

SOUTH BERGEN JOINTURE COMMISSION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Teterboro, New Jersey

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

South Bergen Jointure Commission

Teterboro, New Jersey

For The Fiscal Year Ended June 30, 2024

Prepared by

Business Office

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SUSAN E. CUCCINIELLO
BUSINESS ADMINISTRATOR

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(F) 201-288-2825

January 22, 2025

Honorable President and Members
of the Board of Education
South Bergen Jointure Commission
Teterboro, New Jersey

Dear Board Members:

The comprehensive annual financial report of the South Bergen Jointure Commission for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Commission. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, U.S. Uniform Guidance and New Jersey 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Commission is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Commission and all its schools constitute the District's reporting entity.

2. INTERNAL ACCOUNTING CONTROLS: Management of the Commission 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 Commission 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 Commission management.

As part of the Commission'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 Commission has complied with applicable laws and regulations.

3. BUDGETARY CONTROLS: In addition to internal accountability controls, the Commission 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 Commissioners. Annual appropriated budgets are adopted for the general fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2024.

4. ACCOUNTING SYSTEM AND REPORTS: The Commission'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 funds.

5. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the Commission continues to meet its responsibilities for sound financial management.

6. CASH MANAGEMENT: The investment policy of the Commission is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The Commission 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 Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from 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.


7. RISK MANAGEMENT: The Commission 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.

8. 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 Higgins, LLP, was selected by the Commission. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related U.S. Uniform Guidance and state Treasury Circular Letter 15-08 OMB. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

9. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Commission for their concern in providing fiscal accountability and contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Business Office staff.

Respectfully submitted,



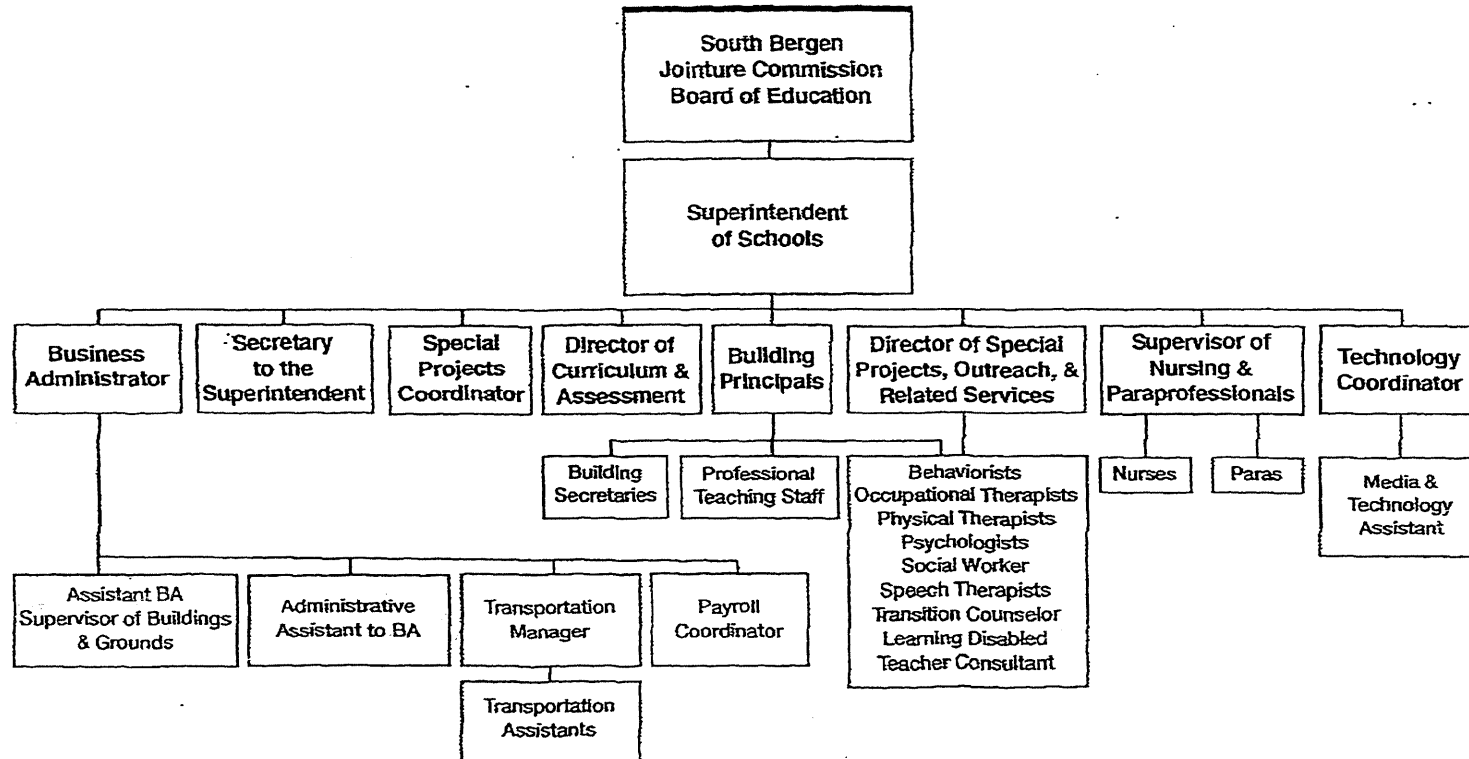
Dr. Michael Kuchar, Ph.D
Superintendent of Schools



Susan E. Cucciniello
Board Secretary/Business Administrator

POLICY

SOUTH BERGEN JOINTURE COMMISSION
BOARD OF EDUCATION



SOUTH BERGEN JOINTURE COMMISSION
Roster of Officials and Member Districts
Fiscal Year Ended June 30, 2024

<u>Members of the Board of Education</u>	<u>Member District</u>	<u>Term Expires</u>
Mr. Jason Chirichella	South Hackensack	June 30, 2024
Dr. Stephen Yurchak	North Arlington	June 30, 2024
Dr. Dario Sforza	Becton Regional	June 30, 2024
Mr. Damian Kennedy - Pres	Bogota	June 30, 2024
Mr. Allison Evans	Carlstadt	June 30, 2024
Mr. Giovanni Giancaspro	East Rutherford	June 30, 2024
Ms. Alexander Bellenger	Garfield	June 30, 2024
Mr. Michael Polizzi	Hasbrouck Heights	June 30, 2024
Mr. Frank D'Amico	Lodi	June 30, 2024
Mr. Joseph DeCorso - VP	Lyndhurst	June 30, 2024
Mr. James Knipper	Moonachie	June 30, 2024
Mr. John Hurley	Rutherford	June 30, 2024
Dr. Yvette Lozanski	Wallington	June 30, 2024
Mr. Anthony Albro	Wood-Ridge	June 30, 2024
Mr. Matthew Perrapato	Little Ferry	June 30, 2024
Ms. Lauren Odoksta	New Milford	June 30, 2024
Ms. Sue DeNobile	Rochelle Park	June 30, 2024

Other Officials

Dr. Michael Kuchar, Superintendent

Ms. Susan Cucciniello, Board Secretary/Business Administrator

Mrs. Nancy Bucci, Treasurer

SOUTH BERGEN JOINTURE COMMISSION
Consultants and Advisors
Fiscal Year Ended June 30, 2024

Audit Firm

Lerch, Vinci, & Higgins, LLP
17-17 Route 208N
Fairlawn, New Jersey 07410

Attorney

Fogarty & Hara, Esqs.
1600 Route 208 South
Fairlawn, New Jersey 07410

Official Depository

Capital One 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, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Commission
South Bergen Jointure Commission
Teterboro, New Jersey

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities of the South Bergen Jointure Commission, as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the South Bergen Jointure Commission as of June 30, 2024, 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 South Bergen Jointure Commission 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 South Bergen Jointure Commission'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 South Bergen Jointure Commission'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 South Bergen Jointure Commission'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 South Bergen Jointure Commission's basic financial statements. The accompanying fund financial statements, schedule of expenditures of federal awards 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 South Bergen Jointure Commission. 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 fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

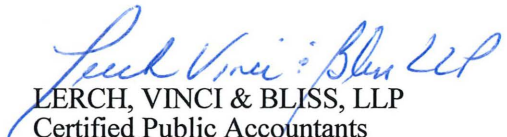
Other Information

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 January 15, 2025 on our consideration of the South Bergen Jointure Commission'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 South Bergen Jointure Commission'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 South Bergen Jointure Commission's internal control over financial reporting and compliance.



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 15, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

SOUTH BERGEN JOINTURE COMMISSION

Management's Discussion and Analysis

This section of South Bergen Jointure Commission's annual comprehensive financial report presents our discussion and analysis of the Commission's financial performance during the fiscal year that ended on June 30, 2024. The intent of this section is to look at the Commission's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Commission's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Commission's (GASB) Statement. Certain comparative information between the current year (2023-2024) and the prior year (2022-2023) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-2024 fiscal year include the following:

- The assets and deferred outflows of resources of the South Bergen Jointure Commission exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$15,772,373 (net position).
- Overall Commission revenues were \$77,838,690. General revenues accounted for \$378,160 or less than 1% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$77,460,530 of total revenues.
- The Commission had \$76,257,367 in expenses for governmental activities; \$77,239,898 of these expenses were offset by program specific charges, grants or contributions, which were adequate to provide for all programs. General revenues (predominantly Interest Income) of \$378,160 also was earned to cover expenses.
- As of the close of the current fiscal year, the Commission's governmental funds reported a combined ending fund balance of \$15,174,091 a decrease of \$205,015 when compared to the ending fund balance at June 30, 2023 of \$15,379,106.
- The General Fund unassigned budgetary fund balance at June 30, 2024 was \$10,526,133 which represents an increase of \$601,393 when compared to the ending unassigned fund balance at June 30, 2023 of \$9,924,740.

SOUTH BERGEN JOINTURE COMMISSION

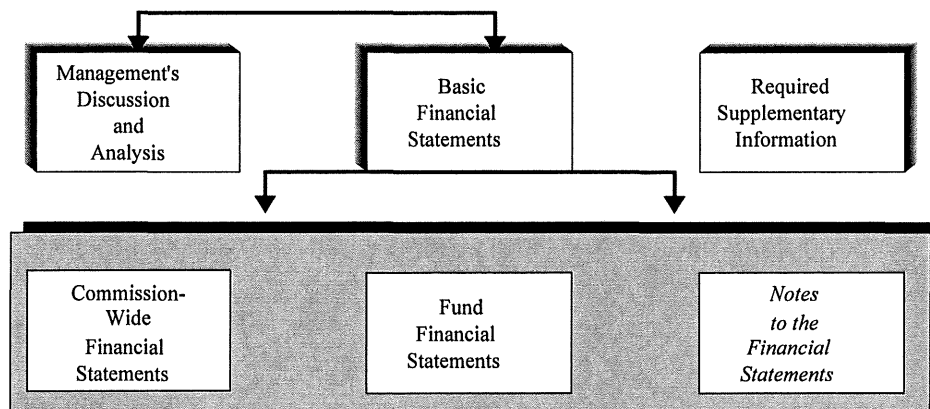
Management's Discussion and Analysis

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 Commission:

- The first two statements are Commission wide financial statements that provide both short-term and long-term information about the Commission's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Commission, reporting the Commission'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 Commission 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.



SOUTH BERGEN JOINTURE COMMISSION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The major features of the Commission's financial statements, including the portion of the Commission'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 Commission	The activities of the Commission that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the Commission 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.

SOUTH BERGEN JOINTURE COMMISSION

Management's Discussion and Analysis

District-Wide Financial Statements

The District-Wide statements report information about the Commission as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Commission'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 Commission's net position and how it has changed. Net position – the difference between the Commission's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the Commission's financial health or position

- Over time, increases or decreases in the Commission's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the Commission you need to consider additional non-financial factors such as changes in the Commission's property tax base and the condition of school buildings and other facilities.

In the District-Wide financial statements the Commission's activities are shown in two categories:

- *Governmental Activities* – Most of the Commission'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 Commissions finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The Commission's Food Service Fund is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the Commission's funds – focusing on its most significant or "major" funds – not the Commission as a whole. Funds are accounting devices the Commission 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 Commission 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).

