,415,244			1,621,469
General Supplies	36,339		428,110	1,381,917	198,533	6,886	2,051,785
Co-Curricular Student Activities and Athletics	-	-	-	-	-	363,206	363,206
Total Instruction	<u>1,007,506</u>	<u>-</u>	<u>2,858,342</u>	<u>2,797,161</u>	<u>779,535</u>	<u>375,142</u>	<u>7,817,686</u>
Support Services							
Salaries of Supervisors of Instruction	99,330						99,330
Salaries of Program Directors	163,300		75,055				238,355
Salaries of Other Professional Staff	61,329		34,050			4,000	99,379
Salaries of Secretaries and Clerical Assistants	62,034		46,067				108,101
Other Salaries	15,958					39,304	55,262
Salaries of Master Teachers	80,333						80,333
Personal Services-Employee Benefits	297,506		1,324,236		38,590		1,660,332
Purchased Professional and Technical Service			184,200	1,507,435	45,000	9,544	1,746,179
Purchased Professional - Educational Services							-
Other Purchased Professional - Education Services	2,500						2,500
Other Purchased Professional Services	1,225						1,225
Cleaning, Repairs and Maintenance	66,908						66,908
Rentals	284,408						284,408
Other Purchased Services			84,939	-	42,100		127,039
Contracted Transportation Services	9,500						9,500
Miscellaneous Purchased Services	8,231						8,231
Supplies and Materials	64,116		22,630	321,434		388	408,568
Other Objects	-	-	-	-	-	1,000	1,000
Total Support Services	<u>1,216,678</u>	<u>-</u>	<u>1,771,177</u>	<u>1,828,869</u>	<u>125,690</u>	<u>54,236</u>	<u>4,996,650</u>
Facilities Acquisition and Construction Services							
Construction Services		177,514					177,514
Instructional Equipment	-			2,955	-	-	2,955
NonInstructional	32,695	-	-	772,000	-	-	804,695
Total Facilities Acquisition and Construction Services	<u>32,695</u>	<u>177,514</u>	<u>-</u>	<u>774,955</u>	<u>-</u>	<u>-</u>	<u>985,164</u>
Total Expenditures	<u>2,256,879</u>	<u>177,514</u>	<u>4,629,519</u>	<u>5,400,985</u>	<u>905,225</u>	<u>429,378</u>	<u>13,799,500</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	12,473	12,473
Fund Balance, Beginning of Year	-	-	-	-	-	288,092	288,092
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,565</u>	<u>\$ 300,565</u>

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

ESEA							
	<u>Title I</u>	<u>Title I SIA</u>	<u>Title II A</u>	<u>Title III</u>	<u>Title IV</u>	<u>ACSERS</u>	<u>Page Total</u>
REVENUES							
Intergovernmental							
Federal	\$ 3,333,039	\$ 102,027	\$ 504,236	\$ 185,126	\$ 220,205	\$ 284,886	\$ 4,629,519
Total Revenues	<u>3,333,039</u>	<u>102,027</u>	<u>504,236</u>	<u>185,126</u>	<u>220,205</u>	<u>284,886</u>	<u>4,629,519</u>
EXPENDITURES							
Instruction							
Salaries of Teachers	1,790,949		209,462	130,560			2,130,971
Purchased Prof. and Tech. Serv.	95,711						95,711
Other Purchased Services						\$ 203,550	203,550
General Supplies	<u>109,408</u>	<u>91,838</u>	<u>-</u>	<u>49,709</u>	<u>177,155</u>	<u>-</u>	<u>428,110</u>
Total Instruction	<u>1,996,068</u>	<u>91,838</u>	<u>209,462</u>	<u>180,269</u>	<u>177,155</u>	<u>203,550</u>	<u>2,858,342</u>
Support Services							
Salaries of Program Directors	75,055						75,055
Salaries of Other Professional Staff					34,050		34,050
Salaries of Secretaries and Clerical Assistan	46,067						46,067
Personal Services-Employee Benefits	1,186,616		136,060	1,560			1,324,236
Purchased Professional and Technical Svcs.	3,000	10,189	158,714	3,297	9,000		184,200
Other Purchased Services	3,603					81,336	84,939
Supplies and Materials	<u>22,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,630</u>
Total Support Services	<u>1,336,971</u>	<u>10,189</u>	<u>294,774</u>	<u>4,857</u>	<u>43,050</u>	<u>81,336</u>	<u>1,771,177</u>
Total Expenditures	<u>3,333,039</u>	<u>102,027</u>	<u>504,236</u>	<u>185,126</u>	<u>220,205</u>	<u>284,886</u>	<u>4,629,519</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<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>	<u>\$ -</u>	<u>\$ -</u>

NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ARP IDEA				IDEA		Page Total
	ESSER II	CARES ESSER I	Basic	Preschool	Basic	Preschool	
REVENUES							
Intergovernmental							
Federal	\$ 2,332,588	\$ 894,199	\$ 306,654	\$ 3,400	\$ 1,810,965	\$ 53,179	\$ 5,400,985
Total Revenues	2,332,588	894,199	306,654	3,400	1,810,965	53,179	5,400,985
EXPENDITURES							
Instruction							
Purchased Professional and Technical Services			50,000		1,365,244		1,415,244
Other Purchased Services							
General Supplies	1,192,146	119,639	-	-	70,132	-	1,381,917
Total Instruction	1,192,146	119,639	50,000	-	1,435,376	-	2,797,161
Support Services							
Purchased Professional and Technical Services	831,505		256,654	3,400	362,697	53,179	1,507,435
Other Purchased Services							
Supplies and Materials	308,937	2,560	-	-	9,937	-	321,434
Total Support Services	1,140,442	2,560	256,654	3,400	372,634	53,179	1,828,869
Facilities Acquisition and Construction Svcs							
Instructional Equipment	-	-	-	-	2,955	-	2,955
NonInstructional Equipment	-	772,000	-	-	-	-	772,000
Total Facilities Acquisition and Construction Svcs.	-	772,000	-	-	2,955	-	774,955
Total Expenditures	2,332,588	894,199	306,654	3,400	1,810,965	53,179	5,400,985
Fund Balance, Beginning of Year	-	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ESSER II - CRRSA		ARP ESSER				Page Total
	Learning Acceleration	Mental Health	Accelerated Learning	Summer	Beyond the School Day	Homeless	
REVENUES							
Intergovernmental							
Federal	\$ 642,915	\$ 45,000	\$ 119,866	\$ 3,753	\$ 45,841	\$ 47,850	\$ 905,225
Total Revenues	<u>642,915</u>	<u>45,000</u>	<u>119,866</u>	<u>3,753</u>	<u>45,841</u>	<u>47,850</u>	<u>905,225</u>
EXPENDITURES							
Instruction							
Salaries of Teachers	455,386					5,750	461,136
Purchased Professional and Technical Services			119,866				119,866
General Supplies	152,692	-	-	-	45,841	-	198,533
Total Instruction	<u>608,078</u>	<u>-</u>	<u>119,866</u>	<u>-</u>	<u>45,841</u>	<u>5,750</u>	<u>779,535</u>
Support Services							
Personal Services-Employee Benefits	34,837			3,753			38,590
Purchased Professional and Technical Services		45,000					45,000
Other Purchased Services	-	-	-	-	-	42,100	42,100
Total Support Services	<u>34,837</u>	<u>45,000</u>	<u>-</u>	<u>3,753</u>	<u>-</u>	<u>42,100</u>	<u>125,690</u>
Total Expenditures	<u>642,915</u>	<u>45,000</u>	<u>119,866</u>	<u>3,753</u>	<u>45,841</u>	<u>47,850</u>	<u>905,225</u>
Fund Balance, Beginning of Year	-	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Juvenile Comm. Serv.	Local	Student Activities	Page Total
REVENUES				
Intergovernmental				
Other	\$ 42,998	\$ 23,174	\$ 375,679	\$ 441,851
Total Revenues	<u>42,998</u>	<u>23,174</u>	<u>375,679</u>	<u>441,851</u>
EXPENDITURES				
Instruction				
Purchased Prof. and Tech. Svcs.		5,050		5,050
General Supplies		6,886		6,886
Co-Curricular Student Activities and Athletics	-	-	363,206	363,206
Total Instruction	<u>-</u>	<u>11,936</u>	<u>363,206</u>	<u>375,142</u>
Support Services				
Salaries of Other Professional Staff		4,000		4,000
Other Salaries	33,454	5,850		39,304
Purchased Professional and Technical Service	9,544			9,544
Supplies and Materials	-	388	-	388
Other Objects	-	1,000	-	1,000
Total Support Services	<u>42,998</u>	<u>11,238</u>	<u>-</u>	<u>54,236</u>
Total Expenditures	<u>42,998</u>	<u>23,174</u>	<u>363,206</u>	<u>429,378</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	12,473	12,473
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>288,092</u>	<u>288,092</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,565</u>	<u>\$ 300,565</u>