SOUTH BERGEN JOINTURE COMMISSION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The Commission has two kinds of funds:

- *Governmental funds* – Most of the Commission'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 Commission'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 Commission charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-Wide statements. The Commission's Enterprise 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.

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 Commission's budget process. The Commission 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.

The Commission also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

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

SOUTH BERGEN JOINTURE COMMISSION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the Commission's financial position. The Commission's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$15,772,373 and \$14,455,738 as of June 30, 2024 and 2023, respectively, as shown below.

By far the largest portion of the Commission'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 Commission uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the Commission'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, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Assets						
Current and Other Assets	\$ 15,572,020	\$ 15,800,274	\$ 161,399	\$ 170,254	\$ 15,733,419	\$ 15,970,528
Capital Assets	7,085,842	4,352,304	-	-	7,085,842	4,352,304
Total Assets	22,657,862	20,152,578	161,399	170,254	22,819,261	20,322,832
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	302,678	511,142	-	-	302,678	511,142
Total Deferred Outflows	302,678	511,142	-	-	302,678	511,142
Total Assets and Deferred Outflows	22,960,540	20,663,720	161,399	170,254	23,121,939	20,833,974
Liabilities						
Long-Term Liabilities	6,919,060	5,421,089			6,919,060	5,421,089
Other Liabilities	47,969	71,208	-	-	47,969	71,208
Total Liabilities	6,967,029	5,492,297	-	-	6,967,029	5,492,297
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	381,716	885,319			381,716	885,319
Deferred Commodities Revenue	-	-	821	620	821	620
Total Deferred Inflows	381,716	885,319	821	620	382,537	885,939
Total Liabilities and Deferred Inflows	7,348,745	6,377,616	821	620	7,349,566	6,378,236
Net Position						
Net Investment in Capital Assets	3,826,510	2,688,718	-	-	3,826,510	2,688,718
Restricted	467,976	484,027			467,976	484,027
Unrestricted	11,317,309	11,113,359	160,578	169,634	11,477,887	11,282,993
Total Net Position	\$ 15,611,795	\$ 14,286,104	\$ 160,578	\$ 169,634	\$ 15,772,373	\$ 14,455,738

SOUTH BERGEN JOINTURE COMMISSION

Management's Discussion and Analysis

The changes in net position for fiscal years ended June 30, 2024 and 2023 are as follows:

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program Revenues						
Charges for Services	\$ 72,779,145	\$ 68,641,288	\$ 39,606	\$ 42,773	\$ 72,818,751	\$ 68,684,061
Operating Grants and Contributions	4,460,753	5,065,022	181,026	211,722	4,641,779	5,276,744
General Revenues						
Investment Earnings	<u>378,160</u>	<u>288,621</u>	<u>-</u>	<u>-</u>	<u>378,160</u>	<u>288,621</u>
Total Revenues	<u>77,618,058</u>	<u>73,994,931</u>	<u>220,632</u>	<u>254,495</u>	<u>77,838,690</u>	<u>74,249,426</u>
Expenses						
Instruction						
Special Education	15,367,066	13,740,269			15,367,066	13,740,269
School Sponsored Activities and Athletics	2,226	2,072			2,226	2,072
Support Services						
Student and Instruction Related Services	13,710,687	13,830,456			13,710,687	13,830,456
General Administration Services	1,895,064	1,464,589			1,895,064	1,464,589
School Administration Services	2,072,325	2,325,214			2,072,325	2,325,214
Plant Operation and Maintenance	2,074,060	2,404,929			2,074,060	2,404,929
Pupil Transportation	40,408,928	37,234,622			40,408,928	37,234,622
Central Services	679,124	630,416			679,124	630,416
Interest and Other Chgs on Long-Term Debt	47,887	66,822			47,887	66,822
Food Service	<u>-</u>	<u>-</u>	<u>264,688</u>	<u>280,086</u>	<u>264,688</u>	<u>280,086</u>
Total Expenses	<u>76,257,367</u>	<u>71,699,389</u>	<u>264,688</u>	<u>280,086</u>	<u>76,522,055</u>	<u>71,979,475</u>
Transfers	<u>(35,000)</u>	<u>(50,000)</u>	<u>35,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>\$ 1,325,691</u>	<u>\$ 2,245,542</u>	<u>\$ (9,056)</u>	<u>\$ 24,409</u>	<u>\$ 1,316,635</u>	<u>\$ 2,269,951</u>

SOUTH BERGEN JOINTURE COMMISSION

Management's Discussion and Analysis

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the Commission improved significantly. However, maintaining existing programs with decreased enrollment, the provision of a multitude of special programs/services for disabled pupils, and increases in Commission health benefits costs places a great demand on the Commission's resources. As a result, careful management of expenses remains essential for the Commission to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the Commission's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2024 and 2023.

	<u>Total Cost of Services</u>		<u>Net (Cost) Revenue of Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Instruction				
Special Education	\$ 15,367,066	\$ 13,740,269	\$ 1,036,819	\$ 2,631,026
School Sponsored Activities and Athletics	2,226	2,072	(1,506)	198
Support Services				
Student and Instruction Related Services	13,710,687	13,830,456	5,487,930	5,170,238
General Administration	1,895,064	1,464,589	(1,628,081)	(1,237,219)
School Administration Services	2,072,325	2,325,214	(1,859,666)	(2,070,812)
Plant Operation and Maintenance	2,074,060	2,404,929	(2,074,060)	(2,404,929)
Pupil Transportation	40,408,928	37,234,622	728,807	587,145
Central Services	679,124	630,416	(659,825)	(601,904)
Interest and Other Charges on Long-Term Debt	<u>47,887</u>	<u>66,822</u>	<u>(47,887)</u>	<u>(66,822)</u>
Total	<u>\$ 76,257,367</u>	<u>\$ 71,699,389</u>	<u>\$ 982,531</u>	<u>\$ 2,006,921</u>

SOUTH BERGEN JOINTURE COMMISSION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COMMISSION'S FUNDS

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

Governmental Funds

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

The financial performance of the Commission as a whole is reflected in its governmental funds as well. As the Commission completed the year, its governmental funds reported a combined fund balance of \$15,174,091, a decrease of \$205,015 from last year's fund balance of \$15,379,106.

Revenues for the Commission's governmental funds were \$79,848,321; total expenditures were \$80,018,336.

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

Revenues of the General Fund were \$79,832,285 for the fiscal year ended June 30, 2024. State sources amounts to \$6,675,700 and local sources total \$73,156,585.

Expenditures of the General Fund were \$80,000,794. Instructional expenditures were \$16,244,470 for support services were \$62,308,276, capital expenditures totaled \$801,632, and lease principal and interest payments totaled \$646,416 for the fiscal year ended June 30, 2024.

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

Revenues of the Special Revenue Fund were \$16,036, all from local sources, for the fiscal year ended June 30, 2024.

Expenditures of the Special Revenue Fund were \$17,542. Instructional expenditures were \$17,542 for the fiscal year ended June 30, 2024.

Proprietary Funds

The Commission maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

SOUTH BERGEN JOINTURE COMMISSION

Management's Discussion and Analysis

Enterprise Fund - The Commission uses Enterprise Funds to report activities related to the Food Services program. The Commission'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 Commission's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Commission 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.
- Additional service fee revenue is earned by the Commission throughout the year which allows for budgetary increases.

CAPITAL ASSETS

The Commission's investment in capital assets for its governmental and business type activities as of June 30, 2024 and 2023 amounts to \$7,085,842 and \$4,352,304 (net of accumulated depreciation), respectively. The capital assets consist of buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2023-2024 amounted to \$733,611.

The following is a comparative analysis of capital assets at June 30, 2024 and 2023.

	Governmental	
	<u>Activities</u>	
	<u>2024</u>	<u>2023</u>
Buildings	\$ 3,409,853	\$ 2,679,701
Right-To-Use Buildings	3,277,018	1,672,603
Machinery and Equipment	<u>398,971</u>	<u>-</u>
Total	<u>\$ 7,085,842</u>	<u>\$ 4,352,304</u>

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

SOUTH BERGEN JOINTURE COMMISSION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2024, the Commission's long-term liabilities consisted of compensated absences payable of \$291,478, leases of \$3,259,332 and net pension liability of \$3,368,250 totaling \$6,919,060. This is in comparison to long-term liabilities at June 30, 2023 of \$5,421,089 or a increase of \$1,497,971.

Additional information on the Commission'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 Commission's administration during the process of developing the fiscal year 2024-2025 budget. The primary factors were the Commission's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the Commission's aging facilities.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, South Bergen Jointure Commission, 696 Route 46 West, Teterboro, NJ 07608.

BASIC FINANCIAL STATEMENTS

SOUTH BERGEN JOINTURE COMMISSION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 4,499,632	\$ 17,450	\$ 4,517,082
Receivables, net	10,828,283	14,013	10,842,296
Inventory	349,960	4,248	354,208
Other Assets	19,833		19,833
Internal Balances	(125,688)	125,688	-
Capital Assets, Being Depreciated net	<u>7,085,842</u>	<u>-</u>	<u>7,085,842</u>
Total Assets	<u>22,657,862</u>	<u>161,399</u>	<u>22,819,261</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>302,678</u>	<u>-</u>	<u>302,678</u>
Total Deferred Outflows of Resources	<u>302,678</u>	<u>-</u>	<u>302,678</u>
Total Assets and Deferred Outflows of Resources	<u>22,960,540</u>	<u>161,399</u>	<u>23,121,939</u>
LIABILITIES			
Payroll Deductions & Withholdings Payable	47,969		47,969
Noncurrent Liabilities			
Due Within One Year	812,253		812,253
Due Beyond One Year	<u>6,106,807</u>	<u>-</u>	<u>6,106,807</u>
Total Liabilities	<u>6,967,029</u>	<u>-</u>	<u>6,967,029</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		821	821
Deferred Amounts on Net Pension Liability	<u>381,716</u>	<u>-</u>	<u>381,716</u>
Total Deferred Inflows of Resources	<u>381,716</u>	<u>821</u>	<u>382,537</u>
Total Liabilities and Deferred Inflows of Resources	<u>7,348,745</u>	<u>821</u>	<u>7,349,566</u>
NET POSITION			
Net Investment in Capital Assets	3,826,510	-	3,826,510
Restricted	467,976		467,976
Unrestricted	<u>11,317,309</u>	<u>160,578</u>	<u>11,477,887</u>
Total Net Position	<u>\$ 15,611,795</u>	<u>\$ 160,578</u>	<u>\$ 15,772,373</u>

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

**SOUTH BERGEN JOINTURE COMMISSION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Special Education	\$ 15,367,066	\$ 14,818,410	\$ 1,585,475	\$ 1,036,819		\$ 1,036,819
School Sponsored Co-Curricular Activities	2,226	720		(1,506)		(1,506)
Support Services:				-		-
Student and Instruction Related Services	13,710,687	16,835,912	2,362,705	5,487,930		5,487,930
Support Services-General Administration	1,895,064		266,983	(1,628,081)		(1,628,081)
Support Services-School Administration	2,072,325		212,659	(1,859,666)		(1,859,666)
Central Services	679,124		19,299	(659,825)		(659,825)
Operation and Maintenance of Plant Services	2,074,060			(2,074,060)		(2,074,060)
Student Transportation Services	40,408,928	41,124,103	13,632	728,807		728,807
Interest on Debt and Other Charges	47,887	-	-	(47,887)	-	(47,887)
 Total Governmental Activities	 76,257,367	 72,779,145	 4,460,753	 982,531	 -	 982,531
Business-Type Activities:						
Food Service	264,688	39,606	181,026	-	\$ (44,056)	(44,056)
 Total Business-Type Activities	 264,688	 39,606	 181,026	 -	 (44,056)	 (44,056)
 Total Primary Government	 \$ 76,522,055	 \$ 72,818,751	 \$ 4,641,779	 982,531	 (44,056)	 938,475
General Revenues and Transfers:						
Interest				378,160		378,160
Transfers				(35,000)	35,000	-
 Total General Revenues and Transfers				 343,160	 35,000	 378,160
 Change in Net Position				 1,325,691	 (9,056)	 1,316,635
Net Position, Beginning of Year				 14,286,104	 169,634	 14,455,738
Net Position, End of Year				 \$ 15,611,795	 \$ 160,578	 \$ 15,772,373