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Instruction			
Salaries of Teachers	\$ 1,061,039	\$ 941,371	\$ 119,668
Other Salaries of Instruction	27,172	27,121	51
Other Purchased Services	5,000	2,675	2,325
General Supplies	43,448	36,339	7,109
	<u>1,136,659</u>	<u>1,007,506</u>	<u>129,153</u>
Total Instruction			
Support Services			
Salaries of Supervisors of Instruction	99,775	99,330	445
Salaries of Program Directors	163,546	163,300	246
Salaries of Other Professional Staff	160,590	61,329	99,261
Salaries of Secretaries and Clerical Assistants	62,932	62,034	898
Other Salaries	15,959	15,958	1
Salaries of Master Teachers	80,333	80,333	-
Personal Services - Employee Benefit:	452,598	297,506	155,092
Other Purchased Professional - Education Services	10,000	2,500	7,500
Other Purchased Professional Services	11,800	1,225	10,575
Cleaning, Repairs and Maintenance	77,892	66,908	10,984
Rentals	284,408	284,408	-
Contracted Transportation Services (Between Home and School)	9,500	9,500	-
Contracted Transportation Services (Field Trips)	500	-	500
Travel	1,769	-	1,769
Miscellaneous Purchased Services	8,231	8,231	-
Supplies and Materials	65,046	64,116	930
Other Objects	1,113	-	1,113
	<u>1,505,992</u>	<u>1,216,678</u>	<u>289,314</u>
Total Support Services			
Facilities Acquisition and Construction Services			
Non Instructional Equipment	43,771	32,695	11,076
	<u>43,771</u>	<u>32,695</u>	<u>11,076</u>
Total Facilities Acquisition and Construction Services			
	<u>43,771</u>	<u>32,695</u>	<u>11,076</u>
Total Expenditures			
	<u>\$ 2,686,422</u>	<u>\$ 2,256,879</u>	<u>\$ 429,543</u>
Total Revised 2021-2022 Preschool Education Aid Allocation			
		\$ 2,386,422	
Actual Preschool Education Aid Carryover (June 30, 2021)		985,427	
Add: Prior Year Accounts Payable and Encumbrances Cancelled		24,381	
Total Preschool Education Aid Funds Available for 2021-2022 Budget		<u>3,396,230</u>	
Less: 2021-2022 Budgeted Preschool Education Aid (including Prior Year Budgeted Carryover)		<u>2,686,422</u>	
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2022		709,808	
Add: 2021-2022 Unexpended Preschool Education Aid		429,543	
2021-2022 Carryover - Preschool Education Aid/Preschool		<u>\$ 1,139,351</u>	
2021-2022 Preschool Education Aid Carryover Budgeted for Preschool Programs 2022-2023		<u>\$ 685,427</u>	

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF STUDENT ACTIVITIES RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Balance, July 1, <u>2021</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2022</u>
ELEMENTARY SCHOOLS	\$ 103,669	\$ 202,649	\$ 185,354	\$ 120,964
HIGH SCHOOL				
Athletic	18,406	65	17,900	571
General	<u>173,936</u>	<u>172,965</u>	<u>149,768</u>	<u>197,133</u>
Total	<u>\$ 296,011</u>	<u>\$ 375,679</u>	<u>\$ 353,022</u>	<u>\$ 318,668</u>
		Accounts Payable		\$ 18,103
		Restricted Fund Balance		<u>300,565</u>
				<u>\$ 318,668</u>

CAPITAL PROJECTS FUND

NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Issue/Project Title</u>	<u>Modified Appropriations</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2022</u>
		<u>Prior Years</u>	<u>Current Year</u>	
McKinley Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	\$ 428,614	\$ 185,265		\$ 243,349
Robert Fulton Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	809,553	359,942		449,611
Lincoln Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	597,125	313,582		283,543
Horace Mann Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	754,250	444,768		309,482
Acq. of Property Formerly Known as Hudson County Technical High School and provide for Additions, Renovations, Alterations and Improvements	59,585,170	14,329,404	\$ 7,810,839	37,444,927
Additions, Renovations, Alterations and Improvements To North Bergen High School	<u>15,372,830</u>	<u>63,205</u>	<u>-</u>	<u>15,309,625</u>
	<u>\$ 77,547,542</u>	<u>\$ 15,696,166</u>	<u>\$ 7,810,839</u>	<u>\$ 54,040,537</u>

Reconciliation of Project Balances to Fund Balance

Project Balances at June 30, 2022	\$ 54,040,537
Add: Reserve for Debt Service	162,366
Less: Bonds Authorized but Not Issued	<u>(40,000,000)</u>
Fund Balance (GAAP)	<u>\$ 14,202,903</u>

Recapitulation of Fund Balance

Restricted for Debt Service	\$ 162,366
Restricted for Capital Projects	
Encumbrances	45,035,308
Available for Capital Projects	<u>(30,994,771)</u>
Total Fund Balance- Restricted for Capital Projects	<u>\$ 14,202,903</u>

**NORTH BERGEN 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, 2022**

REVENUES

Interest Income	\$ 11,350
State Aid	<u>10,000,000</u>
 Total Revenues	 <u>10,011,350</u>

EXPENDITURES AND OTHER FINANCING USES

Architectural/Engineering Services	1,885,510
Construction Services	5,925,329
Transfer to General Fund	<u>11,350</u>
 Total Expenditures	 <u>7,822,189</u>

Excess (Deficiency) of Revenues an Over (Under) Expenditures and Other Financing Uses	2,189,161
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Fund Balance, Beginning of Year	<u>12,013,742</u>
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Fund Balance, End of Year	<u>\$ 14,202,903</u>
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**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
McKINLEY ELEMENTARY SCHOOL REHABILITATION - EXTERIOR MASONRY, FAÇADE,
AND SEALANTS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 105,299		\$ 105,299	\$ 105,299
Local Sources	<u>323,315</u>	<u>-</u>	<u>323,315</u>	<u>323,315</u>
 Total Revenues and Other Financing Sources	 <u>428,614</u>	 <u>-</u>	 <u>428,614</u>	 <u>428,614</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	32,745		32,745	51,434
Construction Services	<u>152,520</u>	<u>-</u>	<u>152,520</u>	<u>377,180</u>
 Total Expenditures and Other Financing Uses	 <u>185,265</u>	 <u>-</u>	 <u>185,265</u>	 <u>428,614</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 243,349</u>	 <u>\$ -</u>	 <u>\$ 243,349</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	3610-100-14-1025
Grant Date	January 6, 2014
Original Authorized Cost	\$ 280,810
Additional Authorized Cost	147,804
Revised Authorized Cost	\$ 428,614

Percentage Increase over Original Authorized

Cost	53%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2021

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ROBERT FULTON ELEMENTARY SCHOOL REHABILITATION
ROOF REPLACEMENT AND MASONRY REPAIRS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 449,699		\$ 449,699	\$ 449,699
Local Sources	<u>359,854</u>	<u>-</u>	<u>359,854</u>	<u>359,854</u>
Total Revenues and Other Financing Sources	<u>809,553</u>	<u>-</u>	<u>809,553</u>	<u>809,553</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	29,852		29,852	97,146
Construction Services	<u>330,090</u>	<u>-</u>	<u>330,090</u>	<u>712,407</u>
Total Expenditures and Other Financing Uses	<u>359,942</u>	<u>-</u>	<u>359,942</u>	<u>809,553</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 449,611</u>	<u>\$ -</u>	<u>\$ 449,611</u>	<u>\$ -</u>

Additional Project Information:

Project Number	3610-110-14-1021
Grant Date	January 6, 2014
Original Authorized Cost	\$ 776,450
Additional Authorized Cost	33,103
Revised Authorized Cost	\$ 809,553

Percentage Increase over Original Authorized

Cost	4%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2021

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
LINCOLN ELEMENTARY SCHOOL REHABILITATION
EXTERIOR MASONRY, FAÇADE AND SEALANTS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 193,890		\$ 193,890	\$ 193,890
Local Sources	<u>403,235</u>	<u>-</u>	<u>403,235</u>	<u>403,235</u>
Total Revenues and Other Financing Sources	<u>597,125</u>	<u>-</u>	<u>597,125</u>	<u>597,125</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	22,552		22,552	71,655
Construction Services	<u>291,030</u>	<u>-</u>	<u>291,030</u>	<u>525,470</u>
Total Expenditures and Other Financing Uses	<u>313,582</u>	<u>-</u>	<u>313,582</u>	<u>597,125</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 283,543</u>	<u>\$ -</u>	<u>\$ 283,543</u>	<u>\$ -</u>

Additional Project Information:

Project Number	3610-090-14-1024
Grant Date	January 6, 2014
Original Authorized Cost	\$ 507,539
Additional Authorized Cost	89,586
Revised Authorized Cost	\$ 597,125

Percentage Decrease over Original Authorized

Cost	18%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	December 31, 2020

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
HORACE MANN ELEMENTARY SCHOOL REHABILITATION
ROOF REPLACEMENT AND MASONRY REPAIRS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 448,418		\$ 448,418	\$ 448,418
Local Sources	<u>305,832</u>	<u>-</u>	<u>305,832</u>	<u>305,832</u>
 Total Revenues and Other Financing Sources	 <u>754,250</u>	 <u>-</u>	 <u>754,250</u>	 <u>754,250</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	37,978		37,978	90,510
Construction Services	<u>406,790</u>	<u>-</u>	<u>406,790</u>	<u>663,740</u>
 Total Expenditures and Other Financing Uses	 <u>444,768</u>	 <u>-</u>	 <u>444,768</u>	 <u>754,250</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 309,482</u>	 <u>\$ -</u>	 <u>\$ 309,482</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	3610-070-14-1020
Grant Date	January 6, 2014
Original Authorized Cost	\$ 738,650
Additional Authorized Cost	15,600
Revised Authorized Cost	\$ 754,250

Percentage Decrease over Original Authorized

Cost	2%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2021

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ACQ. OF PROPERTY FORMERLY KNOWN AS HUDSON COUNTY TECHNICAL HIGH SCHOOL AND
PROVIDE FOR ADDITIONS, RENOVATIONS, ALTERATIONS AND IMPROVEMENTS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 20,000,000		\$ 20,000,000	\$ 44,627,170
State Aid		\$ 10,000,000	10,000,000	10,000,000
Local Sources	<u>4,958,000</u>	<u>-</u>	<u>4,958,000</u>	<u>4,958,000</u>
 Total Revenues and Other Financing Sources	 <u>24,958,000</u>	 <u>10,000,000</u>	 <u>34,958,000</u>	 <u>59,585,170</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	2,208,247	1,885,510	4,093,757	3,340,000
Acquisition of Land	10,197,128		10,197,128	10,000,000
Construction Services	<u>1,924,029</u>	<u>5,925,329</u>	<u>7,849,358</u>	<u>46,245,170</u>
 Total Expenditures and Other Financing Uses	 <u>14,329,404</u>	 <u>7,810,839</u>	 <u>22,140,243</u>	 <u>59,585,170</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 10,628,596</u>	 <u>\$ 2,189,161</u>	 <u>\$ 12,817,757</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	SP#3610-N06-17-1000
Original Authorized Cost	\$ 49,585,170
Additional Authorized Cost	10,000,000
Revised Authorized Cost	\$ 59,585,170