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

FUND FINANCIAL STATEMENTS

SOUTH BERGEN JOINTURE COMMISSION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2024

	General Fund	Special Revenue	Total Governmental Funds
ASSETS			
Cash	\$ 4,499,088	\$ 544	\$ 4,499,632
Accounts Receivable			
Intergovernmental	10,828,283		10,828,283
Other Assets	19,833	-	19,833
	<u>15,347,204</u>	<u>544</u>	<u>15,347,748</u>
Total Assets			
LIABILITIES			
Payroll Deductions & Withholdings Payable	47,969		47,969
Due to Other Funds	125,688	-	125,688
	<u>173,657</u>	<u>-</u>	<u>173,657</u>
Total Liabilities			
FUND BALANCE			
Restricted:			
Unemployment Compensation Reserve	117,472		117,472
Student Activities		544	544
Committed:			-
Designated for Building Fund	1,523,154		1,523,154
Designated for CBI Program	3,000,000		3,000,000
Unassigned	10,532,921	-	10,532,921
	<u>15,173,547</u>	<u>544</u>	<u>15,174,091</u>
Total Fund Balances			
Total Liabilities and Fund Balances	<u>\$ 15,347,204</u>	<u>\$ 544</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 \$10,469,580 and the accumulated depreciation is \$3,383,738. \$ 7,085,842

Inventory assets used in governmental activities are not financial resources and therefore are not reported in the funds. 349,960

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

Deferred Outflows of Resources	\$ 302,678	
Deferred Inflows of Resources	<u>(381,716)</u>	
		(79,038)

Long-term liabilities, including compensating absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities consist of:

Leases Payable	(3,259,332)	
Compensated Absences	(291,478)	
Net Pension Liability	<u>(3,368,250)</u>	
		<u>(6,919,060)</u>

Net position of governmental activities	\$	<u>15,611,795</u>
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**SOUTH BERGEN JOINTURE COMMISSION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
REVENUES			
Local Sources:			
Tuition	\$ 21,791,779		\$ 21,791,779
Transportation Fees	41,124,103		41,124,103
Interest/Misc.	378,160		378,160
Miscellaneous Fees/Charges	<u>9,862,543</u>	<u>\$ 16,036</u>	<u>9,878,579</u>
Total - Local Sources	73,156,585	16,036	73,172,621
State Sources	<u>6,675,700</u>	<u>-</u>	<u>6,675,700</u>
Total Revenues	<u>79,832,285</u>	<u>16,036</u>	<u>79,848,321</u>
EXPENDITURES			
Current			
Instruction			
Special Education - Instruction	16,244,470	15,316	16,259,786
School Sponsored Co-Curricular Activities		2,226	2,226
Support Services			
Student and Instruction Related Services	15,094,308		15,094,308
Support Services-General Administration	1,987,893		1,987,893
Support Services-School Administration	2,169,361		2,169,361
Central Services	692,019		692,019
Operation and Maintenance of Plant Services	1,946,658		1,946,658
Student Transportation Services	40,418,037		40,418,037
Capital Outlay	801,632		801,632
Debt Service - Principal	598,529		598,529
Debt Service - Interest	<u>47,887</u>	<u>-</u>	<u>47,887</u>
Total Expenditures	<u>80,000,794</u>	<u>17,542</u>	<u>80,018,336</u>
Excess/(Deficit) of Revenues Over Expenditures	<u>(168,509)</u>	<u>(1,506)</u>	<u>(170,015)</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfer Out - Food Service	<u>(35,000)</u>	<u>-</u>	<u>(35,000)</u>
Total Other Financing Sources (Uses)	<u>(35,000)</u>	<u>-</u>	<u>(35,000)</u>
Net Change in Fund Balances	(203,509)	(1,506)	(205,015)
Fund Balance, Beginning of Year	<u>15,377,056</u>	<u>2,050</u>	<u>15,379,106</u>
Fund Balance, End of Year	<u>\$ 15,173,547</u>	<u>\$ 544</u>	<u>\$ 15,174,091</u>

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

**SOUTH BERGEN JOINTURE COMMISSION
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, 2024**

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ (205,015)**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the period.

Depreciation Expense	\$	(733,611)	
Capital Outlay Adjustment		471,242	
Capital Outlay		<u>801,632</u>	
			539,263

The issuance of long term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long term debt.

Lease Principal Payments		<u>598,529</u>	
			598,529

Inventory adjustment that decreases net position in the statement of activities, but does not appear in the governmental funds.

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

Compensated Absences, Net		(56,726)	
Decrease in Pension Expense		<u>449,640</u>	
			<u>392,914</u>

Change in net position of governmental activities (Exhibit A-2) **\$ 1,325,691**

**SOUTH BERGEN JOINTURE COMMISSION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

	Business-Type Activities Enterprise Fund <u>Food Services</u>
ASSETS	
Current Assets	
Cash	\$ 17,450
Due From Other Funds	125,688
Intergovernmental Receivable	14,013
Inventory	<u>4,248</u>
Total Assets	<u>161,399</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Commodities Revenue	<u>821</u>
Total Deferred Inflows of Resources	<u>821</u>
Total Liabilities and Deferred Inflows of Resources	<u>821</u>
NET POSITION	
Unrestricted	<u>160,578</u>
Total Net Position	<u><u>\$ 160,578</u></u>

**SOUTH BERGEN JOINTURE COMMISSION
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Business-Type Activities Enterprise Fund <u>Food Services</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales - Reimbursable Programs	\$ 37,952
Daily Sales - Non-Reimbursable Programs	<u>1,654</u>
Total Operating Revenues	<u>39,606</u>
OPERATING EXPENSES	
Cost of Sales - Reimbursable Programs	\$ 78,476
Salaries and Wages	102,053
Insurance	9,405
Supplies and Materials	23,126
Maintenance	40,011
Management Fee	10,907
Miscellaneous	<u>710</u>
Total Operating Expenses	<u>264,688</u>
Operating (Loss)	<u>(225,082)</u>
NONOPERATING REVENUES	
State Sources	
State School Breakfast Program	1,340
State School Lunch Program	3,882
Federal Sources	
National School Breakfast Program	62,166
National School Lunch Program	100,668
Pandemic EBT	653
Supply Chain Assistance	<u>12,317</u>
Total Nonoperating Revenues	<u>181,026</u>
Net Income (Loss) Before Transfers	(44,056)
Transfer from General Fund	<u>35,000</u>
Change in Net Position	(9,056)
Net Position, Beginning of Year	<u>169,634</u>
Net Position, End of Year	<u><u>\$ 160,578</u></u>

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

**SOUTH BERGEN JOINTURE COMMISSION
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Business-Type Activities Enterprise Fund <u>Food Services</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 39,606
Cash Payments for Salaries and Wages	(102,053)
Cash Payments for Goods and Services	<u>(178,701)</u>
Net Cash Provided (Used) by Operating Activities	<u>(241,148)</u>
Cash Flows from Non-Capital Financing Activities	
Cash Received/Paid from Other Funds	35,000
Cash Received from State and Federal Subsidy	<u>180,256</u>
Net Cash Provided by Non-Capital Financing Activities	<u>215,256</u>
Net Increase in Cash and Cash Equivalents	(25,892)
Cash and Cash Equivalents, Beginning of Year	<u>43,342</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 17,450</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities	
Operating Income (Loss)	\$ (225,082)
Change in Assets and Liabilities	
(Increase)/Decrease in Inventory	(1,012)
(Increase)/Decrease in Due From Other Funds	(15,255)
Increase/(Decrease) in Unearned Revenue	<u>201</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (241,148)</u></u>
Non-Cash Financing Activities	
Fair Value Received - Food Distribution Program	<u><u>\$ 821</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The South Bergen Jointure Commission (the “Commission” or the “Board”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Commission consists of seventeen appointed officials, one from each member school District and is responsible for the fiscal control of the Commission. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the Commission. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the Commission. Under existing statutes, the Commission’s duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent of Schools is the Chief Administrative Officer of the Commission who is responsible for general supervision of all schools, planning and operational functions of the Commission. The Business Administrator/Board Secretary 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 Commission are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Commission. For the South Bergen Jointure Commission this includes general operations, food service and student related activities of the Commission.

Component units are legally separate organizations for which the Commission is financially accountable. The Commission is financially accountable for an organization if the Commission appoints a voting majority of the organization’s governing board and (1) the Commission is able to significantly influence the programs or services performed or provided by the organization; or (2) the Commission is legally entitled to or can otherwise access the organization’s resources; the Commission is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Commission is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Commission in that the Commission approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the Commission has no component units. Furthermore, the Commission is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2024, the Commission adopted the following GASB statements:

- 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.

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

- 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.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 102, *Certain Risk Disclosures*, will be effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

C. Basis of Presentation - Financial Statements

The financial statements include both commission-wide financial statements (based on the Commission as a whole) and fund financial statements (based on specific Commission activities or objectives). Both the commission-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate commission-wide and fund financial statements are presented, they are interrelated. In the commission-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the Commission's enterprise funds. Fiduciary funds are excluded from the commission-wide financial statements. Currently the Commission has no fiduciary funds.

Commission-Wide Financial Statements

The commission-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 Commission. 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 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 Commissions, 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. 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 commission-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

The Commission reports the following major governmental funds:

The *general fund* is the School Commission's primary operating fund. It accounts for all financial resources of the Commission, 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 and student activity funds derived from athletic events or other activities of pupil organizations.

The Commission reports the following major proprietary fund which is 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 commission-wide financial statements as "internal balances".

D. Measurement Focus and Basis of Accounting

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

The commission-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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. 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 Commission 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, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software assets are reported as other financing sources.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

When both restricted and unrestricted resources are available for use, it is the Commission'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. Inventories are capitalized on the Commission-wide financial statements.

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

4. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the commission-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years. The Commission was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the Commission 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.8. 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.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets (Continued)*

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

<u>Assets</u>	<u>Years</u>
Right to Use Leased Facilities	5
Office Equipment and Furniture	7-10
Computer Equipment	5

5. *Deferred Outflows/Inflows of Resources*

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Commission 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 commission-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 commission-wide and the proprietary funds statements or net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

6. *Compensated Absences*

It is the Commission'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 commission-wide financial statements, representing the Commission's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation, personal and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Pensions

In the commission-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.

8. Leases Payable

Non-cancellable leases for the use of another entity's buildings are recognized as a lease liability and an intangible right-to-use lease asset in the commission-wide and proprietary fund type financial statements. The Commission 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.

9. Net Position/Fund Balance

Commission-Wide Statements

In the commission-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 Commission's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the Commission is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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

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 Commission's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4).

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.

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

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

Designated for Building Fund – Represents funds committed by Commission resolution for the purchase and renovations of a new building for the Commission.

Designated for CBI Program – Represents funds committed by Commission resolution for the implementation of a community based instruction program.

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

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The commission 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 commission's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the commission 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 commission for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. The District has no assigned fund balances at year end.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Tuition Revenues and Transportation Charges*

Tuition Revenues - Tuition charges were established by the Commission based on estimated costs and pupil enrollment. The charges are not subject to adjustment.

Transportation Charges – These charges are based upon actual routes, contract awards and students transported. The Commission assesses a 3% surcharge to cover administrative costs.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

4. *On-Behalf Payments*

Revenues and expenditures of the general fund include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system.

Revenues and expenses of governmental activities include the State's proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the District for District employees enrolled in the TPAF retirement system.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the Commission 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.

The annual budget is adopted in the spring of the preceding year for the general and special revenue funds. The budget is submitted to the county superintendent for review and approval prior to adoption.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Budget adoptions and amendments are recorded in the Commission'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 2023/2024. Also, during 2023/2024 the Board increased general fund budget by \$10,579,329 as a result of additional revenue and appropriation of capital reserve.

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.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

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, 2024, the book value of the Board's deposits were \$4,517,082 and bank and brokerage firm balances of the Board's deposits amounted to \$11,874,300. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

Depository Account

Insured	\$ 11,534,198
Uninsured and Collateralized	<u>340,102</u>
	<u>\$ 11,874,300</u>

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2024 the Board's bank balances of \$340,102 were exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	\$ 340,102
	<u>\$ 340,102</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 Commission or bonds or other obligations of the local unit or units within which the school Commission 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 Commissions, 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 Commissions; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2024, the Board had no outstanding investments.

B. Receivables

Receivables as of June 30, 2024 for the commission's individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Food Service</u>	<u>Total</u>
Receivables:			
Intergovernmental -			
Federal		\$ 13,555	\$ 13,555
State	\$ 48,351	458	48,809
Local	10,779,932	-	10,779,932
	<u>10,828,283</u>	<u>14,013</u>	<u>10,842,296</u>
Gross Receivables			
Less: Allowance for			
Uncollectibles	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 10,828,283</u>	<u>\$ 14,013</u>	<u>\$ 10,842,296</u>

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance, <u>July 1, 2023</u>	<u>Increases</u>	<u>Adjustments</u>	Balance, <u>June 30, 2024</u>
Governmental activities:				
Capital assets, being depreciated:				
Right-to-Use Leased Buildings	\$ 4,168,911	\$ 2,194,275		\$ 6,363,186
Buildings	2,679,701	\$ 797,145		3,476,846
Machinery and Equipment	<u>758,362</u>	<u>4,487</u>	\$ (133,301)	<u>629,548</u>
Total capital assets being depreciated	<u>7,606,974</u>	<u>2,995,907</u>	<u>(133,301)</u>	<u>10,469,580</u>
Less accumulated depreciation for:				
Right-to-Use Leased Buildings	(2,496,308)	(589,860)		(3,086,168)
Buildings		(66,993)		(66,993)
Machinery and Equipment	<u>(758,362)</u>	<u>(76,758)</u>	<u>604,543</u>	<u>(230,577)</u>
Total accumulated depreciation	<u>(3,254,670)</u>	<u>(733,611)</u>	<u>604,543</u>	<u>(3,383,738)</u>
Total capital assets, being depreciated, net	<u>4,352,304</u>	<u>2,262,296</u>	<u>471,242</u>	<u>7,085,842</u>
Governmental activities capital assets, net	<u>\$ 4,352,304</u>	<u>\$ 2,262,296</u>	<u>\$ 471,242</u>	<u>\$ 7,085,842</u>

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

Governmental activities:

Instruction:

Special Education	\$ 25,865
Total Instruction	<u>25,865</u>

Support Services

Student and Instruction Related Services	11,698
General Administration	66,993
School Administration	30,411
Operations and Maintenance of Plant	<u>598,644</u>

Total Support Services	<u>707,746</u>
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Total Governmental Funds	<u>733,611</u>
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Total Depreciation Expense - Governmental Activities	<u>\$ 733,611</u>
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**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Food Service Enterprise Fund	General Fund	<u>\$ 125,688</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.

Interfund Transfers

	<u>Transfer Out:</u>	
	<u>General Fund</u>	<u>Total</u>
Transfer In:		
Food Service -		
Enterprise Fund	<u>\$ 35,000</u>	<u>\$ 35,000</u>
Total	<u>\$ 35,000</u>	<u>\$ 35,000</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.

E. Leases Payable

On January 11, 2019, the Commission entered into a 3 year lease agreement with two year renewal option executed on April 26, 2022 as lessee for the use of Saint Frances De Sales Roman Catholic Church. An initial lease liability was recorded in the amount of \$1,341,782. The lease has an interest rate of 3.00%. The Commission is required to make monthly payments of \$24,612. As of June 30, 2024 the lease liability has been fully paid. The Commission executed a lease extension for 3 years with a 2 year option totaling 5 years. The total lease liability under the extension totals \$1,621,385 with monthly lease payments starting at \$25,731. The value of the right-to-use asset at June 30, 2024 is \$1,621,385 and had accumulated depreciation of \$0.

On April 26, 2017, the Commission entered into a 5 year lease agreement as lessee for the use of Our Lady Queen of Peace. An initial lease liability was recorded in the amount of \$1,219,613. On May 24, 2022, the Commission executed the 5 year renewal option. An additional lease liability was recorded in the amount of \$1,607,516. The lease has an interest rate of 3.50%. The Commission is required to make monthly payments of \$28,409. As of June 30, 2024 the value of the lease liability was \$1,065,057. The value of the right-to-use asset as of June 30, 2024 is \$1,082,742 and had accumulated depreciation of \$1,744,387.

On June 29, 2024 the Commission entered into a sublease for use of the facilities at Felician College, Lodi, NJ. The lease term is for 3 years totaling \$572,890. The value of the right-to-use asset at June 30, 2024 is \$572,890 and had accumulated depreciation of \$0.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases Payable (Continued)

The future principal and interest lease payments as of June 30, 2024 were as follows:

Governmental Activities:

<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 318,126	\$ 32,219	\$ 350,345
2026	334,781	20,819	355,600
2027	352,108	8,826	360,934
2028	<u>60,042</u>	<u>263</u>	<u>60,305</u>
Total	<u>\$ 1,065,057</u>	<u>\$ 62,127</u>	<u>\$ 1,127,184</u>

F. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated Absences	\$ 234,752	\$ 56,726		\$ 291,478	
Net Pension Liability	3,522,751	295,139	\$ 449,640	3,368,250	
Leases Payable	<u>1,663,586</u>	<u>2,194,275</u>	<u>598,529</u>	<u>3,259,332</u>	<u>\$ 812,253</u>
Governmental activity Long-term liabilities	<u>\$ 5,421,089</u>	<u>\$ 2,546,140</u>	<u>\$ 1,048,169</u>	<u>\$ 6,919,060</u>	<u>\$ 812,253</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The Commission is a member of the New Jersey School Boards Association Insurance Group (NJSBAIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

<u>Fiscal Year Ended June 30,</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ 37,892	\$ 52,437	\$ 117,472
2023	35,470	44,902	132,017
2022	32,716	554	141,449

B. Contingent Liabilities

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

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, 2024, 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 Commission.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage to substantially all full time employees of the State or any county, municipality, school Commission, 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, by 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.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

C. 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 reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for their 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 Commission 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 PERS 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.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

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. Empower Retirement (formerly Prudential) 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.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

C. 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, 2023 is \$14.6 billion and the plan fiduciary net position as a percentage of the total pension liability is 65.23%. The collective net pension liability of the State funded TPAF at June 30, 2023 is \$51.1 billion and the plan fiduciary net position as a percentage of total pension liability is 34.68%.

The total pension liabilities for the June 30, 2023 measurement date were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 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 2024.

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, 2024 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 more 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 2024, 2023 and 2022 were equal to the required contributions.

During the fiscal years ended June 30, 2024, 2023 and 2022 the Commission was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, was required to contribute for TPAF, respectively, for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Fiscal Year Ended June 30,</u>	<u>PERS</u>	<u>On-behalf TPAF</u>	<u>DCRP</u>
2024	\$ 310,801	\$ 4,477,319	\$ 171,703
2023	294,364	4,304,469	91,271
2022	248,101	4,323,714	146,794

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2024, 2023 and 2022 the State contributed \$1,588, \$1,395 and \$1,413, 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 commission-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 Commission \$978,231 during the fiscal year ended June 30, 2024 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 commission-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 based on a measurement date no earlier than the end of the employer's prior fiscal year. 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, 2022 through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

At June 30, 2024, the Commission reported in the statement of net position (accrual basis) a liability of \$3,368,250 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The Commission's proportionate share of the net pension liability was based on the ratio of the Commission's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2023. At June 30, 2023, the Commission's proportionate share was 0.0233 percent, which was unchanged from its proportionate share measured as of June 30, 2022 of 0.0233 percent.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2024, the Commission recognized in the Commission-wide statement of activities (accrual basis) pension benefit of \$138,839 for PERS. The pension contribution made by the Commission during the current 2023/2024 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, 2024 with a measurement date of the prior fiscal year end of June 30, 2023. 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, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, the Commission 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	\$ 32,205	\$ 13,768
Changes of Assumptions	7,399	204,130
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	15,511	
Changes in Proportion and Differences Between Commission Contributions and Proportionate Share of Contributions	<u>247,563</u>	<u>163,818</u>
Total	<u>\$ 302,678</u>	<u>\$ 381,716</u>

At June 30, 2024, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension (benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2025	\$ (177,663)
2026	(68,754)
2027	188,133
2028	(21,273)
2029	519
Thereafter	<u>-</u>
	<u>\$ (79,038)</u>

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The Commission's total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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:	2.75-6.55%
	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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) 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, 2023 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%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2023. 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 Commission's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00, as well as what the Commission'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>
Commission's Proportionate Share of the PERS Net Pension Liability	<u>\$ 4,384,745</u>	<u>\$ 3,368,250</u>	<u>\$ 2,503,078</u>

The sensitivity analysis was based on the proportionate share of the Commission's net pension liability as of the measurement date of June 30, 2023. A sensitivity analysis specific to the Commission's net pension liability at June 30, 2023 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.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2022 through June 30, 2023. 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, 2023, the State's pension contribution was more than the actuarial determined amount.

In accordance with GASB No. 68, the Commission 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 Commission. Accordingly, the Commission'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 Commission for TPAF. Therefore, in addition, the Commission 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, 2024, the Commission recognized in the Commission-wide statement of activities (accrual basis) pension expense of \$1,302,028 for TPAF. This amount has been included in the Commission-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State's proportionate share of the net pension liability attributable to the Commission is \$52,998,872. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the Commission adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2023. At June 30, 2023, the State's share of the net pension liability attributable to the Commission was 0.10385 percent, which was an increase of 0.00028 percent from its proportionate share measured as of June 30, 2022 of 0.10357 percent.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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:	2.75-4.25%
	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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) 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, 2023 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%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2023. 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.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the Commission 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 Commission 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 Commission	<u>\$ 62,495,287</u>	<u>\$ 52,998,872</u>	<u>\$ 45,000,633</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the Commission as of the measurement date of June 30, 2023. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the Commission at June 30, 2023 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.

D. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school Commissions and commissions.

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, 2023. 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.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Plan Description and Benefits Provided

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a Commission 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, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a Commission or county college with 25 years of service or on a disability retirement. 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, 2022:

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>152,383</u>
Total	<u>369,595</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.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2023 is \$52.4 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2023 were determined based on actuarial valuations as of June 30, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the June 30, 2022 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 \$1.44 billion to the OPEB plan in fiscal year 2023.

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 Commission for the fiscal years ended June 30, 2024, 2023 and 2022 were \$1,218,562, \$1,130,774 and \$1,010,194, 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 Commission 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 based on a measurement date no earlier than the end of the employer's prior fiscal year. 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, 2022 through June 30, 2023. Nonemployer allocation percentages have been rounded for presentation purposes.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

In accordance with GASB No. 75, the Commission 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 Commission. Accordingly, the Commission'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 Commission. Therefore, in addition, the Commission does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2024, the Commission recognized in the Commission-wide statement of activities (accrual basis) OPEB expense of \$2,163,590. This amount has been included in the Commission-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State's proportionate share of the OPEB liability attributable to the Commission is \$38,276,874. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the Commission at June 30, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the state's share of the OPEB liability attributable to the Commission was 0.07 percent, which was unchanged from its proportionate share measured as of June 30, 2022 of 0.07 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55%	2.75% to 4.25%
	Based on Years	Based on Years
	of Service	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, 2022 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is, increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% 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, 2023 was 3.65%. 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 Commission for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2022 Measurement Date	\$ 37,506,292
Changes Recognized for the Fiscal Year:	
Service Cost	2,016,004
Interest on the Total OPEB Liability	1,348,065
Differences Between Expected and Actual Experience	(1,654,345)
Changes of Assumptions	77,150
Gross Benefit Payments	(1,050,838)
Contributions from the Member	34,546
Net Changes	\$ 770,582
Balance, June 30, 2023 Measurement Date	\$ 38,276,874

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the Commission at June 30, 2023.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the Commission calculated using the discount rate of 3.65%, as well as what the State's proportionate share of the OPEB liability attributable to the Commission that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease <u>(2.65%)</u>	Current Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the Commission	<u>\$ 44,873,064</u>	<u>\$ 38,276,874</u>	<u>\$ 32,980,900</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the Commission 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 <u></u>	Healthcare Cost Trend Rates <u></u>	1% Increase <u></u>
State's Proportionate Share of the OPEB Liability Attributable to the Commission	<u>\$ 31,775,707</u>	<u>\$ 38,276,874</u>	<u>\$ 46,783,668</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the Commission at June 30, 2023. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the Commission at June 30, 2023 were not provided by the pension system.