Percentage Increase over Original Authorized

Cost	20%
Original Target Completion Date	August 2021
Revised Target Completion Date	August 2023

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ADDITIONS, RENOVATIONS, ALTERATIONS AND IMPROVEMENTS
TO NORTH BERGEN HIGH SCHOOL
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds			-	\$ 15,372,830
Local Sources	-	-	-	-
	-----	-----	-----	-----
Total Revenues and Other Financing Sources	-	-	-	15,372,830
	-----	-----	-----	-----
Expenditures and Other Financing Uses				
Architectural/Engineering Services	\$ 63,205		\$ 63,205	2,328,088
Construction Services	-	-	-	13,044,742
	-----	-----	-----	-----
Total Expenditures and Other Financing Uses	63,205	-	63,205	15,372,830
	-----	-----	-----	-----
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (63,205)	\$ -	\$ (63,205)	\$ -
	-----	-----	-----	-----

Additional Project Information:

Project Numbers	SP#3610-050-18-1000, SP#3610-050-18-2000, SP#3610-050-18-3000 SP#3610-050-18-4000, SP#3610-050-18-5000, SP#3610-050-18-6000
Original Authorized Cost	\$ 15,372,830
Additional Authorized Cost	
Revised Authorized Cost	\$ 15,372,830
Percentage Increase over Original Authorized Cost	0%
Original Target Completion Date	August 2021
Revised Target Completion Date	August 2023

PROPRIETARY FUNDS

**NORTH BERGEN BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2022</u>
			<u>Date</u>	<u>Amount</u>					
Pension Obligation									
Refunding Bonds	10/31/2013	\$ 3,225,000	4/1/2023	275,000	4.504 %				
			4/1/2024	285,000	5.054				
			4/1/2025	300,000	5.054				
			4/1/2026	275,000	5.054	\$ 1,400,000	-	\$ 265,000	\$ 1,135,000
2020 School Bonds	2/13/2020	20,000,000	2/1/2023	500,000	2.375				
			2/1/2024	500,000	2.500				
			2/1/2025	505,000	2.500				
			2/1/2026	515,000	2.500				
			2/1/2027	530,000	2.500				
			2/1/2028	540,000	2.500				
			2/1/2029	555,000	2.500				
			2/1/2030	570,000	2.500				
			2/1/2031	585,000	2.500				
			2/1/2032	595,000	2.500				
			2/1/2033	610,000	2.500				
			2/1/2034	630,000	2.500				
			2/1/2035	645,000	2.500				
			2/1/2036	665,000	2.500				
			2/1/2037	680,000	2.500				
			2/1/2038	700,000	2.500				
			2/1/2039	720,000	2.500				
			2/1/2040	740,000	2.500				
			2/1/2041	760,000	2.500				
			2/1/2042	785,000	2.500				
			2/1/2043	805,000	2.500				
			2/1/2044	830,000	2.625				
			2/1/2045	855,000	2.625				
			2/1/2046	880,000	2.750				
			2/1/2047	910,000	2.750				
			2/1/2048	935,000	2.750				
			2/1/2049	965,000	2.750				
			2/1/2050	990,000	2.750				
						<u>20,000,000</u>	<u>-</u>	<u>500,000</u>	<u>19,500,000</u>
						<u>\$ 21,400,000</u>	<u>\$ -</u>	<u>\$ 765,000</u>	<u>\$ 20,635,000</u>

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>		<u>Balance, July 1, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2022</u>
			<u>Date</u>	<u>Amount</u>						
Refunding Certificates of Participation	2/25/2016	\$ 7,575,000	12/15/2022	\$ 1,715,000	4.00	%	\$ 3,365,000	-	\$ 1,650,000	\$ 1,715,000
Copier Machines	6/23/2021	631,093	8/1/2023-25	Various	2.54	%	-	\$ 631,093	89,636	541,457
							<u>\$ 3,365,000</u>	<u>\$ 631,093</u>	<u>\$ 1,739,636</u>	<u>\$ 2,256,457</u>

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
CAPITAL LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Description</u>	<u>Date of Lease</u>	<u>Amount of Issue</u>	<u>Annual Payments</u>		<u>Interest Rate</u>		<u>Balance, July 1, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2022</u>
			<u>Year</u>	<u>Amount</u>						
Right-To-Use Building Lease - 7117 Polk Street	7/1/2014	2,684,233	2022/2023	324,581	3.50	%	\$ 974,509	-	\$ 306,837	\$ 667,672
			2023/2024	343,091						

**NORTH BERGEN BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 2,075,291		\$ 2,075,291	\$ 2,075,291	
Miscellaneous				5	\$ 5
State Sources					
Debt Service Aid	<u>1,020,259</u>	<u>-</u>	<u>1,020,259</u>	<u>1,020,259</u>	<u>-</u>
Total Revenues	<u>3,095,550</u>	<u>-</u>	<u>3,095,550</u>	<u>3,095,555</u>	<u>5</u>
EXPENDITURES					
Debt Service					
Lease Purchase					
Principal	1,650,000		1,650,000	1,650,000	
Interest	101,600		101,600	101,600	
Bonds					
Principal		\$ 500,000	500,000	500,000	
Interest	1,011,931	(500,000)	511,931	511,931	
Pension Obligation Bonds					
Principal	265,000		265,000	265,000	
Interest	<u>67,124</u>	<u>-</u>	<u>67,124</u>	<u>67,124</u>	<u>-</u>
Total Expenditures	<u>3,095,655</u>	<u>-</u>	<u>3,095,655</u>	<u>3,095,655</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(105)	-	(105)	(100)	5
Fund Balance, Beginning of Year	<u>106</u>	<u>-</u>	<u>106</u>	<u>106</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 6</u>	<u>\$ 5</u>
			Available for Debt Service	<u>\$ 6</u>	

STATISTICAL SECTION

This part of the North Bergen Board of Education's annual comprehensive 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 district's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the district'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 district'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 district's current levels of outstanding debt and the district'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 district'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 district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

NORTH BERGEN BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2013	2014 (1)	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 42,221,991	\$ 40,601,409	\$ 45,233,311	\$ 46,523,366	\$ 49,080,720	\$ 51,220,429	\$ 52,144,194	\$ 56,530,766	\$ 56,151,791	\$ 70,511,164
Restricted	10,814,307	14,765,943	10,301,109	18,322,309	13,684,522	13,503,685	14,582,002	20,815,238	35,274,312	48,719,095
Unrestricted	(8,108,779)	(35,618,889)	(31,328,800)	(36,862,342)	(34,938,961)	(36,181,905)	(34,590,038)	(36,307,709)	(37,136,075)	(31,185,334)
Total Governmental Activities Net Position	\$ 44,927,519	\$ 19,748,463	\$ 24,205,620	\$ 27,983,333	\$ 27,826,281	\$ 28,542,209	\$ 32,136,158	\$ 41,038,295	\$ 54,290,028	\$ 88,044,925
Business-Type Activities										
Investment in Capital Assets	\$ 21,462	\$ 34,275	\$ 31,513	\$ 28,752	\$ 33,240	\$ 41,149	\$ 37,090	\$ 54,598	\$ 48,143	\$ 124,190
Unrestricted	549,791	691,390	769,370	1,015,447	1,032,010	1,064,013	1,112,468	968,310	1,444,361	2,544,509
Total Business-Type Activities Net Position	\$ 571,253	\$ 725,665	\$ 800,883	\$ 1,044,199	\$ 1,065,250	\$ 1,105,162	\$ 1,149,558	\$ 1,022,908	\$ 1,492,504	\$ 2,668,699
District-Wide										
Net Investment in Capital Assets	\$ 42,243,453	\$ 40,635,684	\$ 45,264,824	\$ 46,552,118	\$ 49,113,960	\$ 51,261,578	\$ 52,181,284	\$ 56,585,364	\$ 56,199,934	\$ 70,635,354
Restricted	10,814,307	14,765,943	10,301,109	18,322,309	13,684,522	13,503,685	14,582,002	20,815,238	35,274,312	48,719,095
Unrestricted	(7,558,988)	(34,927,499)	(30,559,430)	(35,846,895)	(33,906,951)	(35,117,892)	(33,477,570)	(35,339,399)	(35,691,714)	(28,640,825)
Total District Net Position	\$ 45,498,772	\$ 20,474,128	\$ 25,006,503	\$ 29,027,532	\$ 28,891,531	\$ 29,647,371	\$ 33,285,716	\$ 42,061,203	\$ 55,782,532	\$ 90,713,624

- (1) Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions".
(2) Net position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".
(3) Net position at June 30, 2021 is restated to reflect the implementation of GASB Statement No. 87, "Leases".