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS (Continued)

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, 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. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$306,993 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**SOUTH BERGEN JOINTURE COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

EXHIBIT C-1

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES					
Local Sources					
Tuition from Other LEA's - Within the State	\$ 21,919,325		\$ 21,919,325	\$ 21,791,779	\$ (127,546)
Transportation Fees from Other LEA's	32,532,300	\$ 8,530,184	41,062,484	41,124,103	61,619
Interest	-	-	-	378,160	378,160
Miscellaneous	8,825,250	1,235,000	10,060,250	9,862,543	(197,707)
Total Local Sources	63,276,875	9,765,184	73,042,059	73,156,585	114,526
State Sources					
On Behalf TPAF Pension Contribution (Non Budgeted) - Normal Costs				4,426,833	4,426,833
On Behalf TPAF Pension Contribution (Non Budgeted) - NCGI Premium				50,486	50,486
On Behalf TPAF Pension Contribution (Non Budgeted) - Post Retirement Medical				1,218,562	1,218,562
On Behalf TPAF Pension Contribution (Non Budgeted) - Long-Term Disab. Insurance				1,588	1,588
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	978,231	978,231
Total State Sources	-	-	-	6,675,700	6,675,700
Total Revenues	63,276,875	9,765,184	73,042,059	79,832,285	6,790,226
EXPENDITURES					
CURRENT EXPENDITURES					
Special Education					
Emotional Regulation Impairment					
Salaries of Teachers	1,225,568	(151,148)	1,074,420	982,559	91,861
Other Salaries for Instruction	1,178,122	45,278	1,223,400	1,219,580	3,820
Other Purchased Services	39,500	122,045	161,545	161,545	-
General Supplies	12,700	3,274	15,974	12,018	3,956
Textbooks	22,200	(19,100)	3,100	1,226	1,874
Total Behavioral Disabilities	2,478,090	349	2,478,439	2,376,928	101,511
Multiple Disabilities					
Salaries of Teachers	585,990	94,832	680,822	676,743	4,079
Other Salaries for Instruction	712,929	6,666	719,595	686,672	32,923
Other Purchased Services	39,500	77,323	116,823	116,822	1
General Supplies	9,500	198	9,698	6,113	3,585
Textbooks	25,450	(5,465)	19,985	8,444	11,541
Total Multiple Disabilities	1,373,369	173,554	1,546,923	1,494,794	52,129
Autistic Program					
Salaries of Teachers	2,221,173	377,538	2,598,711	2,579,014	19,697
Other Salaries for Instruction	2,615,021	330,690	2,945,711	2,902,615	43,096
Other Purchased Services	39,500	11,425	50,925	50,925	-
General Supplies	30,800	9,098	39,898	34,337	5,561
Textbooks	43,000	(5,000)	38,000	27,495	10,505
Total Autistic Program	4,949,494	723,751	5,673,245	5,594,386	78,859

SOUTH BERGEN JOINTURE COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

EXHIBIT C-1

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Preschool Disabilities - Part-Time					
Salaries of Teachers	\$ 685,067	\$ (100,113)	\$ 584,954	\$ 554,159	\$ 30,795
Other Salaries for Instruction	380,143	35,866	416,009	413,974	2,035
Other Purchased Services	32,000	86,687	118,687	118,457	230
General Supplies	21,000	4,567	25,567	22,418	3,149
Total Preschool Disabilities - Part-Time	1,118,210	27,007	1,145,217	1,109,008	36,209
Home Instruction					
Salaries of Teachers	92,000	30,136	122,136	122,135	1
Other Salaries for Instruction	46,500	-	46,500	19,782	26,718
Total Home Instruction	138,500	30,136	168,636	141,917	26,719
Total Special Education	10,057,663	954,797	11,012,460	10,717,033	295,427
Undistributed Expenditures					
Health Services					
Salaries	396,063	22,972	419,035	359,158	59,877
Purchased Professional and Technical Services	39,650	2,370	42,020	42,020	-
Supplies and Materials	14,000	(1,233)	12,767	9,465	3,302
Total Health Services	449,713	24,109	473,822	410,643	63,179
Speech, OT/PT, and Related Services					
Salaries	7,924,852	225,472	8,150,324	8,123,818	26,506
Purchased Professional and Technical Services	490,382	(185,420)	304,962	304,355	607
Supplies and Materials	31,500	29,679	61,179	43,755	17,424
Total Speech, OT/PT, and Related Services	8,452,884	63,581	8,516,465	8,471,928	44,537
Child Study Teams					
Salaries of Other Professional Staff	222,129	953	223,082	188,414	34,668
Supplies and Materials	2,000	-	2,000	-	2,000
Total Child Study Teams	224,129	953	225,082	188,414	36,668
Improvement of Instructional Services					
Purchase Professional - Educational Services	82,000	68,089	150,089	150,088	1
Other Objects	14,000	2,344	16,344	16,344	-
Total Improvement of Instructional Services	96,000	70,433	166,433	166,432	1

**SOUTH BERGEN JOINTURE COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

EXHIBIT C-1

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Support Services General Administration					
Salaries	\$ 842,738	\$ 137,119	\$ 979,857	\$ 979,856	\$ 1
Legal Service	35,000	(20,000)	15,000	14,613	387
Audit Fees	28,500	(28,500)			-
Communications/Telephone	89,000	(14,755)	74,245	73,073	1,172
BOE Other Purchased Services	-	35,370	35,370	35,353	17
Misc. Purchased Services	9,000	(9,000)			-
General Supplies	77,000	42,566	119,566	117,651	1,915
Miscellaneous Expenditures	98,500	10,046	108,546	105,526	3,020
Total Support Services General Administration	1,179,738	152,846	1,332,584	1,326,072	6,512
Support Services School Administration					
Salaries of Principals/Asst. Principals	801,161	(32,323)	768,838	760,169	8,669
Salaries of Secretarial and Clerical Assistants	120,909	4,675	125,584	125,583	1
Supplies and Materials	654,459	(4,597)	649,862	643,721	6,141
Other Objects	57,250	17,559	74,809	74,563	246
Total Support Services School Administration	1,633,779	(14,686)	1,619,093	1,604,036	15,057
Central Services					
Salaries	434,169	3,688	437,857	437,857	-
Purchased Professional Services	34,250	21,199	55,449	55,448	1
Misc Purchased Services	6,000	575	6,575	4,005	2,570
Supplies and Materials	1,800	-	1,800	-	1,800
Miscellaneous Expenditures	8,600	5,205	13,805	13,804	1
Total Central Services	484,819	30,667	515,486	511,114	4,372
Administration Information Technology					
Other Purchased Services	1,550	159	1,709	1,708	1
Total Administration Information Technology	1,550	159	1,709	1,708	1
Custodial Services					
Cleaning, Repair and Maintenance Services	464,450	258,565	723,015	723,015	-
Rental of Land and Buildings	1,990,577	(186,832)	1,803,745	1,800,245	3,500
Insurance	39,500	7,288	46,788	46,788	-
General Supplies	-	6,418	6,418	4,772	1,646
Energy (Electricity)	-	3,710	3,710	3,710	-
Energy (Natural Gas)	-	12,836	12,836	12,836	-
Total Custodial Services	2,494,527	101,985	2,596,512	2,591,366	5,146
Student Transportation Services					
Salaries for Pupil Transp. Btw. Home and Sch. - Sp Ed	337,027	(25,000)	312,027	309,290	2,737
Other Purchased Professional and Technical Services	14,500	(14,500)	-	-	-
Contracted Services - Transportation (Other than Between Home and School) - Vendors	93,000	(8,716)	84,284	83,269	1,015
Contracted Services (Special Education Students) - Vendors	31,585,000	8,312,693	39,897,693	39,897,692	1
Total Student Transportation Services	32,029,527	8,264,477	40,294,004	40,290,251	3,753

SOUTH BERGEN JOINTURE COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

EXHIBIT C-1

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES					
Social Security Contributions	\$ 506,850	\$ 70,217	\$ 577,067	\$ 577,067	\$ -
Other Retirement Contribution	397,000	85,805	482,805	482,804	1
Unemployment Compensation	52,000	(50,000)	2,000	-	2,000
Worker's Compensation	158,980	13,710	172,690	172,689	1
Health Benefits	4,921,066	44,331	4,965,397	4,965,396	1
Tuition Reimbursement	43,000	-	43,000	41,930	1,070
Other Employee Benefits	5,250	-	5,250	4,579	671
Total Unallocated Benefits - Employee Benefits	6,084,146	164,063	6,248,209	6,244,465	3,744
On Behalf Payments (Non-Budgeted)					
On Behalf TPAF Pension Contribution					
(Non Budgeted) - Normal Costs				4,426,833	(4,426,833)
On Behalf TPAF Pension Contribution					
(Non Budgeted) - NCGI Premium				50,486	(50,486)
On Behalf TPAF Pension Contribution					
(Non Budgeted) - Post Retirement Medical				1,218,562	(1,218,562)
On Behalf TPAF Pension Contribution					
(Non Budgeted) - Long-Term Disab. Insurance				1,588	(1,588)
Reimbursed TPAF Social Security Contribution					
(Non Budgeted)	-	-	-	978,231	(978,231)
Total Undistributed Expenditures	53,130,812	8,858,587	61,989,399	68,482,129	(6,492,730)
Total - Current Expenditures	63,188,475	9,813,384	73,001,859	79,199,162	(6,197,303)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures					
General Administration	15,200	(10,000)	5,200	4,487	713
Total Equipment	15,200	(10,000)	5,200	4,487	713
Facilities Acquisitions and Construction Services					
Undistributed Expenditures					
Construction Services	21,200	775,945	797,145	797,145	-
Total Facilities Acquisition and Construction Services	21,200	775,945	797,145	797,145	-
Total Capital Outlay	36,400	765,945	802,345	801,632	713
Total Expenditures - General Fund	63,224,875	10,579,329	73,804,204	80,000,794	(6,196,590)
Excess of Revenues Over Expenditures	52,000	(814,145)	(762,145)	(168,509)	593,636
Other Financing Uses					
Operating Transfers Out - Food Service	(52,000)	17,000	(35,000)	(35,000)	-
Total Other Financing Uses	(52,000)	17,000	(35,000)	(35,000)	-
Excess/(Deficit) of Revenues Over Expenditures and Other Financing Uses	-	(797,145)	(797,145)	(203,509)	593,636
Fund Balances, Beginning of Year	15,377,056	-	15,377,056	15,377,056	-
Fund Balances, End of Year	\$ 15,377,056	\$ (797,145)	\$ 14,579,911	\$ 15,173,547	\$ 593,636
Recapitulation of Fund Balance					
Restricted:					
Unemployment Compensation				\$ 117,472	
Committed Fund Balance					
Designated for Building Fund				1,523,154	
Designated for CBI Program				3,000,000	
Unassigned Fund Balance				10,532,921	
Fund Balance per Governmental Funds (GAAP)				\$ 15,173,547	

SOUTH BERGEN JOINTURE COMMISSION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES					
Local Sources	\$ -	\$ 15,316	\$ 15,316	\$ 16,036	\$ 720
Total Revenues	-	15,316	15,316	16,036	720
EXPENDITURES					
Instruction					
General Supplies	-	15,316	15,316	15,316	-
Student Activities (Non-Budget)	-	-	-	2,226	(2,226)
Total Instruction	-	15,316	15,316	17,542	(2,226)
Total Expenditures	-	15,316	15,316	17,542	(2,226)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(1,506)	(1,506)
Fund Balances, Beginning of Year	\$ 2,050	-	2,050	2,050	-
Fund Balances, End of Year	\$ 2,050	\$ -	\$ 2,050	\$ 544	\$ (1,506)
			Restricted: Student Activities	\$ 544	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**SOUTH BERGEN JOINTURE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibit C-1)	\$ 79,832,285	\$ 16,036
 Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	 \$ 79,832,285	 \$ 16,036
 Uses/Outflows of Resources		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	\$ 80,000,794	\$ 17,542
 Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 \$ 80,000,794	 \$ 17,542

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**SOUTH BERGEN JOINTURE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0.023254%	0.023342%	0.021185%	0.022222%	0.02315%	0.00024%	0.02616%	0.02548%	0.08219%	0.03034%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,368,250	\$ 3,522,751	\$ 2,509,681	\$ 3,623,343	\$ 4,170,440	\$ 4,804,433	\$ 6,090,146	\$ 7,547,623	\$ 6,330,038	\$ 5,681,464
District's Covered Payroll	\$ 1,675,785	\$ 1,728,762	\$ 1,742,632	\$ 1,511,884	\$ 1,629,589	\$ 1,635,201	\$ 1,710,632	\$ 1,741,527	\$ 1,833,132	\$ 1,927,098
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	201.00%	203.77%	144.02%	239.66%	255.92%	293.81%	356.02%	433.39%	345.31%	294.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%

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

SOUTH BERGEN JOINTURE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 310,801	\$ 294,364	\$ 248,101	\$ 243,066	\$ 225,136	\$ 242,711	\$ 242,365	\$ 229,396	\$ 242,433	\$ 250,162
Contributions in Relation to the Contractually Required Contribution	<u>310,801</u>	<u>294,364</u>	<u>248,101</u>	<u>243,066</u>	<u>225,136</u>	<u>242,711</u>	<u>242,365</u>	<u>229,396</u>	<u>242,433</u>	<u>250,162</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 1,788,932	\$ 1,675,785	\$ 1,728,762	\$ 1,742,632	\$ 1,511,884	\$ 1,629,589	\$ 1,635,201	\$ 1,710,632	\$ 1,741,527	\$ 1,833,132
Contributions as a Percentage of Covered Payroll	17.37%	17.57%	14.35%	13.95%	14.89%	14.89%	14.82%	13.41%	13.92%	13.65%

**SOUTH BERGEN JOINTURE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0%	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>\$ 52,998,872</u>	<u>\$ 47,266,133</u>	<u>\$ 63,907,991</u>	<u>\$ 59,966,449</u>	<u>\$ 61,635,016</u>	<u>\$ 59,890,053</u>	<u>\$ 64,111,285</u>	<u>\$ 51,874,146</u>	<u>\$ 45,078,903</u>	<u>\$ 45,568,935</u>
Total	<u>\$ 52,998,872</u>	<u>\$ 47,266,133</u>	<u>\$ 63,907,991</u>	<u>\$ 59,966,449</u>	<u>\$ 61,635,016</u>	<u>\$ 59,890,053</u>	<u>\$ 64,111,285</u>	<u>\$ 51,874,146</u>	<u>\$ 45,078,903</u>	<u>\$ 45,568,935</u>
District's Covered Payroll	\$ 12,834,528	\$ 12,187,306	\$ 11,253,534	\$ 10,933,258	\$ 10,322,070	\$ 10,304,758	\$ 9,849,559	\$ 8,908,782	\$ 8,264,745	\$ 8,243,046
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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.74%	33.64%	33.76%

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

**SOUTH BERGEN JOINTURE COMMISSION
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, 2024**

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 4.

**SOUTH BERGEN JOINTURE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Seven Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service Cost	\$ 2,016,004	\$ 2,586,240	\$ 2,950,978	\$ 1,669,676	\$ 1,640,690	\$ 1,887,608	\$ 2,306,975
Interest on Total OPEB Liability	1,348,065	993,958	1,156,254	1,018,155	1,184,830	1,256,115	1,056,892
Changes of Benefit Terms	-	-	(47,442)	-	-	-	-
Differences Between Expected and Actual Experience	(1,654,345)	368,081	(6,928,462)	9,762,244	(3,972,650)	(3,202,818)	-
Changes of Assumptions	77,150	(10,061,399)	43,974	8,818,789	414,865	(3,372,137)	(4,435,792)
Gross Benefit Payments	(1,050,838)	(984,545)	(910,805)	(840,486)	(854,128)	(785,759)	(1,369,010)
Contribution from the Member	<u>34,546</u>	<u>31,585</u>	<u>29,560</u>	<u>25,475</u>	<u>25,319</u>	<u>27,157</u>	<u>50,410</u>
Net Change in Total OPEB Liability	770,582	(7,066,080)	(3,705,943)	20,453,853	(1,561,074)	(4,189,834)	(2,390,525)
Total OPEB Liability - Beginning	<u>37,506,292</u>	<u>44,572,372</u>	<u>48,278,315</u>	<u>27,824,462</u>	<u>29,385,536</u>	<u>33,575,370</u>	<u>35,965,895</u>
Total OPEB Liability - Ending	<u>\$ 38,276,874</u>	<u>\$ 37,506,292</u>	<u>\$ 44,572,372</u>	<u>\$ 48,278,315</u>	<u>\$ 27,824,462</u>	<u>\$ 29,385,536</u>	<u>\$ 33,575,370</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>38,276,874</u>	<u>37,506,292</u>	<u>44,572,372</u>	<u>48,278,315</u>	<u>27,824,462</u>	<u>29,385,536</u>	<u>33,575,370</u>
Total OPEB Liability - Ending	<u>\$ 38,276,874</u>	<u>\$ 37,506,292</u>	<u>\$ 44,572,372</u>	<u>\$ 48,278,315</u>	<u>\$ 27,824,462</u>	<u>\$ 29,385,536</u>	<u>\$ 33,575,370</u>
District's Covered Payroll	<u>\$ 14,510,313</u>	<u>\$ 13,916,068</u>	<u>\$ 12,996,166</u>	<u>\$ 12,445,142</u>	<u>\$ 11,951,659</u>	<u>\$ 11,939,959</u>	<u>\$ 11,560,191</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%

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

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**SOUTH BERGEN JOINTURE COMMISSION
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, 2024**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SPECIAL REVENUE FUND

SOUTH BERGEN JOINTURE COMMISSION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Miscellaneous <u>Local Grant</u>	Student <u>Activities</u>	<u>Total</u>
REVENUES			
Local Sources	\$ 15,316	\$ 720	\$ 16,036
Total Revenues	<u>\$ 15,316</u>	<u>\$ 720</u>	<u>\$ 16,036</u>
EXPENDITURES			
Instruction			
General Supplies	\$ 15,316		\$ 15,316
Student Activities	<u>-</u>	<u>\$ 2,226</u>	<u>2,226</u>
Total Instruction	<u>15,316</u>	<u>2,226</u>	<u>17,542</u>
Total Expenditures	<u>\$ 15,316</u>	<u>\$ 2,226</u>	<u>\$ 17,542</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		\$ (1,506)	\$ (1,506)
Fund Balances, Beginning of Year		<u>\$ 2,050</u>	<u>\$ 2,050</u>
Fund Balances, End of Year		<u>\$ 544</u>	<u>\$ 544</u>

SCHOOL LEVEL SCHEDULES

EXHIBITS D-1, D-2 AND D-3

NOT APPLICABLE

CAPITAL PROJECTS FUND

**SOUTH BERGEN JOINTURE COMMISSION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

THIS SCHEDULE IS NOT APPLICABLE

ENTERPRISE FUNDS

EXHIBIT G-1

**SOUTH BERGEN JOINTURE COMMISSION
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

THIS SCHEDULE IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

THIS SCHEDULE IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

THIS SCHEDULE IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

INTERNAL SERVICE FUND

EXHIBITS G-4, G-5 AND G-6

NOT APPLICABLE

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

EXHIBIT I-1

**SOUTH BERGEN JOINTURE COMMISSION
LONG TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT I-2

**LONG TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT I-3

**DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

THIS STATEMENT IS NOT APPLICABLE

STATISTICAL SECTION

This part of the South Bergen Jointure Commission'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 commission's overall financial health.

Contents

Exhibits

Financial Trends

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

SOUTH BERGEN JOINTURE COMMISSION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
						(Restated)	(Restated)			
Governmental Activities										
Net Investment in Capital Assets	\$ 357,975	\$ 244,068	\$ 107,185	\$ 13,670			\$ 1,089,645	\$ 2,184,882	\$ 2,688,718	\$ 3,826,510
Restricted							111,328	143,301	484,027	467,976
Unrestricted	<u>1,125,375</u>	<u>2,164,948</u>	<u>2,830,630</u>	<u>4,690,782</u>	<u>\$ 7,960,179</u>	<u>\$ 9,627,085</u>	<u>8,747,034</u>	<u>9,712,379</u>	<u>11,113,359</u>	<u>11,317,309</u>
Total Governmental Activities Net Position	<u>\$ 1,483,350</u>	<u>\$ 2,409,016</u>	<u>\$ 2,937,815</u>	<u>\$ 4,704,452</u>	<u>\$ 7,960,179</u>	<u>\$ 9,627,085</u>	<u>\$ 9,948,007</u>	<u>\$ 12,040,562</u>	<u>\$ 14,286,104</u>	<u>\$ 15,611,795</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 6,407	\$ 4,510	\$ 2,613	\$ 716					3,826,510	-
Restricted										
Unrestricted	<u>45,613</u>	<u>46,812</u>	<u>47,364</u>	<u>54,525</u>	<u>\$ 75,165</u>	<u>\$ 93,770</u>	<u>\$ 87,731</u>	<u>\$ 145,225</u>	<u>\$ 169,634</u>	<u>\$ 160,578</u>
Total Business-Type Activities Net Position	<u>\$ 52,020</u>	<u>\$ 51,322</u>	<u>\$ 49,977</u>	<u>\$ 55,241</u>	<u>\$ 75,165</u>	<u>\$ 93,770</u>	<u>\$ 87,731</u>	<u>\$ 145,225</u>	<u>\$ 3,996,144</u>	<u>\$ 160,578</u>
District-Wide										
Net Investment in Capital Assets	\$ 364,382	\$ 248,578	\$ 109,798	\$ 14,386			\$ 1,089,645	\$ 2,184,882	\$ 6,515,228	\$ 3,826,510
Restricted							111,328	143,301	484,027	467,976
Unrestricted	<u>1,170,988</u>	<u>2,211,760</u>	<u>2,877,994</u>	<u>4,745,307</u>	<u>\$ 8,035,344</u>	<u>\$ 9,720,855</u>	<u>8,834,765</u>	<u>9,857,604</u>	<u>11,282,993</u>	<u>11,477,887</u>
Total District Net Position	<u>\$ 1,535,370</u>	<u>\$ 2,460,338</u>	<u>\$ 2,987,792</u>	<u>\$ 4,759,693</u>	<u>\$ 8,035,344</u>	<u>\$ 9,720,855</u>	<u>\$ 10,035,738</u>	<u>\$ 12,185,787</u>	<u>\$ 18,282,248</u>	<u>\$ 15,772,373</u>

Note 1 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

Note 2 - Net Position at June 30, 2021 is restated to reflect the implementation of GASB Statement No. 75, "Leases".