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 49,890,427	\$ 48,062,992	\$ 56,216,853	\$ 60,312,310	\$ 67,250,193	\$ 69,252,700	\$ 63,644,374	\$ 60,458,479	\$ 67,067,620	\$ 58,345,692
Special Education	15,393,829	16,364,077	20,000,057	21,371,331	24,113,217	25,056,382	24,258,879	23,848,462	23,369,643	20,762,689
Other Instruction	10,598,844	9,400,836	9,742,185	10,357,495	11,908,442	11,534,561	12,010,820	11,751,872	13,126,698	12,114,883
School Sponsored Activities And Athletics	2,101,085	2,087,712	2,284,648	2,450,975	2,784,999	2,922,663	2,972,354	2,643,478	2,595,356	3,062,203
Support Services:										
Student & Instruction Related Services	13,655,646	13,433,274	15,204,154	16,519,639	18,686,314	19,397,649	17,933,421	17,071,514	18,225,920	17,714,424
General Administration	2,849,487	2,446,297	2,527,627	2,800,487	3,052,249	2,728,117	2,743,501	2,241,707	2,406,952	1,941,563
School Administrative Services	7,659,657	8,005,807	9,453,664	10,169,920	11,099,792	11,310,032	10,976,374	10,521,309	11,897,156	9,782,371
Plant Operations And Maintenance	13,724,829	14,789,426	14,147,869	13,723,364	16,042,326	16,298,080	16,010,748	16,187,072	16,128,843	15,209,641
Pupil Transportation	3,825,607	3,796,694	4,019,075	3,957,813	3,717,316	3,886,776	3,863,529	3,021,876	2,648,568	3,927,105
Business and Other Support Services	2,802,117	2,716,209	3,145,017	3,093,191	3,203,625	3,547,726	3,836,790	3,573,405	3,908,527	3,630,192
Interest On Long-Term Debt	900,966	910,459	819,740	841,211	547,825	494,870	436,153	570,703	808,102	786,468
Total Governmental Activities Expenses	123,402,494	122,013,783	137,560,889	145,597,736	162,406,298	166,429,556	158,686,943	151,889,877	162,183,385	147,277,231
Business-Type Activities:										
Food Service	2,947,175	2,903,222	2,945,158	2,989,029	3,061,343	2,947,323	2,960,902	2,516,312	2,567,242	3,944,212
Total Business-Type Activities Expense	2,947,175	2,903,222	2,945,158	2,989,029	3,061,343	2,947,323	2,960,902	2,516,312	2,567,242	3,944,212
Total District Expenses	\$ 126,349,669	\$ 124,917,005	\$ 140,506,047	\$ 148,586,765	\$ 165,467,641	\$ 169,376,879	\$ 161,647,845	\$ 154,406,189	\$ 164,750,627	\$ 151,221,443
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Instruction	\$ 3,385,154	\$ 4,389,854	\$ 4,293,630	\$ 4,029,702	\$ 4,239,503	\$ 4,598,903	\$ 4,937,577	\$ 5,457,950	\$ 4,792,514	\$ 4,585,621
School Sponsored Activities and Athletics									54,326	375,679
Operating Grants And Contributions	26,589,456	23,763,862	38,311,398	44,897,037	56,472,260	58,779,883	52,617,460	46,884,690	63,045,313	50,457,881
Capital Grants And Contributions	697,311	84,373	1,984,809	1,084,063	970,572	2,277	8,108	406,172	414,607	13,704,528
Total Governmental Activities Program Revenues	30,671,921	28,238,089	44,589,837	50,010,802	61,682,335	63,381,063	57,563,145	52,748,812	68,306,760	69,123,709
Business-Type Activities:										
Charges For Services										
Food Service	\$ 637,575	\$ 596,612	\$ 603,366	\$ 608,017	\$ 599,065	\$ 563,293	\$ 568,496	\$ 418,788	\$ 20,440	\$ 183,186
Operating Grants And Contributions	2,470,315	2,460,891	2,416,884	2,623,970	2,482,935	2,422,299	2,432,586	1,968,433	3,015,851	4,936,385
Total Business Type Activities Program Revenues	3,107,890	3,057,503	3,020,250	3,231,987	3,082,000	2,985,592	3,001,082	2,387,221	3,036,291	5,119,571
Total District Program Revenues	\$ 33,779,811	\$ 31,295,592	\$ 47,610,087	\$ 53,242,789	\$ 64,764,335	\$ 66,366,655	\$ 60,564,227	\$ 55,136,033	\$ 71,343,051	\$ 74,243,280
Net (Expense)/Revenue										
Governmental Activities	\$ (92,730,573)	\$ (93,775,694)	\$ (92,971,052)	\$ (95,586,934)	\$ (100,723,963)	\$ (103,048,493)	\$ (101,123,798)	\$ (99,141,065)	\$ (93,876,625)	\$ (78,153,522)
Business-Type Activities	160,715	154,281	75,092	242,958	20,657	38,269	40,180	(129,091)	469,049	1,175,359
Total District-Wide Net Expense	\$ (92,569,858)	\$ (93,621,413)	\$ (92,895,960)	\$ (95,343,976)	\$ (100,703,306)	\$ (103,010,224)	\$ (101,083,618)	\$ (99,270,156)	\$ (93,407,576)	\$ (76,978,163)

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental Activities:										
General Revenues										
Property Taxes - General Purposes	\$ 41,061,340	\$ 42,141,260	\$ 43,507,740	\$ 45,550,000	\$ 46,734,214	\$ 48,709,108	\$ 49,895,435	\$ 50,493,344	\$ 51,250,000	\$ 52,119,867
Property Taxes - Debt Service	1,482,582	1,593,869	1,576,831	1,573,392	1,423,414	1,567,487	1,529,144	1,554,287	1,546,670	2,075,291
State Aid - Unrestricted	50,230,702	50,857,905	51,010,601	51,001,448	51,387,346	52,484,655	51,877,191	52,848,590	53,249,905	55,975,237
State Aid - Restricted for Debt Service	551,162	550,827	550,049	551,188	550,674	476,785	530,716	540,842	536,989	1,020,259
Investment Earnings	15,591	18,341	19,253	39,121	82,733	193,891	471,909	390,436	114,381	133,606
Miscellaneous Income	615,273	306,307	763,735	649,498	388,530	332,495	413,352	564,666	599,650	584,159
Gain (Loss) on Disposal of Assets	-	10,000	-	-	-	-	-	-	-	-
Total Governmental Activities	93,956,650	95,478,509	97,428,209	99,364,647	100,566,911	103,764,421	104,717,747	106,392,165	107,297,595	111,908,419
Business-Type Activities:										
General Revenues										
Interest Earnings	85	131	126	358	394	1,643	4,216	2,441	547	836
Total Business Type Activities	85	131	126	358	394	1,643	4,216	2,441	547	836
Total District-Wide	\$ 93,956,735	\$ 95,478,640	\$ 97,428,335	\$ 99,365,005	\$ 100,567,305	\$ 103,766,064	\$ 104,721,963	\$ 106,394,606	\$ 107,298,142	\$ 111,909,255
Change in Net Position										
Governmental Activities	\$ 1,226,077	\$ 1,702,815	\$ 4,457,157	\$ 3,777,713	\$ (157,052)	\$ 715,928	\$ 3,593,949	\$ 7,251,100	\$ 13,420,970	\$ 33,754,897
Business-Type Activities	160,800	154,412	75,218	243,316	21,051	39,912	44,396	(126,650)	469,596	1,176,195
Total District	\$ 1,386,877	\$ 1,857,227	\$ 4,532,375	\$ 4,021,029	\$ (136,001)	\$ 755,840	\$ 3,638,345	\$ 7,124,450	\$ 13,890,566	\$ 34,931,092

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable			\$ 746,280	\$ 424,454	\$ 455,822	\$ 440,660	\$ 398,500			
Restricted	\$ 10,231,727	\$ 16,046,061	13,469,501	18,804,592	17,150,168	16,747,103	12,766,887	\$ 20,395,447	\$ 35,108,770	\$ 46,970,173
Committed	88,967	26,686	57,114	465,127	1,379,824	644,243	1,313,238	593,720	605,313	996,000
Assigned	4,652,890	3,503,405	3,696,448	2,092,745	3,434,565	3,642,763	6,791,341	7,576,841	5,843,118	8,370,150
Unassigned	(3,317,010)	(4,726,127)	(3,659,697)	(3,768,087)	(3,739,862)	(3,743,874)	(4,026,420)	(4,258,955)	(2,381,413)	(2,690,369)
Total General Fund	<u>\$ 11,656,574</u>	<u>\$ 14,850,025</u>	<u>\$ 14,309,646</u>	<u>\$ 18,018,831</u>	<u>\$ 18,680,517</u>	<u>\$ 17,730,895</u>	<u>\$ 17,243,546</u>	<u>\$ 24,307,053</u>	<u>\$ 39,175,788</u>	<u>\$ 53,645,954</u>
All Other Governmental Funds										
Restricted	\$ 2,335,710	\$ 3,694,101	\$ 4,485,954	\$ 4,012,812	\$ 3,045,706	\$ 2,971,134	\$ 6,101,056	\$ 13,965,367	\$ 12,301,940	\$ 14,503,474
Unassigned	(5,000)	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 2,330,710</u>	<u>\$ 3,694,101</u>	<u>\$ 4,485,954</u>	<u>\$ 4,012,812</u>	<u>\$ 3,045,706</u>	<u>\$ 2,971,134</u>	<u>\$ 6,101,056</u>	<u>\$ 13,965,367</u>	<u>\$ 12,301,940</u>	<u>\$ 14,503,474</u>