SOUTH BERGEN JOINTURE COMMISSION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
Instruction										
Special Education	\$ 10,799,247	\$ 10,642,272	\$ 11,131,466	\$ 12,482,828	\$ 12,504,367	\$ 13,509,134	\$ 14,770,812	\$ 13,684,597	\$ 13,740,269	\$ 15,367,066
School Sponsored Co-Curricular								909	2,072	2,226
Support Services:										
Student & Instruction Related Services	8,042,814	11,097,934	12,776,326	13,206,650	12,548,526	12,341,249	13,739,521	13,449,170	13,830,456	13,710,687
School Administrative Services	2,268,258	2,345,133	1,916,551	1,885,528	2,125,279	2,343,305	2,945,480	2,317,568	2,325,214	2,072,325
General Administration	359,641	712,010	632,574	687,040	757,803	775,998	885,135	1,288,038	1,464,589	1,895,064
Central Services	545,508	676,760	544,524	663,964	573,956	615,000	585,642	557,087	630,416	679,124
Plant Operations And Maintenance	1,944,218	2,087,439	2,015,571	2,085,057	2,076,256	2,259,348	2,756,184	2,331,830	2,404,929	2,074,060
Pupil Transportation	17,922,633	20,831,751	22,299,374	19,514,611	22,363,631	20,889,083	18,295,999	29,421,480	37,234,622	40,408,928
Interest on Debt								84,801	66,822	47,887
Total Governmental Activities Expenses	<u>41,882,319</u>	<u>48,393,299</u>	<u>51,316,386</u>	<u>50,525,678</u>	<u>52,949,818</u>	<u>52,733,117</u>	<u>53,978,773</u>	<u>63,135,480</u>	<u>71,699,389</u>	<u>76,257,367</u>
Business-Type Activities:										
Food Service	211,174	214,967	218,121	219,066	245,571	168,501	216,788	272,469	280,086	264,688
Total Business-Type Activities Expense	<u>211,174</u>	<u>214,967</u>	<u>218,121</u>	<u>219,066</u>	<u>245,571</u>	<u>168,501</u>	<u>216,788</u>	<u>272,469</u>	<u>280,086</u>	<u>264,688</u>
Total District Expenses	<u>\$ 42,093,493</u>	<u>\$ 48,608,266</u>	<u>\$ 51,534,507</u>	<u>\$ 50,744,744</u>	<u>\$ 53,195,389</u>	<u>\$ 52,901,618</u>	<u>\$ 54,195,561</u>	<u>\$ 63,407,949</u>	<u>\$ 71,979,475</u>	<u>\$ 76,522,055</u>
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 22,057,777	\$ 23,754,275	\$ 23,356,191	\$ 25,070,227	\$ 27,271,092	\$ 27,276,919	\$ 27,745,224	\$ 29,571,677	\$ 30,839,133	\$ 31,654,322
School Sponsored Co-Curricular								720	2,270	720
Pupil Transportation	17,828,139	20,914,639	22,085,148	19,439,884	22,432,082	21,187,147	18,366,015	29,778,583	37,799,885	41,124,103
Operating Grants And Contributions	3,805,181	4,672,388	6,392,586	7,788,115	6,451,228	5,794,517	8,286,327	5,854,182	5,065,022	4,460,753
Total Governmental Activities Program Revenues	<u>43,691,097</u>	<u>49,341,302</u>	<u>51,833,925</u>	<u>52,298,226</u>	<u>56,154,402</u>	<u>54,258,583</u>	<u>54,397,566</u>	<u>65,205,162</u>	<u>73,706,310</u>	<u>77,239,898</u>
Business-Type Activities:										
Charges For Services										
Food Service	51,435	51,530	45,045	46,523	49,108	34,958			42,773	39,606
Operating Grants And Contributions	119,641	121,939	116,731	133,807	168,387	107,148	165,749	329,963	211,722	181,026
Total Business-Type Activities Program Revenues	<u>171,076</u>	<u>173,469</u>	<u>161,776</u>	<u>180,330</u>	<u>217,495</u>	<u>142,106</u>	<u>165,749</u>	<u>329,963</u>	<u>254,495</u>	<u>220,632</u>
Total District Program Revenues	<u>\$ 43,862,173</u>	<u>\$ 49,514,771</u>	<u>\$ 51,995,701</u>	<u>\$ 52,478,556</u>	<u>\$ 56,371,897</u>	<u>\$ 54,400,689</u>	<u>\$ 54,563,315</u>	<u>\$ 65,535,125</u>	<u>\$ 73,960,805</u>	<u>\$ 77,460,530</u>
Net (Expense)/Revenue										
Governmental Activities	\$ 1,808,778	\$ 948,003	\$ 517,539	\$ 1,772,548	\$ 3,204,584	\$ 1,525,466	\$ 418,793	\$ 2,069,682	\$ 2,006,921	\$ 982,531
Business-Type Activities	(40,098)	(41,498)	(56,345)	(38,736)	(28,076)	(26,395)	(51,039)	57,494	(25,591)	(44,056)
Total District-Wide Net Expense	<u>\$ 1,768,680</u>	<u>\$ 906,505</u>	<u>\$ 461,194</u>	<u>\$ 1,733,812</u>	<u>\$ 3,176,508</u>	<u>\$ 1,499,071</u>	<u>\$ 367,754</u>	<u>\$ 2,127,176</u>	<u>\$ 1,981,330</u>	<u>\$ 938,475</u>
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Investment Earnings	\$ 14,266	\$ 18,463	\$ 66,260	\$ 38,089	\$ 99,143	\$ 105,677	\$ 21,660	\$ 22,873	\$ 288,621	\$ 378,160
Transfers	(40,000)	(40,800)	(55,000)	(44,000)	(48,000)	(45,000)	(45,000)	-	(50,000)	(35,000)
Total Governmental Activities	<u>(25,734)</u>	<u>(22,337)</u>	<u>11,260</u>	<u>(5,911)</u>	<u>51,143</u>	<u>60,677</u>	<u>(23,340)</u>	<u>22,873</u>	<u>238,621</u>	<u>343,160</u>
Business-Type Activities:										
Investment Earnings	32	-	-	-	-	-	-	-	378,160	-
Transfers	40,000	40,800	55,000	44,000	48,000	45,000	45,000	-	50,000	35,000
Total Business-Type Activities	<u>40,032</u>	<u>40,800</u>	<u>55,000</u>	<u>44,000</u>	<u>48,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>	<u>428,160</u>	<u>35,000</u>
Total District-Wide	<u>\$ 14,298</u>	<u>\$ 18,463</u>	<u>\$ 66,260</u>	<u>\$ 38,089</u>	<u>\$ 99,143</u>	<u>\$ 105,677</u>	<u>\$ 21,660</u>	<u>\$ 22,873</u>	<u>\$ 666,781</u>	<u>\$ 378,160</u>
Change In Net Position										
Governmental Activities	\$ 1,783,044	\$ 925,666	\$ 528,799	\$ 1,766,637	\$ 3,255,727	\$ 1,586,143	\$ 395,453	\$ 2,092,555	\$ 2,245,542	\$ 1,325,691
Business-Type Activities	(66)	(698)	(1,345)	5,264	19,924	18,605	(6,039)	57,494	402,569	(9,056)
Total District	<u>\$ 1,782,978</u>	<u>\$ 924,968</u>	<u>\$ 527,454</u>	<u>\$ 1,771,901</u>	<u>\$ 3,275,651</u>	<u>\$ 1,604,748</u>	<u>\$ 389,414</u>	<u>\$ 2,150,049</u>	<u>\$ 2,648,111</u>	<u>\$ 1,316,635</u>

SOUTH BERGEN JOINTURE COMMISSION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
						(Restated)				
General Fund										
Committed	\$ 997,340	\$ 997,340	\$ 997,340	\$ 997,340	\$ 997,340	\$ 6,997,340	\$ 6,997,340	\$ 7,139,840	\$ 5,320,299	\$ 4,529,942
Restricted						80,763	111,328	143,301	132,017	117,472
Assigned			639			1,067,683				
Unassigned	6,793,216	7,796,279	8,664,726	10,466,192	13,399,607	7,553,875	7,888,403	8,994,396	9,924,740	10,526,133
Total General Fund	<u>\$ 7,790,556</u>	<u>\$ 8,793,619</u>	<u>\$ 9,662,705</u>	<u>\$ 11,463,532</u>	<u>\$ 14,396,947</u>	<u>\$ 15,699,661</u>	<u>\$ 14,997,071</u>	<u>\$ 16,277,537</u>	<u>\$ 15,377,056</u>	<u>\$ 15,173,547</u>
All Other Governmental Funds										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,201	\$ 2,041	\$ 1,852	\$ 2,050	\$ 544
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,201</u>	<u>\$ 2,041</u>	<u>\$ 1,852</u>	<u>\$ 2,050</u>	<u>\$ 544</u>

Note 1 - Fund Balances at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

SOUTH BERGEN JOINTURE COMMISSION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tuition	\$ 17,451,550	\$ 18,571,406	\$ 18,032,878	\$ 19,787,062	\$ 21,688,926	\$ 22,198,087	\$ 20,273,218	\$ 21,143,392	\$ 21,359,881	\$ 21,791,779
Transportation Fees	17,828,139	20,914,639	22,085,148	19,439,884	22,432,082	21,187,147	18,366,015	29,778,583	37,799,885	41,124,103
Miscellaneous	4,622,493	5,202,964	5,390,050	5,321,804	5,685,044	5,185,828	7,495,665	8,453,260	9,772,143	10,256,739
State Sources	1,821,234	2,155,874	2,574,162	3,145,025	3,633,168	3,778,915	4,662,890	6,218,178	6,363,761	6,675,700
Federal Sources	-	-	-	-	-	-	119,669	-	204,662	-
Total Revenue	<u>41,723,416</u>	<u>46,844,883</u>	<u>48,082,238</u>	<u>47,693,775</u>	<u>53,439,220</u>	<u>52,349,977</u>	<u>50,917,457</u>	<u>65,593,413</u>	<u>75,500,332</u>	<u>79,848,321</u>
Expenditures										
Instruction										
Regular Instruction										
Special Education Instruction	9,188,952	9,853,837	9,808,001	10,785,774	11,711,770	13,122,447	13,622,368	14,012,371	14,563,948	16,259,786
School Sponsored Co-Curricular								909	2,072	2,226
Support Services:										
Student and Inst. Related Services	7,956,177	9,592,467	10,416,786	10,727,214	11,097,461	11,258,826	12,167,470	14,153,569	14,929,181	15,094,308
School Administrative Services	1,973,036	2,079,095	1,567,729	1,562,908	1,943,043	2,201,454	3,359,778	2,382,574	2,182,453	2,169,361
General Administration	443,935	634,403	532,371	579,507	690,399	722,030	814,951	1,342,664	1,560,198	1,987,893
Plant Operations And Maintenance	1,942,212	2,085,433	2,013,486	2,083,736	2,076,256	2,259,348	2,756,184	1,819,551	1,892,650	1,946,658
Pupil Transportation	17,922,633	20,840,058	22,278,060	19,481,723	22,364,249	20,902,834	18,283,499	29,420,726	37,251,172	40,418,037
Central Services	469,632	687,600	530,943	628,086	574,627	616,087	570,797	556,262	651,980	692,019
Capital Outlay	196,468	28,127	10,776						2,679,701	801,632
Debt Service Principal								539,520	568,586	598,529
Debt Service Interest								84,801	66,822	47,887
Total Expenditures	<u>40,093,045</u>	<u>45,801,020</u>	<u>47,158,152</u>	<u>45,848,948</u>	<u>50,457,805</u>	<u>51,083,026</u>	<u>51,575,047</u>	<u>64,312,947</u>	<u>76,348,763</u>	<u>80,018,336</u>
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	1,630,371	1,043,863	924,086	1,844,827	2,981,415	1,266,951	(657,590)	1,280,466	(848,431)	(170,015)
Other Financing Sources (Uses)										
Transfers Out	(40,000)	(40,800)	(55,000)	(44,000)	(48,000)	(45,000)	(45,000)	-	(50,000)	(35,000)
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>(40,800)</u>	<u>(55,000)</u>	<u>(44,000)</u>	<u>(48,000)</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>	<u>(50,000)</u>	<u>(35,000)</u>
Net Change in Fund Balances	<u>\$ 1,590,371</u>	<u>\$ 1,003,063</u>	<u>\$ 869,086</u>	<u>\$ 1,800,827</u>	<u>\$ 2,933,415</u>	<u>\$ 1,221,951</u>	<u>\$ (702,590)</u>	<u>\$ 1,280,466</u>	<u>\$ (898,431)</u>	<u>\$ (205,015)</u>