(1) Fund Balances in the General and Special Revenue Funds at June 30, 2020 are restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Property Taxes	\$ 42,543,922	\$ 43,735,129	\$ 45,084,571	\$ 47,123,392	\$ 48,157,628	\$ 50,276,595	\$ 51,424,579	\$ 52,047,631	\$ 52,796,670	\$ 54,195,158
Tuition Charges	3,385,154	4,389,854	4,293,630	4,029,702	4,239,503	4,598,903	4,937,577	5,457,950	4,792,514	4,585,621
Interest Earnings	15,591	18,341	19,253	39,121	82,733	193,891	471,909	390,436	114,381	133,606
Miscellaneous	665,266	356,390	812,423	701,532	440,106	383,598	501,779	616,804	700,326	1,008,182
State Sources	71,745,246	70,212,122	73,625,973	74,785,707	77,548,384	80,050,585	85,125,679	87,085,745	92,094,496	110,256,038
Federal Sources	6,273,392	4,994,762	5,589,986	6,148,253	6,256,531	6,287,587	6,377,588	5,349,703	7,908,754	14,829,291
Total Revenue	124,628,571	123,706,598	129,425,836	132,827,707	136,724,885	141,791,159	148,839,111	150,948,269	158,407,141	185,007,896
Expenditures										
Instruction										
Regular Instruction	49,203,631	48,751,266	48,258,565	50,228,150	52,221,904	56,016,919	56,506,718	55,853,705	58,191,509	62,641,336
Special Education Instruction	15,393,829	16,364,077	18,054,376	18,677,742	19,777,356	21,123,429	22,102,670	22,471,286	20,911,124	22,000,249
Other Instruction	10,598,844	9,400,836	8,698,195	8,974,600	9,720,858	9,540,589	10,911,929	10,987,923	11,725,845	12,816,372
School Sponsored Activities and Athletics	2,101,085	2,087,712	2,056,839	2,138,965	2,293,585	2,462,631	2,700,922	2,475,432	2,332,681	3,220,521
Support Services:										
Student and Inst. Related Services	13,615,693	13,394,135	14,118,157	14,874,866	15,695,525	16,516,797	16,584,049	16,356,023	16,438,008	18,411,606
General Administration	2,779,257	2,460,755	2,277,885	2,523,972	2,697,456	2,419,474	2,546,054	2,197,329	2,179,107	1,996,588
School Administrative Services	7,505,592	8,014,886	8,433,338	8,940,045	9,247,656	9,402,029	9,929,095	9,976,366	10,466,025	10,290,025
Plant Operations And Maintenance	11,828,538	11,709,601	12,078,308	11,412,244	12,337,585	12,521,251	13,042,755	13,470,933	12,712,067	13,311,053
Pupil Transportation	3,825,607	3,796,694	4,017,346	3,952,064	3,692,609	3,853,173	3,847,754	3,019,099	2,642,358	3,934,748
Business and Other Support Services	2,709,954	2,750,986	2,997,233	2,972,413	2,959,599	3,177,503	3,627,321	3,571,458	3,588,811	3,759,791
Capital Outlay	1,667,902	368,045	5,458,629	2,219,962	3,700,564	3,092,984	2,104,170	13,452,997	2,994,094	12,959,667
Debt Service:										
Principal	1,390,000	1,820,000	1,985,000	2,065,000	2,085,000	2,145,000	1,820,000	1,780,000	1,840,000	2,811,473
Interest and Other Charges	814,168	840,890	740,491	815,092	600,608	543,574	473,101	407,900	831,241	813,860
Total Expenditures	123,434,100	121,759,883	129,174,362	129,795,115	137,030,305	142,815,353	146,196,538	156,020,451	146,852,870	168,967,289
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	1,194,471	1,946,715	251,474	3,032,592	(305,420)	(1,024,194)	2,642,573	(5,072,182)	11,554,271	16,040,607
Other Financing Sources (Uses)										
Proceeds From Borrowing		5,760,000		7,575,000				20,000,000		
Proceeds From Capital Financing Agreements										631,093
Premium on Issuance of Bonds/Certificates of Participation				800,793						
Payments to Refunding Escrow Agent		(3,149,873)		(8,172,342)						
Transfers In		1,500,000	2,364,834	233,650	13,493	51,854	6,212,910	41,999	542,323	11,350
Transfers Out	-	(1,500,000)	(2,364,834)	(233,650)	(13,493)	(51,854)	(6,212,910)	(41,999)	(542,323)	(11,350)
Total Other Financing Sources (Uses)	-	2,610,127	-	203,451	-	-	-	20,000,000	-	631,093
Net Change in Fund Balances	\$ 1,194,471	\$ 4,556,842	\$ 251,474	\$ 3,236,043	\$ (305,420)	\$ (1,024,194)	\$ 2,642,573	\$ 14,927,818	\$ 11,554,271	\$ 16,671,700
Debt Service as a Percentage of										
Noncapital Expenditures	1.81%	2.19%	2.20%	2.26%	2.01%	1.92%	1.59%	1.53%	1.86%	2.32%

* Noncapital expenditures are total expenditures less capital outlay.

NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Refunds</u>	<u>E-Rate</u>	<u>Solar Energy</u>	<u>Gate Receipts</u>	<u>Miscellaneous</u>	<u>Total</u>
2013	\$ 3,385,154	\$ 15,591	\$ 121,308	\$ 251,647	\$ 61,617	\$ 4,440	\$ 176,261	\$ 4,016,018
2014	4,389,854	18,341	43,878	-	116,532	11,357	134,540	4,714,502
2015	4,293,630	19,253	151,248		144,680	10,428	457,379	5,076,618
2016	4,029,702	39,121	118,260	185,145	243,538	8,236	94,319	4,718,321
2017	4,239,503	82,733	61,722	35,929	252,919	11,515	21,440	4,705,761
2018	4,598,903	193,836	40,605	25,153	173,635	15,043	78,059	5,125,234
2019	4,937,577	471,909	10,603	12,914	166,005	9,356	214,474	5,822,838
2020	5,457,950	348,332	10,492		190,423	9,017	354,734	6,370,948
2021	4,792,514	91,925		229,032	171,662		198,956	5,484,089
2022	4,585,621	122,256	213,386		244,864	4,478	121,426	5,292,031

Source: District records

NORTH BERGEN BOARD OF EDUCATION
ASSESSED VALUATION AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^a
2013	\$ 52,378,200	\$ 1,479,713,100	\$ 428,606,000	\$ 366,192,700	\$ 158,416,800	\$ 2,485,306,800	\$ 3,915,047	\$ 2,489,221,847	\$ 4,718,625,502	\$ 1.734
2014	54,338,500	1,477,819,100	422,492,700	361,379,400	164,902,300	2,480,932,000	4,092,557	2,485,024,557	4,593,353,727	1.787
2015	44,353,300	1,476,800,900	479,620,100	363,715,900	168,470,800	2,532,961,000	4,174,875	2,537,135,875	4,805,626,920	1.817
2016	45,723,200	1,474,075,800	483,283,700	352,931,900	169,524,100	2,525,538,700	4,076,577	2,529,615,277	5,171,779,148	1.883
2017	49,625,100	1,480,100,600	501,492,600	354,589,100	174,509,200	2,560,316,600	3,940,684	2,564,257,284	5,615,942,611	1.920
2018	55,202,800	1,483,782,500	508,458,867	352,107,800	181,295,400	2,580,847,367	3,545,902	2,584,393,269	6,209,345,294	1.967
2019	46,939,200	1,486,380,800	508,047,767	351,771,100	181,655,600	2,574,794,467	3,420,264	2,578,214,731	6,571,705,138	2.007
2020	48,928,800	1,490,030,500	486,594,467	351,318,700	183,617,500	2,560,489,967	3,395,036	2,563,885,003	6,651,210,259	2.045
2021	50,615,400	1,493,139,400	468,034,467	364,514,200	186,704,800	2,563,008,267	3,378,806	2,566,387,073	6,988,919,154	2.085
2022 ¹	173,412,800	5,254,501,100	1,943,695,502	1,810,298,695	646,300,300	9,828,208,397	9,271,757	9,837,480,154	8,798,272,027	0.556

Source: County Abstract of Ratables

^a Tax rates are per \$100

¹ Revaluation effective for 2022

**NORTH BERGEN BOARD OF EDUCATION
PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)**

Year Ended <u>June 30,</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County</u>
2013	\$ 5.147	\$ 1.734	\$ 2.399	\$ 1.014
2014	5.240	1.787	2.460	0.993
2015	5.291	1.817	2.458	1.016
2016	5.467	1.883	2.513	1.071
2017	5.531	1.920	2.538	1.073
2018	5.636	1.967	2.585	1.084
2019	5.726	2.007	2.620	1.099
2020	5.732	2.045	2.679	1.008
2021	5.853	2.085	2.730	1.038
2022	1	1.579	0.681	0.342

1 Revaluation effective for 2022

Source: Table of Aggregates

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

Taxpayer	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Hartz Mountain Development	\$ 446,114,600	4.53%	\$ 71,458,300	2.87%
Vornado	211,356,000	2.15%		
5851 Westside Assoc.	201,578,895	2.05%	22,230,400	0.89%
Mack Associates	158,730,600	1.61%		
8100 River Road	152,682,100	1.55%		
FC/Treeco Columbia Park	149,933,000	1.52%	24,962,200	1.00%
7855 Blvd East	143,065,100	1.45%		
8101 Tonnelle Avenue	118,398,600	1.20%		
5901 West Side Avenue	93,612,800	0.95%		
5903 West Side Avenue	90,285,500	0.92%		
Woodcliff Gardens			23,956,000	0.96%
M-Industries LLC			22,714,700	0.91%
7912 River Road Apts., LLC			18,000,000	0.72%
Westview Tower Realty Co			18,000,000	0.72%
Stone Henge Apartments LLC			15,281,000	0.61%
Target			14,763,000	0.59%
2101 91st St LLC			14,400,000	0.58%
	<u>\$ 1,765,757,195</u>	<u>17.95%</u>	<u>\$ 245,765,600</u>	<u>9.87%</u>

Source: Municipal Tax Assessor

**NORTH BERGEN 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	
2013	\$ 42,543,922	\$ 42,543,922	100.00%	N/A
2014	43,735,129	43,735,129	100.00%	N/A
2015	45,084,571	45,084,571	100.00%	N/A
2016	47,123,392	47,123,392	100.00%	N/A
2017	48,157,628	48,095,718	99.87%	\$ 61,910
2018	50,276,595	50,276,595	100.00%	N/A
2019	51,424,579	51,424,560	100.00%	\$ 19
2020	52,047,631	49,681,830	95.45%	\$ 2,365,801
2021	52,796,670	52,796,670	100.00%	N/A
2022	54,195,158	54,195,158	100.00%	N/A

**NORTH BERGEN 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	Capital Financing Agreements (COPS)	Other Capital Financing Agreements	Leases *	Sales Leaseback			
2013	\$ 4,880,000	\$ 13,290,000				\$ 18,170,000	61,863	\$ 294
2014	4,435,000	12,375,000		\$ 2,684,233	\$ 2,180,000	21,674,233	62,118	349
2015	3,870,000	11,425,000		2,482,403	1,710,000	19,487,403	62,192	313
2016	3,300,000	9,930,000		2,267,449	1,205,000	16,702,449	62,037	269
2017	2,720,000	8,955,000		2,038,787	675,000	14,388,787	62,022	232
2018	2,125,000	7,945,000		1,795,810	135,000	12,000,810	61,945	194
2019	1,890,000	6,495,000		1,537,881		9,922,881	61,323	162
2020	21,650,000	4,955,000		1,264,342		27,869,342	60,808	458
2021	21,400,000	3,365,000		974,509		25,739,509	59,859	430
2022	20,635,000	1,715,000	\$ 631,093	667,672		23,648,765	60,612	390

Source: District records

* GASB Statement 87, "Leases" implemented for fiscal year ended June 30, 2022

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2013	\$ 4,880,000		\$ 4,880,000	0.20%	\$ 79
2014	4,435,000		4,435,000	0.18%	71
2015	3,870,000		3,870,000	0.15%	62
2016	3,300,000		3,300,000	0.13%	53
2017	2,720,000		2,720,000	0.11%	44
2018	2,125,000		2,125,000	0.08%	34
2019	1,890,000		1,890,000	0.07%	31
2020	21,650,000		21,650,000	0.84%	356
2021	21,400,000		21,400,000	0.83%	358
2022	20,635,000		20,635,000	0.21%	340

Source: District records

**NORTH BERGEN BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2021
(Unaudited)**

Direct Debt:	
North Bergen Board of Education (as of June 30, 2022)	\$ 59,500,000
Township of North Bergen (1)	<u>81,829,212</u>
Total Direct Debt	<u>141,329,212</u>
Overlapping Debt Apportioned to the Municipality:	
Hudson County:	
County of Hudson (A)	88,199,076
North Bergen Municipal Utilities Authority	<u>46,355,085</u>
Total Overlapping Debt	<u>134,554,161</u>
Total Direct and Overlapping Debt	<u>\$ 275,883,373</u>

(A) The debt for this entity was apportioned by dividing the Municipality's 2021 equalized value by the total 2021 equalized value for Hudson County.

Sources:

(1) Township of North Bergen Annual Debt Statement

**NORTH BERGEN BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 201,993,550	\$ 189,869,132	\$ 185,914,690	\$ 191,438,083	\$ 203,949,327	\$ 223,256,144	\$ 241,826,950	\$ 257,026,412	\$ 267,897,318	\$ 282,335,660
Total Net Debt Applicable to Limit	<u>1,760,000</u>	<u>1,415,000</u>	<u>1,070,000</u>	<u>720,000</u>	<u>365,000</u>	<u>60,000,000</u>	<u>60,000,000</u>	<u>60,000,000</u>	<u>60,000,000</u>	<u>59,500,000</u>
Legal Debt Margin	<u>\$ 200,233,550</u>	<u>\$ 188,454,132</u>	<u>\$ 184,844,690</u>	<u>\$ 190,718,083</u>	<u>\$ 203,584,327</u>	<u>\$ 223,256,144</u>	<u>\$ 181,826,950</u>	<u>\$ 197,026,412</u>	<u>\$ 207,897,318</u>	<u>\$ 222,835,660</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.87%	0.75%	0.58%	0.38%	0.18%	0.00%	24.81%	23.34%	22.40%	21.07%

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized Valuation Basis

2019	\$ 6,632,649,323
2020	6,925,858,715
2021	<u>7,616,666,470</u>
	<u>\$ 21,175,174,508</u>

Average Equalized Valuation of Taxable Property

\$ 7,058,391,503

Debt Limit (4 % of Average Equalization Value)

\$ 282,335,660

Total Net Debt Applicable to Limit

59,500,000

Legal Debt Margin

\$ 222,835,660

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

**NORTH BERGEN BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income *</u>	<u>Population</u>
2012	10.70%	\$ 46,459	61,863
2013	9.70%	47,381	62,118
2014	7.30%	51,066	62,192
2015	5.70%	54,675	62,037
2016	5.00%	56,597	62,022
2017	4.40%	60,558	61,945
2018	3.80%	65,090	61,323
2019	3.20%	67,570	60,808
2020	12.20%	71,682	59,859
2021	7.30%	N/A	60,612

Source: Data provided by State Department of Education

N/A = Not Available

* = Hudson County

**NORTH BERGEN BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	480	467	530	530	530	530	530	530	530	535
Special Education	75	84	50	57	59	59	59	59	59	59
Other Instruction	85	85	61	61	65	60	60	60	60	60
Support Services:										
Student and Instruction Related Services	18	18	18	18	18	35	35	35	35	35
General Administration	6	6	6	6	7	7	7	7	7	7
School Administrative Services	56	61	61	61	61	61	61	61	61	61
Other Administrative Services	30	30	30	30	30	30	30	30	30	30
Central Services	13	13	13	13	13	13	13	13	13	13
Administrative Information Technology	6	6	3	3	3	3	3	3	3	3
Plant Operations And Maintenance	109	109	109	109	106	106	106	106	106	106
Pupil Transportation	3	3	3	3	3	3	3	3	3	3
Other Support Services	72	73	77	77	77	77	77	77	79	79
Total	<u>953</u>	<u>955</u>	<u>961</u>	<u>968</u>	<u>972</u>	<u>984</u>	<u>984</u>	<u>984</u>	<u>986</u>	<u>991</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	High School				
2013	8,068	\$ 119,562,030	\$ 14,819	5.88%	640	1:12	1:14	8,068	7,808	-0.15%	96.78%
2014	8,048	118,730,948	14,753	-0.45%	640	1:12	1:14	8,048	7,790	-0.25%	96.80%
2015	7,761	120,990,242	15,590	5.67%	641	1:12	1:14	8,031	7,764	-0.21%	96.68%
2016	8,005	124,695,061	15,577	-0.08%	648	1:12	1:14	7,869	7,629	-2.02%	96.95%
2017	7,900	130,644,133	16,537	6.16%	641	1:12	1:14	7,714	7,330	-1.96%	95.02%
2018	7,666	137,033,795	17,876	8.09%	649	1:12	1:14	7,643	7,257	-0.92%	94.95%
2019	7,519	141,799,267	18,859	5.50%	649	1:12	1:14	7,490	7,108	-2.00%	94.90%
2020	7,488	140,379,554	18,747	-0.59%	649	1:12	1:14	7,275	7,185	-2.87%	98.76%
2021	7,314	141,187,535	19,304	2.97%	649	1:12	1:14	7,257	7,050	-0.25%	97.15%
2022	7,212	152,382,289	21,129	12.70%	654	1:12	1:14	7,167	6,743	-1.48%	94.08%

Sources: District records

Note: a Operating expenditures equal total expenditures less debt service and capital outlay.

NORTH BERGEN BOARD OF EDUCATION
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS
 (Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
District Building										
<u>Elementary</u>										
Robert Fulton/No. 2 (1926)										
Square Feet	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409
Capacity (students)	784	784	784	784	784	784	784	784	784	784
Enrollment	995	995	995	995	995	1,022	1,022	1,196	961	1,050
Fulton Annex										
Square Feet	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800
Capacity (students)	155	155	155	155	155	155	155	155	155	155
Enrollment	144	144	144	144	144	223	223	146	204	146
Franklin School/No. 3 (1919)										
Square Feet	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434
Capacity (students)	475	475	475	475	475	475	475	475	475	475
Enrollment	575	575	575	575	575	530	530	623	560	526
Franklin Annex (1999)										
Square Feet	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225
Capacity (students)	80	80	80	80	80	80	80	80	80	80
Enrollment	85	85	85	85	85	97	97	97	97	97
Lincoln School/No. 5 (1915)										
Square Feet	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	659	659	659	659	659	972	972	1,393	1,363	957
Lincoln School/No. 5 Annex (2004)										
Square Feet	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300
Capacity (students)	352	352	352	352	352	352	352	352	352	352
Enrollment	436	436	436	436	436	422	422			436
J.F. Kennedy School/No. 7 (including Annex)										
Square Feet	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125
Capacity (students)	662	662	662	662	662	662	662	662	662	662
Enrollment	538	538	538	538	538	549	549	472	454	472
Horace Mann School/No. 9 (1928)										
Square Feet	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068
Capacity (students)	836	836	836	836	836	836	836	836	836	836
Enrollment	1,023	1,023	1,023	1,023	1,023	1,135	1,135	1,089	1,093	1,089
McKinnely School/No. 10 (1919)										
Square Feet	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050
Capacity (students)	426	426	426	426	426	426	426	426	426	426
Enrollment	419	419	419	419	419	361	361	346	342	346
Polk Street School										
Square Feet										
Capacity (students)										
Enrollment										
<u>High School</u>										205
North Bergen High School (1961)										
Square Feet	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973
Capacity (students)	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377
Enrollment	2,416	2,416	2,416	2,416	2,416	2,355	2,355	2,369	2,337	2,369
<u>Other</u>										
Central Administration (1961)										
Square Feet	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267

Number of Schools at June 30, 2022
 Elementary = 7
 Senior High School = 1
 Other = 1

Source: District Records

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(Unaudited)**

<u>School Facilities</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
North Bergen High School	\$ 658,851	\$ 637,900	\$ 629,935	\$ 318,417	\$ 451,186	\$ 414,783	\$ 497,292	\$ 566,198	\$ 541,120	\$ 488,387
Franklin School	198,994	183,520	202,558	199,757	153,315	149,453	128,329	182,063	173,999	157,044
Horace Mann	306,554	271,850	312,045	190,335	235,531	230,235	252,236	280,472	268,049	241,929
John F. Kennedy	295,791	282,963	282,087	216,192	208,711	222,152	207,733	270,625	258,639	233,434
Lincoln School	313,341	278,965	260,058	243,465	290,374	258,402	267,911	368,568	352,243	317,918
Mc Kinley	193,450	195,682	146,528	229,206	154,055	108,112	117,762	131,702	125,869	113,603
Robert Fulton	<u>304,485</u>	<u>278,950</u>	<u>279,939</u>	<u>224,356</u>	<u>177,494</u>	<u>228,681</u>	<u>210,810</u>	<u>278,579</u>	<u>266,240</u>	<u>240,295</u>
Total School Facilities	<u>\$ 2,271,466</u>	<u>\$ 2,129,830</u>	<u>\$ 2,113,150</u>	<u>\$ 1,621,728</u>	<u>\$ 1,670,666</u>	<u>\$ 1,611,818</u>	<u>\$ 1,682,073</u>	<u>\$ 2,078,207</u>	<u>\$ 1,986,159</u>	<u>\$ 1,792,610</u>

Source: School District Records

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2022
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property	\$ 500,000,000	\$ 5,000
Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
Data Processing Equipment	500,000,000	1,000
Equipment Breakdown	100,000,000	25,000
Crime and Bonds		
Faithful Performance	500,000	1,000
Forgery and Alteration	500,000	1,000
Money and Securities	100,000	1,000
Money Orders/Counterfeit	100,000	500
Computer Fraud	500,000	1,000
Business Administrator	600,000	1,000
Board Secretary	600,000	1,000
General Liability	16,000,000	-
Automobile Liability	16,000,000	
Auto Physical Damage	ACV Basis	1,000
Public Employees' Faithful Performance Bonds (Western Surety)		
Treasurer of School Monies	600,000	1,000

Note: Unless otherwise noted all Insurance Policies are with the New Jersey Schools Insurance Group

Source: School District's records

SINGLE AUDIT



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
North Bergen Board of Education
7317 Kennedy Boulevard
North Bergen, New Jersey 07047

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 and each major fund of the North Bergen Board of Education as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the North Bergen Board of Education's basic financial statements and have issued our report thereon dated February 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the North Bergen Board of Education's internal control over financial reporting (internal control) as a basis for designing 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 North Bergen Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the North Bergen 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.