**SOUTH BERGEN JOINTURE COMMISSION
GENERAL FUND REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)**

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Transportation Fees</u>	<u>Other Local Revenue</u>	<u>State Revenue</u>	<u>Federal Revenue</u>	<u>Total</u>
2024	\$ 21,791,779	\$ 41,124,103	\$ 10,240,703	\$ 6,675,700		\$ 79,832,285
2023	21,359,881	37,799,885	9,767,873	6,363,761		75,291,400
2022	21,143,392	29,778,583	8,451,158	6,218,178		65,591,311
2021	20,273,218	18,366,015	7,493,666	4,662,890		50,795,789
2020	22,198,087	21,187,147	5,184,509	3,778,915		52,348,658
2019	21,688,926	22,432,082	5,681,309	3,633,168		53,435,485
2018	19,787,062	19,439,884	5,321,254	3,145,025		47,693,225
2017	18,032,878	22,085,148	5,389,573	2,574,162		48,081,761
2016	18,571,406	20,914,639	5,201,332	2,155,874		46,843,251
2015	17,451,550	17,828,139	4,620,493	1,821,234		41,721,416

**SOUTH BERGEN JOINTURE COMMISSION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)**

NOT APPLICABLE

**SOUTH BERGEN JOINTURE COMMISSION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
*(rate per \$100 of assessed value)***

NOT APPLICABLE

**SOUTH BERGEN JOINTURE COMMISSION
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

NOT APPLICABLE

**SOUTH BERGEN JOINTURE COMMISSION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

NOT APPLICABLE

**SOUTH BERGEN JOINTURE COMMISSION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)**

NOT APPLICABLE

**SOUTH BERGEN JOINTURE COMMISSION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)**

NOT APPLICABLE

**SOUTH BERGEN JOINTURE COMMISSION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2024
(Unaudited)**

NOT APPLICABLE

**SOUTH BERGEN JOINTURE COMMISSION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

NOT APPLICABLE

**SOUTH BERGEN JOINTURE COMMISSION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

NOT APPLICABLE

**SOUTH BERGEN JOINTURE COMMISSION
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

NOT APPLICABLE

**SOUTH BERGEN JOINTURE COMMISSION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)**

NOT APPLICABLE

**SOUTH BERGEN JOINTURE COMMISSION
ATTENDANCE DATA
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year Ended June 30</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>% Change in Average Daily Enrollment</u>	<u>ADA Rate</u>
2024	330.7	296.9	5.4%	89.8%
2023	317.5	281.6	0.0%	88.7%
2022	317.5	281.6	-4.3%	88.7%
2021	322.5	294.3	-16.2%	91.2%
2020	374.6	350.9	8.2%	93.7%
2019	354.5	324.5	8.4%	91.5%
2018	324.7	299.2	5.7%	92.2%
2017	308.2	283.2	-10.9%	91.9%
2016	343.8	317.9	2.4%	92.5%
2015	339.5	310.4	6.6%	91.4%

**SOUTH BERGEN JOINTURE COMMISSION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

NOT APPLICABLE

**SOUTH BERGEN JOINTURE COMMISSION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)**

NOT APPLICABLE

SOUTH BERGEN JOINTURE COMMISSION
SCHEDULE OF INSURANCE
JUNE 30, 2024
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - (Pooled Coverage) Property Blanket Real and Personal Property	\$500,000,000	\$1,000
Comprehensive General Liability	6,000,000	1,000
Comprehensive Automobile	6,000,000	
Liability		
Comprehensive Crime Coverage	25,000	500
Excess Property		
Hardware/Software	250,000	1,000
Paper & Records	10,000,000	1,000
School Board Legal Liability	3,000,000	5,000
Public Employees' Faithful Performance Blanket		
Position Bond - Western Surety		
Treasurer	250,000	1,000
Business Administrator	150,000	1,000
Property Damage	100,000,000	1,000

Source School District's records

SINGLE AUDIT SECTION



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
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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, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Commission
South Bergen Jointure Commission
Teterboro, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the South Bergen Jointure Commission as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the South Bergen Jointure Commission's basic financial statements and have issued our report thereon dated January 15, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the South Bergen Jointure Commission'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 South Bergen Jointure Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the South Bergen Jointure Commission'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 were not identified.


Report on Compliance and Other Matters

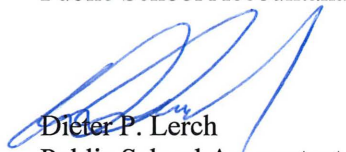
As part of obtaining reasonable assurance about whether the South Bergen Jointure Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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 South Bergen Jointure Commission in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 15, 2025.

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 South Bergen Jointure Commission'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 South Bergen Jointure Commission'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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 15, 2025



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
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JOHN CUIFFO, CPA, PSA

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE 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 Commission
South Bergen Jointure Commission
Teterboro, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the South Bergen Jointure Commission's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the South Bergen Jointure Commission's major state programs for the fiscal year ended June 30, 2024. The South Bergen Jointure Commission's major 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 South Bergen Jointure Commission 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 state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major 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; 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 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 South Bergen Jointure Commission 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 state program. Our audit does not provide a legal determination of the South Bergen Jointure Commission'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 South Bergen Jointure Commission's 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 South Bergen Jointure Commission'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 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 South Bergen Jointure Commission's compliance with the requirements of each major 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 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 South Bergen Jointure Commission'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 South Bergen Jointure Commission'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 New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the South Bergen Jointure Commission'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 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 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 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.

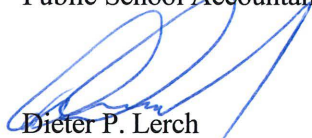
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on 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 South Bergen Jointure Commission, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements. We have issued our report thereon dated January 15, 2025, 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 state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and is 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, schedule of expenditures of state financial assistance is 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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 15, 2025

**SOUTH BERGEN JOINTURE COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

					Balance, June 30, 2024						
Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2023	Cash Received	Budgetary Expenditures	Adjustments	(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Education											
Passed-through State Department of Education											
Enterprise Fund											
Food Distribution Program - Non-Cash Assistance	10.555	241NJ304N1099	7/1/23-6/30/24	\$ 821		\$ 821				\$ 821	
Food Distribution Program - Non-Cash Assistance	10.555	231NJ304N1099	7/1/22-6/30/23	16,105	\$ 620			\$ 620			
National School Lunch Program	10.555	241NJ304N1099	7/1/23-6/30/24	98,152		89,985	98,152		\$ (8,167)		
National School Lunch Program	10.555	231NJ304N1099	7/1/22-6/30/23	89,730	(7,894)	7,894					
National School Lunch PB	10.555	241NJ304N1099	7/1/23-6/30/24	2,516		2,310	2,516		(206)		
National School Lunch PB	10.555	231NJ304N1099	7/1/22-6/30/23	2,427	(202)	202					
School Breakfast Program	10.553	241NJ304N1099	7/1/23-6/30/24	62,166		56,984	62,166		(5,182)		
School Breakfast Program	10.553	231NJ304N1099	7/1/22-6/30/23	50,952	(4,725)	4,725					
COVID Supply Chain Assistance			7/1/23-6/30/24	12,317		12,317	12,317	-	-	-	-
COVID Pandemic EBT			7/1/23-6/30/24	653	-	653	653	-	-	-	-
Total Enterprise Fund					(12,201)	175,891	175,804	620	(13,555)	821	-
Total Federal Financial Awards					\$ (12,201)	\$ 175,891	\$ 175,804	\$ 620	\$ (13,555)	\$ 821	\$ -

This schedule was not subject to single audit in accordance with U.S. Uniform Guidance

SOUTH BERGEN JOINTURE COMMISSION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2023			Cash Received	Budgetary Expenditures	Adjustments	Balance, June 30, 2024			Memo		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education															
General Fund															
On-Behalf TPAF Pension System Contributions (Normal Cost)	24-495-034-5094-006	7/1/23-6/30/24	\$ 4,426,833				\$ 4,426,833	\$ 4,426,833						\$ 4,426,833	
On-Behalf TPAF Pension System Contributions (NCGI Premium)	24-495-034-5094-007	7/1/23-6/30/24	50,486				50,486	50,486						50,486	
On-Behalf TPAF Pension Systems Contributions (Post Retirement Medical)	24-495-034-5095-001	7/1/23-6/30/24	1,218,562				1,218,562	1,218,562						1,218,562	
On-Behalf TPAF Pension Systems Contributions (Long Term Disability Insurance)	24-495-034-5095-004	7/1/23-6/30/24	1,588				1,588	1,588						1,588	
Reimbursed TPAF Social Security	24-495-034-5094-003	7/1/23-6/30/24	978,231				929,880	978,231		\$ (48,351)				978,231	
Reimbursed TPAF Social Security	23-495-034-5094-003	7/1/22-6/30/23	927,123	(90,842)	-	-	90,842	-	-	-	-	-	\$ -	-	
Total General Fund				(90,842)	-	-	6,718,191	6,675,700	-	(48,351)	-	-	-	6,675,700	
Enterprise Fund															
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	3,881				3,549	3,882		(333)					
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	3,517	(312)			312						-	-	
State School Breakfast Program	24-100-010-3350-023	7/1/23-6/30/24	1,340				1,215	1,340		(125)					
State School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	1,114	(110)	-	-	110	-	-	-	-	-	-	-	
Total Enterprise Fund				(422)	-	-	5,186	5,222	-	(458)	-	-	-	-	
Total				(91,264)	-	-	6,723,377	6,680,922	-	(48,809)	-	-	-	6,675,700	
State Financial Assistance Not Subject to Single Audit Determination															
On-Behalf TPAF Pension System Contributions (Normal Cost)	24-495-034-5094-006	7/1/23-6/30/24	\$ 4,426,833				(4,426,833)	(4,426,833)						\$ (4,426,833)	
On-Behalf TPAF Pension System Contributions (NCGI Premium)	24-495-034-5094-007	7/1/23-6/30/24	50,486				(50,486)	(50,486)						(50,486)	
On-Behalf TPAF Pension Systems Contributions (Post Retirement Medical)	24-495-034-5095-001	7/1/23-6/30/24	1,218,562				(1,218,562)	(1,218,562)						(1,218,562)	
On-Behalf TPAF Pension Systems Contributions (Long Term Disability Insurance)	24-495-034-5095-004	7/1/23-6/30/24	1,588	-	-	-	(1,588)	(1,588)	-	-	-	-	-	(1,588)	
State Financial Assistance Subject to Major Program Determination				\$ (91,264)	\$ -	\$ -	\$ 1,025,908	\$ 983,453	\$ -	\$ (48,809)	\$ -	\$ -	\$ -	\$ 978,231	

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 REPORTING ENTITY

The South Bergen Jointure Commission (the “Board” or the “Commission”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board’s financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 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.

There was no adjustment required to reconcile from the budgetary basis to the GAAP basis. 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 Commission’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 6,675,700	\$ 6,675,700
Food Service Fund	\$ 175,804	5,222	181,026
Total Awards Financial Assistance	<u>\$ 175,804</u>	<u>\$ 6,680,922</u>	<u>\$ 6,856,726</u>

**SOUTH BERGEN JOINTURE COMMISSION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5 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 Commission's fiscal year and grant program years.

NOTE 6 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 \$978,231 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, 2024. The amount reported as TPAF Pension System Contributions in the amount of \$4,477,319, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,218,562 and TPAF Long-Term Disability Insurance in the amount of \$1,588 represents the amount paid by the State on behalf of the Commission for the fiscal year ended June 30, 2024.

NOTE 7 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 Commission's financial statements and the amount subject to State single audit and major program determination.

**SOUTH BERGEN JOINTURE COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to the basic financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards Section - NOT APPLICABLE

**SOUTH BERGEN JOINTURE COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part I – Summary of Auditor's Results

State Awards Section

Internal Control over compliance:

- 1) Material weakness(es) identified? _____ yes X no
- 2) Were significant deficiency(ies) identified that were 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, as amended? _____ yes X none

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
<u>24-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

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

**SOUTH BERGEN JOINTURE COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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.

**SOUTH BERGEN JOINTURE COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Not Applicable.

CURRENT YEAR STATE AWARDS

There are none.