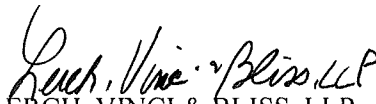
Report on Compliance and Other Matters


As part of obtaining reasonable assurance about whether the North Bergen 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 financial statements. 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 North Bergen Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated February 21, 2023.

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 North Bergen 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 North Bergen Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 21, 2023



LERCH, VINCI & BLISS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
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CHRISTINA CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Trustees
North Bergen Board of Education
7317 Kennedy Boulevard
North Bergen, New Jersey 07047

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the North Bergen Board of Education’s compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the North Bergen Board of Education’s major federal and state programs for the fiscal year ended June 30, 2022. The North Bergen 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.

In our opinion, the North Bergen Board of Education complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal and State Program

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 prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the North Bergen Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the North Bergen Board of Education’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the North Bergen Board of Education's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the North Bergen Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the North Bergen Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the North Bergen Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the North Bergen Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the North Bergen Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

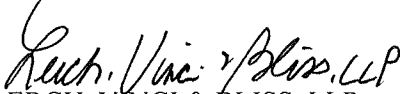
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.


Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the North Bergen Board of Education, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the North Bergen Board of Education's basic financial statements. We have issued our report thereon dated February 21, 2023, 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 & BLISS, LLP
Certified Public Accountants
Public School Accountants


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 21, 2023

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal/Grantor/Pass-Through Grantor Program/Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2021	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Refund To State	Prior Years Adjustments	Balance, June 30, 2022			Memo GAAP Receivable	Memo Cumulative Expenditures
												(Accounts Receivable)	Unearned Revenue	Due to Grantor		
U.S. Department of Agriculture																
Passed-Through State Department of Education																
Enterprise Fund																
School Breakfast Program	10.553	211NJ304N1099	7/1/20-6/30/21	\$ 1,054,685	\$ (97,114)		\$ 97,114									
School Breakfast Program	10.553	221NJ304N1099	7/1/21-6/30/22	1,038,879			959,479	\$ 1,038,879				\$ (79,400)		\$ (79,400)	\$ 1,038,879	
NSLP-Cash Assistance	10.555	211NJ304N1099	7/1/20-6/30/21	1,680,030	(332,679)		332,679									
NSLP-Cash Assistance	10.555	221NJ304N1099	7/1/21-6/30/22	3,175,361			2,925,847	3,175,361				(249,514)		(249,514)	3,175,361	
NSLP-Cash Assistance EMOP	10.555	221NJ304N1099	7/1/21-6/30/22	251,748			251,748	251,748							251,748	
P-EBT Administrative	10.649	2022225900941	7/1/21-6/30/22	6,198			6,198	6,198							6,198	
Supply Chain Assistance Funding	10.555	221NJ344N8903	7/1/21-6/30/23	142,371				142,371				(142,371)		(142,371)	142,371	
NSLP-Non Cash Assistance	10.555	211NJ304N1099	7/1/20-6/30/21	226,138	28,885			28,885							28,885	
NSLP-Non Cash Assistance	10.555	221NJ304N1099	7/1/21-6/30/22	226,139	-	-	226,139	218,182	-	-	-	-	\$ 7,957	-	218,182	
Total Department of Agriculture					(400,908)	-	4,799,204	4,861,624	-	-	-	(471,285)	7,957	(471,285)	4,861,624	
U.S. Dept. of Education Passed-Through																
State Dept. of Education																
Special Revenue Fund																
Title I, Part A	84.010A	S010A210030	7/1/21-9/30/22	3,244,435		\$ 583,194	1,461,726	3,333,039	\$ (583,194)			(2,365,903)	494,590	(1,748,544)	3,333,039	
Title I, Part A	84.010A	S010A200030	7/1/20-9/30/21	3,227,084	(1,170,419)	(583,194)	1,170,418				1				-	
Title I, SIA, Part A	84.010A	S010A210030	7/1/21-9/30/22	109,900		26,705	10,189	102,027	(26,705)			(126,416)	34,578	(91,838)	102,027	
Title I, SIA, Part A	84.010A	S010A200030	7/1/20-9/30/21	96,200	(86,134)	(26,705)	86,134								-	
Total Title I					(1,256,553)	-	2,728,467	3,435,066	-	-	1	(2,492,319)	529,168	(1,840,382)	3,435,066	
Title II, Part A	84.367A	S367A200029	7/1/20-9/30/21	387,585	(165,473)	(66,546)	165,474		66,546		(1)				-	
Title II, Part A	84.367A	S367A210029	7/1/21-9/30/22	437,690		66,546	271,664	504,236	(66,546)			(232,572)		(216,467)	504,236	
Total Title II					(165,473)	-	437,138	504,236	-	-	(1)	(232,572)	-	(216,467)	504,236	
Title III	84.365	S365A200030	7/1/20-9/30/21	169,148	(27,532)	(84,589)	27,532		84,589						-	
Title III	84.365	S365A210030	7/1/21-9/30/22	152,005		84,589	31,538	185,126	(84,589)			(205,056)	51,468	(109,941)	185,126	
Title III	84.365	S365A190030	7/1/19-9/30/20	161,639	3,071					3,071					-	
Title III, Immigrant	84.365	S365A200030	7/1/20-9/30/21	49,431	(14,089)		13,037				1,052				-	
Total Title III					(38,550)	-	72,107	185,126	-	3,071	1,052	(205,056)	51,468	(109,941)	185,126	
Title IV	84.424	S424A200031	7/1/20-9/30/21	224,254	(151,198)	(61,808)	151,198		61,808		871				-	
Title IV	84.424	S424A210031	7/1/21-9/30/22	223,100		61,808	143,475	220,205	(61,808)			(141,433)	64,703	(32,877)	220,205	
Title IV	84.424	S424A190031	7/1/19-9/30/20	189,732	1,145					1,145					-	
Total Title IV					(150,053)	-	294,673	220,205	-	1,145	871	(141,433)	64,703	871	220,205	
IDEA Part B																
Basic, Regular	84.027A	H027A210100	7/1/21-9/30/22	1,869,313		397,382	1,268,780	1,810,965	(397,382)			(997,915)	455,730	(490,643)	1,810,965	
Basic, Regular	84.027A	H027A200100	7/1/20-9/30/21	1,887,055	(744,700)	(397,382)	744,700		397,382		5,058				-	
Basic, Regular	84.027A	H027A190100	7/1/19-9/30/20	1,784,473	43,645					43,645					-	
Preschool	84.173A	H173A200114	7/1/20-9/30/21	53,179	(41,151)	(53,179)	41,151		53,179		2,255				-	
Preschool	84.173A	H173A210114	7/1/21-9/30/22	54,642		53,179		53,179	(53,179)			(107,821)	54,642		53,179	
ARP Basic	84.027X	H027X210100	7/1/21-9/30/22	411,693				306,654				(411,693)	105,039	(259,871)	306,654	
ARP Preschool	84.173X	H173A200114	7/1/21-9/30/22	34,904				3,400				(34,904)	31,504	(3,400)	3,400	
Total IDEA					(742,206)	-	2,054,631	2,174,198	-	43,645	7,313	(1,552,333)	646,915	7,313	2,174,198	

NORTH BERGEN BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal/Grantor/Pass-Through Grantor Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2021	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Refund To State	Prior Years Adjustments	Balance, June 30, 2022			Memo GAAP Receivable	Memo Cumulative Expenditures
												(Accounts Receivable)	Unearned Revenue	Due to Grantor		
Covid ARP State and Local Fiscal Recovery Fund - DOE Special Services - ACSERS	21.027	SLFRFDOEISES	7/1/21-6/30/22	284,886			142,443	284,886				(142,443)	-	-	(142,443)	284,886
CARES Emergency Relief Act (ESSER 1)	84.425D	S425D200027	3/13/20-9/30/22	2,574,941	(890,416)		1,316,196	894,199			4,697	(469,850)	6,128	-	(412,236)	894,199
CRRSA - ESSER II	84.425D	S425D210027	3/13/20-9/30/23	10,018,172	(3,319,000)		2,799,445	2,332,588				(7,218,727)	4,366,584		(2,426,225)	2,332,588
CRRSA - Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	642,915			583,497	642,915				(59,418)	-		(8,255)	642,915
CRRSA - Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000				45,000				(45,000)	-		(45,000)	45,000
ARP ESSER	84.425U	S425U210027	3/13/20-9/30/24	22,515,195								(22,515,195)	22,515,195		-	-
ARP ESSER - Accelerated Learning	84.425U	S425U210027	3/13/20-9/30/24	774,591				119,866				(774,591)	654,725		(119,866)	119,866
ARP ESSER - Evidence Based Summer	84.425U	S425U210027	3/13/20-9/30/24	52,810				3,753				(52,810)	49,057		(3,753)	3,753
ARP ESSER - Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	52,810				45,841				(52,810)	6,969		-	45,841
ARP ESSER - Mental Health	84.425U	S425U210027	3/13/20-9/30/24	45,000								(45,000)	45,000		-	-
ARP ESSER - Homeless	84.425W	S425W210027	3/13/20-9/30/24	62,794				47,850				(62,794)	14,944		(37,695)	47,850
Total Education Stabilization					(4,209,416)	-	4,699,138	4,132,012	-	-	4,697	(31,296,195)	27,658,602	-	(3,053,030)	4,132,012
Coronavirus Relief Fund	21.019	NA	3/1/20-12/31/20	756,416	438	-	-	-	-	438	4,094	-	-	4,094	-	-
Total U.S. Department of Education - Special Revenue Fund					(6,561,813)	-	10,428,597	10,935,729	-	48,299	18,027	(36,062,351)	28,950,856	12,278	(6,149,054)	10,935,729
General Fund																
Spec.Ed. Medicaid Reimbursement - Admin	93.778	2005NJ5MAP	7/1/21-6/30/22	57,037			40,399	57,037				(16,638)	-		(16,638)	57,037
Spec.Ed. Medicaid Reimbursement	93.778	2005NJ5MAP	7/1/21-6/30/22	306,601			224,372	306,601				(82,229)	-		(82,229)	306,601
Total Medicaid Reimbursement							264,771	363,638				(98,867)	-		(98,867)	363,638
Total Federal Awards					\$ (6,962,721)	\$ -	\$ 15,492,572	\$ 16,160,991	\$ -	\$ 48,299	\$ 18,027	\$ (36,632,503)	\$ 28,958,813	\$ 12,278	\$ (6,719,206)	\$ 16,160,991

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2021			Cash Received	Budgetary Expenditures	Cancelled Encumbrances	Balance, June 30, 2022			Memo	
				Unearned Revenue/ (Accts Rec)	Due to Grantor	Carryover Amount				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund														
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	\$ 56,336,475				\$ 50,734,170	\$ 56,336,475		\$ (5,602,305)			*	\$ 56,336,475
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	53,291,268	\$ (5,241,067)			5,241,067						*	
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	5,808,963				5,231,299	5,808,963		(577,664)			*	5,808,963
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	5,808,963	(571,297)			571,297						*	-
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	2,787,698				2,510,479	2,787,698		(277,219)			*	2,787,698
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	2,787,698	(274,163)			274,163						*	-
Total State Aid Public				(6,086,527)	-	-	64,562,475	64,933,136	-	(6,457,188)	-	-	*	64,933,136
Reimbursed TPAF Pension														
Non-Contributory Insurance	22-495-034-5094-004	7/1/21-6/30/22	300,751				300,751	300,751					*	300,751
Pension Contribution	22-495-034-5094-002	7/1/21-6/30/22	21,316,869				21,316,869	21,316,869					*	21,316,869
Long Term Disability Insurance	22-495-034-5094-004	7/1/21-6/30/22	7,963				7,963	7,963					*	7,963
Post Retirement Contribution	22-495-034-5094-001	7/1/21-6/30/22	5,050,750				5,050,750	5,050,750					*	5,050,750
Total Reimbursed TPAF Pension				-	-	-	26,676,333	26,676,333	-	-	-	-	*	26,676,333
Transportation Aid														
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	747,436				673,108	747,436		(74,328)			*	747,436
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	747,436	(73,509)			73,509						*	-
Nonpublic Transportation Aid	N/A	7/1/21-6/30/22	51,330					51,330		(51,330)		\$ (51,330)	*	51,330
Nonpublic Transportation Aid	N/A	7/1/20-6/30/21	53,360	(53,360)			53,360						*	-
				(126,869)	-	-	799,977	798,766	-	(125,658)	-	-	*	(51,330) 798,766
Extraordinary Aid														
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	581,385					581,385		(581,385)			*	581,385
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	602,924	(602,924)			602,924						*	-
School Security Grant (Alyssa's Law)	N/A		414,607	(414,607)						(414,607)		(414,607)	*	-
Reimbursed TPAF Soc. Security Contr.	22-495-034-5094-003	7/1/21-6/30/22	4,341,284				3,720,428	4,341,284		(620,856)		(620,856)	*	4,341,284
Reimbursed TPAF Soc. Security Contr.	21-495-034-5094-003	7/1/20-6/30/21	4,238,758	(618,572)			618,572						*	-
Total General Fund				(7,849,499)	-	-	96,980,709	97,330,904	-	(8,199,694)	-	-	*	(1,086,793) 97,330,904
Special Revenue Fund														
Preschool Education Aid	21-495-034-5120-086	7/1/20-6/30/21	2,984,116	687,015		\$ (985,427)	298,412						*	-
Preschool Education Aid	22-495-034-5120-086	7/1/21-6/30/22	2,386,422	-		985,427	2,147,780	2,256,879	\$ 24,381	(238,642)	\$ 1,139,351		*	2,256,879
SDA Emergent Capital Needs	NA	NA	177,514					177,514		(177,514)			*	(5,171) 177,514
Total Special Revenue Fund				687,015	-	-	2,446,192	2,434,393	24,381	(416,156)	1,139,351		*	(5,171) 2,434,393
Capital Projects Fund														
State Aid - Property Acquisition	NA	NA	10,000,000				10,000,000	10,000,000					*	-
Debt Service Fund														
Debt Service Aid	22-495-034-5120-075	7/1/21-6/30/22	1,020,259				1,020,259	1,020,259					*	1,020,259
State Department of Agriculture														
Food Service Enterprise Fund														
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	74,761				69,019	74,761		(5,742)		(5,742)	*	74,761
State School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	76,370	(18,664)			18,664						*	-
Total State Department of Agriculture				(18,664)	-	-	87,683	74,761		(5,742)	-	-	*	(5,742) 74,761
Total State Assistance Subject to Single Audit Determination				\$ (7,181,148)	\$ -	\$ -	\$ 110,534,843	\$ 110,860,317	\$ 24,381	\$ (8,621,592)	\$ 1,139,351	\$ -	*	\$ (1,097,706) \$ 100,860,317
Less: State Aid Not Subject to Single Audit and Major Program Determination														
Reimbursed TPAF Pension													*	
Non-Contributory Insurance							(300,751)	(300,751)					*	
Pension Contribution							(21,316,869)	(21,316,869)					*	
Long Term Disability Insurance							(7,963)	(7,963)					*	
Post Retirement Contribution							(5,050,750)	(5,050,750)					*	
Total State Assistance Subject to Major Program Determination				\$ (7,181,148)	\$ -	\$ -	\$ 83,858,510	\$ 84,183,984	\$ 24,381	\$ (8,621,592)	\$ 1,139,351	\$ -	*	

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the North Bergen 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 \$349,941 for the general fund and an increase of \$3,332,519 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	\$ 363,638	\$ 96,980,963	\$ 97,344,601
Special Revenue Fund	14,465,653	2,254,816	16,720,469
Capital Projects Fund		10,000,000	10,000,000
Debt Service Fund		1,020,259	1,020,259
Food Service Fund	4,861,624	74,761	4,936,385
	<u> </u>	<u> </u>	<u> </u>
Total Financial Assistance	<u>\$ 19,690,915</u>	<u>\$ 110,330,799</u>	<u>\$ 130,021,714</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 \$4,341,284 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, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$21,617,620, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$5,050,750 and TPAF Long-Term Disability Insurance in the amount of \$7,963 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

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 payments 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. m Guidance.

NORTH BERGEN BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to the 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 deficiency(ies) identified? _____ yes X none reported

Type of auditor's report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? _____ yes X none

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.555</u>	<u>211NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>211NJ304N1099</u>	<u>School Breakfast Program</u>
<u>21.027</u>	<u>SLFRFDOE1SES</u>	<u>Covid ARP State and Local Fiscal Recovery Fund (ACSERS)</u>
<u>84.425D</u>	<u>S425D200027</u>	<u>Coronavirus Relief and Economic Security (CARES-ESSER I)</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>Coronavirus Response and Relief Supplemental (CRRSA-ESSER II)</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>American Rescue Plan - Emergency Relief Fund (ARP-ESSER)</u>
<u>84.425W</u>	<u>S425W210031</u>	<u>American Rescue Plan - Emergency Relief Fund - Homeless Children and Youth (ARP-HCY)</u>

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? X yes _____ no

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Part I - Summary of Auditor's Results

State Awards Section

Dollar threshold used to distinguish between Type A and Type B Programs \$ 2,526,208

Auditee qualified as low-risk auditee? [X] yes [] no

Internal Control over Major Programs:

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

2) Significant deficiency(ies) identified that are not considered to be material weaknesses? [] yes [X] none reported

Type of auditor's report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? [] yes [X] none

Identification of major programs:

Table with 2 columns: State Grant/Project Number (s) and Name of State Program. Rows include: 22-495-034-5120-078 Equalization Aid, 22-495-034-5120-089 Special Education Aid, 22-495-034-5120-084 Security Aid, 22-495-034-5094-003 Reimbursed TPAF Social Security, 22-495-034-5120-017 Debt Service Aid, 22-495-034-5120-123 State Aid - Property Acquisition.

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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.

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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.

CURRENT YEAR STATE AWARDS

There are none.

**NORTH BERGEN BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

This section identifies the status of prior-year finding related to the basic 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. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2021-001:

Our audit of the District's Application for State School Aid (ASSA) noted the following:

- The ASSA reported one (1) more student than the On-Roll workpapers. In addition, we verified five (5) fewer students to the class registers.
- The Low Income workpapers reported fifteen (15) more students than the ASSA. In addition, two (2) students were not eligible on October 15, 2020.
- The LEP-Low Income workpapers reported sixty-one (61) more students than the ASSA and two (2) students were not eligible on October 15, 2020.
- The LEP-Not Low Income workpapers reported ninety-five (95) more students than the ASSA.

Current Status:

See Auditor's Management Report Finding 2022-10.